

SHAVYL®



Annual Report 2018

PAKISTAN PVC LIMITED

55th ANNUAL REPORT

CONTENTS

Company Information -----	2
Notice of Meeting -----	4
Objectives and Strategic Planning -----	6
Statement of Ethics and Business Practices -----	7
Chairman's Review -----	8
Director's Report to the Shareholders -----	9
Six Years at a Glance -----	15
Statement of Compliance with the Code of Corporate Governance ----	16
Auditor's Review Report on Statement of Compliance -----	18
Auditors' Report -----	19
Balance Sheet -----	21
Profit & Loss Account -----	22
Statement of Comprehensive Income -----	22
Cash Flow Statement -----	23
Statement of Changes in Equity -----	24
Notes to the Accounts -----	25
Pattern of Shareholding -----	41
Form of Proxy -----	45

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Adnan Shaffi

CHIEF EXECUTIVE

Arif Shaffi

DIRECTORS

Masood Parvaiz
Adeel Shaffi
Asif Shaffi
Mohammad Iqbal
Mohammad Shaffi

SECRETARY & 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 شفیع	چیئرمین
عارف شفیع	چیف ایگزیکٹو ڈائریکٹرز
مسعود پرویز عدیل شفیع آصف شفیع محمد اقبال محمد شفیع	
آصف شفیع	کمپنی سیکریٹری & چیف فنانشل آفیسر
مشاق 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 بینڈلنگ کے سرمایہ کار شکایات کے لئے نامزد

PAKISTAN PVC LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 55th Annual General Meeting of the Company will be held on Saturday, October 27, 2018 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 54th Annual General Meeting of the company held on October 28, 2017.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2018 together with the reports of the Director's and Auditors' thereon.
3. To appoint auditors of the company for the year ending June 30, 2019 and fix their remuneration.
4. To elect seven directors of the Company including Chief Executive as fixed by the Board of Directors under Section 159 (1) of the Companies Act 2017 for a period of three years. The retiring directors are: M/s Arif Shaffi, Adnan Shaffi, Asif Shaffi, Mohammad Shaffi, Mohammad Iqbal, Masood Parvaiz and Adeel Shaffi. Six retiring directors out of seven being eligible offered themselves for reappointment. Mr. Asif Shaffi have not offered himself for appointment. Mrs. Saira Shaffi have also offered to act as Director of the Company.

SPECIAL BUSINESS:

1. To approve the remuneration package for the chief executive and two full time working directors of the company as recommended by the Board of Directors of the Company
"Resolved that 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.
"Further Resolved that 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.
2. To authorize the board under section 183 of the Companies Acts 2017 to sell, lease or otherwise dispose of the undertakings or a sizeable part thereof unless the main business of the company comprises of such selling or leasing".

ANY OTHER BUSINESS

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

Islamabad: September 24, 2018

By Order of the Board
(ASIF SHAFFI)
Company Secretary

Notes:

1. Share transfer Books of the Company shall remain closed from October 18, 2018 to October 27, 2018 (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.

اطلاع نامہ، سالانہ اجلاس عام

اطلاع عام دی جاتی ہے کہ کمپنی کا 55 واں سالانہ اجلاس عام بروز ہفتہ بتاریخ 27 اکتوبر 2018 کو کمپنی کے رجسٹرڈ دفتر بمقام پاکستان پی وی سی لمیٹڈ، شفیع آباد، گھارو، ضلع ٹھٹھہ میں صبح 9 بجے منعقد کیا جائے گا، اجلاس کی کارروائی مندرجہ ذیل پر مشتمل ہوگی:

عمومی کارروائی

1. مورخہ 28 اکتوبر 2017 کو منعقدہ کمپنی کے 54 ویں اجلاس عام کی کارروائی کی تصدیق کرنا
2. مورخہ 30 جون 2018 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈٹ شدہ اکاؤنٹس کے ساتھ ساتھ ڈائریکٹرز اور آڈیٹروں کی رپورٹوں کی وصولی، ان پر غور و خوض اور منظور کرنا۔
3. مورخہ 30 جون 2019 کو ختم ہونے والے مالی سال کے لیے آڈیٹرز کی تقرری اور ان کا معاوضہ مقرر کرنا۔
4. کمپنی کے ساتھ ڈائریکٹر بشمول چیف ایگزیکٹو کا انتخاب جس کی مدت بورڈ آف ڈائریکٹرز نے سیکشن 159(1) کمپنیز ایکٹ 2017 کے تحت تین سال مقرر کی ہے۔ ریٹائرڈ ہونے والے ڈائریکٹر محترم عارف شفیع، عدنان شفیع، آصف شفیع، محمد شفیع، عدیل شفیع، محمد اقبال اور مسعود پرویز ہیں۔ سات ڈائریکٹروں میں سے چھ ریٹائرڈ ہونے والے ڈائریکٹروں نے اپنے آپ کو دوبارہ انتخاب کے لئے پیش کیا ہے۔ محترم آصف شفیع صاحب نے اپنے آپ کو انتخاب کے لئے پیش نہیں کیا۔ محترم مسعود شفیع نے کمپنی کے ڈائریکٹر کے طور پر کام کرنے کی پیشکش کی ہے۔

خصوصی کارروائی

1. کمپنی کی بورڈ آف ڈائریکٹرز نے سفارش کی ہے کہ چیف ایگزیکٹو اور دو مکمل وقت کام کرنے والے ڈائریکٹروں کے معاوضے کی منظوری دیں گے۔ چیف ایگزیکٹو کو کمپنی کے قواعد و ضوابط کے مطابق کمپنی کی کار، ٹیلی فون، طبی فوائد دیگر فوائد کے ساتھ ساتھ 1.5 ملین روپے کے مجموعی سالانہ تنخواہ حاصل کرنے کی اجازت ہے۔ "اور یہ مکمل وقت کام کرنے والے ڈائریکٹرز کمپنی کے فوائد کے مطابق کمپنی کی کار، ٹیلی فون، طبی فوائد دیگر فوائد حاصل بشمول 1.5 ملین روپے مجموعی سالانہ تنخواہ حاصل کرنے کی اجازت ہے۔
2. کمپنیز ایکٹ 2017 کے سیکشن 183 کے تحت بورڈ کو اختیار دیا جاتا ہے۔ کہ وہ کمپنی کے اثاثوں کو مکمل طور پر یا اس کا بڑا حصہ بیچنا، لیز کرنا یا کسی اور طریقے سے فارغ کر سکتے ہیں۔

دیگر کوئی کارروائی

1. چیئر مین کی اجازت سے کمپنی کے امور کے متعلق کوئی اور کارروائی عمل میں لانا

بحکم بورڈ (آصف شفیع) کمپنی سیکرٹری

اسلام آباد: 24 ستمبر 2018

نوٹس:

1. کمپنی کی شیئر ٹرانسفر کتا میں مورخہ 18 اکتوبر 2018 تا 27 اکتوبر 2018 (بشمول دونوں تاریخوں کے) بند رہے گی۔
2. اجلاس میں شامل ہونے اور ووٹ دینے کی اہلیت رکھنے والا رکن کسی اور فرد کو اپنی جانب سے اجلاس میں شرکت کرنے، بولنے یا ووٹ دینے کے لیے بطور نمائندہ نامزد کر سکتا ہے۔
3. سی ڈی سی کا کوئی بھی انفرادی مستفید کنندہ مالک جو اس اجلاس میں ووٹ دینے کا اہل ہو اس کے لیے ضروری ہے کہ وہ اپنی شناخت ثابت کرنے کے لیے اپنے ہمراہ اصل شناختی کارڈ لے کر آئے۔ نمائندے کے تقرری صورت میں شیئر ہولڈرز کے شناختی کارڈ کی نقول نمائندگی فارم کے ساتھ منسلک کی جائے جبکہ مجاز نمائندہ اجلاس میں شرکت کے وقت اپنے اصلی شناختی کارڈ یا پاسپورٹ کو دکھا کر اپنی شناخت کروائے گا۔ کارپوریٹ اراکین کے نمائندگان اپنے ساتھ ایسی صورتوں میں درکار ضروری دستاویزات ساتھ لے کر آئیں گے۔
4. موثر ہونے کے لیے ضروری ہے کہ مجاز نمائندے کے تقرری دستاویز اور مختار نامہ یا کوئی اور دستاویز جو کہ باقاعدہ طور پر نوٹری سے تصدیق شدہ ہو، کمپنی کے رجسٹرڈ دفتر میں اجلاس سے 72 گھنٹے قبل پہنچ جانی چاہئیں۔
5. کمپنی ایکٹ، 2017 کے سیکشن 242 کے مطابق، 31 مئی، 2017 سے منسلک، ایس ای سی پی سرکل نمبر 18/2017، فہرست کمپنی، صرف دارحوص کے ذریعہ نامزد کردہ بینک اکاؤنٹ میں الیکٹرانک موڈ کے ذریعے حصص داروں کو نقد رقم ادا کرنے کی ضرورت ہے۔ ہذا قانون کے مطابق آپ کے مستقبل کے منافع کو براہ راست آپ کے بینک اکاؤنٹ میں حاصل کرنے کے لیے آپ کو کمپنی کی ویب سائٹ www.pakistanpvc.com پر درج فارم پر بیان کردہ معلومات فراہم کرنے کی ضرورت ہے۔ اگر حصص الیکٹرانک شکل میں منعقد ہوتے ہیں تو اپنے بروکرز سی ڈی سی لمیٹڈ کو بھیجیں، یا اگر حصص کاغذی شکل میں منعقد ہوتے ہیں تو کمپنی کا حصص رجسٹر کارپوریٹس/ایم/ایس کارپوریشن (پرائیویٹ) لمیٹڈ، ونگ آر کیڈ، 1- کے کمرشل، ماڈل ٹاؤن، لاہور، ٹیلی #042.35916714 یا ای میل corplink786@gmail.com
6. اراکین سے درخواست کی جاتی ہے کہ ای میل یا فکس نمبر پر، کمپنی کے حصول رجسٹری کے ایڈریس میں ایم/ایس کارپوریشن (پرائیویٹ) لمیٹڈ، ونگ آر کیڈ، 1- کے کمرشل، ماڈل ٹاؤن، لاہور، ٹیلی #042.35916714 یا ای میل corplink786@gmail.com پر نوٹوں کو اپنی ان کے درست سی این آئی سی یا (غیر ملکی ہونے کی صورت میں) پاسپورٹ، اگر جو پہلے فراہم نہیں کیا گیا ہے، کمپنی کو متعلقہ قوانین کی تعمیل کرنے کے لئے فراہم کریں۔
7. مالیاتی گوشوارے کمپنی کی ویب سائٹ 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, 2018. Under the guidance of the Board the Company has achieved sales exceeding Rs. 7 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 74,846 gallons till June 2018.

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 24, 2018

DIRECTOR'S REPORT TO THE SHAREHOLDERS

On behalf of my colleagues on the Board, I welcome you to the 55th Annual General Meeting of the Company and present the audited accounts for the year ended June 30, 2018 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. 7.563 million as compared to Rs. 7.612 million of the same period last year and loss during the year was Rs. 18.050 million as compared to a net loss of Rs. 22.599 million during the previous year. The production of PVC Pipes at Islamabad factory was 194,305 meters as against 222,549 meters last year. Excess capacity of this water treatment plant was used to make Mineral Water. Sale of Mineral Water was 74,846 Gallons as against 60,645 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 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.

2. 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 over all majority of these have been responded too.

3. 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.

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, 2019.

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 endeavour 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 15.

9. COMPOSITION OF BOARD

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

- a. Male: 7
- b. Female: 0

2. The composition of board is as follows:

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

<u>Name of Director</u>	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	4
Mr. Asif Shaffi	4	4	N/A	N/A
Mr. Mohammad Shaffi	4	4	4	4
Dr. Masood Parvaiz	4	4	4	4
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, three have been exempted from the Corporate governance Leadership Skills (CGLS) training based on their experience as Director on the Board of Listed Companies. A total on one member of the Board is certified Director.

10. The pattern of shareholding and additional information regarding pattern of shareholding is given on Page 41 – 43.

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 24, 2014

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 24, 2014

شہر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

بورڈ میں اپن کے ساتھ ہی اراکین کی جانب سے، میں آپ کو کمپنی کے 55 ویں سالانہ اجلاس عام میں خوش آمدید کہتا ہوں اور آپ کے سامنے مورخہ 30 جون، 2018 کو ختم ہونے والے مالی سال کے اڈٹ شدہ اکاؤنٹس کو اڈٹرز کی رپورٹ کے ساتھ پیش کر رہا ہوں۔

زیر غور مدت کے دوران، گھارو پینٹس بند رہا جس کی وجہ سے کوئی پیداوار نہ ہو سکی۔ اس سال کے دوران اسلام آباد میں پی وی سی پائپس اور فٹنگز کی پیداوار میں اضافہ ہوا۔

زیر غور سال کے دوران ہونے والی فروخت سابقہ سال اسی مدت کے دوران ہونے والے 7.612 ملین روپوں کی فروخت کی نسبت 7.563

ملین روپے رہی۔ گذشتہ سال ہونے والے 22.599 ملین روپے کے خالص نقصان کی نسبت اس سال 18.050 ملین روپوں کا نقصان ہوا۔ فنڈز کی عدم دستیابی کی وجہ سے گھارو سے منتقل کیے جانے والے پائپ پلانٹ کی مشینری کی تنصیب کا کام تاخیر کا شکار ہوا۔

زیر غور سال کے دوران گھارو پینٹس پورا سال بند رہا جس کی وجہ سے کوئی پیداوار نہ ہوئی۔ اسلام آباد فیڈری میں پچھلے سال ہونے والی 222,549 میٹرز کی پیداوار کی نسبت اس سال پیداوار 194,305 میٹر رہی۔ اس واٹر ٹریٹمنٹ پلانٹ کی اضافی صلاحیت کو منزل واٹر بنانے کے لیے استعمال کیا گیا۔ 645,600 گیلن کے برخلاف 74,846 گیلن منزل واٹر فروخت ہوا۔

1. براہ راست تصدیق کے متعلق اڈٹرز کا نقطہ نظر

طویل المدتی قرضہ دینے والے اداروں سے تصدیق کے لیے کمپنی نے متعدد بار بیلنس کے متعلق تصدیقی خطوط ان اداروں کو ارسال کیے ہیں۔

2. طویل عرصے سے باقی جات کے متعلق اڈٹرز کا نقطہ نگاہ

جہاں تک قرضہ دینے والوں کے طویل عرصے سے باقی جات، صارفین کی جانب سے دی گئی ایڈوانس رقوم اور قابل ادا رقوم کی بات ہے تو ہم یہ بتاتے چلیں کہ یہ باقی جات گذشتہ کئی سالوں سے کمپنی کے کھاتوں میں ظاہر ہو رہے ہیں جبکہ قابل ادا رقوم کے حوالے سے تجارتی اور دیگر اداروں سے تصدیق کے لیے کمپنی نے انہیں تصدیقی خطوط ارسال کیے تھے، مہارے علم کے مطابق ان میں سے زیادہ تر خطوط کے جوابات بھی موصول ہوئے تھے۔

3. گونگ کنسرن کے متعلق اڈٹرز کا نقطہ نظر

اڈٹرز نے اپنا نقطہ نظر کو الیفانی کر لیا ہے کیونکہ آپ کی کمپنی نے گونگ کنسرن کی بنیاد پر کھاتہ جات تیار کیے ہیں۔ ان کے نقطہ نظر میں دی گئی وجوہات یہ ہیں کہ آپ کی کمپنی نے مسلسل نقصانات برداشت کیے ہیں جبکہ اضافی سرمایہ حاصل کرنے کے لیے انتظامیہ کی جانب سے کیے جانے والے اقدامات سے کوئی نتیجہ برآمد نہیں ہوا اور نہ ہی کوئی بہتری آئی۔ آپ کی کمپنی کی تجدید کا کیس فنانس ڈویژن حکومت پاکستان اور یونائیٹڈ بینک لمیٹڈ کی جانب سے کمزور صنعتی اداروں کی تجدید کے لیے قائم کردہ کمیٹی میں فعال طور پر زیر غور رہا۔ اس دوران یونائیٹڈ بینک لمیٹڈ کی خواہش پر اور سٹیٹ بینک آف پاکستان کے قواعد کے مطابق سٹیٹ بینک کے منظور شدہ ویڈیو رپورٹس کی جانب سے نئی ری ویویشن رپورٹ تیار کی گئی ہے۔

ڈیوائٹنڈ

کمزور مالیاتی نتائج اور انتہائی زیادہ مجموعی نقصان کی وجہ سے آپ کی کمپنی کے ڈائریکٹرز نے ڈیوائٹنڈ دینے کا فیصلہ کیا ہے۔

اڈٹرز

اڈٹ کمیٹی کی جانب سے اڈٹ شدہ مالی سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے اڈٹرز مقرر کرنے کی سفارش کی گئی ہے۔

موجودہ اڈٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے (ریٹائر اڈٹرز کے اہل ہونے کی وجہ سے) خود کو 30 جون 2019 کو ختم ہونے والے مالی سال کے لیے کمپنی کے اڈٹرز کے طور پر دوبارہ تقرری کے لیے پیش کیا ہے۔

کاروباری سماجی ذمہ داری (کارپوریٹ سوشل ریسپانسبلٹی)

کمپنی اس بات پر گہرا یقین رکھتی ہے کہ ماحولیاتی اور سماجی کارکردگی میں بہتری اس کی مالیاتی کامیابی کے لیے کلیدی حیثیت رکھتی ہے۔ کمپنی نے کاروباری سماجی ذمہ داری کے پروگرام کو صحت عامہ، تعلیم، توانائی، ماحولیاتی تحفظ کے اقدامات، سماجی بہبود کی سکیموں، پیشہ وارانہ امور کی سرانجام دہی کے دوران صحت اور حفاظت و کاروباری اخلاقیات جیسے امور پر توجہ دیتے ہوئے جاری رکھا ہوا ہے۔

کمپنی نے اپنے پلانٹس کے نزدیکی موجود مقامی آبادیوں پر مثبت اثرات مرتب کرنے کے لیے اپنی مسلسل کاوشوں کے سلسلے میں سماجی ترقی کی ایسی پالیسی مرتب کی ہے جو مندرجہ ذیل رانما اصولوں پر مشتمل ہے:

- ایسا طریقہ کار اختیار کیا جائے جس سے سماجی اور معاشی ترقی میں زبردست توازن پیدا کرنے میں مدد ملے۔
- مقامی آبادی کی بنیادی ضروریات کی تیز تر فراہم کے لیے نئے اقدامات کیے جائیں۔
- محروم طبقات مثلاً غریبوں اور معذور افراد کو سماجی دھارے میں شامل کرنے کے راستے میں حائل تمام رکاوٹوں کو دور کرنے پر کام کرنا۔
- بچوں پر اس طرح توجہ دی جائے جس میں ناکامی کی کوئی گنجائش نہ ہو کیونکہ بچوں کے ہاتھ میں ملک کا مستقبل ہوتا ہے۔ یہی وجہ ہے کہ ہمارے پروگراموں میں تعلیم اور ماحول کو سب سے زیادہ ترجیح دی جاتی ہے۔

کمپنی سپیشل اولیمکس پاکستان کے ساتھ خصوصی تعاون کرتی ہے تاکہ ذمہ داریوں پر معذور افراد کی بحالی کے لیے ان کے پروگراموں میں معاونت کی جا سکے۔

ہمارے CSR پروگرام کا بنیادی محور ضلع ٹھٹھہ اور وفاقی دارالحکومت اسلام آباد ہے۔

صحت

بطور کمپنی، ہم نہ صرف قوانین کی پاسداری کے لیے پر عزم ہیں بلکہ ہم رضاکارانہ طور پر اس کے علاوہ بھی ذمہ داریاں سرانجام دینے کے لیے پر عزم ہیں اور اس سلسلے میں ہم اپنے پلانٹس کے اردگرد موجود علاقوں کے لیے صحت کی معیاری سہولیات فراہم کرتے ہیں۔

تعلیم

کسی بھی علاقے اور اس کے لوگوں کی ترقی کے لیے تعلیم ایک بنیادی ذریعہ ہے۔ ہم اپنی کاروباری سرگرمیوں کے علاقوں میں انسانی وسائل کے متعلق معلوماتی مرکز پیدا کرنے کا ارادہ رکھتے ہیں۔ ہم تعلیمی انفراسٹرکچر اور سہولیات میں موجود اور غیر موجود سہولیات کے مابین موجود ڈیجیٹل تفریق کو ختم کرنے کے لیے پر عزم ہیں کمپنی ایسی سرگرمیوں میں حصہ لیتی ہے جس سے ہمارے پلانٹس کے اردگرد موجود آباد لوگوں کی زندگیوں میں تبدیلیاں آئیں۔ تعلیم ان سرگرمیوں کا بنیادی محور ہے۔

توانائی کی بچت کے اقدامات

توانائی کی بچت کے اقدامات میں پلانٹ بھر میں انرجی سیورز اور ایل ای ڈی لائٹس کا استعمال شامل ہے جبکہ جہاں کہیں ممکن ہو تو اضافی آلات کو بند کیا جاتا ہے۔

پیشہ ورانہ فرائض کی سرانجام دہی کے دوران صحت، حفاظت اور ماحول

کمپنی صحت، حفاظت اور ماحول کے متعلق پر عزم ہے۔ ایک طے شدہ طریقہ کار کے تحت ممکنہ خطرات کی نشاندہی کر کے ان کا اس طرح تدارک کیا جاتا ہے کہ ناپسندیدہ نقصانات کو کم سے کم کیا جا سکے۔ ایچ سی ای نشانات کو ام مقامات پر ڈسپلے کیا گیا ہے جبکہ ان پر عملدرآمد کو یقینی بنایا گیا ہے۔

Business Ethics

کاروباری اخلاقیات

کمپنی کے کاروباری ضابطہ اخلاقیات میں ان تمام کم از کم معیارات کی صراحت کی گئی ہے جن کی پاسداری کی تمام ملازمین سے امید کی جاتی ہے جبکہ یہ ضابطہ اخلاق بورڈ کے منظور شدہ کارپوریٹ گورننس فریم ورک کا حصہ ہے۔ تمام کاروباری سرگرمیاں ایمانداری کے ساتھ سرانجام دی جائیں۔ کسی قسم کے غیر اخلاقی طریقوں کو ہمارے کاروبار میں کوئی جگہ نہ دی جائے گی۔ تمام ملازمین سے توقع رکھی جاتی ہے کہ وہ شخصی ایمانداری اور کاروباری طریقوں کے اعلیٰ ترین معیار کو قائم رکھتے ہوئے کمپنی کے بہترین مفاد میں کام کریں گے۔ تمام ملازمین ہم وقت کمپنی کے شیئر ہولڈرز کے بہترین مفاد کے لیے کام کریں گے اور وہ کمپنی کی جانب سے ماحولیاتی تحفظ کے لیے صراحت کردہ طریقوں پر عملدرآمد کریں گے۔ کوئی بھی ملازم کبھی بھی کوئی غیر قانونی یا غیر اخلاقی حرکت نہ کریں گا اور نہ ہی کسی اور کو ایسا کرنے کی ہدایت دے گا یا ایسا کرنے کی حوصلہ افزائی کرے گا۔ ملکی قوانین کی ہم وقت پاسداری کی جانی چاہی ہے۔

کمپنی نے اس ضابطہ اخلاق کے متعلق تمام ملازمین کو مطلع کر رکھا ہے۔

تجارتی اور مالیاتی رپورٹنگ کے ڈھانچے کے متعلق بیانات

1. کمپنی کے تیار کردہ مالیاتی گوشواروں سے کمپنی کے معاملات، اس کے آپریٹنگ کے نتائج، کیش فلو اور سرمائے میں ہونے والی تبدیلیاں شفاف طور پر واضح ہیں۔
2. کمپنی کے اکاؤنٹ کے باقاعدہ کھاتہ جات تیار کیے گئے ہیں۔
3. مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی درست پالیسیوں کو مسلسل طور پر اختیار کیا گیا ہے جبکہ اکاؤنٹنگ کے تخمینے مناسب اور عملی تجزیوں کی بنیاد پر لگائے گئے ہیں۔
4. مالیاتی گوشواروں کی تیاری کے دوران، پاکستان میں رائج اکاؤنٹنگ کے بین الاقوامی معیارات کو ملحوظ خاطر رکھا گیا ہے اور ان سے استثنیٰ کی باقاعدہ وجوہ دی گئی ہیں۔
5. اندرونی کنٹرول کے نظام کا ڈیزائن مضبوط ہے اور اسے مؤثر انداز میں نافذ اور مانیٹر کیا گیا ہے۔
6. جیسا کہ اکاؤنٹ نوٹس کے نوٹ نمبر 1 میں مکمل وضاحت کے ساتھ بتایا گیا ہے، کمپنی کے فعال اور نفع بخش ادارے کے طور پر جاری رکھے جانے کی صلاحیت میں کسی قسم کے شکوک و شبہات نہیں ہیں۔
7. لسٹنگ کے قوانین میں صراحت کردہ کارپوریٹ گورننس کے بہترین طریقوں سے کسی قسم کا واضح انحراف نہیں کیا گیا۔
8. گذشتہ 6 سالوں کے دوران آپریٹنگ اور مالیاتی امور کے متعلق ڈیٹا کا خلاصہ صفحہ 15 پر دیا گیا ہے۔
9. بورڈ کی تشکیلی

1. مندرجہ ذیل مطابق ڈائریکٹرز کی تعداد 7 ہے:

ایک مرد: 7

ب. خواتین: 0

2. بورڈ کی تشکیلی مندرجہ ذیل ہے:

قسم	نام
آزاد ڈائریکٹر	مسعود پرویز
	محمد اقبال
دیگر غیر ایگزیکٹو ڈائریکٹر	عدنان شفیع
	عدیل شفیع
	محمد شفیع
ایگزیکٹو ڈائریکٹر	عارف شفیع
	اصف شفیع

ایچ آر کمیٹی کے اجلاسوں میں شرکت ہونی ہوئے	آڈٹ کمیٹی کے اجلاس میں شرکت	بورڈ کے اجلاس میں شرکت	بورڈ میٹنگز کی تعداد	ڈائریکٹر کا نام
-	-	4	4	جناب عدنان شفیع
-	-	4	4	جناب عارف شفیع
1	4	4	4	جناب محمد اقبال
-	-	4	4	جناب اصف شفیع
1	4	4	4	جناب محمد شفیع
1	4	4	4	ڈاکٹر مسعود پرویز
-	-	4	4	جناب عدیل شفیع

آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہ عمل کے مطابق کمپنی نے مندرجہ ذیل اراکین پر مشتمل ایک آڈٹ کمیٹی تشکیل دی ہے:

چیئرمین	ڈاکٹر مسعود پرویز
رکن	جناب محمد اقبال
رکن	جناب محمد شفیع

ہیومن ریسورسز اور تنخواہوں/معاوضوں کے امور کی کمیٹی

کارپوریٹ گورننس کے ضابطہ عمل کے مطابق کمپنی نے ہیومن ریسورسز اور تنخواہوں کے امور کے متعلق مندرجہ ذیل اراکین

پر مشتمل ایک کمیٹی تشکیل دی ہے:

چیئرمین	ڈاکٹر مسعود پرویز
رکن	جناب محمد اقبال
رکن	جناب محمد شفیع

ڈائریکٹر معاوضہ

چیف ایگزیکٹو کو وقت کے وقت کمپنی کے قواعد و ضوابط کے مطابق کمپنی کار، ٹیلی فون، طبی اور دیگر فوائد کے مفت استعمال کے ساتھ 15 لاکھ روپیہ کی مجموعی تنخواہ حاصل کرنے کی اجازت ہے۔ کمپنی کے قوانین کے مطابق وقت کے وقت کے مطابق کمپنی کے کار، ٹیلی فون، طبی اور دیگر فوائد کے ساتھ ساتھ ساتھ دو مکمل وقت کے کام کرنے والے ڈائریکٹروں کو 15 لاکھ روپیہ کا مجموعی تنخواہ حاصل کرنے کی اجازت ہے۔

ڈائریکٹر تربیت

سات ڈائریکٹرز میں سے، تین کمپنیوں کی فہرست کمپنیوں کے ڈائریکٹرز کے طور پر ان کے تجربے پر مبنی کارپوریٹ گورنمنٹ کی قیادت کی مہارت (CGLS) کی تربیت سے مسترد کردی گئی ہے۔ بورڈ کے مجموعی طور پر ایک معتبر ڈائریکٹر ہے۔

10. شیئر ہولڈنگ کا پیٹرن اور شیئر ہولڈنگ کے پیٹرن کے متعلق اضافی معلومات صفحات نمبر 41 تا 43 پر دی گئی ہیں۔

11. اس سال کے دوران کمپنی کے شیئرز میں ڈائریکٹر، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات و چھوٹے بچوں کی جانب سے کسی قسم کی خرید و فروخت نہیں کی گئی۔

بورڈ آف ڈائریکٹرز کی

اسلام آباد: 24 ستمبر 2018

جانب سے

(عارف شفیع) - چیف ایگزیکٹو

منتقلی کی قیمت کے بہترین طریقے پر عمل کے متعلق بیان

کمپنی نے پاکستان سٹاک ایکسچینج کے لسٹنگ قوانین میں منتقلی کی قیمت کے متعلق صراحت کردہ بہترین طریقوں پر مکمل طور پر عمل کیا۔

عارف شفیع چیف ایگزیکٹو

مورخہ 24 ستمبر 2018

Six Years at a Glance

(Rs.000)

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
TURNOVER	7,563	7,612	7,031	7,740	9,514	3,373
GROSS PROFIT	(16,107)	(16,573)	(16,814)	(17,155)	(17,761)	(17,198)
NET PROFIT	(18,050)	(22,599)	(24,714)	(26,204)	(24,225)	(11,687)
TAXATION	2,767	2,030	1,246	1,381	3,055	1,247
SHARE CAPITAL FUND	149,580	149,580	149,580	149,580	149,580	149,580
SHAREHOLDERS FUND	154,794	193,858	171,258	287,954	271,332	257,764
GROSS PROFIT %	(213)	(218)	(239)	(222)	(187)	(510)
NET PROFIT %	(239)	(297)	(352)	(339)	(255)	(346)
TAXATION %	37	27	18	18	32	37
EARNING PER SHARE	(1.21)	(1.51)	(1.65)	(1.75)	(1.62)	(0.78)
DIVIDEND %	-	-	-	-	-	-
BONUS %	-	-	-	-	-	-

Statement of Compliance

with the Code of Corporate Governance for the year ended June 30, 2018.

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: 7
 - b. Female: 0
2. The composition of board is as follows:

Category	Name
Independent Directors	Masood Parvaiz
	Mohammad Iqbal
Other Non-executive Director	Adnan Shaffi
	Adeel Shaffi
	Mohammad Shaffi
Executive Directors	Arif Shaffi
	Asif 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, three directors are exempt from training program and one has completed training earlier as mentioned in 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.

*Company Secretary and CFO is same person.

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 24, 2018

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, 2018 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, 2018.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Paragraph Reference Description	Paragraph Reference Description
10	Company Secretary and CFO is same person.

Place: Karachi
Dated: **September 24, 2018**

MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Mushtaq Ahmed Vohra, FCA

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, 2018, 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 and material uncertainty relating to going concern, 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) 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. 92,137,083 and Rs. 92,523,964 respectively
- (b) 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
- (c) 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"
- (d) 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.

Material Uncertainty relating to going Concern

The Company has 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, 2018 of Rs.18.050 Million (Restated June 30, 2017: Rs. 22.599) and as of that date, reported accumulated loss of Rs.479.504 million (Restated June 30, 2017: Rs.468.446 million) against the issued, subscribed and paid up capital of Rs. 149.580 million (Restated June 30, 2017: Rs. 149.580 million) turning shareholders' equity to a negative balance of Rs. million 154.793 (Restated June 30, 2017: Rs. 193.857million). The current liabilities exceed the current assets by Rs.341.797 million (Restated June 30, 2017: Rs. 331.094 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.

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 Mushtaq Ahmed Vohra, FCA.

MUSHTAQ & CO

Chartered Accountants

Karachi.

Dated: September 24, 2018

PAKISTAN PVC LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	(Re-stated)				Note	(Re-stated)		
		2018	2017	July 1, 2016			2018	2017	July 1, 2016
-----Rupees-----									
SHARE CAPITAL AND RESERVES					NON CURRENT ASSETS				
Authorized capital 15,000,000 (June 30, 2017 : 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000	150,000,000	Property, plant and equipment	16	187,095,786	137,338,985	146,183,597
Issued, subscribed and paid up capital	7	149,580,000	149,580,000	149,580,000	Long term investments	17	105,000	90,000	79,000
Accumulated loss		(479,504,747)	(468,446,415)	(453,615,890)					
Surplus on revaluation of fixed assets	8	175,131,108	125,008,744	132,777,531					
		(154,793,640)	(193,857,672)	(171,258,358)					
NON CURRENT LIABILITIES					CURRENT ASSETS				
Long term financing	9	-	-		Stock in trade	18	726,288	718,078	918,850
Deferred liabilities	10	197,370	192,948	188,526	Trade debts	19	1,188,215	704,983	410,064
CURRENT LIABILITIES					Loans and advances	20	1,041,987	392,297	390,072
Trade and other payables	11	85,546,439	80,976,780	78,087,415	Trade deposits	21	100,000	100,000	100,000
Unclaimed Dividend		45,980	45,980	45,980	Other receivables	22	2,339	84,339	2,339
Accrued interest / markup	12	184,661,047	177,422,068	170,183,090	Tax refunds due from Government	23	231,080	178,328	185,200
Short term borrowings	13	40,663,242	40,989,188	38,790,721	Cash and bank balances	24	134,026	109,446	1,057,872
Current portion of long term financing	9	32,991,000	32,991,000	32,991,000			3,423,936	2,287,471	3,064,396
Provision for taxation - net	14	1,313,283	956,164	298,619					
		345,220,991	333,381,180	320,396,826					
CONTINGENCIES AND COMMITMENTS									
	15	190,624,721	139,716,456	149,326,993			190,624,721	139,716,456	149,326,993

The annexed notes from 1 to 42 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, 2018

	Note	(Re-stated)	
		2018	2017
		-----Rupees-----	
Sales	25	7,562,962	7,612,233
Cost of sales	26	(23,669,883)	(24,185,100)
Gross loss		<u>(16,106,921)</u>	<u>(16,572,867)</u>
Other income	27	14,517,309	9,355,360
Distribution cost	28	(2,594,223)	(2,162,800)
Administrative expenses	29	(3,741,757)	(3,941,545)
Other operating expenses	30	(111,180)	-
Finance costs	31	(7,246,846)	(7,247,378)
Loss before taxation		<u>(15,283,618)</u>	<u>(20,569,231)</u>
Taxation	32	(2,766,624)	(2,030,082)
Loss for the year		<u><u>(18,050,241)</u></u>	<u><u>(22,599,313)</u></u>
Loss per share - basic and diluted	33	(1.21)	(1.51)

The annexed notes from 1 to 42 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, 2018

	Note	(Re-stated)	
		2018	2017
		-----Rupees-----	
Loss for the year		(18,050,241)	(22,599,313)
Items that may be subsequently reclassified to 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		<u>39,064,032</u>	<u>(22,599,313)</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

Asif Shaffi
CHIEF FINANCIAL OFFICER

PAKISTAN PVC LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(15,283,618)	(20,569,231)
Adjustments for :		
Depreciation	7,977,987	8,844,611
Accrued Interest	(15,000)	(11,000)
Credit balances charged to other income	(847,471)	
Debit balances written off	111,180	-
Finance cost	7,246,846	7,247,379
Staff retirement benefits - gratuity	4,422	4,422
Rental income	(12,733,318)	(9,344,360)
Operating cash flows before changes in working capital	(13,538,971)	(13,828,180)
(Increase) / decrease in current assets		
Stock in trade	(8,210)	200,772
Trade debts	88,256	(294,919)
Loans and advances	(649,690)	(2,226)
Tax refunds due from Government	(52,752)	6,872
Increase in current liabilities		
Trade and other payables	4,533,568	4,661,156
	3,911,172	4,571,655
Net cash used in operation	(9,627,799)	(9,256,525)
Income tax paid	(2,409,505)	(1,372,536)
Finance cost paid	(7,867)	(8,401)
	(2,417,372)	(1,380,938)
Net cash used in operating activities	(12,045,171)	(10,637,463)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(620,513)	-
Rent received	13,016,209	7,490,570
Net cash generated from investing activities	12,395,696	7,490,570
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	(325,945)	2,198,466
Net cash generated from /(used) in financing activities	(325,945)	2,198,466
Net (decrease) / increase in cash and cash equivalents	24,580	(948,426)
Cash and cash equivalent at the beginning of the year	109,446	1,057,872
Cash and cash equivalent at the end of the year	134,026	109,446

The annexed notes from 1 to 42 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, 2018

	Issued, subscribed and paid up capital	Revenue Reserve Accumulated loss	Capital Reserve Revaluation Surplus	Total
	-----Rupees-----			
Balance as at July 1, 2016	149,580,000	(453,615,890)	-	(304,035,890)
Impact of Re-statement - note 6			132,777,531	132,777,531
Balance as at July 1, 2016 re-stated	149,580,000	(453,615,890)	132,777,531	(171,258,358)
Transfer from surplus on revaluation on account of incremental depreciation	-	7,768,788	(7,768,788)	-
Total comprehensive loss for the year ended June 30, 2017				
Loss for the year ended June 30, 2017	-	(22,599,313)	-	(22,599,313)
Other comprehensive income / (loss) for the year ended June 30, 2017	-	-	-	-
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 June 30, 2018	149,580,000	(479,504,747)	175,131,108	(154,793,640)

The annexed notes from 1 to 42 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, 2018

1 LEGAL STATUS AND OPERATIONS

Pakistan PVC Limited (the company) is incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. The registered office of the company is situated at Shaffiabad, Gharo, District Thatta Plot No. 467/1,2,3,4, 468/1,2,3,4, 471/1,2,3,4 and 487/1,3,4, 490/1,2, 491/1,2, 488/2 and 489/2.

The company is engaged in production and sale of PVC resin, PVC pipes and fittings, PVC compound and caustic soda. The company has ceased the production at Gharo since 1995. The production in plant continues at Plot No. 1-4 & 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, except that certain fixed assets that have been stated at revalued amounts. The company had incurred a loss for the year ended June 30, 2018 of Rupees 18.050 million (Restated June 30, 2017: Rupees 22.599 million) and as of that date, reported accumulated loss of Rs. 479.504 million as at June 30, 2018 (Restated June 30, 2017 : Rs. 468.446 million) against the issued, subscribed and paid up capital of Rs. 149.580 million (Restated June 30, 2017 : Rs. 149.580 million) turning shareholders' equity to a negative balance of Rs. 154.793 million (Restated June 30, 2017 : Rs. 193.857 million). The current liabilities exceeds the current assets by Rs. 341.797 million (Restated June 30, 2017 : Rs. 331.094 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 affect 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 are the amendments that are applicable for accounting periods beginning on or after July 1, 2017:

Amendments to IAS 12, 'Income taxes' are applicable for annual periods beginning on or after January 01, 2017. The amendment clarifies that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

Amendments to IAS 7, 'Statement of cash flows' are applicable for annual periods beginning on or after January 01, 2017. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

4.2 New accounting standards, amendments to existing approved accounting standards and interpretations that are issued but not yet effective and have not been early adopted by the Company

- **IFRS 9, 'Financial instruments'** (effective for periods beginning on or after January 01, 2018). IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. The Company has yet to assess the impact of these changes on its financial statements.
- **IFRS 15, 'Revenue from contracts with customers'** is applicable to accounting periods beginning on or after January 01, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entity will recognise transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the impact of this standard on its financial statements.
- **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.

4.4 The change may impact the disclosures of the Company's annual financial statements.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes also include change in respect of recognition criteria of surplus on revaluation of fixed assets as more fully explained in note 6, change in nomenclature of primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

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 appropriated, 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 categories.

Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term are classified as investment at fair value through profit or loss. These are stated at fair values at balance sheet date with any change in fair value recognized directly in the profit or loss account. The fair value of such investments are determined on the basis of prevailing market prices at balance sheet date.

Held to maturity

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.

Available for sale

Investments classified as available for sale are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are remeasured at fair value (quoted market price), unless fair value cannot be reliably measured. The investments for which a quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology.

All purchases and sales of investments are recognized on the trade date which is the date that the company commits to purchase or sell the investment. Cost of purchase includes transaction cost.

At each reporting date, the company reviews the carrying amounts of the investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exist the recoverable amount is estimated in order to determine the extent of the impairment loss if any. Impairment losses are recognized as an expense. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised recoverable amount but limited to the extent of initial cost of the investment. A reversal of the impairment loss is recognized in income. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

All purchases and sales are recognized on the trade date which is the date that the company commits to purchase or sell the investment, except for sale and purchase of securities in future market which are accounted for at settlement date. Cost of purchase includes transaction cost.

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 are carried at original invoiced amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off, when identified.

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 and borrowing costs

Borrowings are recorded at the proceeds received. Financial charges are accounted for on accrual basis and are included in accrued interest / markup to the extent of amount remaining unpaid, if any.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to the income, in the period in which these are incurred.

5.10 Revenue recognition

Revenue from sale of goods is recognized on delivery / dispatch of goods to customers.

5.11 Financial instruments

Financial instruments carried at the balance sheet date include long term advances, trade debts, marketable securities, trade deposits, other receivables, cash and bank balances, long term financing, short term loans and running finances, creditors, accrued and other liabilities and interest / markup accrued on secured loans. Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and derecognized when the company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

5.12 Off setting financial assets and financial liabilities

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.13 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.

5.14 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 operates an unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

There is only one employee entitled for gratuity, therefore the management believes that it is unreasonable to conduct actuarial valuation as required by IAS 19 "(Revised) Employee Benefits". As the company has not carried out actuarial valuation under projected credit unit method therefore, adoption of IAS 19 (revised) "Employee benefits" have no retrospective impacts on these financial statements as required under International Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the comparative financial statements have not been restated.

5.15 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.

5.16 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 the future for goods and services received, whether billed to the company or not.

5.17 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.

5.18 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.

5.19 Related parties

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

6 CHANGE IN ACCOUNTING POLICY

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's policy for surplus on revaluation of land and building stands ammended as follows:

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the Revaluation surplus on land and building to retained earnings.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarised below:

	As at June 30, 2017			As at June 30, 2016		
	As previously reported	As re-stated	Re - statement	As previously reported	As re-stated	Re - statement
	----- Rupees (000) -----					
Effect on statement of financial position						
Surplus on revaluation of fixed assets	125,008,744	-	(125,008,744)	132,777,531	-	(132,777,531)
Share capital and reserves	-	125,008,744	125,008,744	-	132,777,531	132,777,531
Effect on statement of changes in equity						
Capital reserve	-	125,008,744	125,008,744			
				For the year ended June 30, 2017		
				As previously reported	As re-stated	Re - statement
Effect on statement of other comprehensive income				Rupees '000		
Gain on revaluation of land and buildings - net of deferred tax				-	-	-

There was no cash flow impact as a result of the retrospective application of change in accounting policy.

7 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

<u>2018</u>	<u>2017</u>		<u>2018</u>	<u>2017</u>
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	<u>2018</u>	<u>2017</u>
		-----Rupees-----	
Surplus on revaluation of property, plant and equipment - gross	8.1	175,131,108	125,008,744
		<u>175,131,108</u>	<u>125,008,744</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		125,008,744	132,777,531
Arised during the year		57,114,273	-
Transfer to unappropriated profit in respect of incremental depreciation on revalued assets		(6,991,909)	(7,768,788)
		<u>175,131,108</u>	<u>125,008,744</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

Staff retirement benefits - gratuity

	Note	<u>2018</u>	<u>2017</u>
		-----Rupees-----	
Staff retirement benefits - gratuity	10.1	197,370	192,948
		<u>197,370</u>	<u>192,948</u>
10.1 Staff retirement benefits - gratuity			
Opening balance		192,948	188,526
Provision made during the year		4,422	4,422
		<u>197,370</u>	<u>192,948</u>
Paid during the year		-	-
Closing balance		<u>197,370</u>	<u>192,948</u>

10.2 There is only one employee (June 30, 2017: one employee), entitled for gratuity, therefore the management believes that it is unreasonable to conduct actuarial valuation as required by IAS "19" Employee Benefits".

	Note	2018	2017
11 TRADE AND OTHER PAYABLES			
-----Rupees-----			
Creditors	11.1	3,490,849	3,545,537
Accrued liabilities	11.2	71,171,841	65,667,835
Advances from customers	11.3	414,087	1,483,839
Advance Rent		219,961	19,069
Interest free demand deposits	11.4	249,700	260,500
Privatization commission, finance division	11.5	10,000,000	10,000,000
		<u>85,546,439</u>	<u>80,976,780</u>
11.1	During the year payable to creditors amounting to Rs. 273,513 (June 30, 2017 : Nil) 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.60,039,924 (June 30, 2017: Rs.55,949,597) against the salaries payable and other expenses.		
11.3	During the year advance from customers amounting to Rs. 573,958.28 (June 30,2017 : Nil) 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.		
12 ACCRUED INTEREST / MARKUP			
-----Rupees-----			
Interest / markup on:			
Short term borrowings-UBL		92,523,964	88,913,995
Long term financing		92,137,083	88,508,073
		<u>184,661,047</u>	<u>177,422,068</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	21,650,901	21,650,901
Directors	13.3	3,924,196	4,205,282
Book over draft - unsecured	13.4	88,145	133,004
		<u>40,663,242</u>	<u>40,989,188</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 accrued 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.		
14 PROVISION FOR TAXATION - NET			
-----Rupees-----			
Opening balance		956,164	298,619
Add: Provision for the year	32	2,766,624	2,030,082
Less: Paid / adjusted during the year		(2,409,505)	(1,372,538)
		<u>1,313,283</u>	<u>956,164</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. 48,005,929 aggregating to Rs. 80,996,929. The outcome of the case is still undecided however, the legal opinion of the solicitors appointed by the company are of the view that even if the above suit is decided against the company it shall not involve the company into any financial loss.		

16 Property, plant and equipment

		2018	2017
	Note	-----Rupees-----	
Operating assets	16.1	71,318,176	47,312,320
Non operating assets	16.2	115,777,610	90,026,664
		<u>187,095,786</u>	<u>137,338,985</u>

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, 2016	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	<u>29,944,442</u>	<u>10,133,600</u>	<u>15,610,000</u>	<u>2,592,503</u>	<u>1,583,074</u>	<u>1,244,898</u>	<u>119,860</u>	<u>347,476</u>	<u>840,521</u>	<u>500,000</u>	<u>1,947,979</u>	<u>25,416</u>	<u>1,220,569</u>	<u>116,983</u>		<u>66,227,322</u>
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)	24,499,998	2,270,211	(1,577,548)													25,192,661
Adjustment		(4,149,811)	(6,392,452)													(10,542,263)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2018	<u>54,444,440</u>	<u>8,254,000</u>	<u>7,640,000</u>	<u>2,592,503</u>	<u>1,583,074</u>	<u>1,244,898</u>	<u>119,860</u>	<u>347,476</u>	<u>840,521</u>	<u>500,000</u>	<u>1,947,979</u>	<u>25,416</u>	<u>1,841,082</u>	<u>116,983</u>		<u>81,498,233</u>
Depreciation																
Balance as at July 01, 2016	-	5,983,789	4,230,311	2,509,695	1,582,353	1,182,464	118,349	336,906	795,773	349,938	1,869,617	25,368	1,064,894	114,814		16,926,685
Charge for the year	-	738,739	1,137,970	8,281	144	9,365	151	1,057	4,475	45,019	11,755	8	31,135	218		1,988,316
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	<u>-</u>	<u>3,484,945</u>	<u>5,368,280</u>	<u>2,517,976</u>	<u>1,582,498</u>	<u>1,191,828</u>	<u>118,500</u>	<u>337,963</u>	<u>800,248</u>	<u>394,957</u>	<u>1,881,372</u>	<u>25,375</u>	<u>1,096,029</u>	<u>115,031</u>		<u>18,915,002</u>
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		18,915,002
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	195,158		1,807,318
Adjustment		(4,149,811)	(6,392,452)													(10,542,263)
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,525,428</u>	<u>1,582,613</u>	<u>1,199,789</u>	<u>118,636</u>	<u>338,914</u>	<u>804,275</u>	<u>426,470</u>	<u>1,891,363</u>	<u>25,381</u>	<u>1,151,963</u>	<u>115,227</u>		<u>10,180,057</u>
Written down value as at June 30, 2017	<u>29,944,442</u>	<u>6,648,655</u>	<u>10,241,720</u>	<u>74,527</u>	<u>577</u>	<u>53,070</u>	<u>1,360</u>	<u>9,513</u>	<u>40,273</u>	<u>105,043</u>	<u>66,607</u>	<u>41</u>	<u>124,540</u>	<u>1,952</u>		<u>47,312,320</u>
Written down value as at June 30, 2018	<u>54,444,440</u>	<u>8,254,000</u>	<u>7,640,000</u>	<u>67,075</u>	<u>462</u>	<u>45,109</u>	<u>1,224</u>	<u>8,562</u>	<u>36,246</u>	<u>73,530</u>	<u>56,616</u>	<u>35</u>	<u>689,119</u>	<u>1,756</u>		<u>71,318,176</u>
Rate of depreciation	-	10%	10%	10%	20%	15%	10%	10%	10%	30%	15%	15%	20%	10%		

16.2 Non operating assets

	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
Cost															
Balance as at July 01, 2016	24,480,000	3,840,000	18,240,700	75,810,000	-	-	-	-	-	-	-	-	-	-	122,370,700
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	24,480,000	3,840,000	18,240,700	75,810,000	-	-	-	-	-	-	-	-	-	-	122,370,700
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)	(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
Depreciation															
Balance as at July 01, 2016	-	-	4,943,230	20,544,510	-	-	-	-	-	-	-	-	-	-	25,487,740
Charge for the year	-	-	1,329,747	5,526,549	-	-	-	-	-	-	-	-	-	-	6,856,296
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	-	-	6,272,977	26,071,059	-	-	-	-	-	-	-	-	-	-	32,344,036
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
Depreciation on disposals	-	-	(7,469,749)	(31,044,954)	-	-	-	-	-	-	-	-	-	-	(38,514,703)
Balance as at June 30, 2018	-	-	0	0	-	-	-	-	-	-	-	-	-	-	-
Written down value as at June 30, 2017	24,480,000	3,840,000	11,967,723	49,738,941	-	-	-	-	-	-	-	-	-	-	90,026,664
Written down value as at June 30, 2018	56,536,353	8,868,447	15,812,810	34,560,000	-	-	-	-	-	-	-	-	-	-	115,777,610
Rate of depreciation	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-	-

16.3 The company has ceased the production at Gharo 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

		2018	2017
Note		-----Rupees-----	
Cost of good manufactured	26.1	7,907,881	8,796,978
Administrative expenses	29	5,137	6,033
Distribution cost	28	64,970	41,600
		<u>7,977,987</u>	<u>8,844,611</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	
	2018	2017	2018	2017
Freehold land	-	-	5,902	5,902
Leasehold land	4,981,979	4,981,979	38,957	38,957
Factory building	75,584	83,983	42,905	47,672
Plant and machinery	1,691,133	1,879,036	529,095	587,883
	<u>6,748,696</u>	<u>6,944,998</u>	<u>616,859</u>	<u>680,415</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	<u>48,999,996</u>	<u>58,864,320</u>
Building	<u>7,015,900</u>	<u>13,440,889</u>
Machinery	<u>6,292,000</u>	<u>27,648,000</u>

	Note	2018	2017
		-----Rupees-----	
24 CASH AND BANK BALANCES			
Cash in hand		10,000	10,000
Cash at banks - current accounts		124,026	99,446
		<u>134,026</u>	<u>109,446</u>
25 SALES			
Local			
PVC pipes and fittings		8,727,821	9,255,304
Less: Sale Tax		(1,185,605)	(1,241,609)
Less: Trade discounts and commission		(1,166,492)	(1,191,677)
		<u>6,375,724</u>	<u>6,822,018</u>
Mineral water		1,389,066	924,601
Less: Sale Tax		(201,828)	(134,386)
Total sales		<u>7,562,962</u>	<u>7,612,233</u>
		<u>2018</u>	<u>2017</u>
26 COST OF SALES	Note	-----Rupees-----	
Opening stock - finished good		531,985	799,733
Cost of goods manufactured	26.1	23,334,407	23,415,678
Outside purchases		476,168	501,675
		<u>24,342,560</u>	<u>24,717,086</u>
Closing stock- finished goods		(672,677)	(531,985)
		<u>23,669,883</u>	<u>24,185,100</u>
26.1 Cost of goods manufactured			
Raw and packing material consumed	26.2	4,602,779	4,299,561
Directors remuneration		750,000	750,000
Salaries, wages and benefits		6,529,063	6,321,357
Fuel and power		1,646,887	1,724,369
Stores and spares consumed		118,098	187,725
Repairs and maintenance		1,071,700	556,226
Postage and telephone		90,246	110,882
Rent, rates and taxes		95,600	120,600
Traveling, conveyance and vehicles running		529,429	464,863
Entertainment		16,678	23,335
Depreciation	16.4	7,907,881	8,796,978
		<u>23,358,360</u>	<u>23,355,897</u>
Work in process			
Opening		5,744	65,526
Closing stock		(29,698)	(5,744)
		<u>(23,954)</u>	<u>59,782</u>
Cost of goods manufactured		<u>23,334,407</u>	<u>23,415,679</u>
		<u>2018</u>	<u>2017</u>
26.2 Raw and packing material consumed	Note	-----Rupees-----	
Opening		180,349	53,592
Purchases		4,446,343	4,426,318
Available for consumption		<u>4,626,692</u>	<u>4,479,910</u>
Closing stock		(23,913)	(180,349)
		<u>4,602,779</u>	<u>4,299,561</u>

27 OTHER INCOME**From financial assets**

Profit on national defense saving certificates	15,000	11,000
Advance from customers written back	573,958	-
Creditors written back	273,513	-
Scrap sale	921,520	-

From other than financial assets

Rental income	12,733,318	9,344,360
	<u>14,517,309</u>	<u>9,355,360</u>

28 DISTRIBUTION COST

	Note	2018	2017
-----Rupees-----			
Salaries, wages and benefits		642,422	685,555
Rent, rates and taxes		162,556	145,968
Vehicles running		465,820	515,826
Traveling and conveyance		537,597	294,669
Entertainment		166,746	167,389
Postage and telephone		126,518	116,497
Printing and stationery		72,657	36,114
Transportation cost		40,690	36,520
Membership and subscription	28.1	314,247	122,662
Depreciation	16.4	64,970	41,600
		<u>2,594,223</u>	<u>2,162,800</u>

28.1 Membership and subscription includes donation amounting 300,000 rupee paid to SIUT Trust Sindh.

29 ADMINISTRATIVE EXPENSES

Directors remuneration		2,250,000	2,250,000
Salaries, wages and benefits		552,000	840,000
Rent, rates and taxes		25,670	14,240
Traveling and conveyance		12,000	-
Entertainment		-	8,000
Postage and telephone		12,230	11,700
Printing and stationery		31,650	72,282
Electricity, gas and water		182,174	193,822
Membership fee and subscription		-	-
Legal and professional		438,896	320,468
Auditors remuneration	29.1	232,000	225,000
Depreciation	16.4	5,137	6,033
		<u>3,741,757</u>	<u>3,941,545</u>

29.1 Auditors' remuneration

Statutory audit fee	147,000	140,000
Half yearly review fee	85,000	85,000
	<u>232,000</u>	<u>225,000</u>

30 OTHER OPERATING EXPENSES

Debit balances written off	111,180	-
	<u>111,180</u>	<u>-</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	3,609,967
Bank charges	7,867	8,401
	<u>7,246,846</u>	<u>7,247,378</u>

32 TAXATION

Current year	32.1	2,873,747	2,190,083
Prior year		(107,123)	(160,001)
		<u>2,766,624</u>	<u>2,030,082</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 2017.

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

	2018	2017
	-----Rupees-----	
Accounting loss	(15,283,618)	(20,569,231)
Tax at the applicable tax rate of 30% (2017: 31%)	-	-
Tax effects:		
Prior year tax effect	(107,123)	(160,001)
Income taxed as separate block	2,873,747	2,190,083
	<u>2,766,624</u>	<u>2,030,082</u>

32.3 During the year net deferred tax assets for the carry forward of unused tax losses amounting to Rs. 87,979,551 (2017: Rs.82,312,606) 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.

32.4 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. A comparison of last three years of income tax provision with tax assessed is presented below:

	2017	2016	2015
	Rupees		
Income tax provision for the year - accounts	2,190,083	1,728,238	1,474,286
Income tax as per assessment orders	2,082,960	1,568,237	1,390,986

33 LOSS PER SHARE - BASIC AND DILUTED

	2018	2017
	-----Rupees-----	
Loss for the year - Rupees	(18,050,241)	(22,599,313)
Weighted average number of shares	14,958,000	14,958,000
Basic loss per share - Rupees	(1.21)	(1.51)

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. 1.424 million (June 30, 2017 : Rs. 0.999 million), financial assets which are subject to credit risk aggregate to Rs. 1.290 million (June 30, 2017 : Rs. 0.889 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.

	2018	2017
	-----Rupees-----	
Trade debts	1,188,215	704,983
Trade deposits	100,000	100,000
Other receivables	2,339	84,339
Cash and bank balances	134,026	109,446
	<u>1,424,580</u>	<u>998,767</u>

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

	2018	2017
	-----Rupees-----	
Domestic	1,188,215	704,983

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

	Gross debtors	
	2018	2017
	-----Rupees-----	
Not past due	212,916	274,601
Past due 0 - 30 days	263,545	294,292
Past due 31 - 90 days	243,488	34,759
Past due 90 days - 1 year	378,159	100,289
More than one year	90,106	1,043
	<u>1,188,215</u>	<u>704,983</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.

	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>343,227,680</u>	<u>343,227,680</u>	<u>343,227,680</u>	-	-	-
	2017					
	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	40,989,188	40,989,188	40,989,188	-	-	-
Accrued interest /	177,422,068	177,422,068	177,422,068	-	-	-
Trade and other	79,473,872	79,473,872	79,473,872	-	-	-
Total	<u>330,876,128</u>	<u>330,876,128</u>	<u>330,876,128</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, 2018. 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 to

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.

	<u>2018</u>	<u>2017</u>
	-----Rupees-----	
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	<u>47,991,000</u>	<u>47,991,000</u>

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 38 to the financial statements. Following are the balances of and transaction with related parties with related parties.

	<u>2018</u>	<u>2017</u>
	-----Rupees-----	
Balances with related parties		
Short term borrowing from Mr. Arif Shaffi - Director	683,058	843,820
Short term borrowing from Mrs. Parveen Shaffi - w/o Director	21,650,901	21,650,901
Short term borrowing from Mr. Asif Shaffi - Director	1,627,190	1,565,190
Short term borrowing from Mr. Adeel Shafi -Director	1,613,948	1,796,272
	<u>25,575,097</u>	<u>25,856,183</u>

37 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	CHIEF EXECUTIVE		EXECUTIVE DIRECTORS		NON EXECUTIVE DIRECTORS		TOTAL	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees	2018 Rupees	2017 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 person	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	
		2018	2017
-----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	194,305	222,549
Processing of water - Gallons	900,000	74,846	60,645

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

	2018	2017
Number of employees worked at June 30		
Head office	9	5
Factory	40	30
Average number of employees worked during the year		
Head office	9	6
Factory	42	30

40 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

All significant transactions and events that have affected the Company's financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

41 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 24, 2018 by the board of directors of the company.

42 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, 2018

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
270	1	100	10,147
132	101	500	50,485
98	501	1,000	94,020
166	1,001	5,000	501,700
41	5,001	10,000	331,716
16	10,001	15,000	211,660
7	15,001	20,000	123,970
4	20,001	25,000	100,000
3	25,001	30,000	89,000
1	40,001	45,000	44,000
1	50,001	55,000	54,500
1	65,001	70,000	65,690
1	70,001	75,000	75,000
1	75,001	80,000	78,000
1	95,001	100,000	98,000
1	110,001	115,000	114,500
1	175,001	180,000	180,000
1	185,001	190,000	187,000
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
753			14,972,000

Categories of Shareholding

As at June 30, 2018

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	811,450	5.4198%
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	2,721,043	18.1742%
b. Foreign	0	0.0000%
Others (to be specified)		
1- Joint Stock Companies	512,215	3.4212%
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, 2018

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	MR. ASIF SHAFFI	381,100	2.5454%
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	MRS. SHAZIA SHAFFI W/O ASIF SHAFFI	13,550	0.0905%
9	MRS. SAIRA SHAFFI W/O ARIF SHAFFI	12,850	0.0858%
Executives:		-	-
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
1	MR. ASIF SHAFFI	-	5,000

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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 55th Annual General Meeting of the company to be held at Shaffiabad, Gharo, Distt. Thatta on Saturday, October 27, 2018 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	
	اکاؤنٹ کا نمبر	I. D. شرکا

پراکسی فارم

میں / ہم _____ کے _____ اس طرح سے تقرر پاکستان پیویسی لمیٹڈ کے ایک رکن / رکن ہونے (مکمل ایڈریس) _____ (نام) کے _____ (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 55 _____ کمپنی کی سالانہ جنرل میٹنگ شفیع آباد ، گھارو ، ضلع میں منعقد ہونے پر / _____ ، Saturday، October 27, 2017 پر اور اسکی ہر التوا میں ٹھٹھہ .

س 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. آلہ 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 آلہ 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 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 کا حامل رجسٹرڈ 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

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business to be transacted in the Annual General Meeting to be held on October 27, 2018.

The present Chief Executive is drawing remuneration of Rs.1.5 million per annum and two Directors are drawing Rs.1.5 million alongwith free use of company car, telephone, medical and other benefits as per company's regulations from time to time.

The Board of Directors in their meeting held on September 24, 2018 has recommended

"1. That Chief Executive be 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.

2. To authorize the board under section 183 of the Companies Act 2017 to lease of the undertakings or a sizeable part thereof".

As the matter requires ratification by the members, the following resolutions shall be considered for approval as Special Resolution:

"Resolved that 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."

"Further Resolved that 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."

"Resolved To authorize the board under section 183 of the Companies Act 2017 to lease of the undertakings or a sizeable part thereof".

کمپنیوں کے ایکٹ، 2017 کے سیکشن (3) 134 کے تحت بیان

کہ بیان 27 اکتوبر، 2018 کو منعقد ہونے والے سالانہ جنرل اجلاس میں ٹرانسمیشن کرنے کے لئے خاص کاروبار سے متعلق مادی حقائق کا تعین کرتا ہے۔

موجودہ چیف ایگزیکٹو کو 1.5 ملین روپے کی رقم ادا کی گئی ہے اور کمپنی کے قواعد و ضوابط کے مطابق کمپنی کی کار، ٹیلی فون، طبی اور دیگر فوائد ادا کئے گئے ہیں اور دو ڈائریکٹرز کو 1.5 ملین روپے کی رقم ادا کی گئی ہے اور کمپنی کے قواعد و ضوابط کے مطابق کمپنی کی کار، ٹیلی فون، طبی اور دیگر فوائد ادا کئے گئے ہیں۔

24 ستمبر، 2018 کو منعقد ہونے والے اجلاس میں ڈائریکٹر بورڈ نے سفارش کی ہے
1- کہ چیف ایگزیکٹو اور دو مکمل وقت کے کام کرنے والے ڈائریکٹرز کے لئے معاوضہ پیش منظور کرنے کے لئے حل کیا گیا ہے کہ چیف ایگزیکٹو کو کمپنی کے قواعد و ضوابط کے مطابق کمپنی کی کار، ٹیلی فون، طبی اور دیگر فوائد کے ساتھ 1.5 ملین روپے کے مجموعی سالانہ تنخواہ حاصل کرنے کی اجازت ہے۔
مزید مزید کہا گیا ہے کہ دو مکمل وقت کام کرنے والی ڈائریکٹرز کمپنی کے قواعد و ضوابط کے مطابق کمپنی کی کار، ٹیلی فون، طبی اور دیگر فوائد کے ساتھ 1.5 ملین روپے کے مجموعی سالانہ تنخواہ حاصل کرنے کی اجازت دی جاتی ہے۔

2- کمپنی ایکٹ 2017 کے سیکشن 183 کے تحت بورڈ کو اختیار دیا جاتا ہے کہ لیز کے لئے زمین یا اس کے حصوں کو دینے کی اجازت ہے۔

جیسا کہ معاملات کے ارکان کی طرف سے منظوری کی ضرورت ہے، مندرجہ ذیل فیصلے کو خصوصی قرارداد کے طور پر منظوری کے لئے تصور کیا جائے گا:
”حل کیا گیا ہے کہ چیف ایگزیکٹو کو کمپنی کے قواعد و ضوابط کے مطابق کمپنی کی کار، ٹیلی فون، طبی اور دیگر فوائد کے ساتھ 1.5 ملین روپے کے مجموعی سالانہ تنخواہ حاصل کرنے کی اجازت ہے۔“

مزید کہا گیا ہے کہ دو مکمل وقت کام کرنے والی ڈائریکٹرز کمپنی کے قواعد و ضوابط کے مطابق کمپنی کی کار، ٹیلی فون، طبی اور دیگر فوائد کے ساتھ 1.5 ملین روپے کے مجموعی سالانہ تنخواہ حاصل کرنے کی اجازت دی جاتی ہے۔۔

حل کمپنی ایکٹ 2017 کے سیکشن 183 کے تحت بورڈ کو اختیار دیا جاتا ہے کہ لیز کے لئے زمین یا اس کے حصوں کو دینے کی اجازت ہے۔“

چیف ایگزیکٹو اور دو ڈائریکٹرز اس معاملے میں دلچسپی رکھتے ہیں۔

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