

PAKISTAN PVC LIMITED

DIRECTOR'S REPORT TO THE SHAREHOLDERS

On behalf of my colleagues on the Board, I present the unaudited accounts for the 1st quarter ended September 30, 2014.

The financial position of your company during the quarter ended September 30, 2014 further deteriorated due to financial charges, idle cost and depreciation. As reported previously, Gharo Plant remains closed and there was no production during the period under review. Your management hopes that all old disputes can be resolved amicably.

The lower production of PVC Pipes & Fittings at Islamabad is due to shortage of fund and the prevailing economic conditions in the country. Sales during the period under review increased to Rs. 0.729 million as compared to Rs. 0.630 million of the same period last year. During the period under review your company sustained a loss of Rs. 5.084 million as compared to net loss of Rs. 4.051 million for the same period last year.

The case for the revival of your company remains under consideration with the Committee for Revival of Sick Industrial Units set up by the Finance Division, Government of Pakistan. I want to repeat my words that unless and until your Gharo Plant goes into production no fruitful result can be achieved.

Gharo: October 25, 2014

(ARIF SHAFFI)
Chief Executive

PAKISTAN PVC LIMITED
BALANCE SHEET
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Sept. 30 2014	June 30 2014		Sept. 30 2014	June 30 2014
	-----Rupees-----			-----Rupees-----	
SHARE CAPITAL AND RESERVES			NON CURRENT ASSETS		
Authorized capital 15,000,000 (June 30, 2013 : 15,000,000) ordinary shares of Rs. 10/- each	150,000,000	150,000,000	Property, plant and equipment	164,257,698	166,999,944
Issued, subscribed and paid up capital	149,580,000	149,580,000	Long term investments	64,000	64,000
Accumulated loss	(424,429,849)	(420,911,735)			
	(274,849,849)	(271,331,735)			
Surplus on revaluation of fixed assets	148,602,840	151,000,614	Long term deposit	-	-
NON CURRENT LIABILITIES					
Long term financing	20,041,401	20,041,401			
Deferred liabilities	180,787	179,682			
CURRENT LIABILITIES			CURRENT ASSETS		
Trade and other payables	62,101,436	62,099,023	Stock in trade	963,131	774,690
Accrued interest / markup	157,514,880	155,705,135	Trade debts	937,586	1,515,839
Short term borrowings	18,883,030	18,749,706	Loans and advances	241,774	504,665
Current portion of long term financing	32,991,000	32,991,000	Trade deposits	-	-
Provision for taxation - net	1,685,270	856,410	Other receivables	2,339	2,339
			Tax refunds due from Government	342,582	253,414
			Cash and bank balances	341,685	176,346
	273,175,615	270,401,274		2,829,097	3,227,292
CONTINGENCIES AND COMMITMENTS					
	167,150,795	170,291,237		167,150,795	170,291,236

The annexed notes from an integral part of these financial statements.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

PAKISTAN PVC LIMITED
CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Sept. 30 2014	Sept. 30 2013
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,084,368)	(4,050,739)
<i>Adjustments for :</i>		
Depreciation	2,742,246	1,179,453
Accrued Interest	-	-
Debit balances written off	-	-
Credit balances written off	-	-
Finance cost	1,809,744	1,809,744
Staff retirement benefits - gratuity	1,106	1,105
Rental income	(3,314,556)	(3,438,528)
Operating cash flows before changes in working capital	(3,845,828)	(4,498,964)
(Increase) / decrease in current assets		
Stock in trade	(188,442)	200,167
Trade debts	578,253	(138,095)
Loans and advances	262,891	(1,043,976)
Tax refunds due from Government	(89,168)	(57,660)
Increase in current liabilities		
Trade and other payables	899,904	1,827,889
	1,463,439	788,325
Net cash used in operation	(2,382,389)	(3,710,638)
Income tax paid	(2,660)	(1,376,491)
Finance cost paid	-	-
	(2,660)	(1,376,491)
Net cash used in operating activities	(2,385,049)	(5,087,130)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	-	-
Rent received	2,417,064	1,304,149
Net cash generated from investing activities	2,417,064	1,304,149
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	133,324	(8,267)
Net cash (used) / generated from financing activities	133,324	(8,267)
Net increase in cash and cash equivalents	165,339	(3,791,248)
Cash and cash equivalent at the beginning of the year	176,346	4,004,127
Cash and cash equivalent at the end of the year	341,685	212,879

The annexed notes from an integral part of these financial statements.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

PAKISTAN PVC LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Sept. 30 2014	Sept. 30 2013
	-----Rupees-----	
Loss for the year	(5,915,888)	(4,055,945)
Other comprehensive income / (loss)	-	-
Total comprehensive loss for the year	(5,915,888)	(4,055,945)

The annexed notes from an integral part of these financial statements.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

PAKISTAN PVC LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Issued, subscribed and paid up capital	Accumulated loss	Total
	-----Rupees-----		
Balance as at June 30, 2013	149,580,000	(407,343,877)	(257,763,877)
Transfer from surplus on revaluation on account of incremental depreciation	-	10,656,774	10,656,774
Total comprehensive loss for the year ended June 30, 2014	-	(24,224,632)	(24,224,632)
Balance as at June 30, 2014	149,580,000	(420,911,735)	(271,331,735)
Transfer from surplus on revaluation on account of incremental depreciation	-	2,397,774	2,397,774
Total comprehensive loss for the year ended June 30, 2014	-	(5,915,888)	(5,915,888)
Balance as at September 30, 2014	149,580,000	(424,429,849)	(274,849,849)

The annexed notes from an integral part of these financial statements.

**NOTES TO THE ACCOUNTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

- 1 These accounts are un-audited and are being submitted to the shareholders as required by SRO 764(1)/2001 dated November 5, 2001 issued by the Securities & Exchange Commission of Pakistan.
- 2 The accounting policies adopted for the preparation of these accounts are the same as those applied for preparation of the preceding annual published accounts of the company.
- 3 Provision for income-tax have been made on a quarterly basis. These are subject to change on final results.
- 4 Figures of previous year have been re-arranged where ever necessary for the purpose of comparison.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR