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**QUARTERLY REPORT
AND ACCOUNT
MARCH 31, 2017
(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 unaudited accounts for the 3rd quarter ended March 31, 2017.

Sales during the year under review was increased to Rs. 5.792 million as compared to Rs. 5.225 million of the same period last year and net loss during the year was Rs. 16.366 million as compared to a net loss of Rs. 18.001 million during the previous year. The lower production of PVC Pipes & Fittings at Islamabad is due to shortage of funds.

The financial position of your company during the quarter ended March 31, 2017 further deteriorated due to high financial charges, idle cost and depreciation. As reported previously, Gharo Plant remains closed and there was no production during the period under review. The Management is hopeful that all the old issues can be settled amicably.

Islamabad: April 27, 2017

(ARIF SHAFFI)
Chief Executive

پاکستان پی وی سی لمیٹڈ

شیئر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

بورڈ میں اپنے ساتھیوں کی جانب سے میں آپ کے سامنے 31 مارچ 2017 کو اختتام پذیر ہونے والی تیسری سہ ماہی کے لیے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہا ہوں۔

گذشتہ سال اسی مدت 5.225 ملین کے مقابلے میں اس سال کے دوران فروخت 5.792 ملین تک اضافہ کیا گیا اور گذشتہ سال کے دوران مالی نقصان 18.001 ملین کے مقابلے میں اسی سال کے دوران مالی نقصان 16.366 ملین تھا۔ اسلام آباد میں پی وی سی پائپ و فٹنگز کی پیداوار فنڈز میں کمی کی وجہ سے ہے۔

31 مارچ 2017 کو اختتام پذیر ہونے والی سہ ماہی کے دوران آپ کی کمپنی کی مالی حالت ندرت خراب ہوئی جس کی وجہ مالیاتی چارجز، غیر معالیت اور قدر میں کمی جیسے عناصر بنے جیسا کہ پہلے بتایا جا چکا ہے، گھارو پلانٹ بند رہا ہے، جس کی وجہ سے زیر جائزہ مدت کے دوران کسی قسم کی پیداوار نہیں ہوئی آپ کی کمپنی انتظامیہ پر امید ہے کہ تمام تر پرانے تنازعات دوستانہ انداز میں حل کیے جاسکتے ہیں۔

(عارف شفیع)

چیف ایگزیکٹو

اسلام آباد 27 اپریل 2017

PAKISTAN PVC LIMITED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2017

Note	Un-audited	Audited	Note	Un-audited	Audited
	March 31, 2017	June 30, 2016		March 31, 2017	June 30, 2016
-----Rupees-----			-----Rupees-----		
SHARE CAPITAL AND RESERVES			NON CURRENT ASSETS		
Authorized capital					
	15,000,000 (June 30, 2016: 15,000,000)				
	ordinary shares of Rs.10/- each	150,000,000	Property, plant and equipment	7	139,550,142
		150,000,000			146,183,597
Issued, subscribed and paid up capital					
	14,958,000 (June 30, 2016: 14,958,000)		Long term investments		90,000
	ordinary shares of Rs.10/- each	149,580,000			79,000
	Accumulated loss	(464,154,899)			
		(314,574,899)			
	Surplus on revaluation of property, plant and equipment	126,950,940			
		132,777,531			
Deferred liabilities					
	Staff retirement benefits - gratuity	191,842			
		188,526			
CURRENT LIABILITIES			CURRENT ASSETS		
	Trade and other payables	79,501,316	Stocks in trade		1,051,176
	Accrued mark up / interest	175,612,324	Trade debts		1,005,907
	Short term borrowings	40,977,384	Loans and advances		420,463
	Current portion of long term financing	32,991,000	Trade deposits and other receivables		100,000
	Provision for taxation - net	1,216,821	Other receivables		329,093
			Tax refunds due from Government		167,289
			Cash and bank balances		152,657
		330,298,844			3,226,586
		320,396,826			3,064,396
CONTINGENCIES AND COMMITMENTS					
		142,866,728			142,866,728
		149,326,993			149,326,993

The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2017**

	Note	Quarter Ended		Nine Months Ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		-----Rupees-----			
Sales - net		1,920,542	1,413,367	5,791,588	5,224,503
Cost of sales	8	(5,848,707)	(10,843,600)	(17,887,425)	(17,395,271)
Gross loss		(3,928,165)	(9,430,233)	(12,095,837)	(12,170,768)
Other income		2,483,556	2,027,750	6,732,204	5,416,188
Distribution cost		(302,935)	(579,623)	(1,396,546)	(1,893,052)
Administrative expenses		(479,660)	(969,489)	(2,603,437)	(2,918,663)
Finance cost		(1,809,744)	(1,809,744)	(5,431,860)	(5,432,544)
Loss before taxation		(4,036,948)	(10,761,339)	(14,795,476)	(16,998,839)
Taxation		(588,933)	(375,134)	(1,570,124)	(1,001,995)
Loss for the period		(4,625,881)	(11,136,473)	(16,365,600)	(18,000,834)
Loss per share - basic and diluted		(0.31)	(0.74)	(1.09)	(1.20)

The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2017**

	Quarter Ended		Nine Months Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	-----Rupees-----			
Loss for the period	(4,625,881)	(11,136,473)	(16,365,600)	(18,000,834)
Other comprehensive income for the period		-		-
Total comprehensive loss for the period	(4,625,881)	(11,136,473)	(16,365,600)	(18,000,834)

The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2017

	March 31, 2017	March 31, 2016
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(14,795,476)	(16,998,839)
<i>Adjustments for :</i>		
Depreciation	6,633,458	7,385,521
Finance cost	5,431,860	5,432,544
Provision for staff retirement benefits - gratuity	3,317	3,317
Accrued Interest	(11,000)	-
Rental income	(6,721,204)	(5,416,188)
	5,336,431	7,405,194
Operating cash flows before changes in working capital	(9,459,045)	(9,593,645)
(Increase) / decrease in current assets		
Stock in trade	(132,326)	(183,974)
Stores, spare part and loose tools	-	31,502
Trade debts	(595,844)	1,205,737
Loans and advances	(30,392)	(157,628)
Trade deposits and other receivables	-	-
Tax refunds due from Government - sales tax	17,911	24,350
	(740,650)	919,986
Increase in current liabilities		
Trade and other payables	2,871,764	4,063,109
	2,131,114	4,983,095
Net cash used in operations	(7,327,931)	(4,610,551)
Income tax paid	(651,925)	(702,979)
Finance cost paid	(2,627)	(3,311)
	(654,553)	(706,290)
Net cash used in operating activities	(7,982,484)	(5,316,841)

CASH FLOWS FROM INVESTING ACTIVITIES

Rent received	4,890,607	5,635,173
Net cash generated from investing activities	4,890,607	5,635,173

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short term borrowings	2,186,663	(253,373)
Net cash generated from financing activities	2,186,663	(253,373)

Net decrease in cash and cash equivalents	(905,214)	64,959
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Cash and cash equivalent at the beginning of the period	1,057,872	105,629
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Cash and cash equivalent at the end of the period	<u>152,658</u>	<u>170,588</u>
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The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2017

	Share capital	Accumulated loss	Total
-----RUPEES-----			
Balance as at July 1, 2015	149,580,000	(437,533,976)	(287,953,976)
Total comprehensive loss for the period	-	(18,000,834)	(18,000,834)
Transfer from revaluation surplus on account of incremental depreciation	-	4,315,993	4,315,993
Balance as at December 31, 2015	<u>149,580,000</u>	<u>(451,218,817)</u>	<u>(301,638,817)</u>
Balance as at July 1, 2016	149,580,000	(453,615,890)	(304,035,890)
Total comprehensive loss for the period	-	(16,365,600)	(16,365,600)
Transfer from revaluation surplus on account of incremental depreciation	-	5,826,591	5,826,591
Balance as at March 31, 2017	<u>149,580,000</u>	<u>(464,154,899)</u>	<u>(314,574,899)</u>

The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2017****1 LEGAL STATUS AND OPERATIONS**

- 1.1 Pakistan PVC Limited (the company) is incorporated in Pakistan and is listed on the Pakistan stock exchange.
- 1.2 The company is engaged in production and sale of PVC resin, PVC pipes and fittings, PVC compound and Caustic soda. The company has ceased the production at Ghara since 1995. The production at Islamabad plant continues. The company has installed a water purification plant to process and sell mineral water in 2011.
- 1.3 The case for the revival of the company remained with the committee for revival of sick industrial unit setup by the finance division, Government of Pakistan with representation of the federation of Chamber of Commerce and Industries.
- 1.4 These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency and figures are rounded to the nearest rupee.

2 BASIS OF PREPARATION**Statement of compliance**

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS), IAS 34 'Interim Financial Reporting' as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2016.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the Quarter ended March 31, 2017 which have been subject to a review but not audited. These condensed interim financial statements also include the condensed interim income statement for the quarter ended March 31, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2016.
- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2016.

5 CONTINGENCIES AND COMMITMENTS

- 5.1 The Securities and Exchange Commission of Pakistan (SECP) had appointed an inspector to investigate into the affairs of the company under Section 265 of the Companies Ordinance, 1984. The inspector has submitted report on his findings to the SECP. The outcome can not be anticipated at this stage.
- 5.2 Title of plot of land of the company situated at Islamabad is in dispute. The company has started negotiations with CDA. As a result company has committed to pay outstanding dues to CDA for the leasehold land. CDA has not confirmed the amount therefore the amount of the obligation can not be measured with sufficient reliability.
- 5.3 The Privatization Commission of Pakistan had filed a suit in honorable Islamabad High Court, C.O.SNo 07/2002, against the company for recovery of amount repayable to the Privatization commission against principal amount of Government loan assumed at time of privatization of Rs. 32,971,000 along with the markup thereon amounting to Rs. 48,005,929 aggregating to Rs. 80,996,929. The outcome of the case is still undecided however, the legal opinion of the solicitors appointed by the company are of the view that even if the above suit is decided against the company it shall not involve the company into any financial loss.

6 CURRENT PORTION OF LONG TERM FINANCING

The entire amount of the loan remains overdue and unpaid.

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7 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2017	Audited June 30, 2016
-----Rupees-----			
Operating assets	7.1	47,809,404	49,300,639
Non operating assets	7.2	91,740,738	96,882,960
		<u>139,550,142</u>	<u>146,183,597</u>
7.1 Operating assets			
Opening book value		49,300,639	51,529,894
Less: Depreciation charged during the period		(1,491,236)	(2,229,255)
		<u>(1,491,236)</u>	<u>(2,229,255)</u>
Closing book value		<u>47,809,404</u>	<u>49,300,639</u>
7.2 Non operating assets			
Opening book value		96,882,960	104,501,067
Less: Depreciation charged during the period		(5,142,222)	(7,618,107)
		<u>(5,142,222)</u>	<u>(7,618,107)</u>
Closing book value		<u>91,740,738</u>	<u>96,882,960</u>

8 COST OF SALES

Note	Quarter Ended		Third Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
-----Rupees-----				
Opening finished goods	799,733	585,022	799,733	585,022
Purchases of pipes and fittings	152,661	44,008	385,989	135,255
Cost of goods manufactured	5,622,240	10,918,739	17,427,630	17,410,099
	<u>6,574,634</u>	<u>11,547,769</u>	<u>18,613,352</u>	<u>18,130,376</u>
Closing finished goods	(725,927)	(735,105)	(725,927)	(735,105)
	<u>5,848,707</u>	<u>10,812,664</u>	<u>17,887,425</u>	<u>17,395,271</u>

Note	Quarter Ended		Third Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
-----Rupees-----				
Opening raw material	53,592	57,035	53,592	57,035
Purchase of raw material	1,143,056	1,762,688	3,530,293	2,632,449
Closing raw material	(138,839)	(16,758)	(138,839)	(16,758)
Packing and raw material consumed	1,057,810	1,802,965	3,445,046	2,672,726
Director's remuneration	187,500	187,500	562,500	562,500
Salaries, wages and benefits	1,568,517	2,594,737	4,692,759	4,137,040
Fuel and power	421,467	587,275	1,344,388	1,057,761
Stores and spares	-	185,655	50,525	347,375
Repair and maintenance	179,422	491,756	419,393	944,804
Postage and telephone	24,859	77,440	86,571	118,623
Rent, rates and taxes	-	-	-	10,600
Traveling and conveyance	94,650	169,620	328,974	268,541
Entertainment	9,655	10,077	20,625	22,373
Depreciation	2,199,245	4,894,617	6,597,734	7,341,925
	<u>5,743,124</u>	<u>11,001,642</u>	<u>17,548,515</u>	<u>17,484,267</u>
Opening work in process	65,526	29,515	65,526	38,250
Closing work in process	(186,410)	(112,418)	(186,410)	(112,418)
	<u>(120,884)</u>	<u>(82,903)</u>	<u>(120,885)</u>	<u>(74,168)</u>
	<u>5,622,240</u>	<u>10,918,739</u>	<u>17,427,630</u>	<u>17,410,099</u>

9 TRANSACTIONS WITH RELATED PARTIES

Relationship with the company	Nature of transaction	Third Quarter Ended	
		March 31, 2017	March 31, 2016
-----Rupees-----			
Key management personnel	Salaries and pther employee benefits	2,250,000	2,250,000

All transactions with related parties have been carried out on commercial terms and conditions.

10 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim statement cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Comparative information has been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. However no major reclassification has been made during this period.

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been issued for authorization on April 27, 2017 by the board of directors of the company.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR