

SHAVYL®

**ANNUAL
REPORT**

2019

Pakistan PVC Limited

56th ANNUAL REPORT

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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Adnan Shaffi

CHIEF EXECUTIVE

Arif Shaffi

DIRECTORS

Masood Parvaiz
Adeel Shaffi
Saira Shaffi
Mohammad Iqbal
Mohammad Shaffi

SECRETARY

Adeel Shaffi

CHIEF FINANCIAL OFFICER

Asif Shaffi

AUDITORS

Mushtaq & Co., Chartered Accountants

AUDIT COMMITTEE

Masood Parvaiz – Chairman
Mohammad Iqbal – Member
Mohammad Shaffi – Member

**HUMAN RESOURCES &
REMUNERATION
COMMITTEE**

Masood Parvaiz – Chairman
Mohammad Iqbal – Member
Mohammad Shaffi – Member

BANKERS

Habib Bank Limited
Muslim Commercial Bank Limited
Faysal Bank Limited

REGISTERED OFFICE

Shaffiabad, Gharo, District Thatta

SHARE REGISTRAR

CORPLINK (PVT) LTD.,
Wings Arcade, 1 – K, Commercial,
Model Town, Lahore.

FACTORIES

Shaffiabad, Gharo, District Thatta.
Sector I – 9, Industrial Area, Islamabad.

کمپنی کی معلومات

	بورڈ آف ڈائریکٹرز
عدنان قشیری ع	ہیڈ مین
رفیقہ شفیع ع	ایف ایگزیکیوٹو
مسعود پرویز عدیل شفیع سائبرہ شفیع محمد اقبال محمد شفیع	غزالی کٹرز
عدیل شفیع	کمپنی سیکریٹری
آصف شفیع	چیف فنانشل آفیسر
مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس	آڈیٹرز
مسعود پرویز - چیئرمین محمد اقبال - رکن محمد شفیع - رکن	آڈٹ کمیٹی
مسعود پرویز - چیئرمین محمد اقبال - رکن محمد شفیع - رکن	انسانی وسائل & معاوضے کمیٹی
حبیب بینک لمیٹڈ مسلم کمرشل بینک لمیٹڈ فیصل بینک لمیٹڈ	بینکر
شفیع آباد، گھارو، ضلع ٹھٹھہ	منظور شدہ دفتر
سیکٹر 9 - I، انڈسٹریل ایریا، اسلام آباد	ہیڈ آفس
CORPLINK (PVT) LTD., Wings Arcade, 1 – K, Commercial, Model Town, Lahore.	حصص رجسٹرار
شفیع آباد، گھارو، ضلع ٹھٹھہ، سیکٹر 9 - I، انڈسٹریل ایریا، اسلام آباد	فیکٹریوں
+9251 – 4430317, +9251 - 4444578	ٹیلی فون
info@shavyl.com	ای میل اڈریس
www.pakistanpvc.com	ویب سائٹ
0001781	کمپنی رجسٹریشن نمبر
0823852 – 9, 07 – 01 – 3900 – 005 – 64	نیشنل ٹیکس نمبر & سیلز ٹیکس نمبر
کمپنی سیکریٹری ٹیلی فون - 4444578 - +9251	شخص کے رابطے کی تفصیلات کی مدد اور ہینڈلنگ کے سرمایہ کار شکایات کے لئے نامزد

PAKISTAN PVC LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting of the Company will be held on Saturday, October 26, 2019 at the registered office of the company at **Pakistan PVC Limited**, Shaffiabad, Gharo, District Thatta at 9.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To confirm the minutes of the 55th Annual General Meeting of the company held on October 27, 2018.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2019 together with the reports of the Director's and Auditors' thereon.
3. To appoint auditors of the company for the year ending June 30, 2020 and fix their remuneration.

ANY OTHER BUSINESS

1. To transact any other business of the company with the permission of the chair.

Islamabad: September 21, 2019

By Order of the Board
(ADEEL SHAFFI)
Company Secretary

Notes:

1. Share transfer Books of the Company shall remain closed from October 17, 2019 to October 26, 2019 (both days inclusive)
2. A member entitled to attend and vote in the meeting is authorized to appoint any other person a proxy to attend, speak and vote for him or her.
3. Any individual Beneficial Owner of CDC, entitled to vote at this meeting must bring his/her original NIC with him/her to prove his/her identity, and in case of proxy, a copy of shareholders attested NIC must be attached with the proxy form and shall authenticate his/her identity by showing his/her original National Identity Card (NIC) or passport at the time of attending the meeting. Representatives of corporate members should bring the usual documents required for such purpose.
4. In order to valid, an instrument of proxy and the power of Attorney or other authority (if any) under which it is signed, or a notarized certified copy of such power or Authority, must be reached at the Registered Office of the Company not less than 72 hours before the time of the Meeting.
5. As per Section 242 of the Companies Act, 2017 enacting from May 31, 2017, SECP Circular No. 18/2017, a listed company, is required to pay cash dividend to shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. Therefore In compliance with the said law, in order to receive your future dividends directly in your bank account, you are required to provide the information mentioned on the Form placed on the Company's website www.pakistanpvc.com and send the same to your brokers/Central Depository Company Ltd., if the shares are held in the electronic form or to the Company's Share Registrar if shares are held in paper certificates form. The Company's Share Registrar's address in M/s Corplink (Private) Limited, Wings Arcade, 1 – K, Commercial, Model Town, Lahore, Tele# 042 – 3591 6714 or email at corplink786@gmail.com.
6. Members are requested to provide by mail or fax, to The Company's Share Registrar's address in M/s Corplink (Private) Limited, Wings Arcade, 1 – K, Commercial, Model Town, Lahore, Tele# 042 – 3591 6714 or email at corplink786@gmail.com., photocopy of their valid CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to Comply with relevant laws.
7. Financial statements have been placed on Company's website at www.pakistanpvc.com.

پاکلیس پینٹی وی سی لمیٹڈ

اطلاع نامہ، س ایچ۔ ایچ۔ س۔ ج۔ س۔ عام

مرگاہ اطلاع عام دی جلی ہے کہ کمپنی کا 56 واں سالانہ اجلاس عا م بروز فنت بیت ایچ 26 تو بر 2019 کو کمپنی کے رجسٹرڈ دفتر بقیہ پاکستان پی وی سی لمیٹڈ، ٹویع بآء، گہارو، ضلع ٹٹھہہ میں صبح 9 بج من عق کی اجای ے گا، اجلاس کی کاروائی من درجی لی پرمش تملہو گی:

عموم کی کاروائی

1. مورخہ 27 تو بر 2018 کو من عق نکم پینی کے 55 ہیں اجلاس عام کی کارروای کی تصویق کن
2. مورخہ 30 جون 2019 کو من عق من ے ول ے ملی س ال کے لہی کے کمپنی کے آڈٹ شدہ کاؤٹس کے سے ٹھہر سٹھ ڈای کٹرز اور آڈٹرو کی پورٹور کی وصلی، ان پر غور و حوض اور فی ظو کن۔
3. مورخہ 30 جون 2020 کو من عق من ے ول ے ملی س ال کے لہی کے آڈٹرز کی تقرری اور ان کا معاضہ قرر کن۔

دی گسوئی کاروائی

1. چی ایم نی کی اجلی سے کمپنی کے امور کے متعلق کوئی اوکارروای عمل میں لانا
- اسلام آباد: 24 تو بر 2019
سی کیو ٹری

بج کم بورڈ (اعلیٰ شفع کمپنی

نوٹس:

1. کمپنی کی شیئی ٹرین فریکس مورخہ 47 تو بر 2019 تا 26 تو بر 2019 بشمول دونوں ٹوی خو ک (پن د رہی گی۔
2. اجلاس میں شامل من ے اور ووٹیں لے کھلی تکر کن ے والا کس کی اور فریکس کی من بس ے اجلاس میں شکت کرن ے، بولن ٹا ووٹ دی کے لی ے بطور ای ن نہ نل زدر کس کتا ہے۔
3. سی ڈی سی کی کھوئی بی ہی افر لمہو تی فیکن نہ مال ک جو اس اجلاس میں ووٹیں لے کا مل مو اس کے لہی ے ضروری ہے کہ وہ بلی شی ن اخ تکتل تکر کن کے لہی ے بلی ے مر لہ لشل شی ن اخ تی کار ڈل کے کر ٹے۔ نام نہ د کے تقرری صورت میں شی ن رول ڈر زک ش ن خ تی کار ڈر کی قول فی فا دگی فار کے سل ت ہن میں ک کی جلی جج کہ مجاز ناہ نہ اجلاس میں ش رکت کے وق تا بین لصل شی ن اخ تی کار ڈر کی اس پورٹو ک و ک ہل کار پین شی ن اخ تگر وای ے گگار پوی ٹوا کی ن کے رف ای فا دگی اپن ے سل ت لہی سے صورتوں میں دو کار ضروری سل ت اہز ات سل ٹھل کے کر ٹھن گے۔

4. مؤثر من کے لہی ے ضروری ہے کہ مجاز ناہ نہ د کے تقرری سے تو ایز اور مقار نامہ کی کوئی او دس تاہز جو کم باق اعہ طور پ نوٹری سے تصویق شدہ ہو کمپنی کے رجسٹرڈ دفتر میں اجلاس سے 72 گنٹ قبل پہنچ جان چاہی۔

5. کمپنی کی کٹ، 2017 کے میں کیشن 242 کے مطابق، 31 مئی، 2017 سے من سل ک، ای سی ای سی پی س کیول من بر 2017/18 سے رس تکی پی نی، صرف حصص دار حصص کے رزی عن امز نکر سمین کلک اوٹن ٹم پلی کی ٹران ک موڈ کے ذریعے حصص داروں کو نقد رقم انکر کن کے ضرورت ہے۔ منق انون کے مطابق آپ کے متعلق بل کے ملفع کو بر لہ راست آپ کی بی ن ک اکونٹ میں حاصل کر کن کے لے، آپ کو کمپنی کی وی بس ایٹ www.pakistanpvc.com پر در جہار چپی ان کر دہ مقوم اتفر لہ مکون کے ضرورت ہے اگر حصص الی کی ٹران کش کل میں من عق دوت ہے میں تو پین بے بر کر ز / سی ڈی سل ٹیم یٹ ڈکو ہی جی، ای اگر حصص کا غذ سرٹی فکی ٹفار م میں من عق دوت ہے میں تو کمپنی کا حصص رجسٹرار کی پلتہ M/s Corplink (Private) Wings Arcade, Limited, K - 1, کم رشل، ماڈل ٹاؤن، لاہور ٹی لی # 042.35916714 یا corplink786@gmail.com.

6. ارا کی ن سے در خ اس تکی لہتی ہے کہ ای می لی فیلک سن من بر پر، کمپنی کے حصول چسٹری کی لی ڈری سم میں M/s Corplink (Private) Limited, Wings Arcade, K - 1, کم رشل، ماڈل ٹاؤن، لاہور ٹی لی # 042.35916714 یا ای ہل corplink786@gmail.com پر در ستس ی ای نی سی (ای) غی مل کی ہون کے صورت میں (اس پورٹ، اگر چو پلی فرفر لہہ می کی گی ای کمپنی کی متعلق حق من نی کی ت عمل کرن کے لی فرفر لہہ می۔

7. طلباتی گوشوار کمپنی کی وی بس ایٹ پر موجود ہے www.pakistanpvc.com.

OBJECTIVES AND STRATEGIC PLANNING

SHAVYL GROUP VISION

“Shavyl to be a global group of companies recognized for a range of quality products”.

MISSION STATEMENT

“To be market leader in petrochemicals, building company’s image through innovation and competitiveness, ensuring satisfaction to customers and stakeholders and to fulfill social obligations”.

OBJECTIVES

Constantly endeavor to be market leaders in terms of market share and technology pacesetters in areas of operations and to continuously improve efficiency and competitive strength.

To offer customers quality products and support services at competitive prices and to their satisfaction.

By continuously improving performance, aim to generate earnings sufficient to ensure a secure future for the Company and to protect and increase shareholders’ return.

To enhance creativity and job satisfaction, provide employees opportunity for personal development.

Be an integral part of national economy with a strong sense of responsibility to society and the environment.

STRATEGIC PLANNING

To maintain a strong R&D department for the development of new and the up gradation of our own technology. To develop in-house know how for a world scale petrochemical complex.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

The Company's Ethics and Business Practices conform to the Shavyl Group Vision and the Company's Mission Statement.

THE PURPOSE AND VALUES OF BUSINESS

Manufacturers of PVC Resins and its down stream products that conform to the Specified Standards, saving of foreign exchange and developing technical and engineering capabilities in the country.

EMPLOYEES

Recruitment of personnel on merit offering training and career development, equal opportunities of growth, no discrimination or harassment and reward for achievements. Improved working conditions, ensuring safety, security and health.

Employees shall not use Company information and assets for their personal advantage. Conflict of interest shall be avoided and disclosed where it exists and guidance sought.

CUSTOMER RELATION

Ensure customer satisfaction by providing quality products at competitive prices with warranty coverage and ensuring after sale service.

SHAREHOLDERS, FINANCIAL INSTITUTIONS & CREDITORS

Protection of investment made in the Company and proper return on money lent/invested. A commitment to accurate and timely communication on achievements and prospects.

SUPPLIERS

Prompt settling of bills. Co-operation to achieve quality and efficiency. No bribery or excess hospitality accepted or given.

SOCIETY / COMMUNITY

Compliance with the spirit of laws. Timely payment of all Government taxes and dues. Eliminate the release of substance that may cause environmental damage. Financial assistance for promoting education and social activities including games and donation/charity to deserving.

GENERAL

The Company shall neither support any political party nor contribute funds to groups or associations whose activities prompt political interest. The Company shall promote its legitimate business interest through trade associations.

IMPLEMENTATION

Company Board to ensure implementation of these codes, regular monitoring, and review for modification/amendment where necessary.

CHAIRMAN'S REVIEW

It is my pleasure to present to you the Annual Report of Pakistan PVC Limited for the year ended June 30, 2019. Under the guidance of the Board the Company has achieved sales exceeding Rs. 8 Million despite several challenges. The Company was also able to use the excess capacity of its water treatment plant to market purified water. Sales of purified water increased from last year and closed at 55,225 gallons till June 2019.

I along with the Board are committed to providing high quality PVC pipes to our customers and staying true to our mission of building our company's image through innovation and competitiveness, ensuring satisfaction to customers and shareholders and to fulfil our social obligations.

Adnan Shaffi
Chairman
September 21, 2019

DIRECTOR'S REPORT TO THE SHAREHOLDERS

On behalf of my colleagues on the Board, I welcome you to the 56th Annual General Meeting of the Company and present the audited accounts for the year ended June 30, 2019 along with the auditors' report thereon.

During the period under review Gharo Plant remains closed and there was no production. The production of PVC Pipes & Fittings at Islamabad decreased during the year.

Sales during the year under review decreased to Rs. 8.888 million as compared to Rs. 7.563 million of the same period last year and loss during the year was Rs. 17.479 million as compared to a net loss of Rs. 18.050 million during the previous year. The production of PVC Pipes at Islamabad factory was 225,428 meters as against 194,305 meters last year. Excess capacity of this water treatment plant was used to make Mineral Water. Sale of Mineral Water was 55,225 Gallons as against 74,846 Gallons. Work of installation of Machinery of Pipe Plant shifted from Gharo to Islamabad has delayed due to non availability of funds.

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.

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.

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 the lenders of long term loans.

3. AUDITORS' RESERVATION ABOUT LONG OUTSTANDING BALANCES

As regards balances of very long outstanding balances of Creditors, Advances from Customers and 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 overall majority of these have been responded too.

DIVIDEND

Due to poor financial result and huge accumulated losses, the Directors of your company have decided to pass over the Dividend.

AUDITORS

The Audit Committee has recommended the appointment of Messer's Mushtaq & Company, Chartered Accountants, as auditors of the Company for the ensuing year.

The present auditors M/s Mushtaq & Company, Chartered Accountants, the retiring auditors being eligible have offered themselves for reappointment as auditors of the Company for the year ending June 30, 2020.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company strongly believes that improving its environmental and social performance is inevitable for its financial success. The Company has continued with CSR program with a focus on health support, education programs, energy conservation, environmental protection measures, community welfare schemes, occupational safety & health and business ethics.

The Company in its continuous efforts to positively impact the local communities that reside near our plants has formulated policies for social development that are based on the following guiding principles:

- Adopt an approach that aims at achieving a greater balance between social development and economic development.
- Adopt new measures to accelerate and ensure the basic needs of the local population.
- Work towards elimination of all barriers for the social inclusion of disadvantaged groups such as the poor and the disabled.
- Give unfailing attention to children for in their hands lies the country's future. It is for their sake that health, education and environment get topmost priority in our programs.

The Company works closely with Special Olympics Pakistan to support their programs for rehabilitation of mentally handicapped children.

The main emphasis of our CSR is in District Thatta and Federal Capital Islamabad.

Health

As a Company, we are not only committed to compliance with legal norms but endeavor to voluntarily go beyond that and provide quality healthcare facilities in the regions around our plants.

Education

Education is a basic tool to bring development to an area and its people. We aim to create an awareness pool of human resource both within and across our area of operations. We are committed to bridging the digital divide between the haves and have-nots in educational infrastructure and facilities. The Company is involved in activities that have changed the lives of the people residing the close proximity to our plants. Education is the main thrust of these activities.

Energy Conservation Measures

Energy conservation measures include usage of energy savers and LED lights all around the plant and shutting down auxiliaries and equipments wherever possible.

Occupational Health, Safety and Environment

The Company is committed to health, safety and environment. Potential risks are systematically identified and managed in a manner that any undesirable damage is minimized. HSE signs are displayed at key locations and their implementation is ensured.

Business Ethics

The Company's Code of Business Ethics sets the minimum standards expected of the entire Team and is part of the Corporate Governance framework approved by the Board. The conduct of business should above all be characterized by honesty and integrity. Unethical practices of any sort are not to find their way into our business. All employees are expected to promote the Company's best interest whilst maintaining the highest standard of personal integrity and business practices. All employees must act at all times in the interest of Company's shareholders and must abide by the Company's stated standards of environmental safety and management practices. No employee shall ever commit an illegal or an unethical act, or instruct and encourage another employee to do so. The laws and regulations of the country should always be observed.

The Company has communicated the code to all its employees.

STATEMENTS OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

1. The financial statements, prepared by the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the company's ability to continue as a going concern as have been fully explained in Note no.1 of the Notes to the Accounts.

7. There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations.
8. Key operating and financial data for last six years in summarized form is given on page 8.

9. COMPOSITION OF BOARD

1. The total number of directors are 7 as per the following:
- Male: 6
 - Female: 1

2. The composition of board is as follows:

Category	Name
Independent Directors	Masood Parvaiz
	Mohammad Iqbal
Other Non-executive Director	Adnan Shaffi
	Mohammad Shaffi
	Saira Shaffi
Executive Directors	Arif Shaffi *
	Adeel Shaffi

BOARD MEETING

During the year four board meetings were held and the attendance of the concerned Directors during their tenure on the Board was as follows:

Name of Director	Total Number of Meetings	Board Meetings Attended	Audit Committee Meetings Attended	H.R. Committee Meetings Attended
Mr. Adnan Shaffi	4	4	N/A	N/A
Mr. Arif Shaffi	4	4	N/A	N/A
Mr. Mohammad Iqbal	4	4	4	1
Mrs. Saira Shaffi	4	4	N/A	N/A
Mr. Mohammad Shaffi	4	4	4	1
Dr. Masood Parvaiz	4	4	4	1
Mr. Adeel Shaffi	4	4	N/A	N/A

COMMITTEES OF THE BOARD AUDIT COMMITTEE

In compliance with the code of corporate governance the Company has established an Audit Committee comprising of the following members:-

Dr. Masood Parvaiz	Chairman
Mr. Mohammad Iqbal	Member
Mr. Mohammad Shaffi	Member

HUMAN RESOURCES & REMUNERATION COMMITTEE

In compliance with the code of corporate governance the Company has established a Human Resources & Remuneration Committee comprising of the following members:-

Dr. Masood Parvaiz	Chairman
Mr. Mohammad Iqbal	Member
Mr. Mohammad Shaffi	Member

DIRECTORS REMUNERATION

The Chief Executive is allowed to receive gross annual remuneration of Rs. 1.5 million alongwith free use of company car, telephone, medical and other benefits as per company's regulations from time to time.

Two full time working directors are allowed to receive gross annual remuneration of Rs. 1.5 million alongwith free use of company car, telephone, medical and other benefits as per company's regulations from time to time.

DIRECTORS' TRAINING

Of the seven Directors, 1 has been exempted from the Corporate governance Leadership Skills (CGLS) training based on their experience as Director on the Board of Listed Companies. A total of 5 Directors are certified in Directors Training Program.

10. The pattern of shareholding and additional information regarding pattern of shareholding is given on Page 44 – 46.
11. No trades in the shares of the Company during the year were carried out by the Director, CEO, CFO, Company Secretary and their spouses and minor children.

Islamabad: September 21, 2019

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

Statement of Compliance With The Best Practice On Transfer Pricing

The Company has fully complied with the best practices on transfer pricing as contained in the listing regulations of the Pakistan Stock Exchanges.

Arif Shaffi – Chief Executive

Dated: September 21, 2019

شیئریولڈرز کے لیے ایگزیکٹو رپورٹ

ہدس الٹہ اجلاس عام ہیں خوش آمدیگمتماموں اور آپک سے اضافے 56 پورڈ ہیں پلین سے بندھی ارکی زکی چل بس ہے، ہن آپکو کپین کے مورخہ 30 جون، 2019 کو مضم منے ولے ملی س ال کے آڈٹ شہ گلاؤٹس کو آڈٹرز کی پورٹک سے سنبھلی شکر رہا موں۔
فر غور مدتکے دوران گھارو پچھٹس بند رہا جس کی وجہ سے کھوئی پیداورنہ موس کی۔ اس ال کے دوران مل لاملہ باد ہر پدی وی سی پپٹس فلورٹن گنوی پی ہوار میں ضربہ ہوا۔

فر غور س ال کے دوران منے ولے فر وخت سے بلیق س ال ملی مدتکے دوران منے ولے 7.563 لجن وپورکی فر وخت کی نسبت 8.888 لجن وپے رہی گنڈت س ال منے ولے 18.050 لجن وپے کے خلیں نقصان لکین سبت اس سال 17.479 لجن روپو کیا نقصان اولہ فنڈ کی عدم دستیابی کی وجہ سے گھارو سے منفق کی ہے چلے ولے ایپ پلانیٹکوش یونی کٹن صبی کا کم تلخ کش کار ہوا۔

فر غور س ال کے دوران گھارو پچھٹس پور اس الم بند رہا جس کی وجہ سے کھوئی پیداورنہ ہوی۔ مل لاملہ افیکٹری ہر پچھی سے ال منے ولے سوالی 194,305 ڈالر زکی ہی ہوا کی نسبت اس ال پی داوار 225,428 ڈلو رہی۔ اسواٹر ٹوٹ ٹمنٹ پلانٹ کی فنڈلی صلاحیت کو منرل وٹل پزلے کھلے اس بل گھی ا گیا۔ 4,846 ڈل کے برخلاف 55,225 یلن فر لوٹا فر وخت ہوا۔

1. برلہ ریلن تنصیق کے نتیجے آڈٹرز کا رقیطن نظر

طوال مدت یقوض مدین سوالے اداروں سے تصدیق کے لیے کپین یں سے تم غور وپبی لکن کے متعلق تصدیقی خطوط ان اداروں کو ارسال کیے ہیں۔

2. طول عرصے سے عیقلی اجاتکے نتیجے آڈٹرز کا رقیطن نظر

جہاں تک قرضہ منے ولے اور کے طول عرصے سے عیقلی اجات، صافی زکی چل بس ہے دی گئی ٹڈولس رقوم اور قبیل ادا رقوم کی بات ہے تو مچھہ بنت چلی ہیں مچھہ بقول اجات گنڈت کی ہیں الوں سے کپین کی کھٹوں میں ظلم ہو رہے ہیں مچھہ قبیل ادا رقوم کے حوالے سے سبج اوی رو دی گرا اداروں سے تصدیق کے لیے کپینی نے ملن تصدیقی خطوط را ملی کیے تھے، مہارے عمل کے مطابق ان میں سے زی ادتر خطوط کے چولہا انتہی موصول ہوئے تھے۔

3. گون گنیں رنکے نتیجے آڈٹرز لکن قطن نظر

آڈٹرز نے بلن ارقطن نظر کو لکھی کر لیا ہے کی ریکہ پلکی کپین یں گون گنیں رنکے پبی اپر کھلے جاتے ہی ارکی ہے۔ ان کے رقیطن نظر میں دی گئی وجہ اتیہ ریکہ آپکی کپین یں سے ملے لقصن ان سبب نش تکی ہے میں مچھہ فنڈلی سر ملہ حص لکن کے لیے قطن ظاہر کی چل بس کی ہے چلے ولے قدامت سے کھوئی پیدی جبر آمدن ہوا اور نہ ہی کھوئی پیدی ٹی۔ آپکی کپین کی پندی کھلی سفنڈس ڈھن حکومت پاک تاور یوں پٹھن کھلڈ کی چل سے کم زور ضیعی اداروں کی پیدی نکلی ہے قلم کردہ کپٹی میں فی حال طور پیر فر غور رہا اس دوران میں پٹھن کل پٹھن کی خولہ شپیر اور سٹیٹین ک آفسی کسٹان کے قواعک کے مطابق سٹیٹین کے فنڈز سے پیدل یوٹرز کی جاب سے زئی ری لھی وٹرز یوٹ تیار کی گئی ہے۔

ڈی او ٹن ڈ

کم زور مل لکھی تیخ اور قطنی فائہ م جو عیقلی صافی وجہ سے آپکی کپین کے ڈی او ٹن ڈ نے ڈی او ٹن ڈ یں سے نکلی صافی ہے۔

آڈٹرز

آڈٹرز کی چل بس ہے ٹنہ ملی س ال کے لیے مہرز میناق ٹن گنپنی، چاٹر ڈگلاؤٹس کو کپین کے آڈٹرز فر رکن کی عیقلی فار شکی گئی ہے۔

موجودہ آڈٹرز مہرز میناق ٹن گنپنی، چاٹر ڈگلاؤٹس سے (پٹھن آڈٹرز کے لہ منے کی وجہ سے) 30 جون 2020 کو ختم ہونے ولے ملی س ال کے لیے کپین کے آڈٹرز کے طور پیر دیوار مقرر کیے گئے ہیں شکی ہے۔

کاروباری سماجی ذمہ داری ہپوریٹس وٹن پیران سبائی

کمپنی اس بات پگوا قہی نکوہتی ہے کھلجول اتی اور س مچی ککیر دگی میں یہ تری ظہر مال اتی کام ویلی کے لہ کلی دی شکی نکوہتی ہے کپین کے کل وباری سماجی ذمہ داری کے پوگر کم صحت عامہ، بچل یم توالی، بچل اتی حفظ کے اقدامات، سماجی بوبو کی سکی موی شہ وار نامور کی سررل چل نہی کے دوران صحت اور حفاظت کو وباری اخلاقیات سے اسے امور پرتو جیتی ہوئی ہے جاری کھا ہوا ہے۔

کپین یں سے بلن پلانیٹس کے زرق م موجود قوامی بلایو پیر ٹہنت اثرات متبکن کے لیے بلینی ملے لکلاؤٹس ورک سے ملے سماجی ترقی کی سول لکھی یں تہرتب کیے ہیں جو مندرجہ فل رلنم اصول وپیر شہت ملے ہیں:

- ایطولی قہ کھلن طار کی اجائی سے س سماجی اور عا شکی رقی میں ہند دست توازی پدی لکن سے ہیں مد ملے۔
- قوامی بلایو کی پدی اضروی اتکی یں زتر فر لہ کے لیے رنے قدامت کی ہے چلے۔
- محوطہ قیات مثلاً غریبوں اور معذور فلرنا کو سماجی دولے میں شامل کھنے کے کراسٹے ہیں حائی لہ تولا کلاؤٹس کو دور کمنے پر کاکہرنا۔
- بچ وپیر اس طرح توجہ دی جائے جس میں اکہامی گویئی گنجائش نکھوون کہ بچو کے ماتھ ہیں لہ کیک تاق بل موتا ہے۔
- چہ ہے کہ مہارے پوگر اموم سے لیم اور ملول کو سب سے لکھی ترحی ح دیجاتی ہے۔

کپین پبی شل ولپ کس کپل تانک سے اتھو صبی تاع وکرتی ہے فضا کہ منی طور پیر معذور فلرنا کے بحال کے لیے انک پیر وگر اموم میں معاونت کی چلے۔

مہارے SR پورگر اک لہیادی محو رزل عٹھہ اور فیلی دارل کو مت مل لاملہ ہادی۔

صحت

بطور کمپنی، م نہ صرف فیانین کی اس دار کی لے لی ہے عزم کیلئے کہ ہم ہوا کارٹنہ طور پر اس کے علاوہ بھی ذمہ داری اس سرانچ ادینے کے لئے عزم میں ہیں اور اس سلسلے میں ہم بلیقے پائیس کے ارگرد موجود علاقوں کے لئے صبح کی معجزی سلہات فراہم کرتے ہیں۔

تعلیم

کسی بھی علاقے اور اکیسے لوگ کی ترقی کے لئے تعلیم کی کبھی ہادی ذی عزم ہے۔ ہم اپنے کاروباری سگوم میں کے علاقوں میں اس نای سٹائل کی تعلیم کے لئے جملہ وسائل کی تلاش میں ہیں اور اس کے لئے ہر ممکنہ سہولتیں فراہم کرنے کے لئے عزم میں ہیں۔ اس کے علاوہ ہم نے سولویٹ اور سولویٹ کے مابین موجود تعلیمی شگفتہ فرق کو ختم کرنے کے لئے عزم میں ہیں۔ اس کے علاوہ ہم نے جیس سے ہماری پائلٹس کے بارگردد موجود دبا دل گورکی زنگیوں میں تعلیمات فراہم کرنے میں عزم میں ہیں۔

پٹنائی کی جت کے اقدامات

توانائی کی بجٹ کے اقدامات میں پلانٹ بھریں انریج سیورز اور ٹل ای ڈی ٹائٹس گلسر عمل شامل ہے۔ بچہ بچہ کیسے ہیں کہیں نئی اضافی آلات کو بین کی جا رہے۔

پٹنہ و رفرائیض کی سرانچامہی کے دوران صحت، حفاظت اور ماحول

کمپنی صحت و حفاظت اور ماحول کے معلق پر عزم ہے۔ ای کٹے شدہ طوعی کاویہ صحت ممکنہ خطرات کو نشان دہی کے لئے ان کا اس طرح تدارک کی تلاش کرتے ہیں۔ ان میں سے بعض نقصوں کو کم سے کم کرنے کیلئے اس کے لئے ایچ سی ایف ایش اراٹ کو ام مقابلہ پٹنہ کیسے کی گئی ہے۔ بچہ بچہ انریج عمل درآمد کو یقینی بنی گئی ہے۔

Business Ethics

کاروباری اخلاقیات

کمپنی کے کاروباری ضابطہ اخلاقی میں ان تمام کمز کسم عملات کی صریح نکتہ بندی ہے۔ جن کے پاس اس کی تمام ملازمین سے ام ہی کی جاتی ہے۔ جب کہ ضابطہ اخلاقی بورڈ کے منظر پر کاروباری گونڈن فوی مورک کا حصہ ہے۔ تمام کاروباری عملوں میں ایمان داری کے ساتھ ہر انچام دی چلی کیسے قس کے غیر اخلاقی عملوں کو مہلے کاروباریوں کو ہیچ نہ دی جائے گی۔ تمام ملازمین سے توقع رکھی جاتی ہے کہ وہ شخصی ملداری اور کاروباری طریقوں کے اخلاقی اصولوں کے مطابق عمل کریں گے اور وہ کمپنی کو جان ب سملجول ای انتضاح فظ کے لئے صراحت کر نہ طوق و رپر عمل درآمد کیسے کے لئے بھی ملازمین کو بھی کبھی ہی غرق نہیں دیا۔ غیر اخلاقی حرکتیں کرے گا اور نہ ہی کسی وار کیسے کن کیسے ملتی دیکھا جائے گی۔ ایسے ایسے کیسے جو صولفناز ایسے کے گاموں کو انین کی وقت پاس داری کی جانے چاہئے۔ کمپنی نے اس ضابطہ اخلاق کے معلق تمام ملازمین کو مطلع کر رکھا ہے۔

تجارتی اور ملٹی آرپورٹن گنگ کے ڈھانچے کے معلق انات

1. کمپنی کی بیس آرکر نہ ملتی ہوگی اور اس کے کمپنی کے ماحلات، اس کے پلٹورنرک کے معلق کیسے فلو اور سر ملے ہیں۔ ہونے والی تبدیلی ایٹھ صاف طوق پر واضح ہیں۔
2. کمپنی کی لکاؤنٹنگ کے معلق کے ہاتھ جاتے ای کیسے گئے ہیں۔
3. لہاٹے گوشواری کے معلق میں کاروبار کیسے وسیلے طور پر ایسے کیسے گئے ہیں۔ جب کہ ہاؤنٹن گنگ کے معلق میں اسے اور عملیت چوری وریٹیلہ پر لگائی گئی ہے۔
4. لہاٹے گوشواری کے معلق میں کاروبار کے دوران پاکستان میں رٹج کا معلق گنگ کے معلق ایسے کیسے گئے ہیں۔ اور ان سے ملتی ہوگی معلق اعہ وجوہ دی گئی ہے۔
5. ان درونی کٹوں کے نظام کلڈی ایٹھ بوطہ ہے اور اسے مؤثر انداز میں نافذ اور ملٹورنرک کیسے گئے ہیں۔
6. جیسا کہ ہاؤنٹن گنگ کے معلق میں 1 میں مکمل وضیت کے ساتھ ہاؤنٹن گنگ کے معلق کے فعال اور فب خش ادارے کے طر پر جار کر کے جیے کی صلاحیت میں قس کے معلق کوک و شوبانہ ہیں۔
7. اسٹن گنگ کے قورہن میں صراحت کر دے گا کہ اس کے معلق میں قس کے معلق کا واضح خراف نہ کیسے گئے ہیں۔
8. گنڈنہ 6 سالوں کے دوران پلٹورنرک اور ملٹی ایسے امور کے معلق کیسے گئے ہیں۔ 8 پلٹورنرک کیسے گئے ہیں۔
9. بورڈ کیسے گئے ہیں

1. مندرجہ فل مطابق ٹن کیسے گئے ہیں: 7

ایک: مرد: 6

ب: خولین: 1

2. بوڈ کیسے گئے ہیں مندرجہ ذیل ہے:

نام	قسم
میں عوہ پویز	ازاد ٹلہ کیسے
معلق بال	یگر خرائیگنویٹو ٹن کیسے
عدن ٹن فی ع	
ای ٹن فی ع	
م ٹن فی ع	
عاریٹن فی ع	ایگے کٹوئی ٹو کیسے
عٹن فی ع	

Six Years at a Glance

(Rs.000)

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
TURNOVER	8,888	7,563	7,612	7,031	7,740	9,514
GROSS PROFIT	(16,079)	(16,107)	(16,573)	(16,814)	(17,155)	(17,761)
NET PROFIT	(17,479)	(18,050)	(22,599)	(24,714)	(26,204)	(24,225)
TAXATION	3,258	2,767	2,030	1,246	1,381	3,055
SHARE CAPITAL FUND	149580	149,580	149,580	149,580	149,580	149,580
SHAREHOLDERS FUND	172,273	154,794	193,858	171,258	287,954	271,332
GROSS PROFIT %	(181)	(213)	(218)	(239)	(222)	(187)
NET PROFIT %	(197)	(239)	(297)	(352)	(339)	(255)
TAXATION %	37	37	27	18	18	32
EARNING PER SHARE	(1.17)	(1.21)	(1.51)	(1.65)	(1.75)	(1.62)
DIVIDEND %	-	-	-	-	-	-
BONUS %	-	-	-	-	-	-

Statement of Compliance

with the Code of Corporate Governance for the year ended June 30, 2019.

Pakistan PVC Limited (“the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (“the Regulations”) in the following manner.

1. The total number of directors are 7 as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of board is as follows:

Category	Name
Independent Directors	Masood Parvaiz
	Mohammad Iqbal
Other Non-executive Director	Adnan Shaffi
	Mohammad Shaffi
	Saira Shaffi
Executive Directors	Arif Shaffi
	Adeel Shaffi

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board remained fully compliant with the provision with regard to their directors’ training program. Out of total of seven directors, one directors is exempt from training program and five has completed training during the year as required by regulation no. 20, sub-regulation 2 of the Regulations.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) Audit Committee (Name of members and Chairman)

Dr. Masood Parvaiz	Chairman
Mr. Mohammad Iqbal	Member
Mr. Mohammad Shaffi	Member

b) HR and Remuneration Committee (Name of members and Chairman)

Dr. Masood Parvaiz	Chairman
Mr. Mohammad Iqbal	Member
Mr. Mohammad Shaffi	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee: Quarterly

b) HR and Remuneration Committee: Yearly

15. The board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Signature (s)
(Adnan Shaffi)
Chairman
September 21, 2019

Independent Auditor's Review Report

To the members of Pakistan PVC Limited on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Pakistan PVC Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Place: Lahore

Dated: **September 21, 2019**

MUSHTAQ & COMPANY

Chartered Accountants

Engagement Partner:

Zahid Hussain Zahid, ACA

Independent auditor's report to the members of Pakistan PVC Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of **Pakistan PVC Limited ("the Company")**, which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

- (a) The Company ceased the production at Gharo Plant since 1995. The production at Islamabad Plant continues. As stated in the note 2.2 to the financial statements, the Company had incurred a loss for the year ended June 30, 2019 of Rs.17.479 million (June 30, 2018: Rs. 18.050 million) and as of that date, reported accumulated loss of Rs. 491.138 million (June 30, 2018: Rs. 479.504 million) against the issued, subscribed and paid up capital of Rs. 149.580 million (June 30, 2018: Rs. 149.580 million) turning shareholders' equity to a negative balance of Rs. 172.272 million (June 30, 2018: Rs. 154.793 million). The current liabilities exceed the current assets by Rs. 353.384 million (June 30, 2018: Rs. 341.797 million). Further the Company has not been able to obtain enough finance to revive its Gharo Plant operations. These circumstances give rise to significant uncertainty as to the ability of the Company to continue operations as going concern in the foreseeable future and therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The management has not prepared cash flow projections and future plan to revive the operation of Gharo plant closed since 1995.
- (b) No confirmation/bank statement was received to verify the correctness of balance of long term loan payable to Privatization Commission of Pakistan, reflected under current portion of long term loans, in note 9 of these financial statements, amounting to Rs. 32,991,000 and UBL cash finance amounting to Rs. 15,000,000 reflected under short term borrowings, in note 13.1 of the financial statements and markup accrued thereon amounting to Rs. 95,766,093 and Rs. 96,133,934 respectively
- (c) No confirmation was received to verify the amount included in trade and other payables in respect of liability towards Privatization Commission, Finance Division, amounted to Rs. 10,000,000, in note 11.5 of these financial statements
- (d) We do not concur with the accounting treatment of leasehold land referred in note 16.5 of these financial statements being violation of the requirements of International Accounting Standards (IAS 40) "Investment Property"
- (e) As more fully explained in note 15.2 of these financial statements, the impact on the financial statements of the disputed CDA plot of land at Islamabad is not determinable.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion, except for the effects of matters stated above:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the **purpose of the Company's business; and**
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Zahid Hussain Zahid, ACA.

MUSHTAQ & CO

Chartered Accountants

Lahore.

Dated: September 21, 2019

PAKISTAN PVC LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

		2019	2018			2019	2018
	Note	-----Rupees-----			Note	-----Rupees-----	
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Authorized capital 15,000,000 (June 30, 2018 : 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000	Property, plant and	16	180,989,185	187,095,786
Issued, subscribed and paid up capital	7	149,580,000	149,580,000	Long term investments	17	122,500	105,000
Accumulated loss		(491,138,135)	(479,504,747)				
Surplus on revaluation of fixed assets	8	169,285,442	175,131,108				
		(172,272,693)	(154,793,640)				
NON CURRENT LIABILITIES				CURRENT ASSETS			
Long term financing	9	-	-	Stock in trade	18	785,200	726,288
Deferred liabilities	10	-	197,370	Trade debts	19	1,045,312	1,188,215
CURRENT LIABILITIES				Loans and advances	20	1,123,023	1,041,987
Trade and other payables	11	90,656,392	85,546,439	Trade deposits	21	100,000	100,000
Unclaimed Dividend		45,980	45,980	Other receivables	22	789,559	2,339
Accrued interest / markup	12	191,900,027	184,661,047	Tax refunds due from Government	23	2,024,490	1,763,427
Short term borrowings	13	40,321,661	40,663,242	Cash and bank balances	24	58,510	134,026
Current portion of long term financing	9	32,991,000	32,991,000			5,926,094	4,956,283
Provision for taxation - net	14	3,395,411	2,845,630			187,037,779	192,157,068
		359,310,472	346,753,338			187,037,779	192,157,068
CONTINGENCIES AND COMMITMENTS							
	15	187,037,779	192,157,068				

The annexed notes from 1 to 41 form an integral part of these financial statements.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

Asif Shaffi
CHIEF FINANCIAL OFFICER

PAKISTAN PVC LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

		<u>2019</u>	<u>2018</u>
	Note	-----Rupees-----	
Sales	25	8,887,797	7,562,962
Cost of sales	26	(24,966,477)	(23,669,883)
Gross loss		<u>(16,078,680)</u>	<u>(16,106,921)</u>
Other income	27	17,020,550	14,517,309
Distribution cost	28	(3,236,990)	(2,594,223)
Administrative expenses	29	(4,655,615)	(3,741,757)
Other operating expenses	30	(23,900)	(111,180)
Finance costs	31	(7,246,521)	(7,246,846)
Loss before taxation		<u>(14,221,155)</u>	<u>(15,283,618)</u>
Taxation	32	(3,257,898)	(2,766,624)
Loss for the year		<u><u>(17,479,053)</u></u>	<u><u>(18,050,241)</u></u>
Loss per share - basic and diluted	33	<u>(1.17)</u>	<u>(1.21)</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

Asif Shaffi
CHIEF FINANCIAL OFFICER

PAKISTAN PVC LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Note	-----Rupees-----	
Loss for the year	(17,479,053)	(18,050,241)
Items that will not be subsequently reclassified to statement of profit or loss		
Gain on revaluation of land and buildings	-	57,114,273
Impact of deferred tax	-	-
Other comprehensive income	-	57,114,273
Total comprehensive income/(loss) for the year	(17,479,053)	39,064,032

The annexed notes from 1 to 41 form an integral part of these financial statements.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

Asif Shaffi
CHIEF FINANCIAL OFFICER

PAKISTAN PVC LIMITED
STATEMENT CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(14,221,155)	(15,283,618)
<i>Adjustments for :</i>		
Depreciation	6,891,942	7,977,987
Accrued Interest	(17,500)	(15,000)
Credit balances charged to other income	(157,281)	(847,471)
Debit balances written off	23,900	111,180
Finance cost	7,246,521	7,246,846
Staff retirement benefits - gratuity	-	4,422
Rental income	(16,845,769)	(12,733,318)
Operating cash flows before changes in working capital	(17,079,343)	(13,538,971)
(Increase) / decrease in current assets		
Stock in trade	(58,912)	(8,210)
Trade debts	148,891	88,256
Loans and advances	(104,936)	(649,690)
Tax refunds due from Government	110,268	(52,752)
Increase/ (decrease) in current liabilities		
Trade and other payables	5,459,136	4,533,568
	5,554,447	3,911,172
Net cash used in operation	(11,524,896)	(9,627,799)
Income tax paid	(3,079,447)	(2,409,505)
Finance cost paid	(7,541)	(7,867)
Gratuity Paid	(197,370)	-
	(3,284,358)	(2,417,372)
Net cash used in operating activities	(14,809,254)	(12,045,171)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(785,340)	(620,513)
Rent received	15,860,659	13,016,209
Net cash generated from investing activities	15,075,319	12,395,696
CASH FLOWS FROM FINANCING ACTIVITIES *		
Short term borrowings - net	(341,581)	(325,945)
Net cash generated from /(used) in financing activities	(341,581)	(325,945)
Net (decrease) / increase in cash and cash equivalents	(75,516)	24,580
Cash and cash equivalent at the beginning of the year	134,026	109,446
Cash and cash equivalent at the end of the year	58,510	134,026

* No non-cash items are included in these activities.

The annexed notes from 1 to 41 form an integral part of these financial statements.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

Asif Shaffi
CHIEF FINANCIAL OFFICER

PAKISTAN PVC LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Issued, subscribed and paid up capital	Revenue Reserve Accumulated loss	Capital Reserve Revaluation Surplus	Total
	-----Rupees-----			
Balance as at July 1, 2017 re-stated	149,580,000	(468,446,415)	125,008,744	(193,857,672)
Transfer from surplus on revaluation on account of incremental depreciation	-	6,991,909	(6,991,909)	-
Total comprehensive loss for the year ended June 30, 2018				
Loss for the year ended June 30, 2018	-	(18,050,241)	-	(18,050,241)
Other comprehensive income / (loss) for the year ended June 30, 2018	-	-	57,114,273	57,114,273
Balance as at July 1, 2018	149,580,000	(479,504,747)	175,131,108	(154,793,640)
Transfer from surplus on revaluation on account of incremental depreciation	-	5,845,666	(5,845,666)	-
Total comprehensive loss for the year ended June 30, 2019				
Loss for the year ended June 30, 2019	-	(17,479,053)	-	(17,479,053)
Other comprehensive income / (loss) for the year ended June 30, 2019	-	-	-	-
Balance as at June 30, 2019	149,580,000	(491,138,135)	169,285,442	(172,272,693)

The annexed notes from 1 to 41 form an integral part of these financial statements.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

Asif Shaffi
CHIEF FINANCIAL OFFICER

PAKISTAN PVC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND OPERATIONS

Pakistan PVC Limited (the company) is incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited.

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 in plant continues at Plot No. 1-4 B 31-A Sector I-9, Industrial Area, Islamabad. The company has installed a water purification plant to process and sell mineral water in 2011 at Sector I-9, Industrial Area, Islamabad.

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.

1.1 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency and figures are rounded off to the nearest rupee.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and Provision of and directives issued under the Companies Act, 2017. Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention. The company had incurred a loss for the year ended June 30, 2019 of Rupees 17,479 million (June 30, 2018: Rupees 18,050 million) and as of that date, reported accumulated loss of Rs. 491,138 million as at June 30, 2019 (June 30, 2018: Rs. 479,504 million) against the issued, subscribed and paid up capital of Rs. 149,580 million (June 30, 2018: Rs. 149,580 million) turning shareholders' equity to a negative balance of Rs. 172,272 million (June 30, 2018: Rs. 154,793 million). The current liabilities exceeds the current assets by Rs. 353,384 million (June 30, 2018: Rs. 341,797 million). Further the company has not been able to obtain enough finance to revive its operations. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as a going concern.

3 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect application of policies reported amount of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

3.1 Provision for taxation

The company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.2 Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on market conditions existing at balance sheet date.

3.3 Property, plant and equipment

The company reviews recoverable amount, useful life, residual value and possible impairment on an annual basis. Any changes, if material in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3.4 Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows.

- Provision for doubtful debts
- Estimation of net realizable value
- Computation of deferred taxation
- Disclosure of contingencies

4 Standards, interpretations and amendments to published approved accounting standards

4.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

Following standards, amendments and interpretations are effective for the year beginning on or after July 01, 2018. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- IFRS 9 'Financial Instruments' - This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces IAS 39 incurred loss impairment model.

9. IFRS 15 'Revenue from contracts with customers' - This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company. However, related changes to the accounting policies have been made in these financial statements.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on January 1, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

4.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and Interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

- IFRS 16, 'Leases' is applicable to accounting periods beginning on or after January 1, 2019. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all the leases on the balance sheet date. This standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessor will not significantly change. Some differences may arise as a result of the new guidance on the definition of lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has yet to assess the impact of this standard on its financial statements.
 - IFRIC 23, 'Uncertainty over income tax treatments': (effective for periods beginning on or after January 01, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company is yet to assess the full impact of the interpretation.
- 4.3 There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the company and therefore have not been presented here.

5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

5.1 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost / revalued amount less accumulated depreciation and impairment in value, if any. Freehold land is stated at cost / revalued amount less any identified impairment loss, if any.

Depreciation on all items of property, plant and equipment except for freehold land is charged to income applying the reducing balance method so as to write off historical cost / revalued amount of an asset over its estimated useful life at the rates as disclosed in property, plant and equipment note. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other costs are charged to income during the period in which they are incurred.

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets, if any, are recognized as and when incurred.

Surplus arising on revaluation of an item of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment, except to the extent that it reverses deficit on revaluation of the same assets previously recognized in profit or loss, in which case the surplus is credited to profit or loss to the extent of deficit previously charged to income. Deficit on revaluation of an item of property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any held in surplus on revaluation of property, plant and equipment relating to previous revaluation of that item. On subsequent sale or retirement of revalued item of property, plant and equipment the attributable surplus remaining in the surplus on revaluation of property, plant and equipment is transferred directly to unappropriated profit. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related assets is transferred to unappropriated profit.

5.2 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

5.3 Impairment

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is the greater of net selling price and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

5.4 Investments

The investments made by the company are classified for the purpose of measurement into the following category.

At amortized cost

Investments with fixed maturity that the management has the intention and ability to hold onto until maturity are initially measured at cost and at subsequent reporting dates measured at amortized cost using the effective yield method.

5.5 Stores and spares

These are valued at lower of cost or net realizable value. Cost is determined on weighted average basis except items in transit, which are valued at cost accumulated to balance sheet date. Provision is made in the financial statements for obsolete and slow moving store spares based on the management best estimate.

5.6 Stock in trade

Stock in trade have been valued at lower of cost and net realizable value (NRV) except waste, which is valued at net realizable value. Cost is determined as follows:

Raw material	At weighted average cost
Work in process and finished goods	- Cost of material and proportionate manufacturing overheads
Stock in transit	- At cost accumulated to the balance sheet date
Scrap and Crush of pipes	Net realizable value

Provision is made in the financial statements for obsolete and slow moving stocks based on the management's best estimates.

5.7 Trade debts

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method.

5.8 Cash and cash equivalents

For the purpose of cash flow statement cash and cash equivalents comprises cash in hand and bank balances.

5.9 Borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

5.10 Revenue recognition

- Revenue from sale of goods is recognized when control of goods is transferred to customers.
- Interest income is recognized on the basis of constant periodic rate of return.
- Dividend income is recognized when the right to receive dividend is established i.e. the book closure date of the investee company declaring the dividend.
- Unrealized gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealized gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

5.11 Financial Assets and Liabilities

Financial Assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

a. Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost, interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

b. Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Derecognition

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

5.12 Financial Liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

5.13 Impairment

Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognize lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-Financial Assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Off setting financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

5.14 Dividends

Dividend distribution to the shareholders is recognized as a liability in the financial statements in the period in which such dividends are declared and approved by the shareholders.

5.15 Staff retirement benefits-gratuity

During the period, the company has adopted IAS 19, (Revised) "Employee Benefits". The amendments in the revised standard require the company to eliminate the corridor approach and recognize all actuarial gains and losses (now called 'remeasurements', that result from the remeasurement of defined benefits obligations and fair value of plan assets at the balance sheet date) in other comprehensive income as they occur, immediately recognize all past service costs and replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefits liability / asset.

The company had operated an unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

There was only one employee entitled for gratuity, therefore the management believed that it is unreasonable to conduct actuarial valuation as required by IAS 19 "(Revised) Employee Benefits".

During current year, the company has paid the gratuity to its only permanent employee. All other employees are hired on contractual basis and Company is not offering any gratuity benefit to contractual employees.

5.16 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the company under presumptive / Final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credit and tax rebates available, if any. The charge for current tax includes any adjustment to past years liabilities.

Deferred

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. During the year a deferred tax assets for the carry forward of unused tax losses that shall not be recognized because it is not probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

5.17 Trade and other payable

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not invoiced to the Company.

5.18 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

5.19 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupee at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

5.20 Related parties

Transaction with related parties are priced on an arms length basis determined in accordance with comparable uncontrolled price method.

7 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2019	2018		2019	2018
Number of shares			-----Rupees-----	
2,603,335	2,603,335	Ordinary shares of Rs. 10/- each fully paid in cash	26,033,350	26,033,350
2,396,665	2,396,665	Ordinary shares of Rs. 10/= each fully paid for consideration of amounts outstanding against secured loans	23,966,650	23,966,650
180	180	Right shares issued of Rs. 10 each for cash in ratio of 2 for 1 share	1,800	1,800
9,971,820	9,971,820	Right shares issued to underwriters	99,718,200	99,718,200
<u>14,972,000</u>	<u>14,972,000</u>		<u>149,720,000</u>	<u>149,720,000</u>
(14,000)	(14,000)	Less: Unpaid amount in respect of shares allotted to Federal Chemical and Ceramics Corporation (Pvt) Limited.	(140,000)	(140,000)
<u>14,958,000</u>	<u>14,958,000</u>		<u>149,580,000</u>	<u>149,580,000</u>

7.1 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction. There is no movement in share capital during the year.

8 SURPLUS ON REVALUATION OF FIXED ASSETS

	Note	2019	2018
		-----Rupees-----	
Surplus on revaluation of property, plant and equipment - gross	8.1	169,285,442	175,131,108
		<u>169,285,442</u>	<u>175,131,108</u>
8.1 Surplus on revaluation of property, plant and equipment - gross			
Surplus on revaluation of property, plant and equipment at the beginning of the year		175,131,108	125,008,744
Arised during the year		-	57,114,273
Transfer to unappropriated profit in respect of incremental depreciation on revalued assets		(5,845,666)	(6,991,909)
		<u>169,285,442</u>	<u>175,131,108</u>

9 LONG TERM FINANCING

Secured

Government loan	9.1	32,991,000	32,991,000
Less : Current portion shown under current liabilities		(32,991,000)	(32,991,000)
		<u>-</u>	<u>-</u>

9.1 The loan was repayable in four half-yearly installments commenced one year after the date of disbursement to the company (i.e. June 17, 1992) and subject to an interest @ 11% (SBP rate prevailed at the time of agreement) as agreed with the management. It is secured against bank guarantee provided by the directors which is secured against personal marketable securities of directors. The entire amount of the loan stands outstanding, overdue and payable to Privatization Commission of Pakistan.

10 DEFERRED LIABILITIES

	Note	2019	2018
		-----Rupees-----	
Staff retirement benefits - gratuity	10.1	-	197,370
		<u>-</u>	<u>197,370</u>
10.1 Staff retirement benefits - gratuity			
Opening balance		197,370	192,948
Provision made during the year		-	4,422
		<u>197,370</u>	<u>197,370</u>
Paid during the year		197,370	-
Closing balance		<u>-</u>	<u>197,370</u>

	Note	2019	2018
11 TRADE AND OTHER PAYABLES			
		-----Rupees-----	
Creditors	11.1	3,332,173	3,490,849
Accrued liabilities	11.2	76,558,471	71,171,841
Advances from customers	11.3	493,976	414,087
Advance Rent		22,072	219,961
Interest free demand deposits (Security Deposits against rent)	11.4	249,700	249,700
Privatization commission, finance division	11.5	10,000,000	10,000,000
		<u>90,656,392</u>	<u>85,546,439</u>
11.1	During the year payable to creditors amounting to Rs. 151,293 (June 30, 2018 :Rs. 273,513) have been written back to other income by the management through board resolution.		
11.2	It includes amount payable to directors and associates amounting to Rs 31,640,310. (June 30, 2018: Rs.60,039,924) against the salaries payable and other expenses.		
11.3	During the year advance from customers amounting to Rs.5,988 (June 30,2018 :Rs. 573,958.28) have been written back to other income by the management through board resolution.		
11.4	This interest free demand deposit is not kept into separate bank account.		
11.5	It represents unsecured, interest free advance received from Privatization Commission Financial Division, Islamabad in October 1992 for payment to workers on account of golden hand shake.		
	Note	2019	2018
12 ACCRUED INTEREST / MARKUP			
		-----Rupees-----	
Interest / markup on:			
Short term borrowings-UBL		96,133,934	92,523,964
Long term financing		95,766,093	92,137,083
		<u>191,900,027</u>	<u>184,661,047</u>
13 SHORT TERM BORROWINGS			
From banking companies - secured			
Cash finance	13.1	15,000,000	15,000,000
From related parties and directors - unsecured			
Related parties	13.2	22,193,983	21,650,901
Directors	13.3	3,044,032	3,924,196
Book over draft - unsecured	13.4	83,646	88,145
		<u>40,321,661</u>	<u>40,663,242</u>
13.1	This represents UBL cash finance amounting to Rs. 15,000,000. Suit against the recovery of short term borrowings has been filed by the bank against the company was decreed in favor of the bank by the Banking Court for Rs. 21,978,493 and markup thereon from the date of filing of suit. The amount of markup Rs.96,133,934 has not been confirmed by the bank and have been accrued by the company on estimated basis.		
13.2	This amount is payable to Mrs. Parveen Shaffi. The loan amount is payable to Mrs. Parveen Shaffi on her demand, therefore, the loan is clubbed in short term borrowings and classified under current liabilities. The loan is interest free and unsecured.		
13.3	These are interest free payable on demand of directors.		
13.4	This represents book overdraft due to issuance of cheques in excess of balances in bank accounts.		
	Note	2019	2018
14 PROVISION FOR TAXATION - NET			
		-----Rupees-----	
Opening balance		2,845,630	956,164
Add: Provision for the year	32	3,257,898	2,766,624
Less: Paid / adjusted during the year		(2,708,117)	(877,158)
		<u>3,395,411</u>	<u>2,845,630</u>
15 CONTINGENCIES AND COMMITMENTS			
15.1	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 Repealed Companies Ordinance, 1984. The inspector has submitted report on his findings to the SECP. The outcome can not be anticipated at this stage.		
15.2	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.		
15.3	The Privatization Commission of Pakistan had filed a suit in honorable Islamabad High Court, C.O.S No 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. 32,991,000 along with the markup thereon amounting to Rs. 95,766,093 aggregating to Rs.128,757,093. 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.		

16 Property, plant and equipment

	2019	2018
	-----Rupees-----	
Operating assets	70,248,856	71,318,176
Non operating assets	110,740,329	115,777,610
	<u>180,989,185</u>	<u>187,095,786</u>

Note

Operating assets
Non operating assets

16.1 Operating assets

	Owned											Total				
	Land Leasehold	Factory building	Plant and machinery	Electric installation	Loose tools and implements	Air conditioners, coolers and fans	Fire fighting equipment	Weighing scales	Furniture and fixtures	Office computers	Office equipments		Canteen equipments	Motor vehicles	Other assets	
Cost																
Balance as at July 01, 2017	29,944,442	10,133,600	15,610,000	2,592,503	1,583,074	1,244,898	119,860	347,476	840,521	500,000	1,947,979	25,416	1,220,569	116,983	66,227,322	
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	620,513	-	620,513	
Surplus/(Deficit) Adjustment	24,499,998	2,270,211	(1,577,548)	(6,392,452)	-	-	-	-	-	-	-	-	-	-	25,192,661	
Disposals	-	(4,149,811)	(6,392,452)	-	-	-	-	-	-	-	-	-	-	-	(10,542,263)	
Balance as at June 30, 2018	54,444,440	8,254,000	7,640,000	2,592,503	1,583,074	1,244,898	119,860	347,476	840,521	500,000	1,947,979	25,416	1,841,082	116,983	81,498,233	
Balance as at July 01, 2018	54,444,440	8,254,000	7,640,000	2,592,503	1,583,074	1,244,898	119,860	347,476	840,521	500,000	1,947,979	25,416	1,841,082	116,983	81,498,233	
Additions during the year	-	-	785,340	-	-	-	-	-	-	-	-	-	-	-	785,340	
Surplus/(Deficit) Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at June 30, 2019	54,444,440	8,254,000	8,425,340	2,592,503	1,583,074	1,244,898	119,860	347,476	840,521	500,000	1,947,979	25,416	1,841,082	116,983	82,283,573	
Depreciation																
Balance as at July 01, 2017	-	3,484,945	5,368,280	2,517,976	1,582,498	1,191,828	118,500	337,963	800,248	394,957	1,881,372	25,375	1,096,029	115,031	16,926,685	
Charge for the year	-	664,865	1,024,172	7,452	115	7,960	136	951	4,027	31,513	9,991	6	55,934	195	1,988,316	
Adjustment	-	(4,149,811)	(6,392,452)	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at June 30, 2018	-	-	-	2,525,428	1,582,613	1,199,789	118,636	338,914	804,275	426,470	1,891,363	25,381	1,151,963	115,227	10,180,057	
Balance as at July 01, 2018	-	-	-	2,525,428	1,582,613	1,199,789	118,636	338,914	804,275	426,470	1,891,363	25,381	1,151,963	115,227	10,180,057	
Charge for the year	-	825,400	842,534	6,707	92	6,766	122	856	3,625	22,059	8,492	5	137,824	175,642	1,854,660	
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at June 30, 2019	-	825,400	842,534	2,532,136	1,582,705	1,206,555	118,758	339,770	807,900	448,529	1,899,855	25,387	1,289,786	115,402	12,034,717	
Written down value as at June 30, 2018	54,444,440	8,254,000	7,640,000	67,075	462	45,109	1,224	8,562	36,246	73,530	56,616	35	689,119	1,756	71,318,176	
Written down value as at June 30, 2019	54,444,440	7,428,600	7,582,806	60,367	369	38,343	1,102	7,706	32,621	51,471	48,124	29	551,296	1,581	70,248,856	
Rate of depreciation	-	10%	10%	10%	20%	15%	10%	10%	10%	30%	15%	15%	20%	10%		

16.2 Non operating assets

Cost	Owned											Total			
	Land leasehold	Land freehold	Factory building	Plant and machinery	Loose tools and implements	Air conditioners, coolers and fans	Fire fighting equipment	Weighing scales	Furniture and fixtures	Office computers	Office equipments		Canteen equipments	Motor vehicles	Other assets
Balance as at July 01, 2017	24,480,000	3,840,000	18,240,700	75,810,000	-	-	-	-	-	-	-	-	-	-	122,370,700
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus	32,056,353	5,028,447	5,041,859	(10,205,047)	-	-	-	-	-	-	-	-	-	-	31,921,613
Adjustment	-	(7,469,749)	(7,469,749)	(31,044,954)	-	-	-	-	-	-	-	-	-	-	(38,514,703)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2018	56,536,353	8,868,447	15,812,810	34,560,000	-	-	-	-	-	-	-	-	-	-	115,777,610
Balance as at July 01, 2018	56,536,353	8,868,447	15,812,810	34,560,000	-	-	-	-	-	-	-	-	-	-	115,777,610
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2019	56,536,353	8,868,447	15,812,810	34,560,000	-	-	-	-	-	-	-	-	-	-	115,777,610
Depreciation															
Balance as at July 01, 2017	-	-	6,272,977	26,071,059	-	-	-	-	-	-	-	-	-	-	32,344,036
Charge for the year	-	-	1,196,772	4,973,895	-	-	-	-	-	-	-	-	-	-	6,170,667
Adjustment	-	-	(7,469,749)	(31,044,954)	-	-	-	-	-	-	-	-	-	-	(38,514,703)
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at July 01, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	1,581,281	3,456,000	-	-	-	-	-	-	-	-	-	-	5,037,281
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2019	-	-	1,581,281	3,456,000	-	-	-	-	-	-	-	-	-	-	5,037,281
Written down value as at June 30, 2018	56,536,353	8,868,447	15,812,810	34,560,000	-	-	-	-	-	-	-	-	-	-	115,777,610
Written down value as at June 30, 2019	56,536,353	8,868,447	14,231,529	31,104,000	-	-	-	-	-	-	-	-	-	-	110,740,329
Rate of depreciation	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-	-

16.3 The company has ceased the production at Ghara since 1995. The above represent assets transferred from property, plant and equipment - operating to property, plant and equipment - non operating from July 1, 2003.

16.4 Depreciation has been allocated as under

Note	2019	2018
Cost of good manufactured	6,741,936	7,907,881
Administrative expenses	4,375	5,137
Distribution cost	145,630	64,970
	<u>6,891,942</u>	<u>7,977,987</u>

16.5 Lease hold land is classified as owner occupied property till disposal of the case referred to in note 15.2 to these financial statements.

16.6 The company had its land freehold / leasehold, buildings on freehold land and plant and machinery revalued. Revaluation of the assets was carried out by the independent valuers "M/S W-W Engineering service (Pvt.) Limited" on June 30, 2018. The value is assessed on the basis of professional knowledge, present market conditions and available records. Freehold / leasehold land, building on freehold land, and plant and machinery was revalued at market value. The company has incorporated a revaluation surplus of Rs. 57,114,273 on revaluation of above assets on the basis of said valuation report. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

16.7 Had there been no revaluation, the carrying amount of the specific class of assets would have been as follows.

	Operating assets		Non operating assets	
	2019	2018	2019	2018
Freehold land	-	-	452,777	452,777
Leasehold land	2,683,055	2,683,055.00	38,957	38,957
Factory building	68,026	75,584	256,902	285,446
Plant and machinery	2,987,678	2,534,302	4,423,338	4,914,820
	<u>5,738,759</u>	<u>5,292,941</u>	<u>5,171,974</u>	<u>5,692,001</u>

16.8 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immovable property	Total Area (in acres)	Total area (in sq ft.)
(a) Shaffiabad, Gharo, District Thatta.	Production facility	68.13	329,749.20
(b) Plot No. 1-4 & 31-A Sector I-9, Industrial Area, Islamabad.	Production facility	5.62	27,222.22

16.9 Forced sale value of immovable property of the company as per revaluation report is as follows:

	Operating Assets	Non Operating Assets
Land	48,999,996	58,864,320
Building	7,015,900	13,440,889
Machinery	6,292,000	27,648,000

	Note	2019	2018
-----Rupees-----			
17 LONG TERM INVESTMENTS			
Held to maturity			
Government Securities			
National defense saving certificates	17.1	50,000	50,000
Add: Profit accrued to date		72,500	55,000
		122,500	105,000
		<u>122,500</u>	<u>105,000</u>
17.1	National defense saving certificate of Rs. 50,000 have been purchased from the Government of Pakistan under 10 years maturity scheme. The certificates are en-cashable at par at any time. However, no profit is payable if encashment is made before completion of one year. The average compound rate of return on maturity presently works to 12.3 % per annum. Profit accrued represents the profit on National defense saving certificates from November 2010 till June 2019.		
	Note	2019	2018
-----Rupees-----			
18 STOCK IN TRADE			
Raw and packing materials		73,474	23,913
Work in process		23,478	29,698
Finished goods		688,248	672,677
		<u>785,200</u>	<u>726,288</u>
19 TRADE DEBTS			
Local - unsecured considered good			
- Pipes and fittings sales	19.1	1,035,297	1,170,664
- Water Sales		10,015	17,551
		<u>1,045,312</u>	<u>1,188,215</u>
19.1	During the year trade debts amounting to Nil (June 30, 2018 : Rs. 2,470) have been written off as bad debt.		
	Note	2019	2018
-----Rupees-----			
20 LOANS AND ADVANCES			
Advance to suppliers - considered good		1,123,023	1,041,987
		<u>1,123,023</u>	<u>1,041,987</u>
20.1	During the year advance to Suppliers amounting to Rs.23,900 (June 30, 2018 :Rs. 108,710) have been written off by the management through board resolution.		
	Note	2019	2018
-----Rupees-----			
21 TRADE DEPOSITS			
Trade deposits		100,000	100,000
		<u>100,000</u>	<u>100,000</u>
22 OTHER RECEIVABLES			
Rent receivables		789,559	2,339
		<u>789,559</u>	<u>2,339</u>
23 TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax receivables		120,812	231,080
Advance income tax	23.1	1,903,677	1,532,347
		<u>2,024,490</u>	<u>1,763,427</u>
23.1 Advance income tax			
Opening balance		1,532,347	-
Deducted during the year		3,079,447	2,409,505
		<u>4,611,794</u>	<u>2,409,505</u>
Adjusted against liability		(2,708,117)	(877,158)
		<u>1,903,677</u>	<u>1,532,347</u>

	Note	2019	2018
		-----Rupees-----	
24 CASH AND BANK BALANCES			
Cash in hand		10,000	10,000
Cash at banks - current accounts		48,510	124,026
		<u>58,510</u>	<u>134,026</u>
25 SALES			
Local			
PVC pipes and fittings		11,268,742	8,727,821
Less: Sale Tax		(1,464,715)	(1,185,605)
Less: Trade discounts and commission		(2,143,379)	(1,166,492)
		<u>7,660,648</u>	<u>6,375,724</u>
Mineral water		1,435,777	1,389,066
Less: Sale Tax		(208,628)	(201,828)
Total sales		<u>8,887,797</u>	<u>7,562,962</u>
		<u>2019</u>	<u>2018</u>
26 COST OF SALES	Note	-----Rupees-----	
Opening stock - finished good		672,677	531,985
Cost of goods manufactured	26.1	24,305,277	23,334,407
Outside purchases		676,770	476,168
		<u>25,654,725</u>	<u>24,342,560</u>
Closing stock- finished goods		(688,248)	(672,677)
		<u>24,966,477</u>	<u>23,669,883</u>
26.1 Cost of goods manufactured			
Raw and packing material consumed	26.2	5,102,011	4,602,779
Directors remuneration		750,000	750,000
Salaries, wages and benefits		7,971,609	6,529,063
Fuel and power		1,642,909	1,646,887
Stores and spares consumed		99,700	118,098
Repairs and maintenance		1,104,792	1,071,700
Postage and telephone		96,110	90,246
Rent, rates and taxes		95,600	95,600
Traveling, conveyance and vehicles running		672,046	529,429
Entertainment		22,345	16,678
Depreciation	16.4	6,741,936	7,907,881
		<u>24,299,058</u>	<u>23,358,360</u>
Work in process			
Opening		29,698	5,744
Closing stock		(23,478)	(29,698)
		<u>6,220</u>	<u>(23,954)</u>
Cost of goods manufactured		<u>24,305,277</u>	<u>23,334,407</u>
		<u>2019</u>	<u>2018</u>
26.2 Raw and packing material consumed	Note	-----Rupees-----	
Opening		23,913	180,349
Purchases		5,151,572	4,446,343
Available for consumption		<u>5,175,485</u>	<u>4,626,692</u>
Closing stock		(73,474)	(23,913)
		<u>5,102,011</u>	<u>4,602,779</u>
27 OTHER INCOME			
From financial assets			
Profit on national defense saving certificates		17,500	15,000
Advance from customers written back		5,988	573,958
Creditors written back		151,293	273,513
Scrap sale		-	921,520
From other than financial assets			
Rental income		16,845,769	12,733,318
		<u>17,020,550</u>	<u>14,517,309</u>

	Note	2019	2018
-----Rupees-----			
28 DISTRIBUTION COST			
Salaries, wages and benefits		653,149	642,422
Rent, rates and taxes		203,438	162,556
Vehicles running		674,899	465,820
Traveling and conveyance		235,346	537,597
Entertainment		124,371	166,746
Postage and telephone		94,020	126,518
Printing and stationery		42,148	72,657
Transportation cost		59,996	40,690
Membership and subscription		438,993	14,247
Donation	28.1	565,000	300,000
Depreciation	16.4	145,630	64,970
		<u>3,236,990</u>	<u>2,594,223</u>
28.1 No Director has interest in any donee.			
29 ADMINISTRATIVE EXPENSES			
Directors remuneration		2,250,000	2,250,000
Salaries, wages and benefits		1,561,997	552,000
Rent, rates and taxes		4,703	25,670
Traveling and conveyance		27,000	12,000
Postage and telephone		3,620	12,230
Printing and stationery		11,500	31,650
Electricity, gas and water		74,252	182,174
Advertising & Publicity		16,700	-
Legal and professional		477,967	450,396
Auditors remuneration	29.1	223,500	220,500
Depreciation	16.4	4,375	5,137
		<u>4,655,615</u>	<u>3,741,757</u>
29.1 Auditors' remuneration			
Statutory audit fee		150,000	147,000
Half yearly review fee		73,500	73,500
		<u>223,500</u>	<u>220,500</u>
	Note	2019	2018
30 OTHER OPERATING EXPENSES			
-----Rupees-----			
Debit balances written off		23,900	111,180
		<u>23,900</u>	<u>111,180</u>
31 FINANCE COSTS			
Mark-up on long term financing		3,629,010	3,629,010
Mark-up on short term borrowings		3,609,969	3,609,969
Bank charges		7,541	7,867
		<u>7,246,521</u>	<u>7,246,846</u>
32 TAXATION			
Current year	32.1	3,423,528	2,873,747
Prior year		(165,630)	(107,123)
		<u>3,257,898</u>	<u>2,766,624</u>

32.1 The provision for current year taxation on local sales and rental income earned during the year. The assessment of the company will be finalized under the provisions of Income Tax Ordinance, 2001. Income tax returns are filed up to tax year 2018.

32.2 Relationship between tax expense and accounting profit is presented below.

	<u>2019</u>	<u>2018</u>
	-----Rupees-----	
Accounting loss	<u>(14,221,155)</u>	<u>(15,283,618)</u>
Tax at the applicable tax rate of 29% (2018: 30%)	-	-
Tax effects:		
Prior year tax effect	(165,630)	(107,123)
Income taxed as separate block	3,423,528	2,873,747
	<u>3,257,898</u>	<u>2,766,624</u>

32.3 During the year net deferred tax assets for the carry forward of unused tax losses amounting to Rs. 30,212,890 (2018: Rs.90,130,853) has not been recognized because it is not probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

	Note	<u>2019</u>	<u>2018</u>
		-----Rupees-----	
33 LOSS PER SHARE - BASIC AND DILUTED			
Loss for the year - Rupees		<u>(17,479,053)</u>	<u>(18,050,241)</u>
Weighted average number of shares		<u>14,958,000</u>	<u>14,958,000</u>
Basic loss per share - Rupees		<u>(1.17)</u>	<u>(1.21)</u>

There is no dilutive effect on the basic loss per share of the company for the year.

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments.

- 34.1 Credit risk
- 34.2 Liquidity risk
- 34.3 Market risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

34.1 Credit risk

Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and short term prepayments and cash and bank balances. Out of total financial assets of Rs. 1.993 million (June 30, 2018 : Rs. 1.424 million), financial assets which are subject to credit risk aggregate to Rs. 1.934 million (June 30, 2018 : Rs. 1.290 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows.

	<u>2019</u>	<u>2018</u>
	-----Rupees-----	
Trade debts	1,045,312	1,188,215
Trade deposits	100,000	100,000
Other receivables	789,559	2,339
Cash and bank balances	58,510	134,026
	<u>1,993,381</u>	<u>1,424,580</u>

The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows.

	2019	2018
	-----Rupees-----	
Domestic	1,045,312	1,188,215

The aging of trade debtors at the balance sheet is as follows.

	Gross debtors	
	2019	2018
	-----Rupees-----	
Not past due	187,310	212,916
Past due 0 - 30 days	231,849	263,545
Past due 31 - 90 days	214,205	243,488
Past due 90 days - 1 year	332,679	378,159
More than one year	79,270	90,106
	<u>1,045,312</u>	<u>1,188,215</u>

34.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	2019					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Long term financing	32,991,000	32,991,000	32,991,000	-	-	-
Short term borrowings	40,321,661	40,321,661	40,321,661	-	-	-
Accrued interest /	191,900,027	191,900,027	191,900,027	-	-	-
Trade and other	90,140,345	90,140,345	90,140,345	-	-	-
Total	<u>355,353,033</u>	<u>355,353,033</u>	<u>355,353,033</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2018					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Long term financing	32,991,000	32,991,000	32,991,000	-	-	-
Short term borrowings	40,663,242	40,663,242	40,663,242	-	-	-
Accrued interest /	184,661,047	184,661,047	184,661,047	-	-	-
Trade and other	84,912,390	84,912,390	84,912,390	-	-	-
Total	<u>343,227,681</u>	<u>343,227,681</u>	<u>343,227,681</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30, 2019. The rates of mark up have been disclosed in relevant notes to these financial statements.

34.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

Currency

Exposure to currency risk

The company is exposed to currency risk on trade debts, borrowing and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company. The company has not exposed

Interest rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from short and long term borrowings from bank and term deposits and deposits in PLS saving accounts with banks. At the balance sheet date the interest rate profile of the company's interest bearing financial instrument is as follows.

	2019	2018
	-----Rupees-----	
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	47,991,000	47,991,000

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

35 CAPITAL RISK MANAGEMENT

The board's policy is to maintain a strong capital base as to maintain investor, creditor and market confidence and to sustain future development of the business, however, practical difficulties with this regard are being faced by the management due to liquidity crisis, small market share and huge losses. The board of directors monitor the return on capital and the level of dividend to ordinary shareholders while due to heavy losses no dividend has been declared since several past years. There were no changes to the company's approach to capital management during the year and the company is not subject to externally imposed capital requirements.

36 TRANSACTIONS WITH RELATED PARTIES

The company has related party relationship with its directors and key management personnel. Remuneration given to chief executive directors and executives are in accordance with their terms of employment as disclosed in note 37 to the financial statements. Following are the balances of and transaction with related parties with related parties.

	2019	2018
	-----Rupees-----	
Balances with related parties		
Short term borrowing from Mr. Arif Shaffi - Director	539,058	683,058
Short term borrowing from Mrs. Parveen Shaffi - w/o Director	21,750,901	21,650,901
Short term borrowing from Mr. Muhammad Shaffi - Director	150,000	-
Short term borrowing from Mr. Adeel Shafi -Director	1,613,948	1,613,948
Short term borrowing from Mr. Asif Shafi -CFO	1,184,108	1,627,190
	<u>25,238,015</u>	<u>25,575,097</u>

37 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	CHIEF EXECUTIVE		EXECUTIVE DIRECTORS		NON EXECUTIVE DIRECTORS		TOTAL	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Basic	999,996	999,996	499,998	499,998	499,998	499,998	1,999,992	1,999,992
House rent	449,998	449,998	224,999	224,999	224,999	224,999	899,996	899,996
Others	50,006	50,006	25,003	25,003	25,003	25,003	100,012	100,012
	<u>1,500,000</u>	<u>1,500,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Number of persons	1	1	1	1	1	1	3	3

37.1 Chief executive of the company is provided with free use of company maintained car. No employee of the company falls under the definition of executive as defined in the Companies Act 2017.

38 PLANT CAPACITY

	Budgeted capacity	Actual production	
		2019	2018
-----Rupees-----			
At Gharo			
PVC Resin - tons	25,000	-	-
Compounds 100% - tons	1,500	-	-
PVC leather cloth and plastic sheets -	22,144,500	-	-
At Islamabad			
PVC pipes and fittings - meters	7,751,808	225,428	194,305
Processing of water - Gallons	900,000	55,225	74,846

The budgeted capacity at Gharo is from the time of ceasure of production and can only be re-assessed when production resumes at the facility.

The company has ceased the production at Gharo Plant since 1995.

The lower level of production of PVC pipes and fittings is due to abnormal increase in prices of raw material, which is directly linked with international petroleum prices.

39 NUMBER OF EMPLOYEES

	2019	2018
Number of employees worked at June 30	44	49
Average number of employees worked during the year	47	51

40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 21, 2019 by the board of directors of the company.

41 GENERAL

Figures have been rounded off to the nearest Rupee.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

Asif Shaffi
CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING
As at June 30, 2019

-----Shareholdings-----			
No. of Shareholders	From	To	Total Shares Held
269	1	100	10,141
128	101	500	48,491
84	501	1,000	80,020
154	1,001	5,000	474,700
37	5,001	10,000	305,716
19	10,001	15,000	250,160
7	15,001	20,000	125,470
2	20,001	25,000	49,000
3	25,001	30,000	89,000
1	40,001	45,000	44,000
1	65,001	70,000	65,690
1	50,001	55,000	51,500
3	75,001	80,000	234,000
1	95,001	100,000	98,000
1	105,001	110,000	110,000
1	175,001	180,000	180,000
1	190,001	195,000	193,500
1	295,001	300,000	300,000
1	365,001	370,000	370,000
1	375,001	380,000	376,450
1	380,001	385,000	381,100
1	425,001	430,000	425,602
1	735,001	740,000	737,640
1	9,970,001	9,975,000	9,971,820
720			14,972,000

Categories of Shareholding

As at June 30, 2019

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	419,300	2.8006%
Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
NIT and ICP	4,250	0.0284%
Banks Development, Financial Institutions, Non Banking Financial Institutions.	924,838	6.1771%
Insurance Companies	24,220	0.1618%
Modarabas and Mutual Funds	0	0.0000%
Share holders holding 10% or more	9,971,820	66.6031%
General Public		
a. Local	3,112,693	20.7901%
b. Foreign	0	0.0000%
Others (to be specified)		
1- Joint Stock Companies	512,715	3.4245%
2- Investment Companies	1,625	0.0109%
3- Abandoned Properties	539	0.0036%
4- Forigen Companies	9,971,820	66.6031%

PAKISTAN PVC LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2019

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. ARIF SHAFFI	376,450	2.5144%
2	MRS. SAIRA SHAFFI	12,850	0.0858%
3	MR. MOHAMMAD SHAFFI	17,500	0.1169%
4	MR. MOHAMMAD IQBAL	2,500	0.0167%
5	MR. ADEEL SHAFFI	2,500	0.0167%
6	MR. MASOOD PARVAIZ (CDC)	2,500	0.0167%
7	MR. ADNAN SHAFFI	2,500	0.0167%
8	MR. IJAZ AHMAD KHAN	2,500	0.0167%
Executives:		381,100	2.5454%
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		949,058	6.3389%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	ENSENA HOLDING FZC	9,971,820	66.6031%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

Sr. No.	Name	Sale	Purchase
	Nil		
	Dear Sir, please check at your end		

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Folio No.	CDC Account No.	
	Participant I. D.	Account No.

PROXY FORM

I/We _____ of _____ being a member / members of **PAKISTAN PVC LIMITED** hereby appoint _____ (name) of _____ (Full address) another member of the company or failing him / her _____ (name) of _____ (Full address) another member of the company as my/our proxy to attend and vote for me/us and on my/us behalf, at the 56th Annual General Meeting of the company to be held at Shaffiabad, Gharo, Distt. Thatta on Saturday, October 26, 2019 and at every adjournment thereof.

Signed this _____ day of _____

Signature on Rupee One Revenue Stamp
--

(Signature should agree with the specimen signature registered with the company)

Important

1. A member entitled to attend and vote at the Annual General Meeting of the company entitled to appoint a proxy to attend and vote instead of him / her. No person shall act as proxy, who is not a member.
2. The instrument appointing a proxy should be signed by the member (s) or by his/her attorney duly authorized in writing. If the member is a corporation, its common seal should be affixed to the instrument.
3. This Proxy Form, duly completed, must be deposited at the company's Registered Office, at Shaffiabad, Gharo, Distt. Thatta, not less than 72 hours before the time of holding the meeting.
4. The Proxy shall produce his original CNIC or original passport at the time of the Meeting.
5. In case of individual CDC Account holders, attested copy of CNIC or passport (as the case may be) of the beneficial owner will have to be provided with this Proxy.
6. In case of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature of the nominee shall be submitted along with this Proxy.

فولیو نمبر	CDC اکاؤنٹ نمبر	
	I. D. شرکا	اکاؤنٹ کا نمبر.

پراکسی فارم

میں / بم _____ کے _____ اس
 طرح سے تقرر پاکستان پیویسی لمیٹڈ کے ایک رکن / رکن ہونے
 (مکمل ایڈریس) _____ کے (نام) _____ (مکمل ایڈریس)
 کمپنی کے ایک اور رکن یا _____ (نام) میں ناکام رہنے کے ایک اور رکن
 ایڈریس) اس / اس _____ (نام) میں ناکام رہنے کے ایک اور رکن
 میرے / ہمارے پراکسی کے طور پر کمپنی میں شرکت اور میرے لئے ووٹ ڈالنے کے لئے .
 ہم میں اور میری / ہماری جانب ، میں 56 کمپنی کی سالانہ جنرل میٹنگ شفیع آباد ،
 گھارو ، ضلع میں منعقد ہونے پر / _____ ، Saturday ، October 26, 2019 پر اور
 اسکی بر التوا میں ٹھٹھہ .

اس دستخط _____ کے دن _____

پر دستخط
 روپیہ ایک
 ریونیو سٹیمپ

(دستخط کمپنی کے ساتھ رجسٹرڈ نمونہ
 دستخط کے ساتھ اتفاق کرنا چاہئے)

اہم

1. ایک رکن میں شرکت اور / اس میں شرکت اور بجائے اس کے ووٹ ڈالنے کے لئے ایک پراکسی مقرر کرنے کا حقدار کمپنی کی سالانہ جنرل میٹنگ میں ووٹ ڈالنے کا حق دار . کوئی شخص پراکسی، جو رکن نہیں ہے کے طور پر کام کرے گا .
2. آلم پراکسی تقرری رکن (زبانیں) کی طرف سے یا اس کی / اس کے وکیل ودوت تحریری اجازت کی طرف سے دستخط کیا جانا چاہئے. رکن ایک کارپوریشن ہے، اس کے عام مہر آلم پر چسپاں کیا جانا چاہئے.
3. یہ پراکسی فارم، ودوت مکمل، شفیع آباد، گھارو، ضلع میں، کمپنی کے رجسٹرڈ دفتر میں جمع کیا جانا چاہئے. ٹھٹھہ، 72 سے کم نہیں گھنٹے کے اجلاس کے انعقاد کے وقت سے پہلے.
4. پراکسی ملاقات کے وقت اپنے اصل شناختی کارڈ یا اصل پاسپورٹ پیدا کرے گا .
5. انفرادی CDC اکاؤنٹ ہولڈرز کی صورت میں، فائدہ مند مالک کے شناختی کارڈ کی نقل یا پاسپورٹ (کیس ہو سکتا ہے کے طور پر) گواہی اس پراکسی کے ساتھ فراہم کرنا ہوگا .
6. کارپوریٹ ہستی کی صورت میں، امیدوار کا نمونہ دستخط کے ساتھ اٹارنی کے بورڈ آف ڈائریکٹرز کی قرارداد / پاور اس پراکسی کے ساتھ ساتھ پیش کیا جائے گا .

Folio No.	CDC Account No.	
	Participant I. D.	Account No.

The Companies (E-voting) Regulations, 2016

"I/we of in the district of being member of Pakistan PVC Limited and a holder of Ordinary Shares as per Register Folio No. hereby opt for e-voting through intermediary and hereby consent the appointment of execution officer as proxy and will exercise e-voting as per the Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is, please send login details, password and electronic signature through email.

Day of

Signature should agree
With the specimen signature
Registered with the Company

Signed in the presence of :

.....
Signature of Witness

.....
Signature of Witness

پر دستخط
روپیہ ایک
ریونیو سٹیمپ

کمپنیوں (ای ووٹ) مقررین، 2016

"میں / ہم پاکستان پیویسی لمیٹڈ کا ایک رکن اور ضلع میں رجسٹر فولیو نمبر کے مطابق عام حصص ... اس طرح سے وسطی ایگریٹ کے ذریعہ ای ووٹ لینے کا اختیار ہوتا ہے اور اس کے ذریعے پروسیسنگ آفیسر کی تقرری کی منظوری دیتا ہے پراکسی کے طور پر اور اس کے مطابق ای ووٹنگ کا استعمال کریں گے۔ کمپنیاں (ای ووٹ) مقررین، 2016 اور اس کے علاوہ قراردادوں کے لئے سروے کے مطالبہ۔ میرا محفوظ ای میل پتہ،، برائے مہربانی لاگ ان کی تفصیلات، پاس ورڈ اور ای میل کے ذریعے الیکٹرانک دستخط بھیجیں۔

.....
دستخط متفق ہونا چاہئے
نمونہ دستخط کے ساتھ
کمپنی کے ساتھ رجسٹرڈ

..... کا دن

کی موجودگی میں دستخط:

.....
گواہ گواہی کا دستخط

.....
گواہ گواہی کا دستخط