

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**HALF YEARLY ACCOUNTS
FOR THE PERIOD ENDED 31ST DECEMBER, 2020
(UN- AUDITED)**

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED
COMPANY INFORMATION

Board of Directors

Mr. Abdul Qadir Shiwani
Mr. Azeem H. Mandviwalla
Mrs. Farha Qureshi
Mr. Shamim Ahmed Khan
Mr. Tariq Mehmood
Mr. Naseer Ahmed
Mr. S. Asghar Ali

Chairman /Director
Chief Executive/Director
Director
Director
Director
Director
Director

Board of Audit Committee

Mr. Tariq Mehmood
Mr. Abdul Qadir Shiwani
Mr. Shamim Ahmed Khan

Member
Member
Member

Company Secretary

Ms. Hina Ambreen

Bankers

Habib Metropolitan Bank Limited
SILK Bank Limited

Auditors

Ibrahim Shaikh & Co.
Chartered Accountant

Tax Consultants

Jamal Yousuf (Advocates)

Legal Advisor

Tasawur Ali Hashmi (Advocate)

Registered Office

Mandviwalla Building, Old Queens Road,
Karachi -74000.
Tel: 021-32441116-9 Fax 021-32441276
Website: www.mandviwallamauser.com
E-mail: mmpil@cyber.net.pk

Shares Registrar

Registrar THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi-75500. Pakistan.
(021-111-000-322)

Factory

C-5, Uthal Industrial Estate,
Uthal, District Lasbella, Baluchistan.
Tel: 0853-610333, 0853-203218, Fax: 0853-610393

New Factory Location: - A-68/B, Eastern
Industrial Zone, Port Qasim Authority,
Karachi

DIRECTORS REVIEW REPORT

The directors of the Company are pleased to present un-audited condensed financial statements of the Company for the six months period ended December 31, 2020.

Financial Results

A summary of the financial results is shown below:

As per un-audited financial statements	<u>Rupees</u>
Sales- Net	24,218,150
Gross Loss	(1,517,897)
Net profit/(loss) after taxation	(7,489,048)
Accumulated losses	(499,212,838)
Earnings per share	(0.26)

Sales

The net sales revenue during the Half Yearly ended under review has Rs24.218 million as compared to Period Ended December 31, 2019 Rs NIL.

We had successfully started production on 25th July 2020 of our awardwinning 210 LitreMauser L-Ring Drums at our facility at Port Qasim in Karachi. The increase in sales compared to the first quarter have been extremely positive and we have seen an increase of 325%. Eventhough these are early stages, the customers have shown a positive response. Installation of our injection moulding machinery and ancillary equipment is ongoing and is expected to start production by mid of second quarter of 2021.

After tax profit/loss and accumulated losses

The loss after tax is witnessed at Rs 7.489Million during the Half Yearly ended as compared to December 31, 2019 loss of Rs 17.711 million. The management is working diligently in increasing the sales and is expected to reduce the loss considerably by the last quarter of 2021

Future Outlook

The future outlook looks promising for blow molded packaging as more companies are growing in the Chemical, Lube Oil and Food sector. The company plans to extend the range of various blow molded packaging in 2021-2022. The range of Injection molded Industrial crates and containers would be introduced in the market by 4th quarter of 2021.

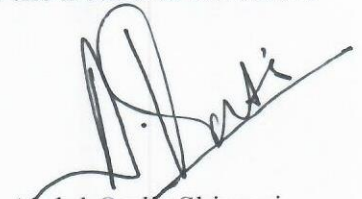
On behalf of the Board of Directors



Azeem H. Mandviwalla
Chief Executive

Karachi

Dated: February 26, 2021



Abdul Qadir Shiwani
Chairman/Director

کمپنی کے ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والی چھ ماہ کی مدت کے لئے کمپنی کے غیر آڈٹ کنڈنس مالیاتی بیانات پیش کرنے پر خوش ہیں۔

مالی نتائج

مالی نتائج کا خلاصہ ذیل میں دکھایا گیا ہے:

روپے	بغیر آڈٹ شدہ مالی بیانات
24,218,150	فروخت - نیٹ
(1,517,897)	مجموعی نقصان
(7,489,048)	ٹیکس لگانے کے بعد خالص منافع / (نقصان)
(499,212,838)	جمع شدہ نقصانات
(0.26)	فی شیئر آمدنی

فروخت

زیر جائزہ نصف سالانہ کے دوران خالص فروخت کی آمدنی 24 دسمبر 2021، 18.21 ملین روپے ہے جو 31 دسمبر، 2019 کو ختم ہونے والے پیریوڈ کے مقابلے میں NIL ہے۔ ہم نے کامیابی کے ساتھ 25 جولائی 2020 کو کراچی میں پورٹ قاسم میں اپنی سہولت پر اپنے 210 لٹری ماڈز رائل رنگ ڈرم کی ایوارڈنگ کی تیاری کا آغاز کیا تھا۔ پہلی سہ ماہی کے مقابلے میں فروخت میں اضافہ انتہائی مثبت رہا ہے اور ہم نے 325 ÷ کا اضافہ دیکھا ہے۔ واقعی یہ ابتدائی مراحل ہیں، صارفین نے ایک مثبت رد عمل ظاہر کیا ہے۔ ہماری انجیکشن مولڈنگ مشینری اور ذیلی ساز و سامان کی تنصیب جاری ہے اور توقع ہے کہ 2021 کی دوسری سہ ماہی کے وسط تک پیداوار شروع ہو جائے گی۔

ٹیکس منافع / نقصان اور جمع ہونے والے نقصانات کے بعد

ٹیکس کے بعد ہونے والے نقصان کا نصف سالانہ ہند کے دوران 31 دسمبر 2019 کو 17.711 ملین روپے کے نقصان کے مقابلے میں 7.489 ملین روپے کا نقصان ہوا ہے۔ انتظامیہ فروخت میں اضافے کے لئے تندی سے کام کر رہی ہے اور توقع ہے کہ 2021 کی آخری سہ ماہی تک اس نقصان میں کافی حد تک کمی آئے گی

مستقبل کا نظریہ

مستقبل کا نقطہ نظر دھچکا مولڈ پیکیجنگ کے لئے امید افزا نظر آ رہا ہے کیونکہ کیمیکل، لیب آئل اور فوڈ سیکٹر میں مزید کمپنیاں ترقی کر رہی ہیں۔ کمپنی کا منصوبہ ہے کہ 2021-2022 میں مختلف دھچکے والی مولڈ پیکیجنگ کی حدود میں توسیع کرے۔ انجیکشن مولڈ انڈسٹریل کریٹس اور کنٹینرز کی حد 2021 میں 4 کوارٹر میں مارکیٹ میں پیش کی جائے گی۔

منجانب بورڈ آف ڈائریکٹرز

عظیم ایچ مانڈوی والا عبدالقادر شیوانی

چیف ایگزیکٹو چیئر مین / ڈائریکٹر

کراچی: تاریخ: 26 فروری 2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANDVIWALLA MAUSER
PLASTIC INDUSTRIES LIMITED**

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Mandviwalla MAUSER Plastic Industries Limited** as at December 31, 2020 and the related condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flow, and notes to the financial statements for the half year then ended (here-in –after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss account and other comprehensive income for the quarters ended December 31,2020 and December 31,2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31,2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

- a) The management has not carried out a review of operating fixed assets to determine the impairment in the carrying values under IAS 36 “Impairment of assets”. Consequently, the amounts for these assets are stated as per the stated accounting policy and no adjustment has been made in respect of impairment loss, if any.
- b) Company’s policy for impairment of assets in respect of engineering stores in bond, having cost of Rs.19.705 million is contrary to International Accounting Standard (IAS-36) “Impairment of Assets”. The customs authorities allegedly damaged the said stores. No provision for impairment loss has been made in financial statements in this respect. The company has filed a suit against the customs authorities. Since, the engineering stores are held in bond, the extent of damage occurred could not be ascertained with reasonable certainty.

Had the company made the provisions as stated in paragraph (b) above the loss for the period would have been Rs. 27.195 million and the accumulated losses would have been

Rs. 518.918 million. Furthermore, the net capital deficiency of the company would have been Rs. 115.722 million.

- a) As mentioned in note 6.2.2 to the financial statements, the company has not recorded any additional tax liability under section 205 of the Income Tax Ordinance, 2001 that the company may incur on non-deposit of third party tax liability in the government treasury within stipulated time. Since the age of the tax liability is not ascertainable, the estimate of the financial effect cannot be quantified with substantial accuracy.
- b) Included in the trade creditors and Advance from Customer shown in the financial statements is an amount of Rs. 97.613 million and 3.615 million respectively in respect of various parties, which remain unverified. In the absence of information we were unable to verify the actual liability against these creditors and Advances;
- c) Unclaimed Dividend amounting to Rs 2.209 Million. However balance as per Dividend account in MCB (account No 10075-9) amounting to Rs 0.020 million.

Adverse Conclusion

Our review indicates that, because of the significance of the matters discussed in the preceding paragraph, this interim condensed financial statements as of and for the half year ended December 31, 2020 is not prepared in all material respects in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without qualifying our conclusion, we draw attention of the members to the following:

- a) The company incurred loss after taxation of Rs.7.489 million and as of that date it has accumulated losses of Rs.499.213 million which resulted in negative equity of Rs. 96.017 million and its current liabilities exceeded its current assets by Rs.141.149 million and total assets by Rs.85.270 million. These conditions, along with other matters as set forth in note 1.1 to the financial statements, indicate the existence of material uncertainty which may cast significant doubt about Company's ability to continue as going concern therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The engagement partner on the audit resulting in this independent auditor's report is Shabbir Ahmed.

Date: February 26, 2021
Place: KARACHI


Ibrahim, Shaikh & Co.
Chartered Accountants 

Engagement partner : Mr. Shabbir Ahmed, FCA

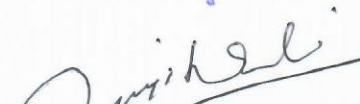
MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	Unaudited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
ASSETS	Note	
NON-CURRENT ASSETS		
Property, plant and equipment		
Assets in bond		
Long term deposits		
	4	
	35,942,502	37,568,723
	19,705,171	19,705,171
	231,710	231,710
	55,879,383	57,505,604
CURRENT ASSETS		
Stores, spare and loose tools		
Stock-in-trade/ transit		
Trade debts - unsecured, considered good		
Loan, advances, deposits, prepayments and other receivables		
Cash and bank balances		
	5	
	12,092,384	11,625,904
	62,001,381	11,591,533
	12,116,168	-
	3,723,956	3,159,540
	779,162	29,758
	90,713,051	26,406,735
	108,178,599	109,053,174
	2,208,846	2,208,846
	363,272	-
	121,111,301	50,430,855
	231,862,017	161,692,875
	(141,148,967)	(135,286,140)
Net current assets/(current liabilities)		
NON-CURRENT LIABILITIES		
Deferred liability		
	10,747,396	10,747,396
	10,747,396	10,747,396
CONTINGENCIES AND COMMITMENTS		
NET ASSETS	6	
	(96,016,980)	(88,527,932)
REPRESENTED BY:		
SHARE CAPITAL AND RESERVES		
Authorized capital		
40,000,000/- ordinary shares of Rs.10/- each		
	400,000,000	400,000,000
Issued, subscribed and paid-up capital		
28,748,133 (2020: 7,355,400) Ordinary shares of Rs. 10/- each fully paid in cash		
Subordinated loan		
Accumulated losses carried forward		
NET SHAREHOLDERS' EQUITY		
	287,481,330	73,554,000
	115,714,528	329,641,858
	(499,212,838)	(491,723,790)
	(96,016,980)	(88,527,932)

The annexed notes form an integral part of this condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Note	Half year ended		Quarter ended	
		December 31, 2020' Rupees	December 31, 2019' Rupees	December 31, 2020' Rupees	December 31, 2019' Rupees
Sales - net		24,218,150	-	18,640,500	-
Cost of goods sold	7	25,736,047	13,016,424	18,063,011	7,383,752
Gross profit / (loss)		<u>(1,517,897)</u>	<u>(13,016,424)</u>	<u>577,489</u>	<u>(7,383,752)</u>
Operating expenses					
Administrative expenses		4,579,555	4,690,030	2,385,578	2,456,982
Selling and distribution expenses		624,171	-	624,171	-
		<u>(5,203,726)</u>	<u>(4,690,030)</u>	<u>(3,009,749)</u>	<u>(2,456,982)</u>
Other income		93,083	-	46,353	-
Operating profit/(loss)		<u>(6,628,540)</u>	<u>(17,706,454)</u>	<u>(2,385,907)</u>	<u>(9,840,734)</u>
Financial and other charges		(497,235)	(4,650)	(467,457)	(2,107)
Profit/(loss) before taxation		<u>(7,125,775)</u>	<u>(17,711,104)</u>	<u>(2,853,364)</u>	<u>(9,842,841)</u>
Taxation		(363,272)	-	(363,272)	-
Profit/(loss) after taxation		<u><u>(7,489,048)</u></u>	<u><u>(17,711,104)</u></u>	<u><u>(3,216,637)</u></u>	<u><u>(9,842,841)</u></u>
Earnings per share - basic		<u><u>(0.26)</u></u>	<u><u>(2.41)</u></u>	<u><u>(0.11)</u></u>	<u><u>(1.34)</u></u>

The annexed notes form an integral part of this condensed interim financial statements



Chief Executive



Director



Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

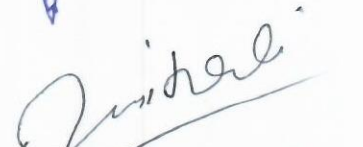
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half Year Ended		Quarter Ended	
	December 31, 2020 Rupees	December 31, 2019 Rupees	December 31, 2020 Rupees	December 31, 2019 Rupees
Profit / (Loss) for the period	(7,489,048)	(17,711,104)	(3,216,637)	(9,842,841)
Other comprehensive income	-	-	-	-
period	<u>(7,489,048)</u>	<u>(17,711,104)</u>	<u>(3,216,637)</u>	<u>(9,842,841)</u>

The annexed notes form an integral part of this condensed interim financial statements


Chief Executive


Director


Chief Financial Officer


MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

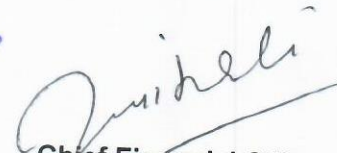
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Issued, Subscribed and Paid-up Capital	Subordinated loan	Accumulated Losses	Net shareholders' equity
	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2019	73,554,000	329,641,858	(456,154,711)	(52,958,853)
Total comprehensive income for the period ended	-	-	(17,711,104)	(17,711,104)
Balance as at December 31, 2019	<u>73,554,000</u>	<u>329,641,858</u>	<u>(473,865,815)</u>	<u>(70,669,957)</u>
Balance as at July 1, 2020	73,554,000	329,641,858	(491,723,790)	(88,527,932)
Total comprehensive income for the period ended	-	-	(7,489,048)	(7,489,048)
Increase in Paid-up Capital	213,927,330	(213,927,330)		-
Balance as at December 31, 2020	<u>287,481,330</u>	<u>115,714,528</u>	<u>(499,212,838)</u>	<u>(96,016,980)</u>

The annexed notes form an integral part of this condensed interim financial statements


Chief Executive


Director


Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Un-audited December 31, 2020 Rupees	Unaudited December 31, 2019 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(7,125,775)	(17,711,104)
Adjustment for non-cash charges and other items:		
Depreciation	1,672,721	1,888,448
Financial and other charges	497,235	4,650
	2,169,956	1,893,098
Cash flows from operating activities before working capital	(4,955,819)	(15,818,006)
Working capital changes		
(Increase)/decrease in current assets		
Stores, spare and loose tools	(466,480)	-
Stock-in-trade	(50,409,848)	(4,306,113)
Trade debts	(12,116,168)	-
Advances, deposits, prepayments and other receivables	(564,416)	(493,065)
	(63,556,912)	(4,799,178)
Increase/(decrease) in current liabilities		
Trade and other payable	(874,575)	1,929,466
	(874,575)	1,929,466
Long term deposits	-	-
Staff Gratuity Paid	-	(20,765)
Financial charges paid	(497,235)	(4,650)
	(497,235)	(25,415)
Net cash outflow from operating activities	(69,884,542)	(18,713,133)
CASH FLOW FROM INVESTING ACTIVITIES		
Work in Progress	(46,500)	(97,076)
Fixed Capital Expenditures	-	(36,304)
	-	-
Net cash outflow from investing activities	(46,500)	(133,380)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowing	49,531,929	19,080,708
Short term borrowing Banking Company	21,148,517	-
Net cash inflow from financing activities	70,680,446	19,080,708
Net increase in cash and cash equivalents	749,404	234,195
Cash and cash equivalents at beginning of the period	29,758	274,937
Cash and cash equivalents at the end of the period	8 <u>779,162</u>	<u>509,132</u>

The annexed notes form an integral part of this condensed interim financial statements


Chief Executive


Director


Chief Financial Officer

1 STATUS AND NATURE OF BUSINESS

- 1.1 The company was incorporated in Pakistan on June 13, 1988, as a public limited company under the Companies Ordinance, 1984 (Now Companies Act 2017) and is domiciled in the province of Sindh. The company is listed on the Pakistan Stock Exchanges. The company is mainly engaged in manufacturing and sale of plastic and allied products. The registered office of the company is situated at Mandviwalla Building, Old Queens Road, Karachi.

1.2 GOING CONCERN ASSUMPTION

The Company accumulated losses amounting to Rs 499.213 million as on December 31, 2020. Thus causing a net capital deficiency of Rs 96.017 million. The current liabilities have exceeded current assets by Rs 141.149 million .

These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. These Financial Statements however, have been prepared under the going concern assumptions based on following mitigating factors narrated below.

The company shifted plant to Port Qasim Karachi and started commercial production with effect from July 25, 2020. Up to December 31, 2020 Sponsoring Directors of the company have Injected funds amounting to Rs 115,714,528 along with written commitment to the company stating that they would inject funds as and when required by the company. The Sponsoring Directors also put on record that they have enough liquid fund to fulfill their commitments .

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2020.
- 2.3 The figures include in the condensed interim statement of profit or loss account and other comprehensive income for the quarters ended December 31, 2020 and 2019 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for half years ended December 31, 2020 and 2019

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2.4 ACCOUNTING ESTIMATES, JUDGEMENT AND FINANCIAL RISK MANAGEMENT

Judgements and estimates made by the management in the preparation of the condensed interim financial statements were the same as those applied to the financial statements as at and for the year ended June 30, 2020

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended June 30, 2020 except those stated in note 3.2 (a) below.

3.2 NEW STANDARDS, AMENDMENTS TO APPROVED ACCOUNTING STANDARDS AND NEW INTERPRETATIONS

a) AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS WHICH ARE EFFECTIVE DURING THE HALF YEAR ENDED DECEMBER 31, 2020

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

b) STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2021. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

	Note	December 31, 2020 Rupees	June 30, 2020 Rupees
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assts	4.1	31,054,341	32,727,062
Civil Work In Progress		4,888,161	4,841,661
		<u>35,942,502</u>	<u>37,568,723</u>
4.1 Operating fixed assts			
Opening written down value		32,727,062	36,638,660
Add: addition during the period/ year		-	36,800
		<u>32,727,062</u>	<u>36,675,460</u>
Less : Assest destroy in transit book value		-	(190,500)
Less: Depreciation charged during the period/ year		(1,672,721)	(3,757,898)
Closing written down value		<u>31,054,341</u>	<u>32,727,062</u>

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4.2 Details of Plant and Machinery destroyed in transit during the year are as	Rupees	Rupees
Cost	-	4,493,860
Accumulated depreciation	-	(4,303,360)
Net book value	-	190,500
Insurance proceed	-	-

Mode of disposal

Insurance Claim

In July 2019, the company had lodged Insurance claim on marine cargo insurance policy for transportation of plant and machinery from Uthal Baluchistan to Port Qasim Authority. During transit machine RMP-135 imported from Italy was completely damaged and certain spares of RMP-1350 were also damaged. The company has filled claim of Rs 30 million with the insurance company which is disputed by the insurance company with regards to amount of claim. The company had recorded the loss on assets destroyed on the basis of book value of the assets. The claim is settled after December 31, 2020 amounting to Rs 9.640 million as full and final settlement and gain arising on insurance claim will be recognized in subsequently quarter

	Note	December 31, 2020 Rupees	June 30, 2020 Rupees
5 SHORT TERM BORROWING - UN SECURED			
Habib Metropolitan Bank Trust Receipts Foreign Bills payable	5.1'	21,148,517	-
Others	5.2'	99,962,784	50,430,855
		121,111,301	50,430,855

5.1 This represents the Letter of Credit- Trust Receipts finance facility of Rs.100 million (2020: Rs.NIL) bearing mark-up of 3 month Kibor plus 1% (2020: NIL) per annum. This loan to be paid within maximum 90 days from the date of initiation. The loan is secured against First Pari Passu charge over plant & machinery, personal guarantees of Shahid Tawawalla Director of M/s Messkay & Femtee Trading Co Pvt Ltd. & Coprprate Gurantee of M/s Messkay & Femtee Trading Co Pvt Ltd.

5.2 The Company has obtain loans from Meskay & Femtee Trading Company (Private) Limited. As per the term of agreement, the loans are repayable on demand.

6 CONTINGENCIES AND COMMITMENTS

6.1 Capital commitments	NIL	NIL
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6.2 Contingencies

6.2.1 Wash basin Moulds

The company has filed two suits 32/92 for Rs. 84.509 million against the Customs Authority for damaging the wash basin mould during illegal detention. These suits were dismissed and the company has filed an appeal against these judgments in the Sindh High Court which is still pending.

A suit No 768/93 is also pending in the High Court of Sindh against the EFU General Insurance Company for refusing payments of claim for damage to the wash basin mould. The amount of claim and mark-up thereon (as claimed) comes to Rs. 48.770 million.

6.2.2 Additional Tax Liability

Included in creditors, accrued and other liabilities, the company has not provided for additional tax on third party tax liability amounting to Rs. 5.023 million as at December 31, 2020 to be levied under section 205 of Income Tax Ordinance, 2001 as mentioned in note 18 to the audited financial statements for the year ended June 30, 2020. The company believes that the said amount will be paid.

6.2.3 Securities and Exchange Commission of Pakistan (SECP)

6.2.3.1 SECP issued show cause notice no EMD/233/602/2002-861-868 date: June 16, 2011 under sub section (3) of section 245 read with section 476 of the Companies Ordinance, 1984 on non filing of quarterly income statement and balance sheet for the third quarter ended on March 31, 2011.

6.2.3.2 SECP has issued an order against the directors of the company for not holding the AGM for the year ended June 30, 2012 and has imposed a fine of Rs. 400,000/- (Rs. 50,000 on each director). SECP has also issued a notice to file quarterly accounts for the periods ended December 31, 2011 and March 31, 2012. The aforesaid violation attracts the penal provisions of sub section (3) of section 245 of the Companies Ordinance, 1984 and every director, including the chief executive and chief accountant of the company may be liable to pay the penalties under the above mentioned section.
The directors have decided to file an appeal against the order.

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Rupees	Rupees	Rupees	Rupees
7 COST OF GOODS SOLD				
Raw materials consumed	28,788,795	-	18,306,916	-
Salaries, wages and other benefits	5,343,234	4,743,221	2,846,935	2,651,975
Stores and Spares	1,660,409	2,601,267	841,802	1,578,481
Travelling Conveyance and vehicle running expenses	1,018,207	778,951	562,325	494,843
Other expenses	8,001,704	3,290,960	6,309,396	1,857,440
Depreciation	1,432,522	1,602,025	716,261	801,013
Cost of goods manufactured	46,244,871	13,016,424	29,583,635	7,383,752
Finished goods - opening stock	5,755,309	5,755,309	14,743,509	5,755,309
Cost of goods available for sale	52,000,180	18,771,733	44,327,144	13,139,061
Finished goods - closing stock	(26,264,133)	(5,755,309)	(26,264,133)	(5,755,309)
	25,736,047	13,016,424	18,063,011	7,383,752

	December 31, 2020	December 31, 2019
	Rupees	Rupees
8 CASH AND CASH EQUIVALENTS		
Cash and bank balances	779,162	509,132
Cash and bank balances	779,162	509,132

9 TRANSACTIONS WITH ASSOCIATED/RELATED PARTIES

Subordinated borrowings from director	115,714,528	329,641,858
Subordinated borrowings from director movement	(213,927,330)	261,000
Salaries payable Directors	2,264,193	2,264,193
Short Term Borrowings	5 99,962,784	39,643,200
Short Term Borrowings movement	60,319,584	39,643,200
Staff gratuity payable	9,467,400	10,387,915
Benefits due but now transfer to short term liability	4,438,887	3,122,210

9.1 Personal guarantees of Shahid Tawawalla Director of M/s Messkay & Femtee Trading Co Pvt Ltd. & Coprprate Gurantee Pf M/s Messkay & Femtee Trading Co Pvt Ltd in favour of the company to.Habib Metropolitan Bank Limited amounting to Rs 121 million.

10 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reporting segment


11 GENERAL

11.1 Figures have been rounded to the nearest rupee.

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11.2 These financial statements were authorized for issue on _____ by the Board of Directors of the Company.


Chief Executive


Director


Chief Financial Officer