

**SHAVYL®**

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# ANNUAL REPORT

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2020

Pakistan PVC Limited

# 57<sup>th</sup> 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 -----	10
Six Years at a Glance -----	18
Financial Performance -----	19
Statement of Compliance with the Code of Corporate Governance ---	20
Auditor’s Review Report on Statement of Compliance -----	21
Auditors’ Report -----	22
Balance Sheet -----	24
Profit & Loss Account -----	25
Statement of Comprehensive Income -----	26
Cash Flow Statement -----	27
Statement of Changes in Equity -----	28
Notes to the Accounts -----	29
Pattern of Shareholding -----	46
Form of Proxy -----	50

# COMPANY INFORMATION

## BOARD OF DIRECTORS

CHAIRMAN	Adnan Shaffi
CHIEF EXECUTIVE	Arif Shaffi
DIRECTORS	Masood Parvaiz Adeel Shaffi Saira Shaffi Mohammad Iqbal Mohammad Shaffi

## SECRETARY

Adeel Shaffi

## CHIEF FINANCIAL OFFICER

Asif Shaffi

## AUDITORS

Mushtaq & Co., Chartered Accountants

## AUDIT COMMITTEE

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

## HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BANKERS

Habib Bank Limited  
Muslim Commercial Bank Limited  
Faysal Bank Limited

## REGISTERED OFFICE

Shaffiabad, Gharo, District Thatta

## SHARE REGISTRAR

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

## FACTORIES

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

## کمپنی کی معلومات

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

# PAKISTAN PVC LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57<sup>th</sup> Annual General Meeting of the Company will be held on Friday, October 23, 2020 at the registered office of the company at **Pakistan PVC Limited**, Shaffiabad, Ghara, District Thatta at 9.00 a.m. to transact the following business.

### ORDINARY BUSINESS

1. To confirm the minutes of the 56<sup>th</sup> Annual General Meeting of the company held on October 26, 2019.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2020 together with the reports of the Director's and Auditors' thereon.
3. To appoint auditors of the company for the year ending June 30, 2021 and fix their remuneration.

### ANY OTHER BUSINESS

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

Islamabad: September 18, 2020

By Order of the Board



(ADEEL SHAFFI)  
Company Secretary

### Notes:

1. Share transfer Books of the Company shall remain closed from October 16, 2020 to October 23, 2020 (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](http://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](mailto: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](mailto: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](http://www.pakistanpvc.com).
8. The shareholders who wish to attend the Annual General Meeting are requested to get themselves registered by sending their particulars at the designated email address [pakpvc.CG@shavyl.com](mailto:pakpvc.CG@shavyl.com), giving particulars as per below table by the close of business hours (5:00 PM) on October 20, 2020.

Name of Shareholder	CNIC No./ NTN NO.	Participant ID/Folio No.	Cell No	Email address

9. The webinar link would be emailed to the registered shareholders/proxies who have provided all the requested information.



## 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 REPORT:

As in the rest of the world, COVID-19 adversely affected lifestyles and business operations in Pakistan. The Company complied with the Standard Operating Procedures (SOPs) prescribed by Federal and Provincial Governments. Sales and production activities were affected during lockdowns, however, the factory reopened after necessary permissions to produce orders for exports and essential services. The Company remained up to date in all its financial commitments. The Management believes that the going concern assumption of the Company remains valid.

The Board of Directors (the Board) of Pakistan PVC Limited (PPVC) has performed their duties diligently in upholding the best interest of shareholders of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act 2017 (previously Companies Ordinance 1984) and Listed Companies (Code of Corporate Governance) Regulations, 2017.

Further, the Board during the year ended 30 June 2020 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

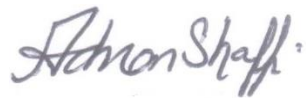
- The Board has ensured that there is adequate representation of Executives, non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill, experience and knowledge to manage the affairs of the Company;
- The Board has developed and put in place a formal and effective mechanism for an annual evaluation of its own performance and that of its Committees and individual Directors. On the basis of the feedback received through this mechanism overall performance of the Board has been found to be Good and effective;
- The Board has formed an Audit and HRR Committees and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;
- The Board has ensured that one Directors of the Company are exempt from Directors Training Program due to their qualification. Five Directors has taken certification under the Directors Training Program and the remaining one shall obtain certification under the DTP program in due course of time;
- The Board has ensured that the meetings of the Board and its committee were held with the requisite quorum and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and have developed significant policies for smooth functioning;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process;
- The Board has ensured that the adequate system of internal control is in place;
- The Board has prepared and approved the Director's report and has ensured that the directors' report is published with the quarterly and annual financial statement of the Company and the content of the directors' report are in accordance with the requirement of applicable laws and regulations;

- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings;
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company.

Based on aforementioned it can reasonably be stated that Board of Pakistan PVC Limited has played instrumental role in ensuring that corporate objectives are achieved in line with the expectation of shareholders and other important stakeholders.

**Acknowledgement**

On behalf of the Board, I appreciate untiring efforts of our employees and express gratitude to all stakeholders including our valued customers for their continued cooperation and support.



(ADNAN SHAFFI)

Chairman

September 18, 2020

## **DIRECTOR'S REPORT TO THE SHAREHOLDERS**

On behalf of my colleagues on the Board, I welcome you to the 57<sup>th</sup> Annual General Meeting of the Company and present the audited accounts for the year ended June 30, 2020 along with the auditors' report thereon.

Due to Covid – 19 the PVC Pipe and Fittings plant remained closed for 3 months. This year has been a tumultuous one so far with various factors giving rise to new challenges. The first and second quarters were marred by economic uncertainty. As the situation seemed to stabilize, the global pandemic of COVID-19 has severely impacted daily life as well as economic activities throughout the world. Resultantly, sales of the Company have decreased by 38 % to Rs. 5,514,801 as compared to Rs. 8,887,797 in the comparable previous twelve months. Future outlook is uncertain and as we speak, it is not possible to determine when this global pandemic will reach its end.

During the period under review Ghara 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. 5.515 million as compared to Rs. 8.888 million of the same period last year and loss during the year was Rs. 15.759 million as compared to a net loss of Rs. 17.479 million during the previous year. The production of PVC Pipes at Islamabad factory was 114,004 meters as against 225,428 meters last year. Excess capacity of this water treatment plant was used to make Mineral Water. Sale of Mineral Water was 57,645 Gallons as against 55,225 Gallons. Work of installation of Machinery of Pipe Plant shifted from Ghara to Islamabad has delayed due to non availability of funds.

### **1. AUDITORS' RESERVATION OF GOING CONCERN**

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

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

### **2. AUDITORS' RESERVATION ABOUT DIRECT CONFIRMATION**

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

### **3. AUDITORS' RESERVATION ABOUT LONG OUTSTANDING BALANCES**

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

### **Financial Statements**

The financial statements of the Company have been audited by Messrs. Mushtaq & Company., Chartered Accountants, the auditors, with some qualification.

### **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 Messrs 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, 2021.

### **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 handy capped children.

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

#### **Health**

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

#### **Education**

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

#### **Energy Conservation Measures**

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

#### **FINANCIAL PROFORMANCE**

Year	2020	2019
<b>Turnover</b>	5.515	8.888
<b>Operating Costs</b>	21.553	24.966
<b>Net Profit/(Loss)</b>	(15.759)	(17.479)
<b>Earnings per share (Rs.)</b>	(1.05)	(1.17)

#### **Financial Risk**

The financial risk management is disclosed in note 32 of the unconsolidated financial statements of the Company.

#### **Corporate & Financial Reporting Framework**

The Directors are pleased to confirm compliance with Corporate and Financial Reporting Framework of the Securities & Exchange Commission Pakistan (SECP) and the Code of Corporate Governance for the following:

- The financial statements, prepared by the management of the Company, fairly portray its state of affairs, the result of its operations, cash flows and changes in its equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

d. IFRS as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed; and

e. There are no doubts in the Company's ability to continue as a going concern.

Key financial data (unconsolidated) of last six years is as follows:

	(Rs.000)					
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
TURNOVER	5,515	8,888	7,563	7,612	7,031	7,740
NET PROFIT	(15,759)	(17,479)	(18,050)	(22,599)	(24,714)	(26,204)
SHAREHOLDERS FUND	188,032	172,273	154,794	193,858	171,258	287,954
EARNING PER SHARE	(1.05)	(1.17)	(1.21)	(1.51)	(1.65)	(1.75)

#### Adequacy of Internal Financial Controls

Directors confirm compliance with highest standard of Corporate Governance and that the internal controls are sound in design and have been effectively implemented and monitored.

#### STATEMENTS OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements, prepared by the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- 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.
- There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations.
- Key operating and financial data for last six years in summarized form is given on page 17.

#### 9. COMPOSITION OF BOARD

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

- Male: 6
- Female: 1

2. The composition of board is as follows:

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

**BOARD MEETING**

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

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

**COMMITTEES OF THE BOARD AUDIT COMMITTEE**

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

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

**HUMAN RESOURCES & REMUNERATION COMMITTEE**

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

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

**DIRECTORS REMUNERATION**

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

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

**DIRECTORS' TRAINING**

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

10. The pattern of shareholding and additional information regarding pattern of shareholding is given on Page 46 – 48.
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 18, 2020

On behalf of the Board of Directors



ARIF SHAFFI – Chief Executive



MOHAMMAD SHAFFI – Director.

**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.

On behalf of the Board of Directors



ARIF SHAFFI – Chief Executive



MOHAMMAD SHAFFI – Director

Dated: September 18, 2020

## شینر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

بورڈ میں اپنے ساتھی اراکین کی جانب سے، میں آپ کو کمپنی کے 57 ویں سالانہ اجلاس عام میں خوش آمدید کہتا ہوں اور آپ کے سامنے مورخہ 30 جون، 2020 کو ختم ہونے والے مالی سال کے آڈٹ شدہ اکاؤنٹس کو آڈیٹرز کی رپورٹ کے ساتھ پیش کر رہا ہوں۔ زیر غور مدت کے دوران، گھارو پیٹنس 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۔

COVID-19 کی وجہ سے پی وی سی پائپ اور فٹنگ پلانٹ 3 ماہ تک بند رہا۔ یہ سال اب تک ایک پریشان کن رہا ہے جس میں مختلف عوامل نے نئے چیلنجوں کو جنم دیا ہے۔ پہلے اور دوسرے کوارٹر کو معاشی غیر یقینی صورتحال نے متاثر کیا۔ جب صورتحال مستحکم ہوتی نظر آرہی تھی، تو COVID-19 کی عالمی وبائی بیماری نے پوری دنیا میں پاکستان سمیت روزمرہ کی زندگی کے ساتھ ساتھ معاشی سرگرمیوں کو بھی بری طرح متاثر کیا ہے۔ نتیجہ کے طور پر، کمپنی کی فروخت میں 38% کی کمی واقع ہوئی ہے 5,514,801 روپے کے مقابلے میں پچھلے بارہ مہینوں میں 8,887,797 روپے تھا۔ مستقبل کا نظریہ غیر یقینی ہے اور جیسا کہ ہم بولتے ہیں، اس بات کا تعین کرنا ممکن نہیں ہے کہ یہ عالمی وبائی مرض کب اپنے اختتام کو پہنچے گا۔

زیر غور سال کے دوران ہونے والی فروخت سابقہ سال اسی مدت کے دوران ہونے والے 8,888 ملین روپوں کی فروخت کی نسبت 5,515 ملین روپے رہی۔ گذشتہ سال ہونے والے 17,479 ملین روپے کے خالص نقصان کی نسبت اس سال 15,759 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 پیٹنس پورا سال بند رہا جس کی وجہ سے کوئی پیداوار نہیں ہوئی۔ اسلام آباد فیکٹری میں پچھلے سال ہونے والی 225,428 میٹر کی پیداوار کی نسبت اس سال پیداوار 114,004 میٹر رہی۔ اس واٹر ٹریٹمنٹ پلانٹ کی اضافی صلاحیت کو منزل واٹر بنانے کے لیے استعمال کیا گیا۔ 55,225 گیلن کے برخلاف 57,645 گیلن منزل واٹر فروخت ہوا۔

1. براہ راست تصدیق کے متعلق آڈیٹرز 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 بقایا جات کے متعلق آڈیٹرز کا نقطہ نگاہ  
جہاں تک قرضہ دینے والوں کے طویل عرصے سے بقایا جات، صارفین کی جانب سے دی گئی ایڈوانس رقوم اور قابل ادا رقوم کی بات ہے تو ہم یہ بتاتے چلیں کہ یہ بقایا 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، ہمارے علم کے مطابق ان میں سے زیادہ تر خطوط کے جوابات بھی موصول ہوئے تھے۔

3. گونگ کنسرن کے متعلق آڈیٹرز کا نقطہ نظر  
آڈیٹرز نے اپنا نقطہ نظر کوالیفائی کر لیا ہے کیونکہ آپکی 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 ویلیوٹرز کی جانب سے نئی ری ویلیوشن رپورٹ تیار کی گئی ہے۔

### مالیاتی گوشوارے

میسرز کے ذریعہ کمپنی کے مالی بیانات کا آڈٹ کیا گیا ہے مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹ، آڈیٹر، کچھ اہلیت کے ساتھ۔  
**ڈیوائنڈ**

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

### آڈیٹرز

آڈٹ کمیٹی کی جانب سے آئندہ مالی سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز مقرر کرنے کی سفارش کی گئی ہے۔

موجودہ آڈیٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے (ریٹائرڈ آڈیٹرز کے اہل ہونے کی وجہ سے) خود کو 30 جون 2020 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے لیے پیش کیا ہے۔

### کاروباری سماجی ذمہ داری (کارپوریٹ سوشل رسپانسبلٹی)

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 نزدیک موجود مقامی آبادیوں پر مثبت اثرات مرتب کرنے کے لیے اپنی مسلسل کاوشوں کے سلسلے میں سماجی ترقی کی ایسی پالیسیز مرتب کی ہیں جو مندرجہ ذیل راہنما اصولوں پر مشتمل ہیں:

- 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 اولمپکس پاکستان کے ساتھ خصوصی تعاون کرتی ہے تا کہ ذہنی طور 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 ہیں۔

### 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 اہم 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 نہیں 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 ہمہ 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 نہیں کرے گا اور نہ ہی کسی اور کو ایسا کرنے کی ہدایت دے گا یا ایسا کرنے کی حوصلہ افزائی کرے گا۔ ملکی قوانین کی ہمہ وقت پاسداری کی جانی چاہئے۔ کمپنی نے اس ضابطہ اخلاق کے متعلق تمام ملازمین کو مطلع کر رکھا ہے۔

### مالی پیشہ ورانہ

Year	2020	2019
Turnover	5.515	8.888
Operating Costs	21.553	24.966
Net Profit/(Loss)	(15.759)	(17.479)
Earnings per share (Rs.)	(1.05)	(1.17)

### مالی خطرہ

مالی رسک مینجمنٹ کا انکشاف کمپنی کے غیر متناسب مالی بیانات کے نوٹ 32 میں کیا گیا ہے۔

### کارپوریٹ اور مالی رپورٹنگ کا فریم ورک

- ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (ایس ای سی پی) کے کارپوریٹ اور فنانشل رپورٹنگ فریم ورک اور کارپوریٹ گورننس کے کوڈ کو درج ذیل کی تعمیل کی تصدیق کرنے پر خوش ہیں:
- کمپنی کے انتظام کے ذریعہ تیار کردہ مالی بیانات، اس کی امور کی کیفیت، اس کے کاموں، نقد بہاؤ اور اس کی ایکویٹی میں بدلاؤ کا جواز پیش کرتے ہیں۔
  - کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں۔
  - مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
  - پاکستان میں بطور قابل اطلاق IFRS، مالی بیانات کی تیاری میں عمل کیا گیا ہے اور اس میں سے کسی بھی طرح کی روانگی کا مناسب طور پر انکشاف کیا گیا ہے۔ اور



e. کمپنی کی تشویش کی حیثیت سے جاری رکھنے کی صلاحیت میں کوئی شک نہیں ہے۔  
پچھلے چھ سالوں کا اہم مالیاتی ڈیٹا (غیر متزلزل) مندرجہ ذیل ہے:  
(Rs.000)

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
TURNOVER	5,515	8,888	7,563	7,612	7,031	7,740
NET PROFIT	(15,759)	(17,479)	(18,050)	(22,599)	(24,714)	(26,204)
SHAREHOLDERS FUND	188,032	172,273	154,794	193,858	171,258	287,954
EARNING PER SHARE	(1.05)	(1.17)	(1.21)	(1.51)	(1.65)	(1.75)

#### داخلی مالیاتی کنٹرولوں کی قابلیت

ڈائریکٹرز کارپوریٹ گورننس کے اعلیٰ ترین معیار کی تعمیل کی تصدیق کرتے ہیں اور یہ کہ اندرونی کنٹرول ڈیزائن کے مطابق ہیں اور ان پر موثر انداز میں عمل درآمد اور نگرانی کی گئی ہے۔

تجارتی اور مالیاتی رپورٹنگ کے ڈھانچے کے متعلق بیانات

1. کمپنی کے تیار کردہ مالیاتی گوشواروں سے کمپنی کے معاملات، اس کے آپریشنز 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 آپریشن اور مالیاتی امور کے متعلق ڈیٹا کا خلاصہ صفحہ 8 پر دیا گیا ہے۔
9. بورڈ کی تشکیل

1. مندرجہ ذیل مطابق ڈائریکٹرز کی تعداد 7 ہیں:

ایک مرد: 6

ب. خواتین: 1

2. بورڈ کی تشکیل مندرجہ ذیل ہے:

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

#### بورڈ کے اجلاس

سال کے دوران چار بورڈ کے اجلاس منعقد کئے گئے تھے اور متعلقہ ڈائریکٹرز کی حاضری بورڈ پر ان کی مدت کے دوران مندرجہ ذیل تھے:

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

**آڈٹ کمیٹی**

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

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

**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:

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

**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 دو مکمل وقت کے کام کرنے والے ڈائریکٹروں کو 15 لاکھ روپے کا مجموعی تنخواہ حاصل کرنے کی اجازت ہے۔


**ڈائریکٹر تربیت**

سات ڈائریکٹرز میں سے، 1 ڈائریکٹر کو بورڈ آف لسٹڈ کمپنیوں کے ڈائریکٹر کی حیثیت سے اپنے تجربے کی بنیاد پر کارپوریٹ گورننس لیڈرشپ اسکولز (سی جی ایل ایس) کی تربیت سے مستثنیٰ قرار دیا گیا ہے۔ ڈائریکٹرز ٹریننگ پروگرام میں کل 5 ڈائریکٹرز کی سند ہے۔

10. شیئر ہولڈنگ کا پیٹرن اور شیئر ہولڈنگ کے پیٹرن کے متعلق اضافی معلومات صفحات نمبر 39 تا 41 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 جانب سے

اسلام آباد: 18 ستمبر 2020


  
محمد شفیع - ڈائریکٹر

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۔

بورڈ آف ڈائریکٹرز کی جانب سے

  
محمد شفیع - ڈائریکٹر

عارف شفیع - چیف ایگزیکٹو  
مورخہ 18 ستمبر 2020

**Six Years at a Glance**

(Rs.000)

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
TURNOVER	5,515	8,888	7,563	7,612	7,031	7,740
GROSS PROFIT	(16,038)	(16,079)	(16,107)	(16,573)	(16,814)	(17,155)
NET PROFIT	(15,759)	(17,479)	(18,050)	(22,599)	(24,714)	(26,204)
TAXATION	3,901	3,258	2,767	2,030	1,246	1,381
SHARE CAPITAL FUND	149,580	149,580	149,580	149,580	149,580	149,580
SHAREHOLDERS FUND	188,032	172,273	154,794	193,858	171,258	287,954
GROSS PROFIT %	(291)	(181)	(213)	(218)	(239)	(222)
NET PROFIT %	(286)	(197)	(239)	(297)	(352)	(339)
TAXATION %	71	37	37	27	18	18
EARNING PER SHARE	(1)	(1.17)	(1.21)	(1.51)	(1.65)	(1.75)
DIVIDEND %	-	-	-	-	-	-
BONUS %	-	-	-	-	-	-

**FINANCIAL PROFORMANCE OF PAKISTAN PVC LIMITD**

Year	2020	2019
Earnings per Share	(1.05)	(1.17)
P/E Ratio	(2.16)	(2.61)
Break Up Value (Including Revaluation Surplus)	(12.57)	(11.52)
Break Up Value (Excluding Revaluation Surplus)	(23.54)	(22.83)
Dividend Payout Ratio	-	-

## Statement of Compliance

with the Code of Corporate Governance for the year ended June 30, 2020.

Pakistan PVC Limited (“the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”) in the following manner.

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

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

2. The composition of board is as follows:

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

Fraction (0.33) related to the requirement for number of independent directors is less than 0.5 and therefore, has not rounded up as one.

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

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

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

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

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

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

9. The Board remained fully compliant with the provision with regard to their directors’ training program. Out of total of seven directors, one directors is exempt from training program and five has completed training during the year.

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

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

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

a) Audit Committee (Name of members and Chairman)

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

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

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

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

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

a) Audit Committee: Quarterly

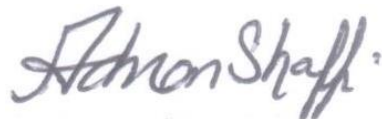
b) HR and Remuneration Committee: Yearly

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

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

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

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.



Signature (s)  
(Adnan Shaffi)  
Chairman  
September 18, 2020

# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

19-B, Block G, Gulberg-III, Lahore. Tel: 042-35858624-6  
Email: audit.lhr@mushtaqandco.com



### *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, 2019 (the Regulations) prepared by the Board of Directors of Pakistan PVC Limited for the year ended June 30, 2020 in accordance with the requirements of regulation 36 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, 2020.

Place: Lahore  
Dated: 18 SEP 2020

*Mushtaq & Co.*  
**MUSHTAQ & COMPANY**  
Chartered Accountants  
Engagement Partner:  
Ayaz Mahmood, ACA

**MUSHTAQ & CO.****CHARTERED ACCOUNTANTS**

19-B, Block G, Gulberg-III, Lahore. Tel: 042-35858624-6

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*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, 2020 and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

*Basis for Disclaimer of Opinion*

- (a) The Company ceased the production at Gharo Plant since 1995. The production at Islamabad Plant continues. As stated in the note 2.2 to the financial statements, the company had incurred a loss for the year ended June 30, 2020 of Rupees 15.759 million (June 30, 2019: Rupees 17.479 million) and as of that date, reported accumulated loss of Rs. 501.636 million as at June 30, 2020 (June 30, 2019 : Rs. 491.138 million) against the issued, subscribed and paid up capital of Rs. 149.580 million (June 30, 2019 : Rs. 149.580 million) turning shareholders' equity to a negative balance of Rs. 188.031 million (June 30, 2019 : Rs. 172.272 million). The current liabilities exceeds the current assets by Rs. 362.980 million (June 30, 2019 : Rs. 353.384 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. The management has not prepared cash flow projections and future plan to revive the operation of Gharo plant closed since 1995.
- (b) No confirmation/bank statement was received to verify the correctness of balance of long term loan payable to Privatization Commission of Pakistan, reflected under current portion of long term loans, in note 8 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 11.1 of the financial statements and markup accrued thereon amounting to Rs. 99,395,103 and Rs. 99,743,901 respectively
- (c) No confirmation was received to verify the amount included in trade and other payables in respect of liability towards Privatization Commission, Finance Division, amounted to Rs. 10,000,000, in note 9.5 of these financial statements
- (d) We do not concur with the accounting treatment of leasehold land referred in note 14.5 of these financial statements being violation of the requirements of International Accounting Standards (IAS 40) "Investment Property"
- (e) As more fully explained in note 13.2 of these financial statements, the impact on the financial statements of the disputed CDA plot of land at Islamabad is not determinable.



# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

19-B, Block G, Gulberg-III, Lahore. Tel: 042-35858624-6  
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### *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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 Ayaz Mahmood, ACA.

*Mushtaq*  
MUSHTAQ & CO  
Chartered Accountants

Lahore. 18 SEP 2020  
Dated: \_\_\_\_\_

PAKISTAN PVC LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2020

		2020	2019			2020	2019
	Note	-----Rupees-----			Note	-----Rupees-----	
<b>SHARE CAPITAL AND RESERVES</b>				<b>NON CURRENT ASSETS</b>			
Authorized capital 15,000,000 (June 30, 2019 : 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000	Property, plant and equipment	14	174,805,405	180,989,185
Issued, subscribed and paid up capital	6	149,580,000	149,580,000	Long term investments	15	142,500	122,500
Accumulated loss		(501,636,103)	(491,138,135)				
Surplus on revaluation of fixed assets	7	164,024,343	169,285,442				
		(188,031,761)	(172,272,693)				
<b>NON CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Long term financing	8			Stock in trade	16	730,572	785,200
<b>CURRENT LIABILITIES</b>				Trade debts	17	748,914	1,045,312
Trade and other payables	9	90,462,886	90,656,392	Loans and advances	18	146,499	1,123,023
Unclaimed Dividend		45,980	45,980	Trade deposits	19	100,000	100,000
Accrued interest / markup	10	199,139,004	191,900,027	Other receivables	20	692,557	789,559
Short term borrowings	11	41,122,646	40,321,661	Tax refunds due from Government	21	2,232,224	2,024,490
Current portion of long term financing	8	32,991,000	32,991,000	Cash and bank balances	22	32,337	58,510
Provision for taxation - net	12	3,901,251	3,395,411			4,683,102	5,926,094
		367,662,767	359,310,472			179,631,007	187,037,779
<b>CONTINGENCIES AND COMMITMENTS</b>						179,631,007	187,037,779
	13	179,631,007	187,037,779				

The annexed notes from 1 to 39 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, 2020

	Note	2020	2019
-----Rupees-----			
Sales	23	5,514,801	8,887,797
Cost of sales	24	(21,552,890)	(24,966,477)
Gross loss		(16,038,089)	(16,078,680)
Other income	25	20,559,866	17,020,550
Distribution cost	26	(3,727,592)	(3,236,990)
Administrative expenses	27	(5,403,373)	(4,655,615)
Other operating expenses	28	-	(23,900)
Finance costs	29	(7,248,628)	(7,246,521)
Loss before taxation		(11,857,816)	(14,221,155)
Taxation	30	(3,901,251)	(3,257,898)
Loss for the year		(15,759,067)	(17,479,053)
Loss per share - basic and diluted	31	(1.05)	(1.17)

The annexed notes from 1 to 39 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, 2020

Note	2020	2019
	-----Rupees-----	
Loss for the year	(15,759,067)	(17,479,053)
Items that will not be subsequently reclassified to statement of profit or loss		
Gain on revaluation of land and buildings	-	-
Impact of deferred tax		
Other comprehensive income	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>(15,759,067)</b>	<b>(17,479,053)</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

  
 Arif Shaffi  
 CHIEF EXECUTIVE

  
 Mohammad Shaffi  
 DIRECTOR

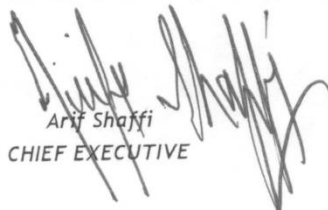
  
 Asif Shaffi  
 CHIEF FINANCIAL OFFICER


PAKISTAN PVC LIMITED  
STATEMENT CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(11,857,816)	(14,221,155)
<b>Adjustments for :</b>		
Depreciation	6,183,780	6,891,942
Accrued Interest	(20,000)	(17,500)
Credit balances charged to other income	-	(157,281)
Debit balances written off	-	23,900
Finance cost	7,248,628	7,246,521
Staff retirement benefits - gratuity	-	-
Rental income	(20,539,866)	(16,845,769)
Operating cash flows before changes in working capital	(18,985,274)	(17,079,343)
<b>(Increase) / decrease in current assets</b>		
Stock in trade	54,628	(58,912)
Trade debts	296,398	148,891
Loans and advances	976,525	(104,936)
Tax refunds due from Government	(65,306)	110,268
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables	(190,516)	5,459,136
	1,071,729	5,554,447
<b>Net cash used in operation</b>	(17,913,545)	(11,524,896)
Income tax paid	(3,537,839)	(3,079,447)
Finance cost paid	(9,650)	(7,541)
Gratuity Paid	-	(197,370)
	(3,547,489)	(3,284,358)
<b>Net cash used in operating activities</b>	(21,461,035)	(14,809,254)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment acquired	-	(785,340)
Rent received	20,633,877	15,860,659
<b>Net cash generated from investing activities</b>	20,633,877	15,075,319
<b>CASH FLOWS FROM FINANCING ACTIVITIES *</b>		
Short term borrowings - net	800,985	(341,581)
<b>Net cash generated from / (used) in financing activities</b>	800,985	(341,581)
Net (decrease) / increase in cash and cash equivalents	(26,173)	(75,516)
Cash and cash equivalent at the beginning of the year	58,510	134,026
<b>Cash and cash equivalent at the end of the year</b>	32,337	58,510

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

The annexed notes from 1 to 39 form an integral part of these financial statements.

  
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Mohammad Shaffi  
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Asif Shaffi  
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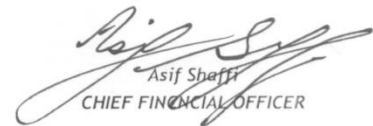
PAKISTAN PVC LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2020

	Issued, subscribed and paid up capital	Revenue Reserve Accumulated loss	Capital Reserve Revaluation Surplus	Total
	-----Rupees-----			
Balance as at July 1, 2018	149,580,000	(479,504,747)	175,131,108	(154,793,640)
Transfer from surplus on revaluation on account of incremental depreciation	-	5,845,666	(5,845,666)	-
<b>Total comprehensive loss for the year ended June 30, 2019</b>	-	-	-	-
Loss for the year ended June 30, 2019	-	(17,479,053)	-	(17,479,053)
Other comprehensive income / (loss) for the year ended June 30, 2019	-	-	-	-
Balance as at July 1, 2019	149,580,000	(491,138,135)	169,285,442	(172,272,693)
Transfer from surplus on revaluation on account of incremental depreciation	-	5,261,099	(5,261,099)	-
<b>Total comprehensive loss for the year ended June 30, 2020</b>	-	-	-	-
Loss for the year ended June 30, 2020	-	(15,759,067)	-	(15,759,067)
Other comprehensive income / (loss) for the year ended June 30, 2020	-	-	-	-
Balance as at June 30, 2020	149,580,000	(501,636,103)	164,024,343	(188,031,761)

The annexed notes from 1 to 39 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, 2020

**1 LEGAL STATUS AND OPERATIONS**

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

The company is engaged in production and sale of PVC resin, PVC pipes and fittings, PVC compound and caustic soda and to Lease (Land, Building and Other Infrastructure). The company has ceased the production at Ghara 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 .

**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 Going Concern Assumption**

The company had incurred a loss for the year ended June 30, 2020 of Rupees 15.759 million (June 30, 2019: Rupees 17.479 million) and as of that date, reported accumulated loss of Rs. 501.636 million as at June 30, 2020 (June 30, 2019 : Rs. 491.138 million) against the issued, subscribed and paid up capital of Rs. 149.580 million (June 30, 2019 : Rs. 149.580 million) turning shareholders' equity to a negative balance of Rs. 188.031 million (June 30, 2019 : Rs. 172.272 million). The current liabilities exceeds the current assets by Rs. 362.980 million (June 30, 2019 : Rs. 353.384 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.

**2.3** As in the rest of the world, COVID-19 adversely affected lifestyles and business operations in Pakistan. The Company complied with the Standard Operating Procedures (SOPs) prescribed by Federal and Provincial Governments. Sales and production activities were affected during lockdowns, however, the factory reopened after necessary permissions to produce orders for sale. The Company remained up to date in all its financial commitments. The Management believes that the going concern assumption of the Company remains valid.

**2.4 Basis Of Measurement**

These financial statements have been prepared on the historical cost convention. In these financial statements, except for cash flow statements , all transactions have been accounted for on accrual basis.

**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 standards, amendments and interpretations are effective for the year beginning on or after July 01, 2019. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

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

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2019 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2020, but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these unconsolidated financial statements, except for the following:

###### Amendments to IAS 1 and IAS 8: (effective for periods beginning on or after July 01, 2020).

- The IASB has made amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

##### 4.3 There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the company and therefore have not been presented here.

#### 5 SIGNIFICANT ACCOUNTING POLICIES

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

##### 5.1 Property, plant and equipment

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

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

Subsequent costs are included in the asset's carrying amount or as a separate asset, as 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 category.

##### At amortized cost

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

#### 5.5 Stores and spares

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

#### 5.6 Stock in trade

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

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

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

#### 5.7 Trade debts

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

#### 5.8 Cash and cash equivalents

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

#### 5.9 Borrowings

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

#### 5.10 Revenue recognition

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

#### 5.11 Financial Assets and Liabilities

##### Financial Assets

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

##### a Amortized Cost

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

##### b Fair value through other comprehensive income

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

##### c Fair value through profit or loss

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

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

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

**Derecognition**

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

**5.12 Financial Liabilities**

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

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

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

**5.13 Impairment****Financial Assets**

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

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

**Non-Financial Assets**

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

**Off setting financial assets and financial liabilities**

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

**5.14 Dividends**

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

**5.15 Staff retirement benefits-gratuity**

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

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

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

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

**5.16 Taxation****Current**

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

**Deferred**

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

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

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

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

#### 5.17 Trade and other payable

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

#### 5.18 Provisions

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

#### 5.19 Foreign currencies

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

#### 5.20 Related parties

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

### 6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2020		2019		2020		2019	
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	
14,972,000	14,972,000			149,720,000		149,720,000	
(14,000)	(14,000)	Less: Unpaid amount in respect of shares allotted to Federal Chemical and Ceramics Corporation (Pvt) Limited.		(140,000)		(140,000)	
14,958,000	14,958,000			149,580,000		149,580,000	

- 6.1 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.

### 7 SURPLUS ON REVALUATION OF FIXED ASSETS

		Note	2020	2019
			Rupees	
Surplus on revaluation of property, plant and equipment - gross		7.1	164,024,343	169,285,442
7.1 Surplus on revaluation of property, plant and equipment - gross			164,024,343	169,285,442
Surplus on revaluation of property, plant and equipment at the beginning of the year			169,285,442	175,131,108
Arised during the year			-	-
Transfer to unappropriated profit in respect of incremental depreciation on revalued assets			(5,261,099)	(5,845,666)
			164,024,343	169,285,442

### 8 LONG TERM FINANCING

#### Secured

Government loan	8.1	32,991,000	32,991,000
Less : Current portion shown under current liabilities		(32,991,000)	(32,991,000)
		-	-

- 8.1 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.

	Note	2020	2019
-----Rupees-----			
<b>9 TRADE AND OTHER PAYABLES</b>			
Creditors	9.1	3,860,700	3,332,173
Accrued liabilities	9.2	75,634,826	76,558,471
Advances from customers	9.3	376,578	493,976
Advance Rent		19,081	22,072
Interest free demand deposits (Security Deposits against rent)	9.4	571,700	249,700
Privatization commission, finance division	9.5	10,000,000	10,000,000
		<u>90,462,886</u>	<u>90,656,392</u>

9.1 During the year payable to creditors amounting to Rs.Nil (June 30, 2019 :Rs. 151,293 ) have been written back to other income by the management through board resolution.

9.2 It includes amount payable to directors and associates amounting to Rs 31,716,464. (June 30, 2019: Rs.31,640,310 ) against the salaries payable and other expenses.

9.3 During the year advance from customers amounting to Rs.Nil (June 30,2019 :Rs. 5,988) have been written back to other Income by the management through board resolution.

9.4 This interest free demand deposit is not kept into separate bank account.

9.5 It represents unsecured, interest free advance received from Privatization Commission Financial Division, Islamabad in October 1992 for payment to workers on account of golden hand shake.

	Note	2020	2019
-----Rupees-----			
<b>10 ACCRUED INTEREST / MARKUP</b>			
Interest / markup on:			
Short term borrowings-UBL		99,743,901	96,133,934
Long term financing		99,395,103	95,766,093
		<u>199,139,004</u>	<u>191,900,027</u>

#### 11 SHORT TERM BORROWINGS

From banking companies - secured			
Cash finance	11.1	15,000,000	15,000,000
From related parties and directors - unsecured			
Related parties	11.2	22,647,509	22,193,983
Directors	11.3	3,308,941	3,044,032
Book over draft - unsecured	11.4	166,196	83,646
		<u>41,122,646</u>	<u>40,321,661</u>

11.1 This represents UBL cash finance amounting to Rs. 15,000,000. Suit against the recovery of short term borrowings has been filed by the bank against the company was decreed in favor of the bank by the Banking Court for Rs. 21,978,493 and markup thereon from the date of filing of suit. The amount of markup Rs.96,133,934 has not been confirmed by the bank and has been accrued by the company on estimated basis.

11.2 This amount is payable to Mrs. Parveen shaffi and Mr. Asif Shaffi. The loan amount is payable to them on their demand, therefore, the loan is clubbed in short term borrowings and classified under current liabilities. The loan is interest free and unsecured.

11.3 These are interest free payable on demand of directors.

11.4 This represents book overdraft due to issuance of cheques in excess of balances in bank accounts.

	Note	2020	2019
-----Rupees-----			
<b>12 PROVISION FOR TAXATION - NET</b>			
Opening balance		3,395,411	2,845,630
Add: Provision for the year	30	3,901,251	3,257,898
Less: Paid / adjusted during the year		(3,395,411)	(2,708,117)
		<u>3,901,251</u>	<u>3,395,411</u>

#### 13 CONTINGENCIES AND COMMITMENTS

13.1 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.

13.2 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.

13.3 The Privatization Commission of Pakistan had filed a suit in honorable Islamabad High Court, C.O.S No 07/2002, against the company for recovery of amount repayable to the Privatization commission against principal amount of Government loan assumed at time of privatization of Rs. 32,991,000 along with the markup thereon amounting to Rs. 95,766,093 aggregating to Rs.128,757,093. During current year, the case is dismissed because no one tendered appearance on behalf of Plaintiff before the Court on the day of hearing.

## 14 Property, plant and equipment

	2020	2019
	-----Rupees-----	
Operating assets	68,598,629	70,248,856
Non operating assets	106,206,776	110,740,329
	174,805,405	180,989,185

## 14.1 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
<b>Cost</b>															
Balance as at July 01, 2018	54,444,440	8,254,000	7,640,000	2,592,503	1,583,074	1,244,898	119,860	347,476	840,521	500,000	1,947,979	25,416	1,841,082	116,983	81,498,233
Additions during the year	-	-	785,340	-	-	-	-	-	-	-	-	-	-	-	785,340
Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2019	54,444,440	8,254,000	8,425,340	2,592,503	1,583,074	1,244,898	119,860	347,476	840,521	500,000	1,947,979	25,416	1,841,082	116,983	82,283,573
Balance as at July 01, 2019	54,444,440	8,254,000	8,425,340	2,592,503	1,583,074	1,244,898	119,860	347,476	840,521	500,000	1,947,979	25,416	1,841,082	116,983	82,283,573
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2020	54,444,440	8,254,000	8,425,340	2,592,503	1,583,074	1,244,898	119,860	347,476	840,521	500,000	1,947,979	25,416	1,841,082	116,983	82,283,573
<b>Depreciation</b>															
Balance as at July 01, 2018	-	-	-	2,525,428	1,582,613	1,199,789	118,636	338,914	804,275	426,470	1,891,363	25,381	1,151,963	115,227	10,180,057
Charge for the year	-	825,400	842,534	6,707	92	6,766	122	856	3,625	22,059	8,492	5	137,824	176	1,854,660
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2019	-	825,400	842,534	2,532,136	1,582,705	1,206,555	118,758	339,770	807,900	448,529	1,895,855	25,387	1,289,786	115,402	12,034,717
Balance as at July 01, 2019	-	825,400	842,534	2,532,136	1,582,705	1,206,555	118,758	339,770	807,900	448,529	1,895,855	25,387	1,289,786	115,402	12,034,717
Charge for the year	-	742,860	756,281	6,037	74	5,751	110	771	3,262	15,441	7,219	4	110,259	158	1,650,227
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2020	-	1,568,260	1,600,815	2,538,173	1,582,779	1,212,306	118,868	340,540	811,162	463,970	1,907,074	25,391	1,400,046	115,560	13,684,944
Written down value as at June 30, 2019	54,444,440	7,428,600	7,582,806	60,367	369	38,343	1,102	7,706	32,621	51,471	48,124	29	551,296	1,581	70,248,856

## 14.2 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	Furniture and fixtures	Office computers	Office equipments	Canteen equipments		Motor vehicles	Other assets
Cost														
Balance as at July 01, 2018	56,536,353	8,868,447	15,812,810	34,560,000	-	-	-	-	-	-	-	-	-	115,777,610
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2019	56,536,353	8,868,447	15,812,810	34,560,000	-	-	-	-	-	-	-	-	-	115,777,610
Balance as at July 01, 2019	56,536,353	8,868,447	15,812,810	34,560,000	-	-	-	-	-	-	-	-	-	115,777,610
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2020	56,536,353	8,868,447	15,812,810	34,560,000	-	-	-	-	-	-	-	-	-	115,777,610
Depreciation														
Balance as at July 01, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	1,581,281	3,456,000	-	-	-	-	-	-	-	-	-	5,037,281
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2019	-	-	1,581,281	3,456,000	-	-	-	-	-	-	-	-	-	5,037,281
Balance as at July 01, 2019	-	-	1,581,281	3,456,000	-	-	-	-	-	-	-	-	-	5,037,281
Charge for the year	-	-	1,423,153	3,110,400	-	-	-	-	-	-	-	-	-	4,533,553
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2020	-	-	3,004,434	6,566,400	-	-	-	-	-	-	-	-	-	9,570,834
Written down value as at June 30, 2019	56,536,353	8,868,447	14,231,529	31,104,000	-	-	-	-	-	-	-	-	-	110,740,329
Written down value as at June 30, 2020	56,536,353	8,868,447	12,808,376	27,993,600	-	-	-	-	-	-	-	-	-	106,206,776
Rate of depreciation	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-

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

## 14.4 Depreciation has been allocated as under

Note	Rupees-----	
	2020	2019
24.1	6,063,046	6,741,936
27	3,727	4,375
26	117,007	145,630
	6,183,780	6,891,942

14.5 Lease hold land is classified as owner occupied property till disposal of the case referred to in note 13.2 to these financial statements.

14.6 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.

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

	Operating assets		Non operating assets	
	2020	2019	2020	2019
Freehold land	-	-	452,777	452,777
Leasehold land	2,683,055	2,683,055	38,957	38,957
Factory building	61,223	68,026	231,211	256,902
Plant and machinery	2,688,910	2,987,678	3,981,004	4,423,338
	<u>5,433,188</u>	<u>5,738,759</u>	<u>4,703,950</u>	<u>5,171,974</u>

14.8 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

14.9 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	2020	2019
		-----Rupees-----	
<b>15 LONG TERM INVESTMENTS</b>			
<b>Held to maturity</b>			
<b>Government Securities</b>			
National defense saving certificates	15.1	50,000	50,000
Add: Profit accrued to date		92,500	72,500
		142,500	122,500
		142,500	122,500
<b>15.1</b>	National defense saving certificate of Rs. 50,000 have been purchased from the Government of Pakistan under 10 years maturity scheme. The certificates are en-cashable at par at any time. However, no profit is payable if encashment is made before completion of one year. The average compound rate of return on maturity presently works to 12.3 % per annum. Profit accrued represents the profit on National defense saving certificates from November 2010 till June 2020.		
<b>16 STOCK IN TRADE</b>			
Raw and packing materials		47,804	73,474
Work in process		21,487	23,478
Finished goods		661,281	688,248
		730,572	785,200
<b>17 TRADE DEBTS</b>			
<b>Local - unsecured considered good</b>			
- Pipes and fittings sales		728,700	1,035,297
- Water Sales		20,214	10,015
		748,914	1,045,312
<b>17.1</b>	Expected credit loss allowance has not been booked as these balance are in credit terms and not impaired.		
<b>18 LOANS AND ADVANCES</b>			
Advance to suppliers - considered good		146,499	1,123,023
		146,499	1,123,023
<b>18.1</b>	During the year advance to Suppliers amounting to Rs.Nil (June 30, 2019 :Rs. 23,900 ) have been written off by the management through board resolution.		
<b>19 TRADE DEPOSITS</b>			
Trade deposits		100,000	100,000
		100,000	100,000
<b>20 OTHER RECEIVABLES</b>			
Rent receivables		692,557	789,559
		692,557	789,559
<b>21 TAX REFUNDS DUE FROM GOVERNMENT</b>			
Sales tax receivables		186,118	120,812
Advance income tax	21.1	2,046,105	1,903,677
		2,232,224	2,024,490
<b>21.1 Advance income tax</b>			
Opening balance		1,903,677	1,532,347
Deducted during the year		2,016,441	3,079,447
		3,920,118	4,611,794
Adjusted against liability		(1,874,013)	(2,708,117)
		2,046,105	1,903,677



	Note	2020	2019
		-----Rupees-----	
<b>22 CASH AND BANK BALANCES</b>			
Cash in hand		10,000	10,000
Cash at banks - current accounts		22,337	48,510
		<u>32,337</u>	<u>58,510</u>
<b>23 SALES</b>			
<b>Local</b>			
PVC pipes and fittings		6,433,686	11,268,742
Less: Sale Tax		(818,199)	(1,464,715)
Less: Trade discounts and commission		(1,186,116)	(2,143,379)
		<u>4,429,371</u>	<u>7,660,648</u>
Mineral water		1,498,746	1,435,777
Less: Sale Tax		(217,770)	(208,628)
Less: Trade discounts and commission		(195,546)	
Total sales		<u>5,514,801</u>	<u>8,887,797</u>
		<u>2020</u>	<u>2019</u>
<b>24 COST OF SALES</b>	Note	-----Rupees-----	
Opening stock - finished good		688,248	672,677
Cost of goods manufactured	24.1	21,357,936	24,305,277
Outside purchases		167,988	676,770
		<u>22,214,172</u>	<u>25,654,725</u>
Closing stock- finished goods		(661,281)	(688,248)
		<u>21,552,890</u>	<u>24,966,477</u>
<b>24.1 Cost of goods manufactured</b>			
Raw and packing material consumed	24.2	3,031,243	5,102,011
Directors remuneration		750,000	750,000
Salaries, wages and benefits		7,500,659	7,971,609
Fuel and power		1,890,988	1,642,909
Stores and spares consumed		117,060	99,700
Repairs and maintenance		1,022,813	1,104,792
Postage and telephone		86,932	96,110
Rent, rates and taxes		300,411	95,600
Traveling, conveyance and vehicles running		561,816	672,046
Entertainment		30,976	22,345
Depreciation	14.4	6,063,046	6,741,936
		<u>21,355,944</u>	<u>24,299,058</u>
<b>Work in process</b>			
Opening		23,478	29,698
Closing stock		(21,487)	(23,478)
		<u>1,992</u>	<u>6,220</u>
Cost of goods manufactured		<u>21,357,936</u>	<u>24,305,277</u>
		<u>2020</u>	<u>2019</u>
<b>24.2 Raw and packing material consumed</b>	Note	-----Rupees-----	
Opening		73,474	23,913
Purchases		3,005,572	5,151,572
Available for consumption		3,079,047	5,175,485
Closing stock		(47,804)	(73,474)
		<u>3,031,243</u>	<u>5,102,011</u>
<b>25 OTHER INCOME</b>			
<b>From financial assets</b>			
Profit on national defense saving certificates		20,000	17,500
Advance from customers written back		-	5,988
Creditors written back		-	151,293
<b>From other than financial assets</b>			
Rental income		20,539,866	16,845,769
		<u>20,559,866</u>	<u>17,020,550</u>

	Note	2020	2019
-----Rupees-----			
<b>26 DISTRIBUTION COST</b>			
Salaries, wages and benefits		717,072	653,149
Rent, rates and taxes		220,398	203,438
Vehicles running		724,405	674,899
Traveling and conveyance		255,064	235,346
Entertainment		67,404	124,371
Postage and telephone		58,722	94,020
Printing and stationery		73,467	42,148
Transportation cost		43,458	59,996
Membership and subscription		4,095	438,993
Donation	26.1	1,446,500	565,000
Depreciation	14.4	117,007	145,630
		<u>3,727,592</u>	<u>3,236,990</u>

26.1 Donation of Rs.1,103,000 was given to The Indus Hospital. No Director has interest in any donee.

## 27 ADMINISTRATIVE EXPENSES

Directors remuneration		2,250,000	2,250,000
Salaries, wages and benefits		1,869,996	1,561,997
Rent, rates and taxes		7,098	4,703
Traveling and conveyance		29,000	27,000
Postage and telephone		1,690	3,620
Printing and stationery		-	11,500
Electricity, gas and water		45,118	74,252
Advertising & Publicity		14,000	16,700
Legal and professional		935,744	477,967
Auditors remuneration	27.1	247,000	223,500
Depreciation	14.4	3,727	4,375
		<u>5,403,373</u>	<u>4,655,615</u>
<b>27.1 Auditors' remuneration</b>			
Statutory audit fee		150,000	150,000
Half yearly review fee		97,000	73,500
		<u>247,000</u>	<u>223,500</u>

	Note	2020	2019
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## 28 OTHER OPERATING EXPENSES

-----Rupees-----			
Debit balances written off		-	23,900
		<u>-</u>	<u>23,900</u>

## 29 FINANCE COSTS

Mark-up on long term financing		3,629,010	3,629,010
Mark-up on short term borrowings		3,609,967	3,609,969
Bank charges		9,650	7,541
		<u>7,248,628</u>	<u>7,246,521</u>

## 30 TAXATION

Current year	30.1	3,901,251	3,423,528
Prior year		-	(165,630)
		<u>3,901,251</u>	<u>3,257,898</u>

30.1 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 2019.

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

	2020	2019
	-----Rupees-----	
Accounting loss	(11,857,816)	(14,221,155)
Tax at the applicable tax rate of 29% (2019: 29%)	-	-
<b>Tax effects:</b>		
Prior year tax effect	-	(165,630)
Income taxed as separate block	3,901,251	3,423,528
	<u>3,901,251</u>	<u>3,257,898</u>

30.3 During the year net deferred tax assets for the carry forward of unused tax losses amounting to Rs. 32,805,933 (2019: Rs.30,212,890) has not been recognized because it is not probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

	Note	2020	2019
		-----Rupees-----	
<b>31 LOSS PER SHARE - BASIC AND DILUTED</b>			
Loss for the year - Rupees		(15,759,067)	(17,479,053)
Weighted average number of shares		14,958,000	14,958,000
Basic loss per share - Rupees		(1.05)	(1.17)

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

## 32 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- 32.1 Credit risk
- 32.2 Liquidity risk
- 32.3 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.

### 32.1 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. 1.574 million (June 30, 2019 : Rs. 1.993 million), financial assets which are subject to credit risk aggregate to Rs. 1.541 million (June 30, 2019 : Rs. 1.934 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.

	2020	2019
	-----Rupees-----	
Trade debts	748,914	1,045,312
Trade deposits	100,000	100,000
Other receivables	692,557	789,559
Cash and bank balances	32,337	58,510
	<u>1,573,808</u>	<u>1,993,381</u>

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

	2020	2019
	-----Rupees-----	
Domestic	748,914	1,045,312

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

	Gross debtors	
	2020	2019
	-----Rupees-----	
Not past due	223,084	187,310
Past due 0 - 30 days	92,231	231,849
Past due 31 - 90 days	138,334	214,205
Past due 90 days - 1 year	295,265	332,679
More than one year	-	79,270
	748,914	1,045,312

### 32.2 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

	2020					
	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	41,122,646	41,122,646	41,122,646	-	-	-
Accrued interest / markup	199,139,004	199,139,004	199,139,004	-	-	-
Trade and other	90,067,226	90,067,226	90,067,226	-	-	-
<b>Total</b>	<b>363,319,877</b>	<b>363,319,877</b>	<b>363,319,877</b>	<b>-</b>	<b>-</b>	<b>-</b>
	2019					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Long term financing	32,991,000	32,991,000	32,991,000	-	-	-
Short term borrowings	40,321,661	40,321,661	40,321,661	-	-	-
Accrued interest / markup	191,900,027	191,900,027	191,900,027	-	-	-
Trade and other	90,140,345	90,140,345	90,140,345	-	-	-
<b>Total</b>	<b>355,353,034</b>	<b>355,353,034</b>	<b>355,353,034</b>	<b>-</b>	<b>-</b>	<b>-</b>

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, 2020. The rates of mark up have been disclosed in relevant notes to these financial statements.

### 32.3 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 any currency risk.

#### 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.

	2020	2019
	-----Rupees-----	
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	47,991,000	47,991,000

#### Fair value sensitivity analysis for fixed rate instruments

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

#### Fair value of financial assets and liabilities

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

### 33 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

### 34 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 35 to the financial statements. Following are the balances of and transaction with related parties with related parties.

	2020	2019
	-----Rupees-----	
<b>Balances with related parties</b>		
Short term borrowing from Mr. Arif Shaffi - Director	1,544,993	539,058
Short term borrowing from Mrs. Parveen Shaffi - w/o Director	21,300,901	21,750,901
Short term borrowing from Mr. Muhammad Shaffi - Director	150,000	150,000
Short term borrowing from Mr. Adeel Shafi - Director	1,613,948	1,613,948
Short term borrowing from Mr. Asif Shafi - CFO	1,346,608	1,184,108
	<u>25,956,450</u>	<u>25,238,015</u>

### 35 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	CHIEF EXECUTIVE		DIRECTORS		TOTAL	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Basic	999,996	999,996	999,996	999,996	1,999,992	1,999,992
House rent	449,998	449,998	449,998	449,998	899,996	899,996
Others	50,006	50,006	50,006	50,006	100,012	100,012
	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>

35.1 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.

36 PLANT CAPACITY

	Budgeted capacity	Actual production	
		2020	2019
-----Rupees-----			
<b>At Gharo</b>			
PVC Resin - tons	25,000	-	-
Compounds 100% - tons	1,500	-	-
PVC leather cloth and plastic	22,144,500	-	-
<b>At Islamabad</b>			
PVC pipes and fittings - meters	7,751,808	114,004	225,428
Processing of water - Gallons	900,000	57,645	55,225

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, fittings and water is due to closure of plant on account of global panedmic covid 19.

37 NUMBER OF EMPLOYEES

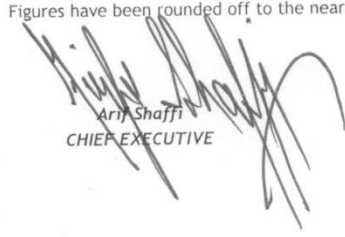
	2020	2019
Number of employees worked at June 30	30	44
Average number of employees worked during the year	38	47

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 18, 2020 by the board of directors of the company.

39 GENERAL

Figures have been rounded off to the nearest Rupee.

  
Asif Shaffi  
CHIEF EXECUTIVE

  
Mohammad Shaffi  
DIRECTOR

  
Asif Shaffi  
CHIEF FINANCIAL OFFICER

**PATTERN OF SHAREHOLDING**  
As at June 30, 2020

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
266	1	100	10,119
125	101	500	47,012
80	501	1,000	75,521
144	1,001	5,000	444,200
37	5,001	10,000	312,216
20	10,001	15,000	260,160
8	15,001	20,000	142,470
2	20,001	25,000	49,000
2	25,001	30,000	59,000
1	40,001	45,000	44,000
1	45,001	50,000	49,000
1	65,001	70,000	65,690
2	75,001	80,000	156,500
2	95,001	100,000	196,000
1	120,001	125,000	123,500
1	175,001	180,000	180,000
1	190,001	195,000	195,000
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
<b>701</b>			<b>14,972,000</b>

## Categories of Shareholding

As at June 30, 2020

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	416,800	2.7839%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	4,250	0.0284%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	924,838	6.1771%
2.3.5 Insurance Companies	24,220	0.1618%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	9,971,820	66.6031%
2.3.8 General Public		
a. Local	3,094,693	20.6699%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	533,215	3.5614%
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, 2020**

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

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

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

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

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\*Mobile apps are also available for download for android and ios devices

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 57<sup>th</sup> Annual General Meeting of the company to be held at Shaffiabad, Gharo, Distt. Thatta on Friday, October 23, 2020 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.

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

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## پراکسی فارم

میں / ہم \_\_\_\_\_ کے \_\_\_\_\_ اس \_\_\_\_\_  
 طرح سے تقرر پاکستان پیویسی لمیٹڈ کے ایک رکن / رکن ہونے \_\_\_\_\_ اس  
 (نام) کے \_\_\_\_\_ (مکمل ایڈریس) کمپنی کے ایک اور رکن یا  
 \_\_\_\_\_ (مکمل 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 57 کمپنی کی سالانہ جنرل میٹنگ شفیع آباد ، گھارو ، ضلع میں  
 منعقد ہونے پر / \_\_\_\_\_ ، Friday، October 23, 2020 پر اور اسکی بر التوا میں  
 ٹھہر .

اس دستخط \_\_\_\_\_ کے دن \_\_\_\_\_

پر دستخط روپیہ ایک ریونیو سٹیمپ
---------------------------------------

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

اہم

1. ایک رکن میں شرکت اور / اس میں شرکت اور بجائے اس کے ووٹ ڈالنے کے لئے ایک پراکسی مقرر کرنے کا حقدار کمپنی کی سالانہ جنرل میٹنگ میں ووٹ ڈالنے کا حق دار . کوئی شخص پراکسی، جو رکن نہیں ہے کے طور پر کام کرے گا .
2. 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 . ٹھہر، 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 بستی کی صورت میں، امیدوار کا نمونہ دستخط کے ساتھ اٹارنی کے بورڈ آف ڈائریکٹرز کی قرارداد / پاور اس پراکسی کے ساتھ ساتھ پیش کیا جائے گا .

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

### The Companies (E-voting) Regulations, 2016

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

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

Day of ..... .....

Signature should agree  
With the specimen signature  
Registered with the Company

Signed in the presence of :

.....  
Signature of Witness

.....  
Signature of Witness

پر دستخط  
روپیہ ایک  
ریونیو سٹیمپ

### کمپنیوں (ای ووٹ) مقررین، 2016

"میں / ہم ..... پاکستان پیویسی لمیٹڈ کا ایک رکن اور ..... 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

