

SHAVYL®

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**HALF YEARLY
REVIEWED
REPORT
AND ACCOUNT
DECEMBER 31, 2012
(UNAUDITED)**

PAKISTAN PVC LIMITED

Registered Office
Shaffiabad, Gharo Dist. Thatta.

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PAKISTAN PVC LIMITED DIRECTOR'S REPORT TO THE SHAREHOLDERS

On behalf of my colleagues on the Board, I present the un-audited reviewed accounts for the half year ended December 31, 2012 along with the auditors' review report.

During the period under review Gharo Plant remains closed and there was no production. The lower production of PVC Pipes & Fittings at Islamabad is due to shortage of funds and prevailing economic conditions in the country.

Sales during the year under review was increased to Rs. 1.188 million as compared to Rs. 1.425 million of the same period last year and net loss during the year was Rs. 10.445 million as compared to a net loss of Rs. 11.536 million during the previous year.

1. AUDITORS' RESERVATION OF GOING CONCERN

The auditors have qualified their opinion, since your company has prepared the accounts on the going concern basis. The reason given in their qualification is the continued losses sustained by your company, no improvement/result of the efforts made by the management for obtaining additional capital. The case for the revival of your company remains under active consideration with the Committee for Revival of Sick Industrial Units set up by the Finance Division, Government of Pakistan.

2. AUDITORS' RESERVATION ABOUT DIRECT CONFIRMATION

As regards confirmations from the lenders of long term loans the company had dispatched the balance confirmation letters several times to lenders of long term loans.

3. AUDITORS' RESERVATION ABOUT LONG OUTSTANDING BALANCES

As regards balances of very long outstanding balances of Trade and Other Payables in respect of Accrued liability we have to state that these balances are appearing in the company's accounts since last many years and as regards confirmations from the Trade and Other Payables in respect of Accrued liability the company had dispatched the balance confirmation letters to the Trade and Other Payables in respect of Accrued liability and we understand that an over all majority of these have been responded too.

4. AUDITORS' RESERVATION ABOUT EMPLOYEES PROVIDENT FUND

As regards non payment of employees provident fund. The Company has started paying the employees provident fund. As soon as the company's financial position improves the company will clear its liability of the fund. The company is accruing interest for non payment.

As reported earlier that due to non availability of financial limits from the banks, discontinuation of electricity by KESC for Gharo plant, management of your company could not start the production at Gharo. As reported in earlier years I repeat my statement that unless Gharo plant goes into operation, no fruitful results could be seen.

**On behalf of the Board of Directors
(ARIF SHAFFI)
Chief Executive**

Islamabad: February 16, 2013

