

SHAVYL®

Annual Report 2016

PAKISTAN PVC LIMITED

53rd ANNUAL REPORT

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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Adnan Shaffi

CHIEF EXECUTIVE

Arif Shaffi

DIRECTORS

Ijaz Ahmad Khan

Adeel Shaffi

Asif Shaffi

Mohammad Iqbal

Mohammad Shaffi

SECRETARY & CHIEF FINANCIAL OFFICER

Asif Shaffi

AUDITORS

Mushtaq & Co., Chartered Accountants

AUDIT COMMITTEE

Mohammad Shaffi – Chairman

Mohammad Iqbal – Member

Ijaz Ahmad Khan – Member

HUMAN RESOURCES & REMUNERATION COMMITTEE

Mohammad Shaffi – Chairman

Mohammad Iqbal – Member

Ijaz Ahmad Khan – 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 | چیرمین |
| عارف شفیع | چیف ایگزیکٹو |
| اعجاز احمد خان عدیل شفیع آصف شفیع محمد اقبال محمد شفیع | ڈائریکٹرز |
| آصف شفیع | کمپنی سیکریٹری & چیف فنانشل افسر |
| مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس | آڈیٹرز |
| محمد شفیع - چیرمین محمد اقبال - رکن اعجاز احمد خان - رکن | آڈٹ کمیٹی |
| محمد شفیع - چیرمین محمد اقبال - رکن اعجاز احمد خان - رکن | انسانی وسائل & معاوضے کمیٹی |
| حبیب بینک لمیٹڈ مسلم کمرشل بینک لمیٹڈ فیصل بینک لمیٹڈ | بینکر |
| شفیع آباد، گھارو، ضلع تھتہ | منظور شدہ دفتر |
| سیکٹر 9-I، انڈسٹریل ایریا، اسلام آباد | پیداہس |
| CORPLINK (PVT) LTD., Wings Arcade, 1 – K, Commercial, Model Town, Lahore. | حصص رجسٹرار |
| شفیع آباد، گھارو، ضلع تھتہ، سیکٹر 9-I، انڈسٹریل ایریا، اسلام آباد | فیکٹریوں |
| +9251 – 4430317, +9251 - 4444578 | تیلی فون |
| info@shavyl.com | ای میل اڈریس |
| www.pakistanpvc.com | ویب سائٹ |
| 0001781 | کمپنی رجسٹریشن نمبر |
| 0823852 – 9, 07 – 01 – 3900 – 005 – 64 | نیشنل ٹیکس نمبر & سیلز ٹیکس نمبر |
| کمپنی سیکریٹری تیلی فون - 4444578 – 9251 + | شخص کے رابطے کی تفصیلات کی مدد اور بینڈنگ کے سرمایہ کار شکایات کے لئے نامزد |

PAKISTAN PVC LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting of the Company will be held on Saturday, October 29, 2016 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 52nd Annual General Meeting of the company held on October 31, 2015.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2016 together with the reports of the Director's and Auditors' thereon.
3. To appoint auditors of the company for the year ending June 30, 2017 and fix their remuneration.

SEPCIAL BUSINESS

1. To consider and if deemed fit and appropriate add in Articles No. 2 of the Memorandum of Association of the Company and pass the following special resolutions with or without modification(s):

"Resolved that following clause is added to the Article No.2 of the Memorandum of Association of the Company be and are hereby approved to read these Articles as under:

2.A. To carry on the business or businesses of manufacturers, importers and exporters of, and dealers (both wholesale and retail) in all kinds of brewing, processing, distilling, refine, bake, freeze, bottling, canning, packing of soft, intoxicatins, synthetic and medicated drinks including tonics of all kinds, fruits juices, syrups, aerated, mineral and artificial water, beverages, cordials, soups, broths and other restoratives and foods and all sorts of their by-products.

2. To consider and if deemed fit and appropriate adopt the amendments in Articles No. 57, 75, 78 and 113 of the Articles of Association of the Company and pass the following special resolutions with or without modification(s):

"Resolved that to bring the Articles of the Company in consonance with the Companies Ordinance, 1984, and to give effect to the Companies (E-voting) Regulations 2016, the following alterations/ amendments and additions in Articles 57, 75, 78 and 113 be and are hereby approved to read these Articles as under:

57. Ten (10) members present in person or through proxy representing not less that twenty five percent (25%) of the total voting power, shall be a quorum for a general meeting. Furthermore, the Company may provide video conference facility to its members for attending general meeting at place other than the town in which general meeting is taking place after considering the geographical dispersal of its members, provided that if members, collectively holding ten (10%) or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least ten (10) days prior to date of meeting, the Company shall arrange video conference facility in that city subject to availability of such facility in that city.

75. The instrument appointing proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation, either under seal or under the hand of an Officer or attorney duly authorized. A person can be appointed as proxy and shall be qualified to vote even if he/she is not a member. A member may exercise his vote at a meeting by electronic means in the manner provided in the Ordinance or Rules or Regulations made thereunder.

78. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:
Pakistan PVC Limited

Option 1:

Appointing other person as Proxy

"I of in the district of being member of Pakistan PVC Limited and a holder of Ordinary Shares as per Register Folio No. hereby appoint of In the district of who is also a member of the Company as my proxy to vote for me and on my behalf at the (ordinary, or extra – ordinary, as the case may be) general meeting of the Company to be held on the day of and at any adjournment thereof.

Signed this Day of

Option 2:

E-voting as per 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

113. Subject to the provisions of Article 72(2), a resolution in writing signed by all the Directors (including Alternate Directors) for the time being in Pakistan or by all the members of a committee for the time being in Pakistan shall be as valid and effectual as if it had been passed at a meeting of the Directors, or as the case may of such committee, duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned. Provided that in case one-third (1/3rd) of the total number of directors of the Company require that any resolution under circular resolution must be decided at a board meeting in person, the Chairman shall put the resolution to be decided at a meeting of the Board.

Resolved further that the Chief Executive of the Company be and is hereby authorized and empowered to do or cause to be done all acts, deeds and things that may be necessary to give effect to these resolutions.

ANY OTHER BUSINESS

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

Islamabad: September 24, 2016 By Order of the Board

(ASIF SHAFFI)
Company Secretary

Notes:

1. Share transfer Books of the Company shall remain closed from October 20, 2016 to October 29, 2016 (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 notarially 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. SECP has directed vide SRO No. 779(1)/2011 dated August 18, 2011 to issue dividend warrant only crossed as "A/c Payee only" and should bear the Computerized National Identity Card (CNIC) of the registered members. Members who have not yet submitted photocopy of their valid CNIC are requested to send the same to the Company Secretary at Pakistan PVC Limited, Shaffiabad, Gharo, District Thatta.
6. As directed by SECP vide Circular NO. 18 of 2012 dated June 5, 2012, we give the shareholders the opportunity to authorize the Company to directly credit in your bank account with cash dividend, if any, declared by the Company in future. If you wish that the cash dividend if declared by the Company be directly, credited into your bank account, instead of issuing a dividend warrants, please provide the following details to Company Secretary at registered office of the Company:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------|------|-----------------------|---------------------|-------------|-----------------------|---------------------------|---------------------------------------|
| Folio No. | Name | Title of Bank Account | Bank Account Number | Bank's Name | Branch Name & Address | Cell Number of Transferee | Landline Number of Transferee, if any |

The Government of Pakistan through Finance Act 2014 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the Companies. These tax rates are as: a. For filers of income tax returns 12.5% b. For non-filers of income tax returns 20%

7. Consent for Video Conference Facility
Pursuant to SECP Circular No. 10 of 2014 dated May 21, 2014, if Company receives consent Form from at least five members or any member holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company shall arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to Company Secretary at registered office of the Company:

I/We _____ of _____ being a member of Pakistan PVC Limited, holding _____ ordinary shares as per Register Folio/CDC Account No. _____ hereby opt for video conference facility at _____. Signature of Member(s)

STATEMENT AS REQUIRED BY SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984

Special Business Agenda Item No. 1:

To bring the Memorandum of Association of the Company to enable the company to carry out new business activities.

Special Business Agenda Item No. 2:

To bring the Articles of the Company in consonance with the Companies Ordinance, 1984, and to give effect to the Companies (E-voting) Regulations 2016, to provide Video Conference facility to the members in General Meetings the above alterations/amendments have been recommended by the Board of Directors and shareholder's approval is being sought.

The Directors have no interest, direct or indirect in the said special business.

(A comparative statement showing present and proposed alterations/amendments is placed on the Company's website.)

پاکستان پی وی سی لمیٹڈ اطلاع نامہ، سالانہ اجلاس عام

برگاہ اطلاع عام دی جاتی ہے کہ کمپنی کا 53واں سالانہ اجلاس عام بروز ہفتہ بخاریخ 29 اکتوبر 2016 کو کمپنی کے رجسٹرڈ دفتر بمقام پاکستان پی وی سی لمیٹڈ، شفیق آباد، گلبرو، ضلع ٹنڈیہ میں صبح 9 بجے منعقد کیا جائے گا، اجلاس کی کارروائی مندرجہ ذیل پر مشتمل ہو گی:

عمومی کارروائی

1. مورخہ 31 اکتوبر 2015 کو منعقدہ کمپنی کے 52 ویں اجلاس عام کی کارروائی کی تصدیق کرنا
2. مورخہ 30 جون 2016 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آئٹ شدہ اکاؤنٹس کے ساتھ ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹوں کی وصولی، ان پر غور و حوض اور منظور کرنا
3. مورخہ 30 جون 2017 کو ختم ہونے والے مالی سال کے لیے آڈیٹرز کی تقرری اور ان کا معاوضہ مقرر کرنا

خصوصی کارروائی

1. مندرجہ ذیل قرارداد کو ترمیم کے ساتھ یا بغیر ترمیم کے منظور کرنے اور کمپنی کے میموریلڈم آف ایسوسی ایشن کے آرٹیکل نمبر 2 میں شامل کرنے کے لیے اس کی موڈرنٹ پر غور و حوض کرنا
"بہ قرارداد منظور کی گئی کہ کمپنی کے میموریلڈم آف ایسوسی ایشن کے آرٹیکل نمبر 2 میں مندرجہ ذیل شق شامل کی جائے اور مندرجہ ذیل طور پر پڑھا جائے:
- 2.A. مینوفیکچر، امپورٹر، ایکسپورٹر اور تمام طرح کے سافٹ، نشہ اور، سٹیپٹنگ اور میڈیکل مشروبات بشمول تمام اقسام کے ٹاکس، فروٹ جوسز، میریس، اینڈ والے مشروبات، منرل اور مصنوعی پانی، مشروبات، کارٹیلز، سوپ، برانہ کی بریونگ، پراسیسنگ، ٹمپلنگ، ریٹائننگ، بکنگ، فریزنگ، بوتلنگ اور شلڈش اٹیا اور خوراکیوں اور ان سے بننے والی مصنوعات کی تیاری کا کاروبار کرنا
2. غور و حوض کے بعد اگر مناسبت سمجھا جائے تو ایسوسی ایشن آف کمپنیز کے آرٹیکل میں سے آرٹیکل نمبر 57، 75 اور 78 میں کی جانے والی تبدیلیوں کو اختیار کیا جائے اور ترمیم یا ترمیم کے بغیر مندرجہ ذیل خصوصی قراردادیں منظور کی جائیں:
- "بہ قرار دیا گیا کہ کمپنی کے آرٹیکلز کو کمپنیز آرڈیننس 1984 کے ساتھ ہم آہنگ کیا جائے اور کمپنیز (ای ووتنگ) قوانین مجریہ 2016 پر عمل کے لیے آرٹیکلز نمبر 57، 75 اور 78 میں مندرجہ ذیل ترمیم و اضافے کیے جائیں اور ان آرٹیکلز کو مندرجہ ذیل طور پر پڑھا جانا منظور کیا گیا:
57. کسی بھی عمومی اجلاس کے لیے کورم کو اس وقت مکمل سمجھا جائے گا جب کہ از کم 10 اراکین خود یا نمائندوں کے ذریعے شمولیت کریں جو کہ کل ووٹنگ پاور کے 25 فیصد سے کم نہ ہو۔ مزید برآں کمپنی اپنے اراکین کے جغرافیائی پھیلاؤ کو مدنظر رکھتے ہوئے ایجن اجلاس منعقد ہونے والے شہر کے علاوہ دوسرے علاقوں میں ویڈیو کانفرنسنگ کے ذریعے شمولیت کی سہولت فراہم کرے گی تاہم اس کے لیے ضروری ہے کہ ایسے کسی جغرافیائی مقام پر واقع اراکین کی تعداد سینئر پولنگ کے 10 یا زائد فیصد تک ہو اور یہ بھی ضروری ہے کہ ان اراکین نے اجلاس سے کم از کم 10 دن قبل ویڈیو کانفرنس کے ذریعے شمولیت کے لیے رضامندی ظاہر کی ہو، ایسی صورت میں کمپنی متعلقہ شہر میں دستیابی کی صورت میں ویڈیو کانفرنس کی سہولت فراہم کرے گی۔
75. نمائندے کا تقرر تحریریں دستاویز کی صورت میں اصل رکن یا اس کے تحریری طور پر مختار اثری کے دستخطوں سے ہونا چاہیے، اگر اصل رکن کوئی کارپوریشن ہے تو ایسی صورت میں یہ تقرر کارپوریشن کی مہر یا مجاز افسر یا مختار کے ذریعے ہونا چاہیے کسی بھی غیر رکن شخص کو نمائندے کے طور پر مقرر کیا جا سکتا ہے اور چاہے وہ رکن نہ ہو مگر اسے ووٹ کا حق حاصل ہو گا۔ کوئی بھی رکن اجلاس میں برقی ذرائع سے آرٹیکل یا قوانین میں صراحت کردہ انداز میں ووٹ ڈال سکتا ہے۔
78. نمائندے کے تقرر کی دستاویز مندرجہ ذیل پاکستان پی وی سی لمیٹڈ کے ڈائریکٹرز کی جانب سے منظور شدہ کسی دیگر صورت میں ہونی چاہیے:

ایشن 1

کسی شخص کا مجاز نمائندے کے طور پر تقرر

میں _____ ضلع _____ پاکستان پی وی سی لمیٹڈ کے رکن اور رجسٹرڈ فولیو نمبر _____ کے مطابق عام سینرز کے مالک ہونے کی حیثیت سے _____ کو ضلع _____ میں نمائندے کے طور پر مقرر کرنا ہوں جو خود بھی رکن ہے اور اسے اختیار دیتا ہوں کہ وہ میری جانب سے مورخہ _____ کو ہونے والے کمپنی کے کسی بھی عمومی یا غیر معمولی اجلاس میں میری جانب سے ووٹ ڈالے۔
دستخط مورخہ _____

ایشن 2

میں _____ ضلع _____ پاکستان پی وی سی لمیٹڈ کے رکن اور رجسٹرڈ فولیو نمبر _____ کے مطابق عام سینرز کے مالک ہونے کی حیثیت سے ای ووٹنگ کی ایشن کا انتخاب کرنا ہوں اور ایگزیکوشن افسر _____ کو نمائندے کے طور پر مقرر کرتا ہوں جو کمپنیز (ای ووتنگ) قوانین مجریہ 2016 کے مطابق ای ووٹنگ سرانجام دے گا۔ اور قراردادوں کے لیے پولنگ کا مطالبہ کروں گا۔ میرا محفوظ ای میل ایڈریس _____ ہے۔ براہ مہربانی مجھے اس پتے پر لاگ ان کی تفصیلات، پاس ورڈ اور برقی دستخط بھجوا دیں۔

مورخہ

دستخط مندرجہ ذیل کی موجودگی میں کیے گئے

دستخط کمپنی کے ریکارڈ میں موجود دستخطوں کے مطابق ہوں

گواہان کے دستخط

گواہان کے دستخط

113. آرٹیکل نمبر (2)72 میں صراحت کردہ شرائط کے مطابق، تمام ڈائریکٹرز (بشمول متبادل ڈائریکٹرز) پاکستان پی وی سی لمیٹڈ کے میمبرز کی دستخط شدہ ایک تحریری قرارداد فی الوقت موثر اور اسی طرح نافذ ہو گی جیسا کہ اسے ڈائریکٹرز کے اجلاس میں منظور کیا گیا ہو۔ اس قسم کی قرارداد ایک جیمی صورت میں ایک یا زائد دستاویزات میں ہو سکتی ہے جس میں سے ہر ایک پر متعلقہ ڈائریکٹرز یا کمپنی کے اراکین کے دستخط ہوں۔ تاہم اگر کمپنی کے ڈائریکٹرز کی ایک تہائی تعداد مطالبہ کرے کہ قرارداد کا فیصلہ بورڈ کے اجلاس میں ایک سرکلر کے ذریعے ہو تو چیئرمین ایسی قرارداد کو بورڈ کے اجلاس میں فیصلے پر چھوڑ دے گا۔

مزید یہ فیصلہ کیا گیا ہے کہ کمپنی کا چیف ایگزیکٹو ان قراردادوں کو موثر بنانے کے لیے نرکار تمام تر اقدامات کرنے کے مجاز ہیں۔

دیگر کوئی کارروائی

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

بحکم بورڈ (اصف شفیق) کمپنی سیکرٹری

اسلام آباد: 24 ستمبر 2016

نوٹس:

- 1 کمپنی کی شیئر ٹرانسفر بکس مورخہ 20 اکتوبر 2016 تا 29 اکتوبر 2016 (بشمول دونوں تاریخوں کے) بند رہیں گی۔
- 2 اجلاس میں شامل ہونے اور ووٹ دینے کی اہلیت رکھنے والا رکن کسی اور فرد کو اپنی جانب سے اجلاس میں شرکت کرنے، ہونے یا ووٹ دینے کے لیے بطور نمائندہ نامزد کر سکتا ہے۔
- 3 سی ڈی سی کا کوئی بھی انفرادی مستفید کنندہ مالک جو اس اجلاس میں ووٹ دینے کا اہل ہو اس کے لیے ضروری ہے کہ وہ اپنی شناخت ثابت کرنے کے لیے اپنے ہمراہ اصل شناختی کارڈ لے کر آئے۔ نمائندے کے تقرر کی صورت میں شیئر ہولڈرز کے شناختی کارڈز کی نقول نمائندگی فارم کے ساتھ منسلک کی جائے جبکہ مجاز نمائندہ اجلاس میں شرکت کے وقت اپنے اصلی شناختی کارڈ یا پاسپورٹ کو دکھا کر اپنی شناخت کروائے گا۔ کارپوریٹ اراکین کے نمائندگان اپنے ساتھ ایسی صورتوں میں درکار ضروری دستاویزات ساتھ لے کر آئیں گے۔
- 4 مؤثر ہونے کے لیے ضروری ہے کہ مجاز نمائندے کے تقرر کی دستاویز اور مختار نامہ یا کوئی اور دستاویز جو کہ باقاعدہ طور پر نوٹری سے تصدیق شدہ ہو، کمپنی کے رجسٹرڈ دفتر میں اجلاس سے 72 گھنٹے قبل پہنچ جاتی چاہئیں۔
- 5 ایس ای سی پی نے ایس آر او نمبر 2011/779(1) مورخہ 18 اگست 2011 کے ذریعے ہدایت کی ہے کہ ڈیوائٹڈ وارنٹ پر صرف اور صرف "A/c Payee only" (یعنی اکاؤنٹ ہولڈر کے اکاؤنٹ میں جمع ہونے والے) اکاؤنٹ کے لیے ووٹ دینے کی اجازت ہے اور اس پر رجسٹرڈ اراکین کے کمپیوٹرائزڈ شناختی کارڈ نمبرز درج ہوں۔ ایسے اراکین جنہوں نے ایسی تک اپنے مؤثر شناختی کارڈ کی نقول جمع نہیں کروائیں، براہ مہربانی وہ اپنے شناختی کارڈ کی نقول کمپنی سیکرٹری، پاکستان پی وی سی لمیٹڈ، شفیع آباد، گلبرو، ضلع ٹھٹہہ کو ارسال کریں۔
- 6 ایس ای سی پی کی جانب سے سرکلر نمبر 18 سال 2012 بتاریخ 5 جون 2012 کے ذریعے دی گئی ہدایت کے مطابق، ہم نے شیئر ہولڈرز کو یہ موقع فراہم کیا ہے کہ وہ کمپنی کو اجازت دیں کہ آپ کے بینک اکاؤنٹ میں گیش ڈیوائٹڈ (اگر کمپنی مستقل میں اس کا اعلان کرے تو) براہ راست طور پر بھیج دینے جائیں مگر آپ یہ چاہتے ہیں کہ اگر کمپنی کی جانب سے گیش ڈیوائٹڈ کے اعلان کی صورت میں ڈیوائٹڈ وارنٹ کے اجرا کی جگہ یہ آپ کے بینک اکاؤنٹ میں براہ راست منتقل کیے جائیں تو براہ مہربانی کمپنی سیکرٹری کو کمپنی کے رجسٹرڈ دفتر کے پتے پر مندرجہ ذیل معلومات ارسال کریں:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|------------|-----|-------------------|------------------|-------------|----------------------|------------------------|--|
| فولیو نمبر | نام | بینک اکاؤنٹ ٹائٹل | بینک اکاؤنٹ نمبر | بینک کا نام | برانچ کا نام اور پتہ | منتقلیہ کا موبائل نمبر | منتقلیہ کا لودڈ لائن نمبر (اگر کوئی ہو تو) |

حکومت پاکستان نے فنانس ایکٹ مجریہ 2014 کے ذریعے انکم ٹیکس آرڈیننس مجریہ 2001 کے سیکشن نمبر 150 میں چند ترامیم کی ہیں جن میں کمپنیز کی جانب سے ادا کیے جانے والے ڈیوائٹڈز کی رقم پر ود ہولڈنگ ٹیکس کی کٹوتی کی مختلف شرحوں کی صراحت کی گئی ہے۔ ٹیکس کی یہ شرح مندرجہ ذیل ہے: الف۔ انکم ٹیکس ریفرن فائل کرنے والے کے لیے 12.5 فیصد، ہداتکم ٹیکس ریفرن فائل نہ کرنے والے کے لیے 20 فیصد

7 ویڈیو کانفرنس کی سہولت کے لیے رضامندی

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 10 مجریہ 2014 جاری بتاریخ 21 مئی 2014 کے مطابق، اگر کمپنی کو کم از کم پانچ اراکین یا کسی ایسے رکن کی جانب سے رضامندی کا فارم موصول ہو جو مجموعی طور پر 10 فیصد یا زائد کے شیئرز کا حامل ہو اور وہ جغرافیائی طور کمی اور جگہ موجود ہو اور وہ اجلاس میں ویڈیو کانفرنس کے ذریعے شرکت کرنا چاہتا ہو تو ایسی صورت میں کمپنی کو اجلاس کی تاریخ سے کم از کم 10 دن قبل بتایا جائے گا جس کے بعد کمپنی اس شہر میں (مطابق دستیابی) ویڈیو کانفرنس کی سہولت کا بندوبست کرے گی۔ اس سہولت کے حصول کے لیے براہ مہربانی مندرجہ ذیل معلومات فراہم کریں اور اسے کمپنی کے رجسٹرڈ دفتر میں کمپنی سیکرٹری کے پاس بھیجوائیں۔

میں/ہم..... بحیثیت ممبر پاکستان پی وی سی لمیٹڈ رجسٹرڈ فولیو ایسی ڈی سی نمبر..... کے مطابق..... عمومی شیئرز کے مالک ہیں اور ہم..... مقام پر ویڈیو کانفرنس کی سہولت حاصل کرنا چاہتے ہیں۔ رکن/اراکین کے دستخط.....

کمپنیز آرڈیننس مجریہ 1984 کی دفعہ نمبر (B) 160 کے تحت درکار بیان

خصوصی کارروائی کے ایجنڈے کا پہلا نقطہ

کمپنی کا میمورنڈم آف ایسوسی ایشن لانا تا کہ نئی کاروباری سرگرمیاں انجام دی جا سکیں۔

خصوصی کارروائی کے ایجنڈے کا دوسرا نقطہ:

کمپنی کے اریٹیکلز کو کمپنیز آرڈیننس مجریہ 1984 سے ہم ایڈجسٹ کرنا اور کمپنیز کے لیے (ای ووتنگ) کے قوانین مجریہ 2016 پر عملدرآمد کرنا، عمومی اجلاسوں میں اراکین کو ویڈیو کانفرنس کی سہولت فراہم کرنا، مندرجہ بالا تبدیلیاں بورڈ آف ڈائریکٹرز کی جانب سے تجویز کی گئی ہیں جبکہ شیئر ہولڈرز سے ان کی منظوری حاصل کی جانی ہے۔

ڈائریکٹرز کا اس خصوصی کارروائی میں کسی قسم کو کوئی ہوا اسطہ یا بلا واسطہ مداخلت نہیں ہے۔ (موجودہ اور پیشکش کردہ تبدیلیوں کا تقابل کمپنی کی ویب سائٹ پر اپ لوڈ کیا گیا ہے)

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.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

On behalf of my colleagues on the Board, I welcome you to the 53rd Annual General Meeting of the Company and present the audited accounts for the year ended June 30, 2016 along with the auditors' report thereon.

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

Sales during the year under review decreased to Rs. 7.031 million as compared to Rs. 7.740 million of the same period last year and loss during the year was Rs. 24.714 million as compared to a net loss of Rs. 26.213 million during the previous year. Work of installation of Machinery of Pipe Plant shifted from Gharo to Islamabad has delayed due to non availability of funds.

During the year under review Gharo Plant remains closed through out the year and there was no production. The production of PVC Pipes at Islamabad factory was 229,799 meters as against 255,284 meters last year. Excess capacity of this water treatment plant was used to make Mineral Water. Sale of Mineral Water was 113,130 Gallons as against 124,500 Gallons.

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 and the United Bank Limited. In the meantime as desired by the United Bank Limited and as per the State Bank of Pakistan regulation new revaluation reports have been prepared by State Bank approved valuers.

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.

I would like to inform you that 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 and the United Bank Limited.

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

AUDIT COMMITTEE

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

| | |
|---------------------|----------|
| Mr. Mohammad Shaffi | Chairman |
| Mr. Mohammad Iqbal | Member |
| Mr. Ijaz Ahmad Khan | 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:-

| | |
|---------------------|----------|
| Mr. Mohammad Shaffi | Chairman |
| Mr. Mohammad Iqbal | Member |
| Mr. Ijaz Ahmad Khan | Member |

DIVIDEND

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

AUDITORS

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

The present auditors M/s Mushtaq & Company, Chartered Accountants, the retiring auditors being eligible have offered themselves for reappointment as auditors of the Company for the year ending June 30, 2017.

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 endeavour to voluntarily go beyond that and provide quality healthcare facilities in the regions around our plants.

Education

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

Energy Conservation Measures

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

Occupational Health, Safety and Environment

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

Business Ethics

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

illegal or an unethical act, or instruct and encourage another employee to do so. The laws and regulations of the country should always be observed.

The Company has communicated the code to all its employees.

STATEMENTS OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

1. The financial statements, prepared by the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the company's ability to continue as a going concern as have been fully explained in Note no.1 of the Notes to the Accounts.
7. There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations.
8. Key operating and financial data for last six years in summarized form is given on page 14.

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

| <u>Name of Director</u> | Total Number of Meetings | Board Meetings Attended | Audit Committee Meetings Attended | H.R. Committee Meetings Attended |
|-------------------------|-----------------------------|-------------------------------|--|---|
| Mr. Adnan Shaffi | 4 | 4 | N/A | N/A |
| Mr. Arif Shaffi | 4 | 4 | N/A | N/A |
| Mr. Mohammad Iqbal | 4 | 4 | 4 | 4 |
| Mr. Asif Shaffi | 4 | 4 | N/A | N/A |
| Mr. Mohammad Shaffi | 4 | 4 | 4 | 4 |
| Mr. Ijaz Ahmad Khan | 4 | 4 | 4 | 4 |
| Mr. Adeel Shaffi | 4 | 4 | N/A | N/A |

10. The pattern of shareholding and additional information regarding pattern of shareholding is given on Page 39 – 41.
11. No trades in the shares of the Company during the year were carried out by the Director, CEO, CFO, Company Secretary and their spouses and minor children.

Islamabad: September 24, 2016 On behalf of the Board of Directors

(ARIF SHAFFI) – Chief Executive.

Statement of Compliance With The Best Practice On Transfer Pricing

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

Arif Shaffi – Chief Executive

Dated: September 24, 2016

شینر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

بورڈ میں اپنے ساتھی اراکین کی جانب سے، میں آپ کو کمپنی کے 53ویں سالانہ اجلاس عام میں خوش آمدید کہتا ہوں اور آپ کے سامنے مورخہ 30 جون 2016 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 پینٹس بند رہا جس کی وجہ سے کوئی پیداوار نہ ہو سکی۔ اس سال کے دوران اسلام آباد میں پی وی سی پائپس اور فٹنگز کی پیداوار میں اضافہ ہوا۔

زیر غور سال کے دوران ہونے والی فروخت سابقہ سال اسی مدت کے دوران ہونے والے 7.740 ملین روپوں کی فروخت کی نسبت 7.031 ملین روپے رہی۔ گذشتہ سال ہونے والے 26.213 ملین روپے کے خالص نقصان کی نسبت اس سال 24.714 ملین روپوں کا نقصان ہوا۔ فنڈز کی عدم دستیابی کی وجہ سے گھارو سے منتقل کیے جانے والے ہائپ پلانٹ کی مشینری کی تنصیب کا کام تاخیر کا شکار ہوا۔

زیر غور سال کے دوران گھارو پینٹس پورا سال بند رہا جس کی وجہ سے کوئی پیداوار نہیں ہوئی۔ اسلام آباد فیکٹری میں پچھلے سال ہونے والی 255,284 میٹرز کی پیداوار کی نسبت اس سال پیداوار 229,799 میٹر رہی۔ اس واٹر ٹریٹمنٹ پلانٹ کی اضافی صلاحیت کو منزل واٹر بنانے کے لیے استعمال کیا گیا۔ 124,500 گیلن کے برخلاف 113,130 گیلن منزل واٹر فروخت ہوا۔

1. گوننگ کنسرن کے متعلق آڈیٹرز کا نقطہ نظر

آڈیٹرز نے اپنا نقطہ نظر کو الیگنی کر لیا ہے کیونکہ ایک کمپنی نے گوننگ 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۔

2. براہ راست تصدیق کے متعلق آڈیٹرز کا نقطہ نظر

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

3. طویل عرصے سے بقایا جات کے متعلق آڈیٹرز کا نقطہ نگاہ

جب 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۔

میں آپ کا یہ بتانا چاہتا ہوں کہ آپ کی کمپنی کی تجدید کا کیس فنانس ڈویژن، حکومت پاکستان اور یونائیٹڈ بینک کی جانب سے کمزور صنعتی یونٹس کی تجدید کے لیے قائم کردہ کمیٹی کے پاس فعال طور پر زیر غور رہا۔

جیسا کہ پہلے بتایا گیا ہے کہ بینکوں سے مالیاتی حدوں کی عدم دستیابی اور گھارو پلانٹ کے لیے کراچی الیکٹرک سپلائی کمپنی کی جانب سے بجلی کے انقطاع کی وجہ سے آپ کی کمپنی کی انتظامیہ گھارو میں پیداوار شروع نہیں کر سکی جیسا کہ پہلے بتایا جا چکا ہے، میں دوبارہ بتانا چلوں کہ جب تک گھارو پلانٹ فعال نہیں ہو گا تب تک کوئی فائدہ مند نتائج نہیں مل سکتے۔

آڈٹ کمیٹی

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

| | |
|---------------------|---------|
| جناب محمد شفیع | چیئرمین |
| جناب محمد اقبال | رکن |
| جناب اعجاز احمد خان | رکن |

بیومن ریسورسز اور تنخواہوں/معاوضوں کے امور کی کمیٹی

کارپوریٹ گورننس کے ضابطہ عمل کے مطابق کمپنی نے بیومن ریسورسز اور تنخواہوں کے امور کے متعلق مندرجہ ذیل اراکین پر مشتمل ایک کمیٹی تشکیل دی ہے:

| | |
|---------------------|---------|
| جناب محمد شفیع | چیئرمین |
| جناب محمد اقبال | رکن |
| جناب اعجاز احمد خان | رکن |

ڈیوائڈنٹ

کمزور مالیاتی نتائج اور انتہائی زیادہ مجموعی نقصان کی وجہ سے آپ کی کمپنی کے ڈائریکٹرز نے ڈیوائڈنٹ 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 ایڈیٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے (ریٹائرڈ ایڈیٹرز کے اہل ہونے کی وجہ سے) خود کو 30 جون 2017 کو ختم ہونے والے مالی سال کے لیے کمپنی کے ایڈیٹرز کے طور پر دوبارہ تفری کے لیے پیش کیا ہے۔

کاروباری سماجی ذمہ داری (کارپوریٹ سوشل ریسپانسبلٹی)

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

کمپنی نے اپنے پلانٹس کے 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 اولپمکس 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 سپورز اور ایل ای ڈی لائٹس کا استعمال شامل ہے جبکہ جہاں کہیں ممکن ہو تو اضافی آلات کو بند کیا جاتا ہے۔

پیشہ ورانہ فرانسز 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 شیئرز 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 چاہیے۔

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

تجارتی اور مالیاتی رپورٹنگ کے ڈھانچے کے متعلق بیانات

1. کمپنی کے تیار کردہ مالیاتی گوشواروں سے کمپنی کے معاملات، اس کے 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 کنٹروول 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 اپریٹنگ اور مالیاتی امور کے متعلق ڈیٹا کا خلاصہ صفحہ 8 پر دیا گیا ہے۔
9. اس سال پانچ بورڈ میٹنگز منعقد کی گئیں۔ ان میٹنگز میں متعلقہ ڈائریکٹرز کا اپنی تعیناتی کی مدت کے دوران شمولیت کا ریکارڈ ذیل میں دیا گیا ہے:

| ڈائریکٹر کا نام ہونے | بورڈ میٹنگز کی تعداد | میٹنگز کی تعداد جن میں ڈائریکٹرز شامل |
|-------------------------|----------------------|---------------------------------------|
| جناب عدنان شفیع | 4 | 4 |
| جناب عارف شفیع | 4 | 4 |
| جناب محمد اقبال | 4 | 4 |
| جناب آصف شفیع | 4 | 4 |
| جناب محمد شفیع | 4 | 4 |
| جناب اعجاز احمد خان | 4 | 4 |
| جناب عدیل شفیع | 4 | 4 |

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

اسلام آباد: 24 ستمبر 2016
جانب سے

(عارف شفیع) - چیف ایگزیکٹو

منتقلی کی قیمت کے بہترین طریقے پر عمل کے متعلق بیان

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

عارف شفیع چیف ایگزیکٹو
مورخہ 24 ستمبر 2016

Six Years at a Glance

(Rs.000)

| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|--------------------|----------|----------|----------|----------|----------|----------|
| TURNOVER | 7,031 | 7,740 | 9,514 | 3,373 | 2,432 | 6,510 |
| GROSS PROFIT | (16,814) | (17,155) | (17,761) | (17,198) | (19,301) | (20,400) |
| NET PROFIT | (24,714) | (26,204) | (24,225) | (11,687) | (25,069) | (22,975) |
| TAXATION | 1,246 | 1,381 | 3,055 | 1,247 | 1,121 | 1,143 |
| SHARE CAPITAL FUND | 149,580 | 149,580 | 149,580 | 149,580 | 149,580 | 149,580 |
| SHAREHOLDERS FUND | 304,036 | 287,954 | 271,332 | 257,764 | 255,276 | 240,429 |
| GROSS PROFIT % | (239) | (222) | (187) | (510) | (794) | (313) |
| NET PROFIT % | (352) | (339) | (255) | (346) | (1,031) | (353) |
| TAXATION % | 18 | 18 | 32 | 37 | 46 | 18 |
| EARNING PER SHARE | (1.75) | (1.75) | (1.62) | (0.78) | (1.68) | (1.54) |
| DIVIDEND % | - | - | - | - | - | - |
| BONUS % | - | - | - | - | - | - |

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
For the year ended June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

| Category | Name |
|--------------------------|-----------------|
| Non – Executive Director | Adnan Shaffi |
| Executive Director | Arif Shaffi |
| Independent Director | Ijaz Ahmad Khan |
| Non – Executive Director | Adeel Shaffi |
| Executive Director | Asif Shaffi |
| Independent Director | Mohammad Iqbal |
| Non – Executive Director | Mohammad Shaffi |

The independent directors meet the criteria of independence under clause i (b) of the Code of Corporate Governance.
2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI.
4. No casual vacancy occurred in the Board during the year.
5. 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.
6. 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 is being maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board/shareholders.
8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged 1 training programs for its directors during the year.
10. The Board has approved the appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
15. The Board has formed an audit committee. It comprises 3 members, of whom all are non-executive directors including the chairman of the committee.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code of Corporate Governance. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises 3 members, of whom all are non-executive directors including the chairman of the committee.
18. The Board has set-up an effective internal audit function who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants 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 Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles contained in the Code of Corporate Governance have been complied with.

(Adnan Shaffi)

Chairman

Dated: September 24, 2016

REVIEW REPORT TO THE MEMBERS*On the Statement of Compliance with Best Practices of the Code of Corporate Governance*

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Pakistan PVC Limited ("the Company")** for the year ended June 30, 2016 to comply with the Code contained in regulation No. 5.19 of the Rule book of Pakistan Stock Exchange Limited.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As part of our audit of 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's statement on internal control covers all the risks and control or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the audit committee, and upon recommendation the audit committee place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the audit Committee. We have not carried out any procedures to determine 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 best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2016.

Lahore:

Dated: **September 24, 2016**

MUSHTAQ & COMPANY

Chartered Accountants

Engagement Partner:

Zahid Hussain Zahid, ACA

AUDITORS' REPORT TO THE MEMBERS

We were engaged to audit the annexed balance sheet of **Pakistan PVC Limited ("the Company")** as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing as applicable in Pakistan. Because of the matters described in paragraph (a) to (f), however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that;

- (a) The Company has ceased the production at Gharo Plant since 1995. The production at Islamabad Plant continues. As stated in the note 2.2 to the financial statements, the Company had incurred a loss for the year ended June 30, 2016 of Rs. 24.709 million (June 30, 2015: Rs. 26.213 million) and as of that date, reported accumulated loss of Rs. 453.611 million (June 30, 2015: Rs. 437.534 million) against the issued, subscribed and paid up capital of Rs. 149.580 million (June 30, 2015: Rs. 149.580 million) turning shareholders' equity to a negative balance of Rs. 304.031 million (June 30, 2015: Rs. 287.954 million). The current liabilities exceed the current assets by Rs. 317.327 million (June 30, 2015: Rs. 302.461 million). Further the Company has not been able to obtain enough finance to revive its Gharo Plant operations. These circumstances give rise to significant uncertainty as to the ability of the Company to continue operations as going concern in the foreseeable future and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The management has not prepared cash flow projections and future plan to revive the operation of Gharo plant closed since 1995.
- (b) No confirmation/bank statement was received to verify the correctness of balance of long term loan from Government of Pakistan reflected under current portion of long term loans amounting to Rs. 32,991,000 and UBL cash finance amounting to Rs. 15,000,000 reflected under short term borrowings and markup accrued thereon amounting to Rs. 84,879,063 and Rs. 85,304,027.
- (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.
- (d) Deposits from customers amounting to Rs. 281,500 have not kept in special bank account as against the

requirements of section 226 of the Companies Ordinance, 1984. However, any potential liability that may arise as a result of this continued non-compliance cannot presently be estimated, therefore, no effect for the same in these financial statements has been taken.

- (e) We do not concur with the accounting treatment of leasehold land referred in note 15.5 of these financial statements being violation of the requirements of International Accounting Standards (IAS 40) "Investment Property".
- (f) As more fully explained in note 14.2 of these financial statements, the impact on the financial statements of the disputed CDA plot of land at Islamabad is not determinable.
- (g) Except for the effects of the matters stated above, in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (h) In our opinion;
 - (i) Except for the matters referred in paragraph (a) to (f) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (i) Because of the significance of the matters discussed in the preceding paragraph (a) to (f) above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.
- (j) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Lahore: **MUSHTAQ & COMPANY**
Dated: **September 24, 2016**

Chartered Accountants
Engagement Partner:
Zahid Hussain Zahid, ACA

PAKISTAN PVC LIMITED
BALANCE SHEET
AS AT JUNE 30, 2016

| | 2016 | 2015 | | 2016 | 2015 |
|--|------------------|---------------|------------------------------------|------------------|-------------|
| Note | -----Rupees----- | | Note | -----Rupees----- | |
| SHARE CAPITAL AND RESERVES | | | NON CURRENT ASSETS | | |
| Authorized capital 15,000,000 (June 30, 2015 : 15,000,000) ordinary shares of Rs. 10/- each | 150,000,000 | 150,000,000 | Property, plant and | 146,183,597 | 156,030,961 |
| Issued, subscribed and paid up capital | 149,580,000 | 149,580,000 | Long term investments | 79,000 | 70,000 |
| Accumulated loss | (453,615,890) | (437,533,976) | | | |
| | (304,035,890) | (287,953,976) | | | |
| Surplus on revaluation of fixed assets | 132,777,531 | 141,409,518 | | | |
| NON CURRENT LIABILITIES | | | CURRENT ASSETS | | |
| Long term financing | - | - | Stores, spare part and loose tools | - | 31,501 |
| Deferred liabilities | 188,526 | 184,104 | Stock in trade | 918,850 | 680,307 |
| CURRENT LIABILITIES | | | Trade debts | 410,064 | 1,804,600 |
| Trade and other payables | 78,133,395 | 70,062,641 | Loans and advances | 390,072 | 396,556 |
| Accrued interest / markup | 170,183,090 | 162,944,113 | Trade deposits | 100,000 | 100,000 |
| Short term borrowings | 38,790,721 | 39,137,524 | Other receivables | 2,339 | 5,504 |
| Current portion of long term financing | 32,991,000 | 32,991,000 | Tax refunds due from Government | 185,200 | 156,683 |
| Provision for taxation - net | 298,619 | 606,816 | Cash and bank balances | 1,057,872 | 105,629 |
| | 320,396,826 | 305,742,094 | | 3,064,396 | 3,280,780 |
| CONTINGENCIES AND COMMITMENTS | | | | 149,326,993 | 159,381,740 |
| | 149,326,993 | 159,381,740 | | 149,326,993 | 159,381,740 |

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

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

PAKISTAN PVC LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

| | | <u>2016</u> | <u>2015</u> |
|------------------------------------|------|---------------------|---------------------|
| | Note | -----Rupees----- | |
| Sales - net | 24 | 7,030,681 | 7,740,037 |
| Cost of sales | 25 | (23,844,188) | (24,895,413) |
| Gross loss | | <u>(16,813,507)</u> | <u>(17,155,376)</u> |
| Other income | 26 | 7,436,488 | 6,410,910 |
| Distribution cost | 27 | (3,049,476) | (3,223,286) |
| Administrative expenses | 28 | (3,796,080) | (3,602,629) |
| Finance costs | 29 | (7,245,466) | (7,251,970) |
| Loss before taxation | | <u>(23,468,040)</u> | <u>(24,822,351)</u> |
| Taxation | 30 | (1,245,860) | (1,390,986) |
| Loss for the year | | <u>(24,713,900)</u> | <u>(26,213,337)</u> |
| Loss per share - basic and diluted | 31 | (1.65) | (1.75) |

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

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

PAKISTAN PVC LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

| | | <u>2016</u> | <u>2015</u> |
|--|------|---------------------|---------------------|
| | Note | -----Rupees----- | |
| Loss for the year | | (24,713,900) | (26,213,337) |
| Other comprehensive income / (loss) | | - | - |
| Total comprehensive loss for the year | | <u>(24,713,900)</u> | <u>(26,213,337)</u> |

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

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

PAKISTAN PVC LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

| | 2016 | 2015 |
|--|------------------|--------------|
| | -----Rupees----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (23,468,040) | (24,822,351) |
| Adjustments for : | | |
| Depreciation | 9,847,362 | 10,968,984 |
| Accrued Interest | (9,000) | (6,000) |
| Finance cost | 7,245,466 | 7,251,970 |
| Staff retirement benefits - gratuity | 4,422 | 4,422 |
| Rental income | (7,427,488) | (6,404,910) |
| Operating cash flows before changes in working capital | (13,807,279) | (13,007,885) |
| (Increase) / decrease in current assets | | |
| Stores, spare part and loose tools | 31,501 | (31,501) |
| Stock in trade | (238,543) | 94,383 |
| Trade debts | 1,394,536 | (288,761) |
| Trade deposits | - | (100,000) |
| Loans and advances | 6,484 | 108,109 |
| Tax refunds due from Government | (28,517) | 96,731 |
| Increase in current liabilities | | |
| Trade and other payables | 6,825,394 | 8,760,407 |
| | 7,990,855 | 8,639,368 |
| Net cash used in operation | (5,816,424) | (4,368,517) |
| Income tax paid | (1,554,055) | (1,640,581) |
| Finance cost paid | (6,488) | (12,993) |
| | (1,560,543) | (1,653,574) |
| Net cash used in operating activities | (7,376,967) | (6,022,091) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Rent received | 8,676,013 | 5,604,956 |
| Net cash generated from investing activities | 8,676,013 | 5,604,956 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Short term borrowings - net | (346,803) | 346,417 |
| Net cash (used) / generated from financing activities | (346,803) | 346,417 |
| Net increase in cash and cash equivalents | 952,243 | (70,718) |
| Cash and cash equivalent at the beginning of the year | 105,629 | 176,346 |
| Cash and cash equivalent at the end of the year | 1,057,872 | 105,629 |

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

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

PAKISTAN PVC LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

| | Issued, subscribed and paid up capital | Accumulated loss | Total |
|---|--|------------------|---------------|
| | -----Rupees----- | | |
| Balance as at June 30, 2014 | 149,580,000 | (420,911,735) | (271,331,735) |
| Transfer from surplus on revaluation on account of incremental depreciation | - | 9,591,096 | 9,591,096 |
| Total comprehensive loss for the year ended June 30, 2015 | - | (26,213,337) | (26,213,337) |
| Balance as at June 30, 2015 | 149,580,000 | (437,533,976) | (287,953,976) |
| Transfer from surplus on revaluation on account of incremental depreciation | - | 8,631,987 | 8,631,987 |
| Total comprehensive loss for the year ended June 30, 2016 | - | (24,713,900) | (24,713,900) |
| Balance as at June 30, 2016 | 149,580,000 | (453,615,890) | (304,035,890) |

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

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

PAKISTAN PVC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1 LEGAL STATUS AND OPERATIONS

Pakistan PVC Limited (the company) is incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. The registered office of the company is situated at Shaffiabad, Gharo, District Thatta.

The company is engaged in production and sale of PVC resin, PVC pipes and fittings, PVC compound and caustic soda. The company has ceased the production at Gharo since 1995. The production at Islamabad plant continues. The company has installed a water purification plant to process and sell mineral water in 2011.

The case for the revival of the company remained with the committee for revival of sick industrial unit setup by the finance division, Government of Pakistan with representation of the federation of Chamber of Commerce and Industries.

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 requirements of The Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under The Companies Ordinance, 1984, provisions of and directives issued under The Companies Ordinance, 1984. Wherever the requirements of The Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of The Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain fixed assets that have been stated at revalued amounts. The company had incurred a loss for the year ended June 30, 2016 of Rupees 24.709 million (June 30, 2015: Rupees 26.232 million) and as of that date, reported accumulated loss of Rs. 453.611 million as at June 30, 2016 (June 30, 2015 : Rs. 437.534 million) against the issued, subscribed and paid up capital of Rs. 149.580 million (June 30, 2015 : Rs. 149.580 million) turning shareholders' equity to a negative balance of Rs. 304.031 million (June 30, 2015 : Rs. 287.972 million). The current liabilities exceeds the current assets by Rs. 317.327 million (June 30, 2015 : Rs. 302.480 million). Further the company has not been able to obtain enough finance to revive its operations. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as a going concern.

3 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect 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

The following standards, amendments and interpretations of approved accounting standards will be effective for the accounting period beginning on or after 1 July 2015 and Company does not expect to have any material / significant changes in its accounting policy except for disclosures, where applicable:

- ▣ IFRS10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS10 is not likely to have any impact on the financial statements of the Company.
- ▣ IFRS11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. IFRS 11 is not likely to have any impact on the financial statements of the Company.
- ▣ IFRS12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015). The adoption of this standard is not like to have an impact on Company's financial statements.
- ▣ IFRS13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard does not have material impact on Company's financial statements except for some disclosures.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2015 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

- ▣ IFRS9, 'Financial instruments' (effective for periods beginning on or after January 01, 2018). IASB has published the complete version of IFRS9, 'Financial instruments', which replaces the guidance in IAS39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. The Company has yet to assess the impact of these changes on its financial statements.
- ▣ IFRS15, 'Revenue from contracts with customers' is applicable to accounting periods beginning on or after January 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer –so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entity will recognise transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the impact of this standard on its financial statements.

- Amendments to IAS 1, 'Presentation of financial statements' on the disclosure initiative are applicable to annual periods beginning on or after January 1, 2016. The amendments are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including: Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Notes-confirmation that the notes do not need to be presented in a particular order. Other comprehensive income(OCI) arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/ accounting policies are not required for these amendments. These amendments likely to only affects the disclosures in the Company's financial statements.
- Amendments to IAS 38 Intangible Assets and IAS 16 Property, plant and equipment (effective for periods beginning on or after January 01, 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-baes methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible assets are highly correlated, or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 12, 'Income taxes' are applicable for annual periods beginning on or after January 1, 2017. The amendment clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have a material impact on the Company's financial statements.
- Amendments to IAS 7, 'Statement of cash flows' are applicable for annual periods beginning on or after January 1, 2017. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have a material impact on the Company's financial statements.

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 categories.

Investments at fair value through profit or loss

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

Held to maturity

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

Available for sale

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

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

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

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

5.5 Stores and spares

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

5.6 Stock in trade

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

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

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

5.7 Trade debts

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

5.8 Cash and cash equivalents

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

5.9 Borrowings and borrowing costs

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

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

5.10 Revenue recognition

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

5.11 Financial instruments

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

5.12 Off setting financial assets and financial liabilities

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

5.13 Dividends

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

5.14 Staff retirement benefits-gratuity

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

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

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

5.15 Taxation

Current

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

Deferred

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

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

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

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

5.16 Trade and other payable

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

5.17 Provisions

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

5.18 Foreign currencies

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

5.19 Related parties

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

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| 2016 | 2015 | | 2016 | 2015 |
|------------------|------------|---|-------------|-------------|
| 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 | 2016 | 2015 |
|---|------|-------------|-------------|
| | | Rupees | |
| Surplus on revaluation of property, plant and equipment - gross | 7.1 | 132,777,531 | 141,409,518 |
| | | 132,777,531 | 141,409,518 |
| 7.1 Surplus on revaluation of property, plant and equipment - gross | | | |
| Surplus on revaluation of property, plant and equipment at the beginning of the year | | 141,409,518 | 151,000,614 |
| Transfer to unappropriated profit in respect of incremental depreciation on revalued assets | | (8,631,987) | (9,591,096) |
| | | 132,777,531 | 141,409,518 |

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%(SBPrate 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 and overdue.

9 DEFERRED LIABILITIES

| | | | |
|---|-----|---------|---------|
| Staff retirement benefits - gratuity | 9.1 | 188,526 | 184,104 |
| | | 188,526 | 184,104 |
| 9.1 Staff retirement benefits - gratuity | | | |
| Opening balance | | 184,104 | 179,682 |
| Provision made during the year | | 4,422 | 4,422 |
| | | 188,526 | 184,104 |
| Paid during the year | | - | - |
| Closing balance | | 188,526 | 184,104 |

9.2 There is only one employee (June 30, 2015: one employee), entitled for gratuity, therefore the management believes that it is unreasonable to conduct actuarial valuation as required by IAS "19" Employee Benefits".

| | Note | 2016 | 2015 |
|--|------|-------------------|-------------------|
| 10 TRADE AND OTHER PAYABLES | | | |
| -----Rupees----- | | | |
| Creditors | | 3,179,071 | 2,946,109 |
| Accrued liabilities | 10.1 | 61,077,375 | 54,583,898 |
| Income tax withheld | | - | 1,081 |
| Advances from customers | | 1,679,610 | 1,579,574 |
| Advance Rent | | 1,790,859 | 545,499 |
| Interest free demand deposits | | 360,500 | 360,500 |
| Unclaimed dividend | | 45,980 | 45,980 |
| Privatization commission, finance division | 10.2 | 10,000,000 | 10,000,000 |
| | | <u>78,133,395</u> | <u>70,052,641</u> |

10.1 It includes amount payable to directors and associates amounting to Rs.53,439,733(June 30, 2015: Rs. 49,015,047) against the salaries payable and other expenses.

10.2 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 | 2016 | 2015 |
|-------------------------------------|------|--------------------|--------------------|
| 11 ACCRUED INTEREST / MARKUP | | | |
| -----Rupees----- | | | |
| Interest / markup on: | | | |
| Short term borrowings-UBL | | 85,304,027 | 81,694,060 |
| Long term financing | | 84,879,063 | 81,250,053 |
| | | <u>170,183,090</u> | <u>162,944,113</u> |

12 SHORT TERM BORROWINGS

| | | | |
|--|------|-------------------|-------------------|
| From banking companies - secured | | | |
| Cash finance | 12.1 | 15,000,000 | 15,000,000 |
| From related parties and directors - unsecured | | | |
| Related parties | 12.2 | 21,650,901 | 21,650,901 |
| Directors | 12.3 | 2,139,820 | 2,139,820 |
| Book over draft - unsecured | 12.4 | - | 346,803 |
| | | <u>38,790,721</u> | <u>39,137,524</u> |

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

12.2 This amount is payable to Mrs. Parveen Shaffi. During the previous year this amount of Rs. 20,041,401 was transferred to short term borrowings from long term loan. There is not any written agreement regarding repayment of loan and the loan amount is payable to Mrs. Parveen Shaffi on her demand with mutual consent of management of the company, therefore, the loan is clubbed in short term borrowings and classified under current liabilities. The loan is interest free and unsecured.

12.3 These are interest free.

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

| | Note | 2016 | 2015 |
|--|------|----------------|----------------|
| 13 PROVISION FOR TAXATION - NET | | | |
| -----Rupees----- | | | |
| Opening balance | | 606,816 | 856,410 |
| Add: Provision for the year | 30.1 | 1,245,860 | 1,390,986 |
| Less: Paid / adjusted during the year | | (1,554,056) | (1,640,580) |
| | | <u>298,619</u> | <u>606,816</u> |

14 CONTINGENCIES AND COMMITMENTS

14.1 The Securities and Exchange Commission of Pakistan (SECP) had appointed an inspector to investigate into the affairs of the company under Section 265 of the Companies Ordinance, 1984. The inspector has submitted report on his findings to the SECP. The outcome can not be anticipated at this stage.

14.2 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.

14.3 The Privatization Commission of Pakistan had filed a suit in honorable Islamabad High Court, C.O.SNo 07/2002, against the company for recovery of amount repayable to the Privatization commission against principal amount of Government loan assumed at time of privatization of Rs. 32,971,000 along with the markup thereon amounting to Rs. 48,005,929 aggregating to Rs. 80,996,929. The outcome of the case is still undecided however, the legal opinion of the solicitors appointed by the company are of the view that even if the above suit is decided against the company it shall not involve the company into any financial loss.

15 Property, plant and equipment

Operating assets
Non operating assets

15.1 Operating assets

| Note | 2016 | 2015 |
|------|-------------|-------------|
| | ----- | ----- |
| 15.1 | 49,300,637 | 51,528,884 |
| 15.2 | 95,882,960 | 104,501,067 |
| | 145,183,597 | 156,030,951 |

| Cost | Owned | | | | | | | | | | | | | Total |
|--|----------------|------------------|---------------------|---------------------|----------------------------|------------------------------------|-------------------------|------------------|------------------------|------------------|-------------------|------------------------|----------------|---------|
| | Land leasehold | Factory building | Plant and machinery | Electric insulation | Lease tools and implements | Air conditioners, coolers and fans | Fire fighting equipment | Weighting scales | Furniture and fixtures | Office computers | Office equipments | Carburettor equipments | Motor vehicles | |
| Balance as at July 01, 2014 | 29,944,442 | 10,133,600 | 15,610,000 | 2,592,503 | 1,863,074 | 1,244,686 | 119,860 | 347,476 | 840,521 | 500,000 | 1,947,979 | 25,416 | 1,220,569 | 116,983 |
| Additions during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at June 30, 2015 | 29,944,442 | 10,133,600 | 15,610,000 | 2,592,503 | 1,863,074 | 1,244,686 | 119,860 | 347,476 | 840,521 | 500,000 | 1,947,979 | 25,416 | 1,220,569 | 116,983 |
| Balance as at July 01, 2015 | 29,944,442 | 10,133,600 | 15,610,000 | 2,592,503 | 1,863,074 | 1,244,686 | 119,860 | 347,476 | 840,521 | 500,000 | 1,947,979 | 25,416 | 1,220,569 | 116,983 |
| Additions during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at June 30, 2016 | 29,944,442 | 10,133,600 | 15,610,000 | 2,592,503 | 1,863,074 | 1,244,686 | 119,860 | 347,476 | 840,521 | 500,000 | 1,947,979 | 25,416 | 1,220,569 | 116,983 |
| Depreciation | | | | | | | | | | | | | | |
| Balance as at July 01, 2014 | - | 1,015,360 | 1,561,000 | 2,490,270 | 1,281,948 | 1,106,484 | 117,896 | 334,426 | 786,275 | 163,750 | 1,839,619 | 25,349 | 977,326 | 114,304 |
| Charge for the year | - | 912,024 | 1,404,900 | 10,223 | 225 | 12,962 | 196 | 1,305 | 5,625 | 91,875 | 16,260 | 10 | 48,649 | 265 |
| Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation on disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at June 30, 2015 | - | 1,927,384 | 2,965,900 | 2,500,493 | 1,502,173 | 1,119,446 | 118,182 | 335,731 | 790,800 | 255,625 | 1,855,768 | 25,359 | 1,025,975 | 114,572 |
| Balance as at July 01, 2015 | - | 1,927,384 | 2,965,900 | 2,500,493 | 1,502,173 | 1,119,446 | 118,182 | 335,731 | 790,800 | 255,625 | 1,855,768 | 25,359 | 1,025,975 | 114,572 |
| Charge for the year | - | 820,822 | 1,264,411 | 9,202 | 180 | 11,016 | 107 | 1,175 | 4,973 | 94,313 | 13,626 | 9 | 38,919 | 242 |
| Depreciation on disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at June 30, 2016 | - | 2,748,206 | 4,230,311 | 2,509,695 | 1,582,353 | 1,130,462 | 118,349 | 336,906 | 795,773 | 349,938 | 1,869,617 | 25,368 | 1,064,894 | 114,814 |
| Written down value as at June 30, 2015 | 29,944,442 | 8,208,216 | 12,644,100 | 92,010 | 901 | 79,452 | 1,678 | 11,745 | 48,721 | 214,375 | 52,191 | 57 | 184,594 | 2,411 |
| Written down value as at June 30, 2016 | 29,944,442 | 7,387,384 | 11,379,689 | 82,809 | 721 | 62,435 | 1,511 | 10,571 | 44,748 | 150,082 | 78,362 | 43 | 155,675 | 2,169 |
| Rate of depreciation | - | 10% | 10% | 10% | 20% | 15% | 10% | 10% | 10% | 30% | 15% | 15% | 20% | 10% |

15.2 Non operating assets

| Cost | Owned | | | | | | | | | | | Total | | |
|--|----------------|------------------|---------------------|----------------------------|------------------------------------|-------------------------|-----------------|------------------------|------------------|-------------------|--------------------|-------|----------------|--------------|
| | Land leasehold | Factory building | Plant and machinery | Loose tools and implements | Air conditioners, coolers and fans | Fire fighting equipment | Weighing scales | Furniture and fixtures | Office computers | Office equipments | Caravan equipments | | Motor vehicles | Other assets |
| Balance as at July 01, 2014 | 24,480,000 | 3,840,000 | 18,240,700 | 75,810,000 | - | - | - | - | - | - | - | - | - | 122,370,700 |
| Additions during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at June 30, 2015 | 24,480,000 | 3,840,000 | 18,240,700 | 75,810,000 | - | - | - | - | - | - | - | - | - | 122,370,700 |
| Balance as at July 01, 2015 | 24,480,000 | 3,840,000 | 18,240,700 | 75,810,000 | - | - | - | - | - | - | - | - | - | 122,370,700 |
| Additions during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at June 30, 2016 | 24,480,000 | 3,840,000 | 18,240,700 | 75,810,000 | - | - | - | - | - | - | - | - | - | 122,370,700 |
| Depreciation | | | | | | | | | | | | | | |
| Balance as at July 01, 2014 | - | - | 1,024,070 | 7,581,000 | - | - | - | - | - | - | - | - | - | 9,465,070 |
| Charge for the year | - | - | 1,641,683 | 6,822,800 | - | - | - | - | - | - | - | - | - | 8,465,563 |
| Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation on disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at June 30, 2015 | - | - | 3,465,733 | 14,403,900 | - | - | - | - | - | - | - | - | - | 17,869,633 |
| Balance as at July 01, 2015 | - | - | 3,465,733 | 14,403,900 | - | - | - | - | - | - | - | - | - | 17,869,633 |
| Charge for the year | - | - | 1,477,497 | 6,140,810 | - | - | - | - | - | - | - | - | - | 7,618,107 |
| Depreciation on disposals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at June 30, 2016 | - | - | 4,943,230 | 20,544,710 | - | - | - | - | - | - | - | - | - | 25,487,940 |
| Written down value as at June 30, 2015 | 24,480,000 | 3,840,000 | 14,774,967 | 61,408,100 | - | - | - | - | - | - | - | - | - | 104,501,067 |
| Written down value as at June 30, 2016 | 24,480,000 | 3,840,000 | 13,297,470 | 55,265,990 | - | - | - | - | - | - | - | - | - | 96,882,960 |
| Rate of depreciation | - | - | 10% | 10% | - | - | - | - | - | - | - | - | - | - |

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

15.4 Depreciation has been allocated as under

| Note | 2016 | | 2015 | |
|------|-----------|------------|------|----|
| | | Rs | | Rs |
| 25.1 | 9,789,233 | 10,897,857 | - | - |
| 28 | 7,084 | 8,321 | - | - |
| 27 | 51,045 | 62,708 | - | - |
| | 9,847,362 | 10,968,886 | - | - |

15.5 Lease hold land is classified as owner occupied property till disposal of the case referred to in note 14.2 to these financial statements.

15.6 The company had its land (leasehold / leasehold buildings on freehold land and plant and machinery revalued. Revaluation of the assets was carried out by the independent valuers "M/S W.V. Engineering service (Pvt.) Limited" on June 30, 2013. The value is ascertained 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. 37,786,255 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.

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

| | Operating assets | | Non operating assets | |
|---------------------|------------------|-----------|----------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Freehold land | - | - | 5,802 | 5,802 |
| Leasehold land | 4,981,979 | 4,981,979 | 38,957 | 38,957 |
| Factory building | 83,314 | 100,682 | 52,989 | 68,855 |
| Plant and machinery | 2,087,818 | 2,310,798 | 653,204 | 725,782 |
| | 7,163,111 | 7,405,459 | 751,032 | 829,456 |

| | Note | 2016 | 2015 |
|---|--|------------------|-----------|
| 16 LONG TERM INVESTMENTS | | | |
| | | -----Rupees----- | |
| Held to maturity | | | |
| Government Securities | | | |
| National defense saving certificates | 16.1 | 50,000 | 50,000 |
| Add: Profit accrued to date | | 29,000 | 20,000 |
| | | 79,000 | 70,000 |
| | | 79,000 | 70,000 |
| 16.1 | National defense saving certificate of Rs. 50,000 have been purchased from the Government of Pakistan under 10 years maturity scheme. The certificates are en-cashable at par at any time. However, no profit is payable if encashment is made before completion of one year. The average compound rate of return on maturity presently works to 12.857 % per annum. Profit accrued represents the profit on National defense saving certificates from November 2010 till June 2016. | | |
| 17 STOCK IN TRADE | Note | 2016 | 2015 |
| | | -----Rupees----- | |
| Raw and packing materials | | 53,592 | 57,035 |
| Work in process | | 65,526 | 38,250 |
| Finished goods | | 799,733 | 585,022 |
| | | 918,850 | 680,307 |
| 18 TRADE DEBTS | | | |
| Local - unsecured considered good | | | |
| Pipes and fitting | | 387,832 | 1,772,535 |
| Water Sales | | 22,432 | 32,065 |
| | | 410,064 | 1,804,600 |
| 19 LOANS AND ADVANCES | | | |
| Advance to suppliers - considered good | | 390,072 | 396,556 |
| | | 390,072 | 396,556 |
| 20 TRADE DEPOSITS | | | |
| Trade deposits | | 100,000 | 100,000 |
| | | 100,000 | 100,000 |
| 21 OTHER RECEIVABLES | | | |
| Rent receivables | | 2,339 | 5,504 |
| | | 2,339 | 5,504 |
| 22 TAX REFUNDS DUE FROM GOVERNMENT | | | |
| Sales tax receivables | | 185,200 | 156,683 |
| Advance income tax | 22.1 | - | - |
| | | 185,200 | 156,683 |
| 22.1 Advance income tax | | | |
| Opening balance | | - | - |
| Deducted during the year | | 1,554,056 | 839,326 |
| Total | | 1,554,056 | 839,326 |
| Adjusted against liability | | (1,554,056) | (839,326) |
| | | - | - |
| 23 CASH AND BANK BALANCES | | | |
| Cash in hand | | 10,000 | 34,900 |
| Cash at banks - current accounts | | 1,047,872 | 70,729 |
| | | 1,057,872 | 105,629 |

| | | 2016 | 2015 |
|--|-------------|-------------------|-------------------|
| | | -----Rupees----- | |
| 24 SALES - Net | Note | | |
| Local | | | |
| PVC pipes and fittings | | 8,591,451 | 7,554,960 |
| Mineral water | | 1,386,175 | 1,362,824 |
| Less: Trade discounts and commission | | (946,945) | (1,177,747) |
| | | <u>7,030,681</u> | <u>7,740,037</u> |
| 25 COST OF SALES | | | |
| Opening stock - finished good | | 585,022 | 423,327 |
| Cost of goods manufactured | 25.1 | 23,882,137 | 24,808,150 |
| Outside purchases | | 176,761 | 248,958 |
| | | <u>24,643,920</u> | <u>25,480,435</u> |
| Closing stock- finished goods | | (799,733) | (585,022) |
| | | <u>23,844,188</u> | <u>24,895,413</u> |
| 25.1 Cost of goods manufactured | | | |
| Raw and packing material consumed | 25.2 | 3,642,527 | 3,830,908 |
| Directors remuneration | | 750,000 | 750,000 |
| Salaries, wages and benefits | | 5,652,982 | 4,961,424 |
| Fuel and power | | 1,551,918 | 1,743,322 |
| Stores and spares consumed | | 470,988 | 633,689 |
| Repairs and maintenance | | 1,413,554 | 1,043,088 |
| Postage and telephone | | 142,939 | 131,881 |
| Rent, rates and taxes | | 161,769 | 272,000 |
| Traveling, conveyance and vehicles running | | 308,511 | 458,804 |
| Entertainment | | 24,992 | 53,612 |
| Depreciation | 15.4 | 9,789,233 | 10,897,957 |
| | | <u>23,909,413</u> | <u>24,776,666</u> |
| Work in process | | | |
| Opening stock | | 38,250 | 69,714 |
| Closing stock | | (65,526) | (38,250) |
| | | <u>(27,276)</u> | <u>31,464</u> |
| Cost of goods manufactured | | <u>23,882,137</u> | <u>24,808,150</u> |
| 25.2 Raw and packing material consumed | | | |
| Opening stock | | 57,035 | 281,649 |
| Purchases | | 3,639,084 | 3,606,294 |
| Available for consumption | | 3,696,119 | 3,887,943 |
| Closing stock | | (53,592) | (57,035) |
| | | <u>3,642,527</u> | <u>3,830,908</u> |
| 26 OTHER INCOME | | | |
| From financial assets | | | |
| Profit on national defense saving certificates | | 9,000 | 6,000 |
| From other than financial assets | | | |
| Rental income | | 7,427,488 | 6,404,910 |
| | | <u>7,436,488</u> | <u>6,410,910</u> |
| 27 DISTRIBUTION COST | | | |
| Salaries, wages and benefits | | 844,298 | 1,051,841 |
| Rent, rates and taxes | | 33,440 | 149,290 |
| Vehicles running | | 405,757 | 419,169 |
| Traveling and conveyance | | 357,117 | 287,953 |
| Entertainment | | 134,858 | 173,992 |
| Postage and telephone | | 93,976 | 128,773 |
| Printing and stationery | | 41,707 | 64,426 |
| Electricity, gas and water | | 513,006 | 342,213 |
| Transportation cost | | 53,226 | 23,550 |
| Membership and subscription | | 521,046 | 517,633 |
| Advertisement | | - | 1,740 |
| Depreciation | 15.4 | 51,045 | 62,706 |
| | | <u>3,049,476</u> | <u>3,223,286</u> |

| | | 2016 | 2015 |
|---|---|------------------|------------------|
| | | -----Rupees----- | |
| 28 ADMINISTRATIVE EXPENSES | Note | | |
| Directors remuneration | | 2,250,000 | 2,250,000 |
| Salaries, wages and benefits | | 840,000 | 840,000 |
| Rent, rates and taxes | | 1,935 | 635 |
| Traveling and conveyance | | 23,500 | 87,650 |
| Entertainment | | 20,925 | 27,736 |
| Postage and telephone | | - | - |
| Printing and stationery | | 56,750 | 14,200 |
| Repairs and maintenance | | - | - |
| Electricity, gas and water | | - | - |
| Membership fee and subscription | | 202,830 | - |
| Legal and professional | | 180,556 | 186,587 |
| Auditors remuneration | 28.1 | 212,500 | 187,500 |
| Depreciation | 15.4 | 7,084 | 8,321 |
| | | <u>3,796,080</u> | <u>3,602,629</u> |
| 28.1 Auditors' remuneration | | | |
| Statutory audit fee | | 130,000 | 125,000 |
| Half yearly review fee | | 82,500 | 62,500 |
| | | <u>212,500</u> | <u>187,500</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 | 3,609,967 |
| Bank charges | | 6,488 | 12,993 |
| | | <u>7,245,466</u> | <u>7,251,970</u> |
| 30 TAXATION | | | |
| Current year | 30.1 | 1,728,238 | 1,474,286 |
| Prior year | | (482,378) | (83,300) |
| | | <u>1,245,860</u> | <u>1,390,986</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 2015. | | |
| 30.2 | Relationship between tax expense and accounting profit is presented below. | | |
| | | 2016 | 2015 |
| | | -----Rupees----- | |
| Accounting loss | | (23,468,040) | (24,822,351) |
| Tax at the applicable tax rate of 32% (2015: 33%) | | | |
| Tax effects: | | | |
| Prior year tax effect | | (482,378) | (83,300) |
| Income taxed as separate block | | 1,728,238 | 1,474,286 |
| | | <u>1,245,860</u> | <u>1,390,986</u> |
| 30.3 | During the year net deferred tax assets for the carry forward of unused tax losses amounting to Rs.80,963,373 (2015: Rs.73,060,994) 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 | 2016 | 2015 |
| 31 LOSS PER SHARE - BASIC AND DILUTED | | -----Rupees----- | |
| Loss for the year - Rupees | | (24,713,900) | (26,213,337) |
| Weighted average number of shares | | 14,958,000 | 14,958,000 |
| Basic loss per share - Rupees | | (1.65) | (1.75) |

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. 1,570 million (June 30, 2015: Rs. 2,016 million), financial assets which are subject to credit risk aggregate to Rs.0.512 million (June 30, 2015: Rs. 1,910 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.

| | 2016 | 2015 |
|------------------------|------------------|------------------|
| | -----Rupees----- | |
| Trade debts | 410,064 | 1,804,600 |
| Other receivables | 2,339 | 5,504 |
| Cash and bank balances | 1,057,872 | 105,629 |
| | <u>1,570,274</u> | <u>2,015,733</u> |

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

| | 2016 | 2015 |
|----------|------------------|-----------|
| | -----Rupees----- | |
| Domestic | 410,064 | 1,804,600 |

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

| | Gross debtors | |
|---------------------------|------------------|------------------|
| | 2016 | 2015 |
| | -----Rupees----- | |
| Not past due | 251,230 | 760,088 |
| Past due 0 - 30 days | 84,742 | 835,560 |
| Past due 31 - 90 days | 535 | - |
| Past due 90 days - 1 year | 73,286 | 1,044 |
| More than one year | 271 | 207,907 |
| | <u>410,064</u> | <u>1,804,599</u> |

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 agreements.

| | 2016 | | | | | |
|---------------------------|--------------------|------------------------|--------------------|----------------------|-------------------|----------------------|
| | 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 | 38,790,721 | 38,790,721 | 38,790,721 | - | - | - |
| Accrued interest / markup | 170,183,090 | 170,183,090 | 170,183,090 | - | - | - |
| Trade and other payables | 74,662,926 | 74,662,926 | 74,662,926 | - | - | - |
| Total | <u>316,627,737</u> | <u>316,627,737</u> | <u>316,627,737</u> | - | - | - |

| | 2015 | | | | | |
|---------------------------|--------------------|------------------------|--------------------|----------------------|-------------------|----------------------|
| | 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 | 39,137,524 | 39,137,524 | 39,137,524 | - | - | - |
| Accrued interest / markup | 162,944,113 | 162,944,113 | 162,944,113 | - | - | - |
| Trade and other payables | 67,937,568 | 67,937,568 | 67,937,568 | - | - | - |
| Total | 303,010,205 | 303,010,205 | 303,010,205 | - | - | - |

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, 2016. 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 risk

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 risk

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 PL Savings accounts with banks. At the balance sheet date the interest rate profile of the company's interest bearing financial instrument is as follows.

| | 2016 | 2015 |
|-------------------------------|------------|------------|
| -----Rupees----- | | |
| Fixed rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | 47,991,000 | 47,991,000 |

Fair value sensitivity analysis for fixed rate instruments

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

Fair value of financial assets and liabilities

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

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 imposed capital requirements.

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

| | 2016 | 2015 |
|--|-------------------|-------------------|
| | -----Rupees----- | |
| Balances with related parties | | |
| Short term borrowing from Mr. Arif Shaffi - Director | 739,820 | 739,820 |
| Short term borrowing from Mrs. Parveen Shaffi - w/o Director | 21,650,901 | 21,650,901 |
| Short term borrowing from Mr. Asif Shaffi - Director | 1,400,000 | 1,400,000 |
| | <u>23,790,721</u> | <u>23,790,721</u> |

35 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

| | CHIEF EXECUTIVE | | EXECUTIVE DIRECTOR | | NON-EXECUTIVE DIRECTOR | | TOTAL | |
|-------------------|------------------|------------------|--------------------|------------------|------------------------|----------|------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Basic | 999,996 | 999,996 | 499,998 | 999,996 | 499,998 | - | 1,999,992 | 1,999,992 |
| House rent | 449,998 | 449,998 | 224,999 | 449,998 | 224,999 | - | 899,996 | 899,996 |
| Others | 50,006 | 50,006 | 25,003 | 50,006 | 25,003 | - | 100,012 | 100,012 |
| | <u>1,500,000</u> | <u>1,500,000</u> | <u>750,000</u> | <u>1,500,000</u> | <u>750,000</u> | <u>-</u> | <u>3,000,000</u> | <u>3,000,000</u> |
| Number of persons | 1 | 1 | 1 | 2 | 1 | - | 3 | 3 |

36 PLANT CAPACITY

| | Budgeted capacity | | Actual production | |
|--|-------------------|------------|-------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| | -----Rupees----- | | | |
| At Gharo | | | | |
| PVC Resin - tons | | 25,000 | - | - |
| Compounds 100% - tons | | 1,500 | - | - |
| PVC leather cloth and plastic sheets - | | 22,144,500 | - | - |
| At Isiamabad | | | | |
| PVC pipes and fittings - meters | | 7,751,808 | 229,799 | 255,284 |
| Processing of water - Gallons | | 900,000 | 113,130 | 124,500 |

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

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

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

37 NUMBER OF EMPLOYEES

| | 2016 | 2015 |
|------------------------------------|------|------|
| Number of employees as at year end | 37 | 44 |
| Average employee during the year | 39 | 46 |

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 24, 2016 by the board of directors of the company.

39 GENERAL

Figures have been rounded off to the nearest Rupee.

Arif Shaffi
CHIEF EXECUTIVE

Mohammad Shaffi
DIRECTOR

PATTERN OF SHAREHOLDING
As at June 30, 2016

| No. of Shareholders | -----Shareholding----- | | Total Shares Held |
|---------------------|------------------------|-----------|-------------------|
| | From | To | |
| 272 | 1 | 100 | 10,170 |
| 108 | 101 | 500 | 38,410 |
| 60 | 501 | 1,000 | 55,554 |
| 106 | 1,001 | 5,000 | 273,000 |
| 29 | 5,001 | 10,000 | 243,709 |
| 11 | 10,001 | 15,000 | 146,660 |
| 6 | 15,001 | 20,000 | 108,470 |
| 3 | 20,001 | 25,000 | 75,000 |
| 2 | 30,001 | 35,000 | 66,000 |
| 1 | 35,001 | 40,000 | 35,500 |
| 1 | 50,001 | 55,000 | 55,000 |
| 1 | 60,001 | 65,000 | 65,000 |
| 1 | 65,001 | 70,000 | 65,690 |
| 1 | 70,001 | 75,000 | 75,000 |
| 1 | 95,001 | 100,000 | 100,000 |
| 1 | 145,001 | 150,000 | 145,500 |
| 1 | 175,001 | 180,000 | 180,000 |
| 1 | 295,001 | 300,000 | 300,000 |
| 2 | 375,001 | 380,000 | 752,550 |
| 1 | 425,001 | 430,000 | 425,602 |
| 1 | 735,001 | 740,000 | 737,640 |
| 1 | 1,045,001 | 1,050,000 | 1,045,725 |
| 1 | 9,970,001 | 9,975,000 | 9,971,820 |
| 612 | | | 14,972,000 |

Categories of Shareholding As at June 30, 2016

| Categories of shareholders | Share held | Percentage |
|---|------------|------------|
| Directors, Chief Executive Officers, and their spouse and minor children | 806,450 | 5.3864% |
| Associated Companies, undertakings and related parties. | - | 0.0000% |
| NIT and ICP | 4,250 | 0.0284% |
| Banks Development Financial Institutions, Non Banking Financial Institutions. | 1,600,563 | 10.6904% |
| Insurance Companies | 24,220 | 0.1618% |
| Modarabas and Mutual Funds | - | 0.0000% |
| Share holders holding 10% or more | 9,971,820 | 66.6031% |
| General Public | 2,061,443 | 13.7687% |
| Others (to be specified) | | |
| 1- Joint Stock Companies | 501,215 | 3.3477% |
| 2- Investment Companies | 1,500 | 0.0100% |
| 3- Abandoned Properties | 539 | 0.0036% |
| 4- Forigen Companies | 9,971,820 | 66.6031% |

As on June 30, 2016
 Categories of Shareholding required under Code of Corporate Governance (CCG)
 PAKISTAN PVC LIMITED

| Sr. No. | Name | No. of Shares Held | Percentage |
|---------|------|--------------------|------------|
|---------|------|--------------------|------------|

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

- -

Directors and their Spouse and Minor Children (Name Wise Detail):

| | | | |
|---|------------------------------------|---------|---------|
| 1 | MR. ARIF SHAFFI | 376,450 | 2.5144% |
| 2 | MR. ASIF SHAFFI | 376,100 | 2.5120% |
| 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. IJAZ AHMED KHAN | 2,500 | 0.0167% |
| 7 | MR. ADNAN SHAFFI | 2,500 | 0.0167% |
| 8 | MRS. SHAZIA SHAFFI W/O ASIF SHAFFI | 13,550 | 0.0905% |
| 9 | MRS. SAIRA SHAFFI W/O ARIF SHAFFI | 12,850 | 0.0858% |

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

1,624,783 10.8521%

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

| | | | |
|---|---------------------------|-----------|----------|
| 1 | ENSENA HOLDING FZC | 9,971,820 | 66.6031% |
| 2 | SAMBA BANK LIMITED. (CDC) | 1,045,725 | 6.9845% |

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:

NIL

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

PROXY FORM

I/We _____ of _____ being a member / members of **PAKISTAN PVC LIMITED** hereby appoint _____ (name) of _____ (Full address) another member of the company or failing him / her _____ (name) of _____ (Full address) another member of the company as my/our proxy to attend and vote for me/us and on my/us behalf, at the 53rd Annual General Meeting of the company to be held at Shaffiabad, Gharo, Distt. Thatta on Saturday, October 29, 2016 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.

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

پراکسی فارم

میں / ہم _____ کے _____ اس _____ اس _____
 طرح سے تقرر پاکستان پیویسی لمیٹڈ کے ایک رکن / رکن ہونے
 (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 53 کمپنی کی سالانہ جنرل میٹنگ شفیع آباد
 ، گھارو ، ضلع میں منعقد ہونے پر / _____ ، Saturday _____ ، October
 29, 2016 پر اور اسکی بر التوا میں ٹھہرے .
 اس دستخط _____ کے دن _____

پر دستخط
 روپیہ ایک
 ریونیو سٹیپ

(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 ممبر 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. ٹھہرے، 72 سے کم نہیں گھنٹے کے اجلاس کے انعقاد کے وقت سے پہلے.
4. پراکسی ملاقات کے وقت اپنے اصل شناختی کارڈ یا اصل پاسپورٹ پیدا کرے گا.
5. انفرادی CDC اکاؤنٹ ہولڈرز کی صورت میں، فائدہ مند مالک کے شناختی کارڈ کی نقل یا پاسپورٹ (کیس ہو سکتا ہے کے طور پر) گواہی اس پراکسی کے ساتھ فراہم کرنا ہوگا.
6. کارپوریٹ ہستی کی صورت میں، امیدوار کا نمونہ دستخط کے ساتھ اٹارنی کے بورڈ آف ڈائریکٹرز کی قرارداد / پاور اس پراکسی کے ساتھ ساتھ پیش کیا جائے گا.