

**MANDVIWALLA MAUSER PLASTICS INDUSTRIES LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE, 2021**

**IBRAHIM, SHAIKH & CO**  
**CHARTERED ACCOUNTANTS**  
**259-260 & 403, Panorama Centre, Fatima Jinnah Road,**  
**Karachi-74400**  
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## **MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED COMPANY INFORMATION**

### **Board of Directors**

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

### **Board of Audit Committee**

Mr. Tariq Mehmood	Member
Mr. Abdul Qadir Shiwani	Member
Mr. Shamim Ahmed Khan	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](http://www.mandviwallamauser.com)  
E-mail: [mmpil@cyber.net.pk](mailto:mmpil@cyber.net.pk)  
[info@mandviwalla.net](mailto:info@mandviwalla.net)

### **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

### **Notice of Annual General Meeting**

Notice is hereby given that the 33rd Annual General Meeting of **Mandviwalla MAUSER Plastic Industries Limited** will be held on Thursday, October 28, 2021, at 12:00 noon via Zoom video link, Karachi to transact the following business-

1. To confirm the minutes of the 32rd Annual General Meeting held on November 27, 2020.
2. To receive, consider and adopt the Audited Accounts of the Company along with the Directors' and Auditors' Reports thereon for the year ended June 30, 2021.
3. To appoint the Auditors of the Company and fix their remuneration.
4. To elect seven (7) Directors as the number fixed by the Board of Directors for the next term of three years. The following retiring Directors have offered themselves for re- election.
  - (i) Mr. Tariq Mahmood
  - (ii) Mr. S. Asghar Ali
  - (iii) Mr. Azeem H. Mandviwalla
  - (iv) Mrs. Farah Qureshi
  - (v) Mr. Naseer Ahmed
  - (vi) Mr. Shamim Ahmed Khan
  - (vii) Mr. Abdul Qadir Shiwani
5. To transact any other business with the permission of the Chairman.

By order of the Board of Directors

  
**HINA AMBREEN**  
Company Secretary

**October 07, 2021**  
**Karachi**

#### **Notes:**

In light of the COVID-19 situation, is continuing with emergence of new variants with the passage of time causing rapid human to human transmission, therefore, in order to protect the health and wellbeing of shareholders, Company has decided to convene its 33<sup>rd</sup> AGM through video link facility, while honoring quorum provision, as allowed by the SECP. For this purpose, special arrangements have been made for the AGM.

AGM will be held through ZOOM application (a video link facility).



To attend the meeting, members are requested to register themselves by providing the following information through email at [mandviwalla.investor.relations@thk.com.pk](mailto:mandviwalla.investor.relations@thk.com.pk) on or before 25th October 2021.

Name of Shareholder	CNIC Number	CDC Account No./Folio No.	Cell Number	Email Address

Members, who are registered, after the necessary verification, will be provided a Zoom video link by the Company on the same email address that they email the Company with. The login facility will remain open from 11:45 a.m. till the end of the meeting.

The Members can also provide their comments and questions for the agenda items of the AGM on email [mandviwalla.investor.relations@thk.com.pk](mailto:mandviwalla.investor.relations@thk.com.pk)  
Email [info@mandviwalla.net](mailto:info@mandviwalla.net)

### 1. Book of Closure

The share transfer books of the Company will remain closed from October 20, 2021 to October 28, 2021 (both days inclusive).

### 2. For appointing proxies

A member entitled to attend and vote at this meeting may appoint any other member as his/ her proxy to attend and vote on his/ her behalf. The instrument appointing proxy must be received at the registered office of the Company duly stamped and signed not later than 48 hours before the meeting.

Members are requested to notify our

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

If there is any change in their addresses immediately.

CDC Account Holders will further have to strictly follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

## VISION STATEMENT

To diversity and expand in other related sectors where quality plastic products are not available and fill the gaps in these fields. Increase awareness of our Company and the international quality standards being met nationally and internationally. Further improve whenever possible and identify areas which can be better managed

## MISSION STATEMENT

Our mission is to exceed the expectations of our customers in producing, with efficiency, quality plastic products, employing international best practices and applying an integrated approach to product research and development, manufacturing technology, operations management, material procurement, financial management and information system.

### Strategic goals:

- a) **Achieving customer satisfaction** by manufacturing quality products, timely management of deliveries and after sales support.
- b) **Ensuring quality manufacturing** by producing highest quality of plastic products at competitive prices.
- c) **Expanding customer base** by exploring new national and international markets and understanding product research and development in plastic products as well as our own market requirement.
- d) **Ensuring efficient resource management** by managing human, financial, technical and infrastructural resources to support the above strategic goals and to ensure highest possible value addition to stakeholders.

### **Core Values:**

1. Striving for continuous improvement and innovation with commitment and responsibility;
2. Treating stake holders with respect, courtesy and competence;
3. Practicing highest personal and professional integrity;
4. Maintaining teamwork, trust and support , with open an candid communication;
5. Ensuring cost consciousness in all decisions and operations;

(Rupees in Million)

**Key Operating And Financial Results**  
Rupees in Thousand

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Operating Data</b>						
Sales (Net)	123.106	-	-	-	-	-
Cost of sales	(123.078)	(26.741)	(12.066)	(6,327)	(6,293)	(7,469)
Gross Profit /(loss)	0.027	(26.741)	(12.066)	(6,327)	(6,293)	(7,469)
Operating Profit/lose	(12.83)	(35.733)	(19.209)	(8,161)	(7,749)	(9,889)
Financial Charges	(1.576)	(0.00709)	(0.00452)	(0.00166)	-	(5,000)
Profit/(lose) before Taxation	(4.839)	(36.084)	(19.217)	(8,163)	22.357	127.838
Profit/(lose) after Taxation	(6.735)	(36.084)	(19.217)	(8,163)	18.556	43.906
<b>Financial Data</b>						
Shareholders equity	(94.74)	(88.528)	(52.958)	(31.132)	(78.468)	(285,757)
Long term liabilities				-	-	-
Deferred liabilities	11	10.747	11.689	8.519	5.8660	5.561
Current liabilities	272	161.692	122.724	99.223	153.972	366,279
Fixed Assets	37	32.727	36.638	38,662	42,898	47,610
Work in Progress	-	4.842	4.625	-	-	-
Assest in Bond	19.705	19.705	19.705	19.705	19.705	19.705
Long term deposits	0.23171	0.23171	0.23171	0.23171	0.73	0.73
current assets	130.59	26.407	20.253	18.011	18,033	18,033
<b>Key Ratio</b>						
Gross margin	0.022%	-	-	-	-	-
Operating margin	-8.21%	-	-	-	-	-
Net Profit/Loss	-5.47%	-	-	-	-	-
Current ratio*	0.48	0.163	0.16	0.19	0.160	0.049
Earning/(loss) per share	(0.23)	(4.91)	(2.61)	(1.11)	-	0.01
<b>Dividend</b>						
		-	-	-	-	-
<b>Production (Tons)</b>						
Installed	4275	4275	4275	4275	4,275	4,275
Actual	464	-	-	-	-	-



## Chairman's Review

As the elected Chairman of the Board of Directors, It is my pleasure to present this report to the shareholders of the Company for the year ended June 30, 2021, pertaining to the overall performance of the Board of Directors and their effectiveness in guiding the Company towards accomplishing its aims and objectives. I appreciate the efforts of the Board and Management for working on the restructuring of the company and I am pleased to announce that the plant is commissioned, and necessary civil works and installations are complete. The Company started commercial production with effect from July 25, 2020.

The first year has been challenging and I would like to thank our existing employees and their contribution for a revival of the company and hopefully in the coming year to bring our company into operations and profitability.

A handwritten signature in blue ink, appearing to be 'A. Q. Qureshi', written over a diagonal line.

Chairman of the Board of Directors  
Karachi: November 07, 2021



## چیرمین کا جائزہ

بورڈ آف ڈائریکٹرز کے منتخب صدر نشین ہونے کی حیثیت سے مورخہ 30 جون 2021 کو اختتام پذیر ہونے والے سال کی یہ رپورٹ معزز شیئر ہولڈرز کی خدمت میں پیش کرتے ہوئے مجھے دلی مسرت محسوس ہو رہی ہے جو بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور اپنے اہداف و مقاصد کے حصول کی سمت کی جانب رہنمائی کرنے میں ان کی افادیت سے متعلق ہے۔ کمپنی کی تنظیم نو کے لئے بورڈ اور انتظامیہ کی کادشوں کو میں قدر کی نگاہ سے دیکھتا ہوں اور یہ اعلان کرتے ہوئے مجھے خوشی ہو رہی ہے کہ پلانٹ نے کام شروع کر دیا ہے اور تمام ضروری سول ورکس اور تنصیبات مکمل کی جا چکی ہیں۔ کمپنی نے کمرشل پروڈکشن مورخہ 25 جولائی 2020 سے شروع کر دی ہے۔

پہلا سال چیلنجوں سے پُر رہا ہے۔ کمپنی کے احیاء کے لئے موجودہ ملازمین اور ان کی جدوجہد کا میں تہہ دل سے مشکور ہوں اور امید کرتا ہوں کہ آنے والے برسوں میں بھی وہ کمپنی کو چلانے اور اسے منافع میں لانے کے لئے عین اسی طرح اپنی جدوجہد جاری رکھیں گے۔

چیرمین / بورڈ آف ڈائریکٹرز

کراچی: مورخہ 07 نومبر 2021ء

## Chairman/Directors' Report

The Board of Directors of the company are presenting the 33rd Annual Report and Audited Financial Statements of the company for the year ended June 30, 2021.

### Financial Results

Financial results are summarized as under.

	2021 Rupees	2020 Rupees
Sales (Net)	123,106,275	-
Gross profit/(Loss)	27,499	(26,741,330)
Net profit/(loss)after taxation	(6,734,840)	(36,083,646)
Accumulated losses	(497,970,824)	(491,723,790)
Earning per share	(0.23)	(4.91)

### Production

The 464 tons capacity utilization during 2020-21.as compared to previous year Rs Nil

### Sales

The net sales revenue was Rs. 123.106 million as compared to previous year Rs. Nil. The Company has started its commercial production from July 2020

The first year after shifting of the Plant and machinery has been quite challenging and the management and staff have worked diligently to increase our market share. The Company has started commercial production with effect from July 25, 2020 for its world renowned 210-Litre Mauser L-Ring drums. The last quarter of the year 2021 should a reasonable improvement in volumes.

### After Tax Profit/Loss and Accumulated losses

The loss after tax is witnessed at Rs.6.734 million during the year as compared to loss of Rs. 36.083 million (2020).

### Payments of Creditors

The company is working on the settlement of these creditors in the near future.

## **Auditors' report to the members**

Our auditor, M/s Ibrahim, Shaikh & Co Chartered Accountants has highlighted certain matters in their reports to the members on the financial statements for the year under review. The respective explanations are as follows.

1. The auditors have given qualification on the going concern assumption that the going concern assumption used in preparation of these financial statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively. However, the management is of the view that the sponsors are continuously injecting funds into the company and as on June 30, 2021 already provided Subordinated loans to the Company amounting to Rs 115.714 million last year its 329.641 million during the year shares have been issued to Azeem Hakim Mandviwalla amounting to Rs 213.927,330 against Subordinated loan. The company has also obtained interest free short term loan from M/s Meskay and Femtee Trading Company (pvt) Ltd amounting to Rs 92.963 million. The Company has a unique product mix and the highest credibility in their field. The technology is unique and difficult to gain experience in due to which condition in the future are expected to become favorable. The company has elaborated the factors in note 1.1 to the financial statements, and that has been considered in preparation of the financial statements on going concern basis.
2. The Auditors qualified that 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. The management is making efforts and such review will be carried out in the coming year.
3. Provision for impairment loss of engineering stores in bond of Rs. 19.705 million have not been made as these are still lying in the bonded warehouse therefore, the amount of loss cannot be ascertained with certainty. Further explanation is given in note Note 7.1 to the financial statements.
4. The company has not recorded any additional liability under section 205 of the income tax ordinance 2001, on deposition of third party tax as mentioned in note No.18.1.2 into federal treasury within the stipulated period. The company expects to satisfy the auditors to the full regarding the same as all obligation have been discharged according to law and proof of which will be provided subsequently to the auditors.
5. "Store spares and loose tools" and "Stock in trade" items have been recorded at realizable value and as per management assessment no provision against these items are required.



However, independent revaluation of "Store spares and loose tools" and "Stock in trade" will be carried out in 2022.

6. The management is making effort in contacting these creditors to verify their balance to our auditors. This would most probably reflect in the half yearly audit or subsequent accounts.
7. Unclaimed Dividend represents unclaimed dividends of Sponsors and they have given their consent that these unclaimed dividend are payable on demand.

#### **Auditors**

The present auditors M/s Ibrahim, Shaikh & Co, Chartered Accountants retire and being eligible to offer themselves for reappointment.

#### **Statement on Corporate and Financial Reporting Frame Work**

The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP). Following are statements on Corporate and Financial Reporting Framework:

- a) The Financial Statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Accounting estimates are based on reasonable prudent judgment.
- d) International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from if any, has been adequately disclosed.
- e) The system of financial controls, which was in place, is being continuously reviewed by the management for improvement of internal audit and other procedures. The process of review will continue and any weaknesses in the controls will be removed.
- f) The going concern assumption is discussed in note 1.1 to the financial statements.



- g) There has been no material departure from the best practice of the corporate governance, as detailed in the listing regulation.
- h) Key operating & financial data for the last six years in summarized, form is annexed.
- i) In view of the losses sustained, the company has not declared dividend during the year.
- j) Outstanding taxes & levies:  
Please refer to note 27 to the annexed financial statements
- k) During the year four meetings of the board of directors were held. Attendance by each director is as follows:-

<b>Board of Directors</b>	<b>No. of meeting Attended</b>
Mr. Azeem H. Mandviwalla	04
Mr. Tariq Mehmood	04
Mr. Abdul Qadir Shawani	04
Mr. Naseer Ahmed	04
Mr. Syed Asghar Ali	04
Mr. Shamim Ahmed Khan	04
Ms. Farah Qureshi	00

Leave of absence was granted to director who could not attend of the board meetings.

The Audit Committee held Two (2) meeting during the year. Attendance by each member was as follows:

<b>Members Name</b>	<b>No. of meeting Attended</b>
Mr. Qadir Shiwani	02
Mr. Tariq Mehmood	02
Mr. Shamim Ahmed Khan	02

l) The total number of directors are seven as per the following:

- a) Male: Six
- b) Female: One

m) The composition of the Board of Directors (“the Board”) is as follows:

Category	Names
Independent Director	Nil
Other Non-Executive Directors	Mst. Farah Qureshi
	Mr. Shamim Ahmed Khan
	Mr. Tariq Mahmood
	Mr. Abdul Qadir Shiwani
	Mr. Naseer Ahmed
	Mr. Syed Asghar Ali
Executive Directors *	Mr. Azeem Hakim Mandviwalla *

n) The Board has formed committees comprising of members given below:

a. Audit Committee

- i. Mr. Tariq Mehmood -Chairman
- ii. Mr. Abdul Qadir Shiwani
- iii. Mr. Shamim Ahmed Khan

b. The Board has not formed an HR and Remuneration Committee

### **Directors’ Remuneration Policy**

The Board is authorized to determine the remuneration / fee of its Directors for attending meetings of the Board. No remuneration shall be paid for attending meetings of the Committee(s) of the Board and for attending General Meeting(s) or any other business meeting(s) of the company.. The details of fee paid during the year and remuneration package of Chief Executive Officer are disclosed in note 30 to the financial statements.

### **Future Outlook**

The future outlook of the plastic industry is very promising. The sales in the 1<sup>st</sup> quarter of 2021-2022 have increased by three folds. The company has now established its main product the 210 Litre Mauser L-Ring drums in the Chemical and Food sector. The company plans to breakthrough in the Oil industry as well this year.


The market has been growing constantly over the last five years and the company is already looking for expansion of capacity by end of this year. It plans to launch the 160 litre Open Top and 250 Litre drums in 2021-2022 and will follow by its line of Industrial crates and containers.

It has big plans to add a new product range to its line to increase its market share in the Lube Oil, Chemical and Food sectors.

### **Acknowledgment**

It is our privilege to share with you our deep appreciation of the sincerity and dedication of our company employees who are our main asset.

We would also like to express our gratitude for the support and co-operation of our valued customers, shareholders, suppliers and financial institutions.

  
Azeem H. Mandviwalla  
Chief Executive

Karachi

Dated: October 07, 2021

On behalf of the Board of Directors  
  
Abdul Qadir Shiwani  
Chairman/Director

## چیمبر مین / ڈائریکٹرز کی رپورٹ

کمپنی کا بورڈ آف ڈائریکٹرز مورخہ 30 جون 2021 کو اختتام پذیر ہونے والے مالی سال کے لئے 33 ویں سالانہ رپورٹ ہمراہ آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے دلی مسرت محسوس کر رہا ہے۔

### مالیاتی نتائج

مالیاتی نتائج کا خلاصہ درج ذیل ہے:-

2020	2021	
روپے	روپے	
---	123,106,275	فروخت (خالص)
(26,741,330)	27,499	خام نفع / (تقصان)
(36,083,646)	(6,734,840)	خالص نفع / (تقصان) بعد از ٹیکس
(491,723,790)	(497,970,824)	مجموعی نقصانات
(4.91)	(0.23)	فی شیئر کمائی

### پیداوار

سال 2020-2021 کے دوران 464 ٹن کی گنجائش سے استفادہ کیا گیا جو گزشتہ برس صفر رہی تھی۔

### فروخت

گزشتہ سال کی صفر فروخت کے مقابلے میں زیر جائزہ سال کے دوران فروخت سے ہونے والی آمدنی کا حجم 123.106 ملین روپے رہا۔ کمپنی نے اپنا کمرشل آپریشن جولائی 2020 میں شروع کیا تھا۔ پلانٹ اور مشینری کی منتقلی کے بعد پہلا سال کافی مشکل ثابت ہوا ہے اور اس دوران انتظامیہ اور ہمارے اسٹاف نے انتہائی جاں فشانی کے ساتھ کام کر کے مارکیٹ میں ہمارا حصہ بڑھا دیا ہے۔ کمپنی نے عالمی شہرت یافتہ 210 لیٹر گنجائش والے Mauser ایل رنگ ڈرمز کی کمرشل پروڈکشن مورخہ 25 جولائی 2020 کو شروع کی تھی۔ سال 2021 کی آخری سہ ماہی میں اس حجم میں مناسب اضافہ ہونا چاہئے۔



## بعد از ٹیکس نفع / نقصان اور جمع شدہ نقصانات

زیر جائزہ سال کے دوران بعد از ٹیکس نقصان 6.734 ملین روپے سامنے آیا جب کہ گزشتہ برس (2020) کی اسی مدت کے دوران نقصان کا حجم 36.083 ملین روپے رہا تھا۔

## قرض خواہوں کو ادائیگیاں

ان قرض خواہوں کے ساتھ مستقبل قریب میں تصفیے کی غرض سے کمپنی کام کر رہی ہے۔

## ممبرز کے نام آڈیٹرز کی رپورٹ

زیر جائزہ برس کے مالیاتی گوشواروں کے بارے میں ممبران کے نام اپنی رپورٹ میں ہمارے آڈیٹرز میسرز ابراہیم، شیخ اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس نے چند یقینی امور کو اجاگر کیا ہے۔ ان کی وضاحتیں ذیل میں پیش کی جا رہی ہیں۔

1- آڈیٹرز نے چلتے کاروباری ادارے کے مفروضے کو سند دی ہے کہ ان مالیاتی گوشواروں کی تیاری میں چلتے کاروباری ادارے کے لئے جو مفروضہ استعمال کیا گیا ہے وہ موزوں نہیں؛ چنانچہ اثاثہ جات اور باریا قرضے کی بالترتیب قابل وصولی اور قابل تصفیہ رقوم بتائی جانی چاہئیں تھیں۔ دوسری جانب انتظامیہ کا نقطہ نگاہ یہ ہے کہ اسپانسرز کمپنی کو فنڈز مسلسل فراہم کر رہے ہیں اور مورخہ 30 جون 2021 تک کمپنی کو 115.714 ملین روپے مالیت کے ماتحت قرضے دیئے جا چکے ہیں جو گزشتہ برس 329.641 ملین روپے رہے تھے۔ سال کے دوران عظیم حکیم مانڈوی والا کو ماتحت قرضے کے عوض 213,927,330 روپے کے شیئرز جاری کئے گئے ہیں۔ کمپنی نے M/s Meskay and Femtee Trading Company (pvt) Ltd سے 92.963 ملین روپے کا قلیل مدتی بلا سود قرضہ بھی حاصل کیا ہے۔ کمپنی منفرد مصنوعات کے ایک سلسلے اور اپنے شعبے میں بلند ترین ساکھ کی بھی مالک ہے۔ اسے حاصل ٹیکنالوجی منفرد ہے جس کا تجربہ حاصل کرنا بھی مشکل ہے۔ یہی وجہ ہے کہ ہمیں امید ہے کہ مستقبل ہمارا ہوگا۔ ان عوامل کی وضاحت کمپنی نے مالیاتی گوشواروں کے نوٹ 1.1 میں کر دی ہے اور چلتے کاروباری ادارے کی بنیاد پر مالیاتی گوشواروں کی تیاری میں ان عوامل کو مد نظر رکھا گیا ہے۔

2- آڈیٹرز نے سند دی ہے کہ IAS 36 "اثاثوں کی تخریب" کے تحت carrying value میں تخریب کے تعین کی غرض سے کوئی جائزہ نہیں لیا ہے۔ چنانچہ ان اثاثوں کی رقوم بیان کردہ اکاؤنٹنگ پالیسی کے مطابق ہی درج کی گئی ہے اور تخریب کے نقصان، اگر کوئی ہے، میں کوئی مطابقت (adjustment) نہیں لائی گئی ہے۔

3- مبلغ 19.705 ملین روپے کے بونڈ میں رکھے انجینئرنگ اسٹورز کے تخریبی نقصان کی بھرپائی نہیں کی جا سکتی ہے کیوں

کہ یہ اشیاء تاحال بونڈڈ ویئر ہاؤس میں رکھی ہیں چنانچہ نقصان کی رقم کا تعین یقین سے نہیں کیا جاسکتا۔ مزید وضاحت مالیاتی گوشواروں کے نوٹ 7.1 میں پیش کر دی گئی ہے۔

4۔ جیسا کہ نوٹ نمبر 18.1.2 میں مذکور کیا گیا ہے، کمپنی نے تھرڈ پارٹی ٹیکس مقررہ مدت کے اندر وفاقی خزانے میں جمع کرانے پر آئٹم ٹیکس آرڈیننس 2001 کی دفعہ 205 کے تحت کوئی اضافی بار یا قرض ریکارڈ نہیں کیا ہے۔ کمپنی کو توقع ہے کہ اس ضمن میں وہ آڈیٹرز کو پوری طرح مطمئن کر دے گی کیوں کہ تمام ذمہ داریاں قانون کے مطابق ادا کی گئی ہیں اور اس کے ثبوت آڈیٹرز کو پیش کر دیئے جائیں گے۔

5۔ ”فاضل پرزہ جات اور کھلے اوزار“ اور ”تجارتی مال“ کے آئٹمز کی قابل وصولی قیمتیں درج کی گئی ہیں اور انتظامیہ کے اندازے کے مطابق ان آئٹمز کے لئے کوئی شرط درکار نہیں۔ تاہم ”فاضل پرزہ جات اور کھلے اوزاروں“ اور ”مال تجارت“ کی آزاد قدرکاری 2022 میں کی جائے گی۔

6۔ انتظامیہ اپنے قرض خواہوں سے رابطہ کرنے کی کوشش کر رہی ہے تاکہ ان کے بقایا جات کی تصدیق آڈیٹرز کے پاس کی جاسکے۔ ممکنہ طور پر یہ صورت حال ششماہی آڈٹ رپورٹ یا بعد کے کھاتوں میں واضح ہو جائے گی۔

7۔ غیر دعویٰ شدہ منافع منقسمہ اسپانسرز کے غیر دعویٰ شدہ منافع منقسمہ کو ظاہر کرتا ہے اور اس ضمن میں انہوں نے اپنی رضامندی دے دی ہے کہ غیر دعویٰ شدہ منافع منقسمہ طلب کرنے پر قابل ادائیگی ہوگا۔

## آڈیٹرز

موجودہ آڈیٹرز میسرز ابراہیم، شیخ اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں البتہ دوبارہ تقرری کے لئے اہل ہیں۔

## کارپوریٹ اور فنانشیل رپورٹنگ فریم ورک پر بیان

ڈائریکٹرز کو یہ بیان کرتے ہوئے مسرت ہو رہی ہے کہ کمپنی، جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی شرط ہے، کوڈ آف کارپوریٹ گورننس پر مکمل عمل پیرا ہے۔ کارپوریٹ اور فنانشیل رپورٹنگ فریم ورک پر بیانات درج ذیل ہیں:

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اپنے آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو بے لاگ اور غیر جانب دارانہ انداز سے ظاہر کرتے ہیں۔
- کمپنی کے کھاتوں کی کتب موزوں طور سے تیار کی جاتی ہیں۔

- (c) مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مستقلاً نفاذ کیا گیا ہے۔ اکاؤنٹنگ تخمینہ جات معقول اور چوکسی سے کئے گئے فیصلوں پر بنیاد کرتے ہیں۔
- (d) مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل نفاذ اکاؤنٹنگ کے عالمی معیارات پر عمل کیا گیا ہے اور کسی بھی انحراف، اگر ہو، کو موزوں طور سے ظاہر کیا گیا ہے۔
- (e) مالیاتی انضباط کا نظام جو پہلے سے موجود تھا، انتظامیہ اس پر مسلسل نظر ثانی کر رہی ہے تاکہ اندرونی محاسبہ (انٹرنل آڈٹ) اور دیگر پروسیجروں کو بہتر بنایا جاسکے۔ نظر ثانی کا عمل جاری رہے گا اور انضباط میں کسی بھی کم زوری کو دور کر دیا جائے گا۔
- (f) جاری کاروباری ادارے کے مفروضے پر مالیاتی گوشواروں کے نوٹ 1.1 میں بحث کی گئی ہے۔
- (g) لسٹنگ ریگولیشنز میں کی گئی صراحت کے مطابق کارپوریٹ گورننس کے بہترین معمولات سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- (h) گزشتہ چھ برسوں کے اہم آپریٹنگ اور فنانشیل ڈیٹا کا خلاصہ پیش کر دیا گیا ہے، فارم منسلک ہے۔
- (i) نقصانات کے سبب کمپنی نے دوران سال منافع منقسمہ کا اعلان نہیں کیا ہے۔
- (j) قابل ادائیگی ٹیکس اور محصولات:
- ازراہ مہربانی مالیاتی گوشواروں سے منسلک نوٹ نمبر 27 ملاحظہ کیجئے۔
- (k) سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد کئے گئے۔ ہر ڈائریکٹر کی اجلاسوں میں حاضری کی صورت حال درج ذیل ہے:-

بورڈ آف ڈائریکٹرز	اجلاسوں کی تعداد اور حاضری
جناب عظیم ایچ مائڈوی والا	04
جناب طارق محمود	04
جناب عبدالقادر شیوانی	04
جناب نصیر احمد	04
جناب سید اصغر علی	04
جناب شمیم احمد خان	04
محترمہ فرح قریشی	00

کسی وجہ سے بورڈ کے اجلاسوں میں شرکت نہ کر سکنے والے ڈائریکٹرز کو رخصت عنایت کی گئی۔

دوران سال آڈٹ کمیٹی کے دو (2) اجلاسوں کا انعقاد ہوا۔ ہر ڈائریکٹر کی اجلاسوں میں حاضری کی صورت حال درج ذیل

ہے:-



اجلاسوں کی تعداد اور حاضری	اراکین کا نام
02	جناب قادر شیوانی
02	جناب طارق محمود
02	جناب شمیم احمد خان

(i) ڈائریکٹرز کی کل تعداد سات ہے جو مطابق ذیل ہے:

(a) حضرات..... چھ

(b) خاتون..... ایک

(m) بورڈ آف ڈائریکٹرز ("بورڈ") کی ترکیب بمطابق ذیل ہے:

کیٹگری	نام
آزاد ڈائریکٹر	کوئی نہیں
دیگر نان ایگزیکٹو ڈائریکٹرز	محترمہ فرح قریشی جناب شمیم احمد خان جناب طارق محمود جناب عبدالقادر شیوانی جناب نصیر احمد جناب سید اصغر علی
ایگزیکٹو ڈائریکٹرز*	جناب عظیم حکیم مانڈوی والا*

(n) بورڈ نے کمیٹیاں تشکیل دی ہیں جو درج ذیل اراکین پر مشتمل ہیں:

-a آڈٹ کمیٹی

i- جناب طارق محمود..... چیئرمین

ii- جناب عبدالقادر شیوانی

iii- جناب شمیم احمد خان

-b بورڈ نے ایچ آر اینڈ ریوریزیشن کمیٹی کی تشکیل نہیں کی ہے۔



## ڈائریکٹرز کے معاوضے کی پالیسی

بورڈ، اپنے اجلاسوں میں شرکت کے عوض ڈائریکٹرز کے معاوضے/فیس کا تعین کرنے کا اختیار رکھتا ہے۔ بورڈ کی کمیٹیوں اور عام اجلاسوں اور کمپنی کے دیگر امور نمٹانے کی غرض سے بلائے جانے والے اجلاسوں میں شرکت کے عوض بورڈ کوئی معاوضہ ادا نہیں کیا جائے گا۔ دوران سال ادا کی گئی فیسوں کی تفصیلات اور چیف ایگزیکٹو آفیسر کے معاوضے کا پیکیج مالیاتی گوشواروں کے نوٹ نمبر 30 میں ظاہر کئے گئے ہیں۔

### مستقبل کا منظر نامہ

پلاسٹک کی صنعت کے مستقبل کا منظر نامہ بہت شان دار ہے۔ مالی سال 2021-2022 کی پہلی سہ ماہی کے دوران فروخت میں تین گنا اضافہ ہوا ہے۔ کمپنی نے کیمیکل اور فوڈ انڈسٹری میں اپنی مرکزی صناعت (پروڈکٹ) یعنی 210 لیٹر والے ماوز ریل رنگ ڈرمز کی پہچان کرائی ہے۔ کمپنی کا پلان ہے کہ اسی برس کے دوران تیل کی صنعت میں بھی داخل ہوا جائے۔ گزشتہ پانچ برسوں سے مارکیٹ مستقل طور سے بڑھ رہی ہے لہذا کمپنی سال کے آخر تک اپنی پیداواری صلاحیت میں توسیع کرنے کا موقع ڈھونڈ رہی ہے۔ پلان بنایا گیا ہے کہ 2021-2022 کے دوران 160 لیٹر گنجائش والے اوپن ٹاپ ڈرم اور 250 لیٹر گنجائش والے ڈرم مارکیٹ میں متعارف کروائیے جائیں گے جس کے بعد صنعتی استعمال کے کریٹوں اور کنٹینروں کے سلسلے کو بھی متعارف کروایا جائے گا۔

لیوب آئل، کیمیکل اور فوڈ سیکٹروں کی مارکیٹوں میں اپنا حصہ بڑھانے کی غرض سے کمپنی نے نئی مصنوعات کا سلسلہ متعارف کروانے کا وسیع پیمانے پر تیار کیا ہوا ہے۔

### اظہار تشکر

جس خلوص اور نیک نیتی کے ساتھ ہماری کمپنی کے ملازمین ہمارے ساتھ کھڑے رہے ہیں، اس کے لئے اظہار تشکر ہمارے لئے اعزاز ہے۔ ہمارے ملازمین ہمارا سب سے بڑا اور قیمتی اثاثہ ہیں۔ اپنے قابل قدر گاہکوں، شیئرز ہولڈروں، سپلائرز اور مالیاتی اداروں کی اعانت اور تعاون کا بھی ہم دل کی گہرائیوں سے شکریہ ادا کرنا چاہیں گے۔

### منجانب بورڈ آف ڈائریکٹرز

عبدالقادر شیوانی  
چیرمین/ڈائریکٹر

عظیم ایچ مانڈوی والا  
چیف ایگزیکٹو

کراچی

مورخہ 107 اکتوبر 2021

**I B R A H I M , S H A I K H & C O**  
C H A R T E R E D A C C O U N T A N T S

**Review Report on the Statement of Compliance contained in Listed  
Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mandviwalla MAUSER Plastic Industries Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Further, we highlight below instances of non-compliance with the requirements of the code as reflected in the notes in the statement of compliance.

	<b>Note reference</b>	<b>Description</b>	<b>Non-Compliance</b>
i)	2	Composition of the board	No Independent Director
ii)	4	Code of Conduct	Company has not prepared Code of Conduct.
iii)	9	Directors Training	No orientation course for Directors arranged.
iv)	12	Audit Committee and HR and Remuneration Committee	No Independent Director in Audit Committee and None of the member is financially literate. The Board has not formed an HR and remuneration Committee

v) 14

Meeting of Audit Committee and  
HR Remuneration Committee

No meeting of HR Remuneration  
was held

Karachi.

Date:

07 OCT 2021



Ibrahim, Shaikh & Co.

Chartered Accountants

Engagement Partner Shabbir Ahmed FCA 



## Statement of Compliance

### With the Code of Corporate Governance for the year ended June 30, 2021.

Mandviwalla MAUSER Plastic Industries Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of directors are seven as per the following:
  - a) Male: Six
  - b) Female: One
2. The composition of the Board of Directors ("the Board") is as follows:

Category	Names
Independent Director	Nil
Other Non-Executive Directors	Mst. Farah Qureshi
	Mr. Shamim Ahmed Khan
	Mr. Tariq Mahmood
	Mr. Abdul Qadir Shiwani
	Mr. Naseer Ahmed
	Mr. Syed Asghar Ali
Executive Directors *	Mr. Azeem H. Mandviwalla *

\*The Chief Executive of the Board is an Executive Director.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has not prepared a Code of Conduct.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the dates of approval or updating is maintained by the company.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Directors were apprised of their duties and responsibilities from time to time. The directors remained non compliant with the provision with regard to their directors' training program. The company has an arrangement to hold orientation course for their directors in coming year.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
  - a. Audit Committee
    - i. Mr. Tariq Mehmood -Chairman
    - ii. Mr. Abdul Qadir Shiwani
    - iii. Mr. Shamim Ahmed Khan

Audit Committee comprises three non- executive directors and no independent director and None of the member is financially literate.

  - b. The Board has not formed an HR and Remuneration Committee
13. The terms of reference of the -Audit Committee have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
  - a. Audit Committee: Quarterly
  - b. No HR and Remuneration Committee formed
15. The Board has set up effective internal audit functions comprising of personal who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ("the ICAP") and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with excluding Regulation No 6 and 27 are explained below.

S. No.	Requirement	Explanation	Reg. No
1	Independent Director	No Independent Director	6
2	Audit Committee.	No Independent Director in Audit Committee. and None of the member is financially literate	27

- 19 We confirm that the Company has complied with respect to all other material requirements of the Regulation. b



Azeem H. Mandviwalla  
Chief Executive



Abdul Qadir Shiwani  
Chairman

Karachi:

Dated : 07 OCT 2021



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED**

**Report on the Audit of the Financial Statements**

**Adverse Opinion**

We have audited the annexed financial statements of Mandviwalla MAUSER Plastics Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 purposes of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, statement of profit or loss account, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the loss the comprehensive loss, the changes in equity and its cash flows for the year then ended.

**Basis for Adverse Opinion**

- The financial statements for the year ended June 30, 2021 have been prepared on going concern assumption despite of the fact that company incurred loss after taxation of Rs 6.735 million and as of that date it has accumulated losses of Rs.497.971 million which resulted in negative equity of Rs.94.775 million and its current liabilities exceeded its current assets by Rs. 141.017 million and total assets by Rs.83.751 million. Furthermore, management's assertion as explained fully in note 1.1 we have not been furnished evidence in support of the management's assertion that they shall succeed in their efforts. These conditions lead us to be believe that going concern assumption used in preparation of these financial statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- 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.
- 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 the loss for the year, accumulated losses and net capital deficiency of the company would have been higher by Rs. 19.705 million.

- As mentioned in note 18.1.2 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.
  
- The balance under the head "Stores" and "Stock in Trade" amounting to Rs. 7.945 million and Rs. 6.417 million, respectively, which is unmoved from the last nine years. The Company has not recorded any provision against these slow moving "Stores" and "Stock in Trade" items and we have not been provided NRV working of these items.

Had the company made the provisions the loss for the year, accumulated losses and net capital deficiency of the company would have been higher by Rs. 14.362 million.

- Included in the trade creditors and Contract Liabilities shown in note 14 to the financial statements is an amount of Rs. 80.148 million and Rs. 2.215 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 contract liabilities;
  
- Unclaimed Dividend amounting to Rs 2.209 Million. However balance as per Dividend account in MCB (account No 10075-9) amounting to Rs Nil.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*JS*



Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no key audit matters to communicate in our report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Except for the adjustment in respect of matters stated in Basis for Adverse Opinion above, we further report that in our opinion:

45

**IBRAHIM, SHAIKH & CO.**

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

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

*Ibrahim Shaikh & Co*

**IBRAHIM, SHAIKH & CO.**  
**CHARTERED ACCOUNTANTS** /s  
**KARACHI**  
**DATED :**

07 OCT 2021



**MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
<b>NON-CURRENT ASSETS</b>			
Property plant and equipment	5	37,329,511	32,727,061
Capital Work in Progress	6	-	4,841,661
Assets in bond	7	19,705,171	19,705,171
Long term deposits	8	231,710	231,710
		57,266,392	57,505,603
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	9	13,670,276	11,625,904
Stock-in-trade	10	37,804,617	11,591,533
Trade receivable - unsecured	11	54,450,150	-
Other receivables	12	16,608,196	3,159,540
Cash and bank balances	13	8,055,806	29,758
		130,589,045	26,406,735
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	122,274,471	109,053,174
Current portion of long term liabilities		2,208,846	2,208,846
Unclaimed dividend		1,846,594	-
Provision for taxation	15	145,276,456	50,430,855
Short term Borrowings	16	271,606,367	161,692,875
		(141,017,322)	(135,286,140)
<b>Net current assets/(liabilities)</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities	17	11,024,036	10,747,396
		11,024,036	10,747,396
<b>CONTINGENCIES AND COMMITMENTS</b>			
	18		
<b>NET ASSETS</b>		<b>(94,774,966)</b>	<b>(88,527,933)</b>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized: 40,000,000 ordinary shares of Rs.10/- each	19	400,000,000	75,000,000
Issued, subscribed and paid-up capital	19	287,481,330	73,554,000
Subordinated loans	20	115,714,528	329,641,858
Accumulated losses carried forward		(497,970,824)	(491,723,791)
<b>Net shareholders' equity</b>		<b>(94,774,966)</b>	<b>(88,527,933)</b>

The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF PROFIT OR LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Revenue	21	123,106,275	-
Cost of sales	22	(123,078,776)	(26,741,331)
<b>Gross profit/(loss)</b>		<u>27,499</u>	<u>(26,741,331)</u>
General and administrative expenses	23	10,134,726	8,991,636
		(10,134,726)	(8,991,636)
Loss generated from operation		<u>(10,107,227)</u>	<u>(35,732,967)</u>
Selling and distribution expense	24	(2,723,688)	(153,090)
		(12,830,915)	(35,886,057)
Finance cost	25	(1,597,051)	(7,090)
Other Charges/ Income	26	9,588,172	(190,500)
Profit / (loss) before taxation		<u>(4,839,794)</u>	<u>(36,083,647)</u>
Taxation	27	(1,895,046)	-
Profit / (loss) after taxation		<u><u>(6,734,840)</u></u>	<u><u>(36,083,647)</u></u>
Earnings per share - basic and diluted	28	<u><u>(0.23)</u></u>	<u><u>(4.91)</u></u>

The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
Profit / (loss) for the year	(6,734,840)	(36,083,647)
Gain/(loss) on gratuity	487,807	514,567
Total comprehensive Income/(loss) for the year	<u>(6,247,033)</u>	<u>(35,569,080)</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

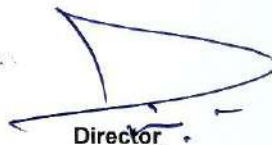
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		(4,839,794)	(36,083,647)
<b>Adjustment for non-cash charges and other items:</b>			
Depreciation	5.1	3,346,175	3,757,898
Provision for staff gratuity		1,100,217	920,728
Loss on assets destroy in transit		-	190,500
Finance cost		1,597,051	7,090
		<u>6,043,443</u>	<u>4,876,216</u>
		1,203,649	(31,207,431)
<b>Working capital changes</b>			
<b>Decrease / (Increase) in current assets</b>			
Stores, spares and loose tools		(2,044,372)	-
Stock-in-trade		(26,213,084)	(4,413,450)
Trade receivable - unsecured		(54,450,150)	-
Other receivables		(11,126,130)	(1,897,098)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		12,410,593	7,773,329
		(81,423,143)	1,462,781
Income tax paid		(2,370,978)	(87,664)
Staff gratuity/employees compensated absences paid		(27,570)	(20,763)
Finance cost paid		(1,094,547)	(7,090)
		<u>(3,493,095)</u>	<u>(115,517)</u>
<b>Net cash used in operating activities</b>		<b>(83,712,589)</b>	<b>(29,860,167)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(3,106,964)	(253,376)
<b>Net cash used in investing activities</b>		<b>(3,106,964)</b>	<b>(253,376)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term Borrowings Habib Metropolitan Bank Trust Receipts			
Foreign Bills		52,313,672	-
Short term Borrowings Others		42,531,929	29,868,363
<b>Net cash generated from financing activities</b>		<b>94,845,601</b>	<b>29,868,363</b>
Net increase / (decrease) in cash and cash equivalents		8,026,048	(245,180)
Cash and cash equivalents at the beginning of the year		29,758	274,937
Cash and cash equivalents at the end of the year	32	<u><b>8,055,806</b></u>	<u><b>29,758</b></u>

The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid up share capital	Subordinated loans	Accumulated losses carried forward	Net shareholders' equity
	Rupees	Rupees	Rupees	Rupees
<b>Balance as at July 01, 2019</b>	73,554,000	329,641,858	(456,154,711)	(52,958,853)
During the year		-	-	-
Total comprehensive Income/(loss) for the year	-	-	(35,569,080)	(35,569,080)
<b>Balance as at June 30, 2020</b>	<b>73,554,000</b>	<b>329,641,858</b>	<b>(491,723,791)</b>	<b>(88,527,933)</b>
Total comprehensive Income/(loss) for the year	-	-	(6,247,033)	(6,247,033)
Increased Paid-up-Capital	213,927,330	(213,927,330)	-	-
<b>Balance as at June 30, 2021</b>	<b>287,481,330</b>	<b>115,714,528</b>	<b>(497,970,824)</b>	<b>(94,774,966)</b>

The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

## 1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on June 13, 1988, as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) domiciled in the province of Sindh and is listed on 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.

### 1.1 GOING CONCERN ASSUMPTION

The Company accumulated losses amounting to Rs 497.971 million (2020 Rs 491.724 million) as on June 30, 2021. Thus causing a net capital deficiency of Rs 94.775 million (2020 Rs 88.528 million). The current liabilities have exceeded current assets by Rs 141.017 million (2020 Rs 135.286 million). The company has temporarily shut down its operations with effect from July 01, 2013.

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 June 30, 2021 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. Securities and Exchange Commission of Pakistan has granted approval on March 5, 2020 for issue of further shares by way of other than right issue to Azeem Hakim Mandviwalla against loan amounting to Rs 213,927,330/-. During the year these shares have been issued to Azeem Hakim Mandviwalla after fulfillment of all the relevant requirements. The Company has obtained interest free short term loans from MesKay & Femtee Trading Company (Private) Limited amounting to Rs 92,963 million.

### 1.2 IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

The Company has assessed, and continues to assess, the potential for disruption caused by the COVID-19 pandemic and has put in place plans and measures in order to enable the business to maintain normal operations, to the extent possible, against the backdrop of an evolving situation. The Company has implemented actions to mitigate the impact of COVID-19, including steps to protect the employees in line with guidance from government, and while there remains considerable uncertainty in relation to the COVID-19 pandemic (including its duration, extent and ultimate impact), management believes that the Company's operations will continue to experience only limited disruption due to the impact of the COVID-19 pandemic. The Company's supply chain has remained materially unaffected since the outbreak of the COVID-19 pandemic. However, the management based on its assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period. –

## 2 BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017;
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention using accrual basis of accounting, except for certain financial assets and liabilities which are stated at fair value.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional and presentation currency of



**2.4 USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the companies accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and

- a) Deferred liability - staff gratuity
- b) Provision for taxation
- c) Accrued liabilities
- d) Impairments of, doubtful trade debts, capital work in progress
- e) Useful life of operating fixed assets, intangible assets.
- f) Valuation of assets held for sale
- g) Estimates of impairments and recoverable amounts of assets

**3 New and Revised Standards and Interpretations**

**3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year**

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2020. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

**3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective**

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 01, 2023
IAS 8	Changes in Accounting Estimates and Errors (Amendments)	January 01, 2023
IAS 12	Income Taxes (Amendments)	January 01, 2023
IAS 16	Property, plant and equipment (Amendments)	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
IFRS 3	Business combinations (Amendments)	January 01, 2022
IFRS 7	Financial instruments: Disclosures (Amendments)	January 01, 2021
IFRS 9	Financial instruments (Amendments)	January 01, 2021
FRS 16	Leases (Amendments)	January 01, 2021

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/ disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance Contracts

The following interpretation issued by the IASB has been waived off by SECP:  
IFRIC 12



#### 4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

##### 4.1 PROPERTY PLANT & EQUIPMENT AND DEPRECIATION

###### Owned

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any except for capital work-in-progress is stated at cost.

Depreciation on fixed assets is charged to the income statement applying the diminishing balance method whereby the cost of an asset is written off over its estimated useful life. Depreciation is charged on a proportionate basis from the month of addition & up to the month of disposal.

Company accounts for impairment, where indication exists, by reducing its carrying value to the assessed recoverable amount. However, no such indication exists till the authorization of these financial statements.

Expenditure incurred subsequent to the initial acquisition of asset is capitalized only when it increases the future economic benefits embodied in the items of above assets. All other expenditure is recognized in the profit and loss account as and when incurred.

Gains and losses on disposal are included in income currently.

###### Leased

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity mainly leases properties for its operations. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the diminishing balance method over the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The lease payments associated with these leases are recognized as an expenses on a reducing balance basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

###### Asset held under Ijarah financing

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS 2), "Ijarah". The assets are not recognized on the Company's statement of financial position and payments made under Ijarah financing are recognized in the statement of profit or loss on a straight line basis over the term of the Ijarah.

##### 4.2 IMPAIRMENT OF ASSETS

The company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired except for assets in bond. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

**4.3 STORES, SPARES AND LOOSE TOOLS**

Stores, spares and loose tools are stated at cost which is determined under the moving average method except for those in transit and in bond which are valued at actual cost. Provision is made for slow moving and obsolete items. The term cost means invoice price including direct expenses.

**4.4 STOCK IN TRADE**

Raw materials are valued at lower of cost and estimated net realizable value. Cost is arrived at by using moving average basis except for goods in transit and in bond.

Finished goods are valued at lower of cost determined on average basis and net realizable value. Cost consists of cost of direct materials, labour and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of the business less costs of completion and the estimated costs necessary to make the sale.

Goods in transit and in bond are stated at cost comprising invoice value plus other charges paid thereon.

**4.5 TRADE RECEIVABLES**

Trade receivables originated by the company are recognized and carried at original invoice amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as and when incurred.

**4.6 CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES**

Creditors, accrued expenses and other liabilities are stated at cost which is the fair value of the consideration to be paid in future in respect of goods and services.

**4.7 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHERS RECEIVABLE**

These are stated at cost.

**4.8 PROVISIONS**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

**4.9 FOREIGN CURRENCY TRANSLATIONS**

Foreign currency transactions are converted into rupees at the rates of exchange approximating to those ruling at the date of transaction. Monetary assets and liabilities in foreign currencies have been translated into rupees at the rates of exchange approximating those ruling at the balance sheet date except for liabilities covered under forward exchange contracts which are translated at the contracted rates. Exchange gains or losses are included in income currently.

**4.10 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

**4.10.1 Financial Assets**

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

**Classification**

The Company classifies its financial assets in the following categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification is based on the Company's business model for managing the financial assets and the contractual cashflow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

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a) **Financial assets at amortized cost**

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) **Financial assets at fair value through other comprehensive income**

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

c) **Financial assets at fair value through profit or loss**

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Company can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income unless these are held for trading in which case these have to be measured at fair value through profit or loss. The equity investments of the Company held in short term investments are classified at fair value through profit or loss because they are frequently traded.

**Reclassification**

When the Company changes its business model for managing financial assets, it reclassifies all affected financial assets accordingly. The Company applies the reclassification prospectively from the reclassification date.

In case of reclassification out of the amortized cost measurement category to fair value through profit or loss measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in profit or loss.

In case of reclassification out of fair value through profit or loss measurement category to the amortized cost measurement category, fair value of the financial asset at the reclassification date becomes its new gross carrying amount.

In case of reclassification out of the amortized cost measurement category to fair value through other comprehensive income measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through other comprehensive income measurement category to the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through profit or loss measurement category to the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value.

In case of reclassification out of fair value through other comprehensive income measurement category to the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.



#### Initial recognition and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade date – the date on which the Company commits to purchase or sell the asset.

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account when the Company's right to receive payments is established. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15. Where the Company uses settlement date accounting for an asset that is subsequently measured at amortized cost, the asset is recognized initially at its fair value on the trade date.

#### Subsequent measurement

For the purpose of measuring financial assets after initial recognition, these are classified into the following four categories:

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

Financial assets carried at amortized cost are subsequently measured using the effective interest method. Gain or loss on financial assets not part of hedging relationship is recognized in profit or loss when the financial asset is derecognized, reclassified, through the amortization process or in order to recognize impairment gains or losses.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Financial assets 'at fair value through other comprehensive income' are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss. Dividends on equity instruments are credited to the statement of profit or loss when the Company's right to receive payments is established.

Financial assets 'at fair value through profit or loss' are marked to market using the closing market rates and are carried in the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

#### Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Company has transferred substantially all the risks and rewards of the asset; or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or Loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

If the Company's continuing involvement is in only a part of a financial asset, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in profit or loss.

#### **Impairment of financial assets**

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost and through other comprehensive income, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract. In case of financial assets measured at fair value through other comprehensive income, loss allowance is recognized in other comprehensive income and carrying amount of the financial asset in the statement of financial position is not reduced.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions under IFRS 15 and lease receivables.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the profit or loss.

#### **4.10.2 Financial liabilities**

##### **Initial recognition and measurement**

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interest rate and contingent consideration recognized in a business combination.

**The Company does not reclassify any of its financial liabilities.**



Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the statement of profit or loss account.

The Company's financial liabilities include trade and other payables, loans and borrowings including Company overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The amount of change in the fair value that is attributable to changes in the credit risk of financial liability is presented in other comprehensive income and the remaining amount of change in the fair value of the liability is presented in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if it eliminates or significantly reduces a measurement or recognition inconsistency or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel. The Company has not designated any financial liability as at fair value through profit or loss.

**Financial guarantee contracts and commitments to provide a loan at a below-market interest rate**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts and commitments to provide a loan at a below-market interest rate are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

**Contingent consideration recognized in a business combination**

These are subsequently measured at fair value with changes recognized in profit or loss.

**All other liabilities**

All other financial liabilities are measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.



**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

If the Company repurchases a part of a financial liability, the Company allocates the previous carrying amount of the financial liability between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the part derecognized and the consideration paid, including any non-cash assets transferred or

**4.10.3 Offsetting of financial**

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**4.11 Balances from**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

**Right of return assets**

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

**Refund**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

**4.12 REVENUE RECOGNITION**

Revenue is to be recognized in accordance with the afore mentioned principle by applying the following steps:

- i) Identify the contract with a customer
- ii) Identify the performance obligation in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

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Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by supplying the electricity or services to its customers. Any bundled goods or services that are distinct are separately recognized, and any discounts or rebates on the contract price are generally allocated to the separate elements.

Markup/interest income is recognized on time proportion basis that takes into account effective interest.

**4.13 BORROWING COSTS**

Mark-up, interest and other charges on long term borrowings are capitalized unto the date of commissioning of the related fixed asset, acquired out of the proceeds of such long term borrowings. All other mark-up, interest and other charges are charged to income statement.

**4.14 TAXATION**

**Current**

Provision for current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001.

**Deferred**

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, un-absorbed tax losses to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and significant taxable income will be available against which the deductible temporary differences or un-absorbed tax losses can be utilized.

The carrying amount of all 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 assets to be utilized.

Deferred tax assets and liabilities are 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 tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

**4.15 STAFF RETIREMENT BENEFITS**

**Defined benefit plan - gratuity**

The company operates an unfunded gratuity scheme for its all permanent employees who have completed a minimum qualifying period of service. Provision is made on the basis of Projected Unit Credit Method. The valuation is carried out using the Project Unit Credit Method. The gains and losses are recognized at each

**Employees' compensated absences**

The company provides for liability in respect of employees' compensated absences in the year in which these are earned.

The company accounts for these benefits on an accrual basis.

**4.16 CASH AND CASH EQUIVALENTS**

Cash in hand and at banks, if any, are carried at cost.

For the purposes of the cash flow statement, cash and cash equivalents consists of cash in hand, bank balances net off book overdraft.

**4.17 RELATED PARTY TRANSACTIONS**

All transactions with related parties are carried out by the company at arm's length prices using "Comparable Uncontrolled Price Method".

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5 PROPERTY PLANT & EQUIPMENT

Leasehold land	Buildings on leasehold land	Buildings on Rental Premises	Plant and machinery imported	Plant and machinery local	Engineering stores moulds	Furniture, Hydrant and Air conditioners	Equipment	Generators, Workshops, Tools and Handling Equipment	Tube well	Compressor	Canteen Utensils	Motor Vehicles		Total
												Owned Rupees	Leased Rupees	
739,202	32,801,122	-	246,722,508	11,485,390	57,792,581	9,045,566	6,482,225	5,657,631	431,165	1,699,235	192,919	3,571,316	-	376,610,850
-	31,171,434	-	229,529,975	10,603,495	49,941,300	8,039,890	5,500,616	4,679,017	429,800	1,631,017	189,064	2,168,190	-	343,883,789
<b>739,202</b>	<b>1,629,688</b>	<b>-</b>	<b>17,192,533</b>	<b>881,885</b>	<b>7,851,281</b>	<b>1,005,686</b>	<b>981,609</b>	<b>978,614</b>	<b>1,365</b>	<b>58,218</b>	<b>3,855</b>	<b>1,403,126</b>	<b>-</b>	<b>32,727,061</b>
<b>Year ended June 30, 2021</b>														
-	1,629,688	-	17,192,533	881,885	7,851,281	1,005,686	981,609	978,614	1,365	58,218	3,855	1,403,126	-	32,727,061
-	-	4,888,161	-	-	712,899	-	-	43,900	-	2,303,665	-	-	-	7,948,625
-	-	-	(1,719,253)	(88,199)	(785,128)	(100,569)	(98,161)	(98,593)	(273)	(11,644)	(771)	(280,625)	-	(3,345,175)
-	(162,969)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>739,202</b>	<b>1,466,719</b>	<b>4,888,161</b>	<b>15,473,280</b>	<b>793,687</b>	<b>7,066,153</b>	<b>1,618,016</b>	<b>893,448</b>	<b>923,921</b>	<b>1,092</b>	<b>2,350,239</b>	<b>3,084</b>	<b>1,122,501</b>	<b>-</b>	<b>37,329,511</b>
<b>As at June 30, 2021</b>														
-	32,801,122	4,888,161	246,722,508	11,485,390	57,792,581	9,758,465	6,482,225	5,701,531	431,165	3,992,900	192,919	3,571,316	-	384,559,475
-	31,354,403	-	231,249,228	10,691,653	50,726,428	8,140,449	5,558,777	4,777,610	430,073	1,642,681	189,635	2,448,815	-	347,229,964
<b>739,202</b>	<b>1,466,719</b>	<b>4,888,161</b>	<b>15,473,280</b>	<b>793,687</b>	<b>7,066,153</b>	<b>1,618,016</b>	<b>893,448</b>	<b>923,921</b>	<b>1,092</b>	<b>2,350,239</b>	<b>3,084</b>	<b>1,122,501</b>	<b>-</b>	<b>37,329,511</b>
<b>As at July 01, 2019</b>														
-	32,801,122	-	251,216,968	11,485,390	57,792,581	9,045,566	6,445,426	5,657,631	431,165	1,699,235	192,919	3,571,316	-	381,067,911
-	30,990,367	-	231,523,054	10,505,507	49,068,936	7,928,137	5,361,548	4,570,262	429,459	1,616,462	188,100	1,817,409	-	344,429,250
<b>739,202</b>	<b>1,810,765</b>	<b>-</b>	<b>19,293,314</b>	<b>979,873</b>	<b>8,723,646</b>	<b>1,117,429</b>	<b>1,053,878</b>	<b>1,087,349</b>	<b>1,706</b>	<b>72,773</b>	<b>4,819</b>	<b>1,753,907</b>	<b>-</b>	<b>36,638,661</b>
<b>Year ended June 30, 2020</b>														
-	1,810,765	-	19,293,314	979,873	8,723,646	1,117,429	1,053,878	1,087,349	1,706	72,773	4,819	1,753,907	-	36,638,661
-	-	-	-	-	-	36,800	-	-	-	-	-	-	-	36,800
-	-	-	(190,500)	-	-	-	-	-	-	-	-	-	-	(190,500)
-	(181,077)	-	(1,910,291)	(97,968)	(872,365)	(111,743)	(109,068)	(108,735)	(341)	(14,555)	(964)	(350,781)	-	(3,757,898)
<b>739,202</b>	<b>1,629,688</b>	<b>-</b>	<b>17,192,533</b>	<b>881,885</b>	<b>7,851,281</b>	<b>1,042,486</b>	<b>944,810</b>	<b>978,614</b>	<b>1,365</b>	<b>58,218</b>	<b>3,855</b>	<b>1,403,126</b>	<b>-</b>	<b>32,727,061</b>
<b>Rate</b>														
-	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	20%	20%	20%	20%

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	Note	2021 Rupees	2020 Rupees
5.1	The depreciation for the year has been allocated as follows:		
	Cost of goods manufactured	2,865,776	3,562,077
	Administrative expenses	480,399	681,363
		<u>3,346,175</u>	<u>4,243,440</u>
5.2	Details of Plant and Machinery destroyed in transit during the year are as follows :	Rupees	Rupees
	Cost		4,493,860
	Accumulated depreciation		(4,303,360)
	Net book value		<u>190,500</u>
	Insurance proceed		-
	Mode of disposal		<b>Insurance Claim</b>
5.2.1	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. In last year the company had recorded the loss on assets destroyed on the basis of book value of the assets. During the year the claim is settled at Rs 9.687 million as full and final settlement and gain arising on insurance claim		
6	<b>WORK IN PROGRESS</b>		
	<i>Civil Work</i>		
	Construction - running bills and materials	4,888,161	4,841,661
		4,888,161	4,841,661
	Capitalized during the year		
	Buildings	(4,888,161)	-
		-	4,841,661
6.1	Building	-	4,841,661
		-	4,841,661
7	<b>ASSETS IN BOND</b>		
	Engineering stores	7.1	<u>19,705,171</u>
7.1	These are molds which, have been pledged with a lender. These molds were imported in 1990 and were damaged by the Custom Authorities in respect of which the company has filed suits. Since the Engineering Stores are held in bond, the extent of damage occurred could not be ascertained with reasonable certainty.		
8	<b>LONG TERM DEPOSITS</b>	<u>231,710</u>	<u>231,710</u>
9	<b>STORES, SPARES AND LOOSE TOOLS</b>		
	Stores and spares	19,775,510	17,731,138
	Loose tools	1,600,849	1,600,849
		21,376,359	19,331,987
	Less: Provision for slow moving items	9.1	(7,706,083)
		<u>13,670,276</u>	<u>11,625,904</u>
9.1	<b>Provision for slow moving stores, spares and loose tools</b>		
	Opening balance	7,706,083	7,706,083
	Charge for the year	-	-
		<u>7,706,083</u>	<u>7,706,083</u>

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30,  
2021

	Note	2021 Rupees	2020 Rupees
<b>10 STOCK-IN-TRADE</b>			
Raw materials		11,517,369	5,174,221
Raw materials in bond		1,084,670	1,084,670
Finished goods		25,625,245	5,755,309
		38,227,284	12,014,200
Less: Provision for slow moving finished goods		(422,667)	(422,667)
		<u>37,804,617</u>	<u>11,591,533</u>
<b>11 TRADE RECEIVABLES - UNSECURED</b>			
Considered doubtful		108,682	108,682
Considered good		54,450,150	-
		54,558,832	108,682
Less: Allowance for ECL	11.1	(108,682)	(108,682)
		<u>54,450,150</u>	<u>-</u>
<b>11.1 Allowance for ECL</b>			
Balance at beginning of the year		108,682	-
Charge during the year - net		-	108,682
Allowance no longer required		-	-
Write - off		-	-
Balance at the end of the year		<u>108,682</u>	<u>108,682</u>
<b>12 OTHERS RECEIVABLES</b>			
Advance to Employees		1,811,955	943,995
Advance to Suppliers		534,179	200
Sales tax refundable		-	952,903
Letter of credit		10,656,134	-
Advance WeBoc		20,960	-
Advance income tax		3,584,968	1,262,442
		<u>16,608,196</u>	<u>3,159,540</u>
<b>13 CASH AND BANK BALANCES</b>			
Cash in hand		-	-
Cash at banks - in current accounts			
Local currency		8,055,806	29,758
		8,055,806	29,758
		<u>8,055,806</u>	<u>29,758</u>
<b>14 TRADE AND OTHER PAYABLES</b>			
<b>Creditors</b>		94,558,530	85,033,200
<b>Accrued liabilities</b>			
Salaries and wages		2,916,536	3,372,201
Mark-up on short term finances		502,504	-
Staff Gratuity payable		4,747,087	4,448,887
		8,166,127	7,821,088
<b>Other liabilities</b>			
Sales tax Payable		664,872	-
Contract Liabilities		2,215,117	3,615,117
Tax deducted at source		5,213,767	5,038,126
Rent payable		11,250,000	5,850,000
Workers welfare fund		98,485	-
Book Debts		-	1,363,342
Others		107,573	332,301
		19,549,814	16,198,886
		<u>122,274,471</u>	<u>109,053,174</u>

	Note	2021 Rupees	2020 Rupees
<b>15 INCOME TAX PAYABLE</b>			
Opening balance		-	-
Provided during the year	27		
- Current		1,846,594	-
- Prior		-	-
		<u>1,846,594</u>	<u>-</u>
Payments/adjustments during the year		-	-
		<u><u>1,846,594</u></u>	<u><u>-</u></u>

**16 SHORT TERM BORROWING**

<b>Habib Metropolitan Bank Trust Receipts Foreign Bills</b>	16.1	52,313,672	-
<b>Banking Company Secured Others</b>	16.2	92,962,784	50,430,855
<b>Un-Secured</b>		<u>145,276,456</u>	<u>50,430,855</u>

16.1 This represents the Trust Receipts finance facility of Rs.100 million to facilitate retirement of import bills under Letter of credit sight opened through Habib Metropolitan Bank (2020: Rs.NIL) bearing mark-up of 3 month Kibor plus 1% (2020: NIL) per annum. This loan to be paid within maximum 180 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. The facility expires on 30-09-2021.

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

**17 DEFERRED LIABILITY**

**17.1 Deferred Taxation**

In view of the consistent tax losses and expected future turnover, it is probable that the company will not have sufficient future taxable income and hence will not able to utilize the deductible temporary difference. Therefore, deferred tax asset of Rs. 43.143 million (2020: Rs. 32.685 million) has not been recognized in these financial statements."

**17.2 Staff retirement benefits**

	Note	2021 Rupees	2020 Rupees
<b>Staff Gratuity</b>			
As at the beginning of the year		9,467,400	10,387,916
Charge to profit and loss account		1,100,217	920,728
Benefits due but now transfer to short term liability		(308,200)	(1,326,677)
(Gain)/ loss during the year		(487,807)	(514,567)
As at end of the year		<u>9,771,610</u>	<u>9,467,400</u>
<b>Employees' compensated absences</b>	17.3	1,279,996	1,279,996
Paid During Year		(27,570)	-
		<u>11,024,036</u>	<u>10,747,396</u>

**17.2.1 Charge to profit or Loss**

Current service cost	319,791	322,460
Interest on past service Cost	780,425	598,268
	<u>1,100,216</u>	<u>920,728</u>
(Gain) or Loss recognized during the year	(487,807)	(514,467)
	<u>612,409</u>	<u>406,261</u>



	Note	2021 Rupees	2020 Rupees
17.2.2 The charge to profit or loss has been allocated as follows			
Cost of sales		890,651	745,780
Administrative expenses		209,566	174,948
		<u>1,100,217</u>	<u>920,728</u>

Present value of define benefit obligation has been determined using projected unit credit method. The liability as at June 30, 2020 and June 30, 2021 has been determined by the management of the company based on projected unit credit method. The principal assumptions used in determining present value of define benefit obligation are.

	%	%
Discount rate	9	8
Expected rate of increase salary	2	5
<b>Historical information</b>		
Present value of defined benefits obligation	9,771,610	9,467,400
Adjustment arising during the year	(487,807)	(514,567)
Valuation date	June 30, 2021	June 30, 2020

The Experience adjustment components actuarial adjustment is impracticable to determine and thus has not been disclosed

	Note	2021 Rupees	2020 Rupees
17.3 <b>Employees' compensated absences</b>			
Net liability / (assets) at the beginning of the year		1,279,996	1,300,759
Charge for the year		-	-
		1,279,996	1,300,759
Benefits paid during the year		(27,570)	(20,763)
<b>Net liability / (assets) at the end of the year</b>		<u>1,252,426</u>	<u>1,279,996</u>

## 18 CONTINGENCIES AND COMMITMENTS

### 18.1 Contingencies

#### 18.1.1 Wash Basin Mold

The company has filed two suits 32/92 for Rs. 84,509,000 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 Honorable High Court of Sindh which is still pending. A suit No 768/93 is also pending in the Honorable 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.

#### 18.1.2 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 June 30, 2021, to be levied under section 205 of Income Tax Ordinance, 2001 as disclosed in note 14 to the audited financial statements for the year ended June 30, 2020. The company believes that the said amount will be paid.

#### 18.1.3 Securities and Exchange Commission of Pakistan (SECP)

18.1.3.1 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.

18.1.3.2 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 FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
<b>18.2 Commitments</b>			
<b>18.2.1</b> Guarantee issued to Honorable High Court of Sindh amounting to Rs.500,000 (2020: Rs.500,000).			
<b>18.2.2</b> Letter of credit from raw material Rs.25.98 million			
<b>19 SHARE CAPITAL</b>			
<b>Authorized Share capital</b>	<b>19.1</b>	<b><u>400,000,000</u></b>	<b><u>400,000,000</u></b>
<b>Issued, Subscribed and Paid Up capital</b>			
<b>Number of shares</b>			
<b>2021</b>	<b>2020</b>	<b>10/- each fully paid in cash</b>	
28,748,133	7,355,400		<b><u>73,554,000</u></b>
		<b><u>287,481,330</u></b>	
<b>Reconciliation of share capital</b>			
7,355,400	7,355,400	Opening balance	73,554,000
		Issued During the year Ordinary shares of Rs. 10/- each fully paid in lieu of outstanding Subordinated loan of	<b><u>213,927,330</u></b>
21,392,733	-		-
<b><u>28,748,133</u></b>	<b><u>7,355,400</u></b>	Closing balance	<b><u>287,481,330</u></b>
			<b><u>73,554,000</u></b>

**19.1** This represents 40,000,000 (2020: 40,000,000) ordinary shares of Rs. 10/- each amounting to Rs. 400,000,000(2020 :400,000,000)

**19.2** Shares held by the related parties of the company

	<u>2021</u>		<u>2020</u>	
	<i>Number of Shares</i>	<i>Percentage Holding</i>	<i>Number of Shares</i>	<i>Percentage Holding</i>
1 Azeem H Mandviwalla	22,689,288	78.926%	1,296,555	17.627%
2 Tariq Mahmood	500	0.002%	500	0.006%
3 Syed Asghar Ali	800	0.003%	800	0.011%
4 Shamim Ahmed Khan	500	0.002%	500	0.006%
5 Abdul Qadir Shawani	500	0.002%	500	0.006%
6 Farah Qureshi	500	0.002%	500	0.006%
7 Naseer Ahmed	500	0.002%	500	0.006%

**20 SUBORDINATED LOAN - Unsecured**

Due to director	329,641,858	329,641,858
Share issued against loan	(213,927,330)	-
	<b><u>115,714,528</u></b>	<b><u>329,641,858</u></b>



**20.1** The Company has obtain loans from Director. As per the term of agreement, the loans are interest free (2020 interest free ) and repayment of loans is at the discretion of the management of the Company. However the company had obtained consent from the shareholders in the Thirtieth Annual General Meeting of the company to issue 32,900,000 ordinary shares of Rs. 10/- each that is of Rs. 329,000,000/- as fully paid-up shares without the offer and/or issue of right shares, to Azeem H Mandviwalla the Director and Chief Executive of the Company, in lieu of his outstanding Subordinated Loan Rs 329.381 million towards the Company, under the first proviso to Section 83(1) of the Companies Act, 2017 ("the Act"). Securities and Exchange Commission of Pakistan has granted approval on March 5, 2020 for issue of further shares by way of other than right issue to Azeem Hakim Mandviwalla against loan amounting to Rs 213,927,330/-. During the year these shares have been issued to Azeem Hakim Mandviwalla after fulfilment of all the relevent requirements.

	Note	2021 Rupees	2020 Rupees
<b>21 REVENUE</b>			
Local sales	21.1	123,106,275	-
Export sales		-	-
		<b>123,106,275</b>	<b>-</b>

<b>21.1 Local sales</b>			
Gross sales		144,034,342	-
Sales tax		(20,928,067)	-
		<b>123,106,275</b>	<b>-</b>

<b>22 COST OF SALES</b>			
Opening stock of finished goods		5,755,309	5,755,309
Cost of goods manufactured	22.1	142,948,712	26,741,331
		148,704,021	32,496,640
Closing stock of finished goods		(25,625,245)	(5,755,309)
		<b>123,078,776</b>	<b>26,741,331</b>

<b>22.1 Cost of goods manufactured</b>			
Raw materials consumed	22.1.1	100,442,323	-
Store and spares consumed		3,784,091	4,909,630
Salaries, wages and other benefits		11,625,753	9,689,893
Gratuity expense		890,651	745,780
Indirect labor (external processing)		1,806,994	-
Utilities		12,386,767	196,510
Repairs and maintenance		1,121,530	788,080
Rent rates & taxes		15,780	13,900
Postage telephone and telegram		47,230	58,575
Fees and subscription		-	19,400
Traveling, conveyance and vehicle running expenses		1,980,670	1,395,036
Insurance		344,330	51,300
Printing and stationery		35,177	178,000
Rent expense		5,400,000	5,400,000
Freight & octroi		-	110,226
Other Expenses		201,640	-
Depreciation	5.1	2,865,776	3,185,001
<b>Cost of goods manufactured</b>		<b>142,948,712</b>	<b>26,741,331</b>

	Note	2021 Rupees	2020 Rupees
<b>22.1.1 Raw materials consumed</b>			
Opening stock		5,174,221	760,771
Purchases		106,785,471	4,413,450
		111,959,692	5,174,221
Closing stock		(11,517,369)	(5,174,221)
		<b>100,442,323</b>	<b>-</b>



	Note	2021 Rupees	2020 Rupees
<b>23 GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Salaries, allowances and other benefits		5,270,291	5,171,776
Directors' remuneration and executive		-	-
Traveling, conveyance and vehicle running expenses		568,264	523,863
Gratuity expense		209,566	174,948
Utility charges		781,035	728,176
Postage, telephone and telegram		343,871	334,047
Repair and maintenance		121,765	89,796
Depreciation on operating assets	5.1	480,398	572,897
Fee and subscription		1,280,439	507,875
Legal and professional Charges		296,400	-
Printing and stationery		205,478	349,021
Office expenses		246,324	221,827
Books and periodicals		17,545	17,570
Auditors' remuneration	23.1	304,840	247,240
Entertainment		8,510	52,600
		<b>10,134,726</b>	<b>8,991,636</b>
<b>23.1 Auditors' remuneration</b>			
Statutory annual audit fee		216,000	158,800
Half yearly review		57,240	57,240
Review report on code of corporate governance		21,600	21,200
Out-of-pocket expenses		10,000	10,000
		<b>304,840</b>	<b>247,240</b>
<b>24 SELLING AND DISTRIBUTION EXPENSE</b>			
Freight & outward		2,493,617	-
Advertising and publicity		230,071	153,090
		<b>2,723,688</b>	<b>153,090</b>
<b>25 FINANCE COST</b>			
Bank charges		109,697	7,090
Markup on short Term Finance		1,487,354	-
		<b>1,597,051</b>	<b>7,090</b>
<b>26 OTHER CHARGES/ INCOME</b>			
Loss on assets destroyed in transit		-	(190,500)
Workers Welfare Fund		(98,485)	-
Insurance Claim Recoverd		9,686,657	-
		<b>9,588,172</b>	<b>(190,500)</b>
<b>26.1</b>	In July 2019, the company had lodged Insurance claim on marine cargo insurance policy for transportation of plant and machinery from Utal Baluchistan to Port Qasim Authority. During transit machine RMP-135 imported from Itly 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. In last year the company had recorded the loss on assets destroyed on the basis of book value of the assets. During the year the claim is settled at Rs 9.687 million as full and final settlement and gain arising on insurance claim amounting to Rs 9.687 million is recognized in Other Charges/Income.		
<b>27 TAXATION</b>			
Current	27.1	1,946,594	-
Prior	27.2	48,452	-
		<b>1,895,046</b>	<b>-</b>
<b>27.1 Current</b>			
Under normal assessment		1,846,594	-
Income tax on exports		-	-
	27.1.1	<b>1,846,594</b>	<b>-</b>

	Note	2021 Rupees	2020 Rupees
27.2 Prior			
Under normal assessment		48,452	-
27.1.1 Relationship between tax expense and accounting profit			
Profit / (loss) before taxation		(4,839,794)	(36,083,647)
Tax at the applicable rate		29%	29%
Tax on accounting Profit		-	-
Tax effect of income taxed at lower rate			
- Prior year taxation		48,452	-
- Difference of minimum Tax on accounting profit		1,846,594	-
		1,846,594	-
Brought forward tax losses		165,646,984	130,869,430

The income tax assessments have been finalized up to the tax year 2020

## 28 EARNINGS PER SHARE

No figures for diluted earnings per share has been presented as the company has not yet issued any instrument which would have an impact on earnings per share when exercised.

Profit/(loss) after taxation	(6,734,840)	(36,083,647)
Weighted average number of ordinary shares	28,748,133	7,355,400
Earnings per share - basic and diluted	(0.23)	(4.91)

## 29 TRANSACTIONS WITH ASSOCIATED/RELATED PARTIES

Subordinated borrowings from director Azeem H Mandviwalla	115,714,528	329,641,858
Borrowings from Others (Note 16.2)	92,962,784	50,430,855
Subordinated borrowings from director Azeem H Mandviwalla movement	(213,927,330)	-
Borrowings from Others movement	42,531,929	29,868,363
Salary Payable Directors Azeem H Mandviwalla	2,264,193	2,264,193
Staff gratuity payable	9,771,610	9,467,400
Benefits due but now transfer to short term liability	4,747,087	4,448,887
Staff gratuity charged	1,100,216	920,728
Staff retirement benefits paid	37,570	-

There were no transactions with related parties other than those already disclosed elsewhere in these financial statements.

- 29.1 All transactions with related parties are carried out by the company at arm's length prices using "Comparable Uncontrolled Price Method".
- 29.2 Corporate Guarantee of M/s Messkay & Femtee Trading Company (Private) Limited and personal guarantee of Shaid Tawawalla Director of M/s Messkay & Femtee Trading Company (Private) Limited amounting to Rs 100 million in favour of Habib Metropolitan Bank have been issued on behalf of the company

**MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED JUNE 30, 2021**

**30 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES**

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2021	2020	2021	2020	2021	2020
Managerial remuneration	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-
Medical expense/	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Motor vehicle expense	-	-	-	-	-	-
	-	-	-	-	-	-
Number of persons	<b>1</b>	<b>1</b>	-	-	-	-

**30.1** The chief executive and certain executives are also provided with free use of company maintained motor vehicles.

**30.2** Aggregate amount charged in these accounts in respect of non-executive directors fee is Rs. Nil (2020: Rs. Nil).

**31 PLANT CAPACITY AND ACTUAL PRODUCTION (IN TONS)**

The production capacity of the whole unit plant on single shift basis, comes to 4,275 tons (2020: 4275) tons per annum. However, the attainable capacity varies on the basis of the product mix determined for the year. The capacity based on the product mix manufactured during the year ended on June 30, 2021 comes to 464 tons (2020: Nil tons) which is 111% (2020: Nil%) of the total capacity.

	Note	2021 Rupees	2020 Rupees
<b>32 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		8,055,806	274,937
Book overdraft		-	-
		<b>8,055,806</b>	<b>274,937</b>

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33 FINANCIAL RISK MANAGEMENT

33.1 Maturities of financial assets and liabilities as at June 30, 2021

	Mark up bearing maturity			Non-mark-up bearing maturity				Total
	Up to one year	Over one year up to five years	Sub-total	Up to one year	Over one year up to five years	Over five years	Sub-total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
<b>Financial Assets at amortized cost</b>								
Advances & Deposits	-	-	-	1,811,955	-	231,710	2,043,665	2,043,665
Trade debts	-	-	-	54,450,150	-	-	54,450,150	54,450,150
Cash and bank balances	-	-	-	8,055,806	-	-	8,055,806	8,055,806
	-	-	-	<b>64,317,911</b>	-	<b>231,710</b>	<b>64,549,621</b>	<b>64,549,621</b>
<b>Financial liabilities at amortized cost</b>								
Deferred liabilities	-	-	-	-	-	11,024,036	11,024,036	11,024,036
Short term Borrowings	-	-	-	145,276,456	-	-	145,276,456	145,276,456
Unclaimed dividend	-	-	-	2,208,846	-	-	2,208,846	2,208,846
Creditors, accrued and other liabilities	-	-	-	122,274,471	-	-	122,274,471	122,274,471
	-	-	-	<b>269,759,773</b>	-	<b>11,024,036</b>	<b>280,783,809</b>	<b>280,783,809</b>
<b>Sensitivity gap - 2021</b>				<b>(205,441,862)</b>		<b>(10,792,326)</b>	<b>(216,234,188)</b>	<b>(216,234,188)</b>

Maturities of financial assets and liabilities as at June 30, 2020

	Mark up bearing maturity			Non-mark-up bearing maturity				Total
	Up to one year	Over one year up to five years	Sub-total	Up to one year	Over one year up to five years	Over five years	Sub-total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
<b>Financial Assets at amortized cost</b>								
Advances & Deposits	-	-	-	943,995	-	231,710	1,175,705	1,175,705
Trade debts	-	-	-	-	-	-	-	-
Cash and bank balances	-	-	-	29,758	-	-	29,758	29,758
	-	-	-	<b>973,753</b>	-	<b>231,710</b>	<b>1,205,463</b>	<b>1,205,463</b>
<b>Financial liabilities at amortized cost</b>								
Deferred liabilities	-	-	-	-	-	10,747,396	10,747,396	10,747,396
Short term Borrowings	-	-	-	50,430,855	-	-	50,430,855	50,430,855
Unclaimed dividend	-	-	-	2,208,846	-	-	2,208,846	2,208,846
Creditors, accrued and other liabilities	-	-	-	109,053,174	-	-	109,053,174	109,053,174
	-	-	-	<b>161,692,875</b>	-	<b>10,747,396</b>	<b>172,440,271</b>	<b>172,440,271</b>
<b>Sensitivity gap - 2020</b>				<b>(160,719,122)</b>		<b>(10,515,686)</b>	<b>(171,234,808)</b>	<b>(171,234,808)</b>

(a) the effective rate of profit / mark-up are disclosed in the respective notes.  
 (b) On-balance sheet gap represents the net amount of on-balance sheet items.

33.2 Capital risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. During 2021 the company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2021 and 2020 were as follows:

Total borrowings	145,276,456	50,430,855
Cash and bank	(8,055,806)	(29,758)
Net debt / (cash)	137,220,650	50,401,097
Total equity	(94,774,966)	(88,327,933)
Total capital	<b>42,445,684</b>	<b>(38,126,836)</b>
Gearing ratio in %	<b>3.23</b>	<b>(1.32)</b>

The company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix of such instruments. Taken as a whole, company is materially exposed to capital risk.

33.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk, and other price risk.

(i) Currency risk

Currency risk arises due to fluctuation in foreign exchange rates. The Company has transactional currency exposure. Such exposure arises from imports by the Company in currencies other than Rupee.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate. If Pakistani Rupee (Pak Rupee) had weakened / strengthened by 5% (2020 3%) against the USD, with all other variables held constant, the effect on the Company's profit for the year (due to changes in the fair value of monetary assets and liabilities) at June 30, 2021 and 2020 would have been as follows:

4

	Increase (Decrease) US Dollar to Pak Rupee	Effect on profit/(loss) before tax Rupees
<b>2021</b>		
Pak Rupees	6%	(7,138,930)
Pak Rupees	6%	(6,330,749)
<b>2020</b>		
Pak Rupees	3%	(37,166,156)
Pak Rupees	3%	(35,001,138)

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Term Deposit Receipts. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments is as follows:

Financial liabilities

	2021 Rupees	2020 Rupees
Variable rate instruments		
Habib Metropolitan Bank Trust Receipts Foreign Bills	52,313,672	-

Cash flow sensitivity analysis for variable rate instruments

A Change of 100 basis in interest rates at the reporting date would have increase/(decrease) profit for the year by the amounts shown below. This analysis assumes that all over variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the prior year.

	Profit or loss (post tax) 100 bps increase	100 bps decrease
	(Rupees in thousands)	
<b>As at June 30, 2021</b>		
Cash flow sensitivity - Variable rate financial liabilities	145,444	165,261
<b>As at June 30, 2020</b>		
Cash flow sensitivity - Variable rate financial liabilities	-	-

The Sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/liabilities of the companies

33.4 Credit Risk

Credit Risk represents the accounting loss that would be recognized in the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash equivalents, deposits with banks, as well as credit exposures to customers and other counter parties which includes loans and advances, trade debts and other receivables. Out of the total financial assets, those that are subject credit risk amounted to Rs. 65 Million (2020: Rs.1 million).

For trade debts, credit risk assessments process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the company also believes that it is not exposed to major concentration of credit risk.

In respect of other counter parties, due to the company's long standing business relationships with them, management does not expect non-performance by these counter parties on their obligations to the company.

The maximum exposure to credit risk as at June 30, 2021, along with comparative is tabulated follows:

Financial Assets	Note	2021 Rupees	2020 Rupees
Advances & Deposits		2,043,665	1,175,705
Trade debts		54,450,150	-
Cash and bank balances		8,055,806	29,758
		<u>64,549,621</u>	<u>1,205,463</u>
Not past due		54,450,450	-
Past due 1-30 days		-	-
Past due 30-90 days		-	-
Past due 90 days		108,682	108,682
Allowance for ECL		(108,682)	(108,682)
To manage exposure		<u>54,450,450</u>	<u>-</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The ratings of banks ranges from A to AAA

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

4

**33.5 Liquidity Risk**

Liquidity Risk is the risk that an entity will encounter difficulties in meeting obligation associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position. The company maintains flexibility in funding by maintaining availability under committed credit lines.

Financial liabilities in accordance with their contractual maturities are presented :

	Carrying Amount Contractual Cash Flows	On Demand contractual cash flow	Six month or less	Six to twelve months	One to Two year	Two to five year
Deferred liabilities	11,024,036	-	-	-	-	11,024,036
Short term Borrowings	145,276,456	92,962,784	52,313,672	-	-	-
Unclaimed dividend	2,208,846	2,208,846	-	-	-	-
Creditors, accrued and other liabilities	122,274,471	98,651,669	23,622,802	-	-	-
	<u>280,783,809</u>	<u>193,823,299</u>	<u>75,936,474</u>	<u>-</u>	<u>-</u>	<u>11,024,036</u>

**33.6 Fair values of Financial Instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values

**34 OPERATING SEGMENTS**

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

**35 STAFF STRENGTH**

<b>Total</b>		
June, 30	41	9
Average	46	9
<b>Plant</b>		
June, 30	31	6
Average	36	6

07 OCT 2021

**36 DATE OF AUTHORIZATION**

These accounts were authorized for issue on \_\_\_\_\_ by the Board of Directors of the company.

**37 GENERAL AND LEVEL OF PRECISION**

Figures in these accounts have been rounded off to the nearest rupee.

  
Chief Executive

  
Director

  
Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC IND. LTD.

Pattern of Shareholding

As On 30/06/2021

NO. OF SHAREHOLDERS	← HAVING SHARES →		SHARES HELD	PERCENTAGE
	From	To		
941	1	100	84859	0.2952
1268	101	500	558258	1.9419
142	501	1000	137981	0.4800
203	1001	5000	600555	2.0890
45	5001	10000	360447	1.2538
13	10001	15000	167900	0.5840
13	15001	20000	235892	0.8205
3	20001	25000	63500	0.2209
6	25001	30000	172032	0.5984
5	30001	35000	166023	0.5775
3	35001	40000	116000	0.4035
2	45001	50000	95500	0.3322
1	50001	55000	54500	0.1896
2	55001	60000	119076	0.4142
2	65001	70000	136545	0.4750
1	80001	85000	83652	0.2910
1	90001	95000	95000	0.3305
1	95001	100000	100000	0.3478
1	110001	115000	113000	0.3931
1	125001	130000	129500	0.4505
1	135001	140000	138000	0.4800
1	235001	240000	239800	0.8341
1	400001	405000	404000	1.4053
1	515001	520000	518855	1.8048
1	1165001	1170000	1167970	4.0628
1	1295001	1300000	1296555	4.5100
1	21390001	21395000	21392733	74.4143
2661		Company Total	28748133	100.0000

**CATEGORIES OF SHARE HOLDERS**

**AS AT JUNE 30, 2021**

<b>Categories</b>	<b>No. of Share Holders</b>	<b>Total Share Held</b>	<b>Percentage%</b>
Individuals Including Directors	2645	28,534,718	99%
Joint Stock Companies	12	76,715	0%
Financial Institutions	3	135,200	0%
Modarabas & Mutual Funds	1	1,500	0%
<b>Total</b>	<b>2661</b>	<b>28,748,133</b>	<b>100%</b>

**Mandviwalla Mauser Plastic Industries Limited**

**DETAIL OF CATEGORIES OF SHAREHOLDERS  
AS AT JUNE 30, 2021**

Category of Shareholders	No. of Shareholders	Share Held
<b>Associated companies, undertakings and related parties</b>	Nil	Nil
<b>NIT and ICP</b>	1	5200
<b>Directors, CEO and their Spouse and Minor Children</b>		
Mr. Azeem H. Mandviwalla (Chief Executive)	2	22,689,288
Mst. Farha Qureshi (Director)	1	500
Mr. Shamim Ahmed (Director)	1	500
Mr. Tariq Mahmood (Director)	1	500
Mr. Abdul Qadir Shiwani (Director)	1	500
Mr. Naseer Ahmed (Director)	1	500
Syed Asghar Ali (Director)	1	800
	8	22,692,588
<b>Executives</b>	Nil	Nil
<b>Public Sector Companies and Corporations</b>	Nil	Nil
<b>Banks, Development Finance Institutions, Non- Banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds</b>	3	131,500
<b>General Public (local)</b>	2629	5,793,980
<b>General Public (Foreign)</b>	8	48,150
<b>Joint Stock Companies</b>	12	76,715
	<b>2,661</b>	<b>28,748,133</b>

**Shareholders Holding 10% or more Voting interest in Company**

Total Paid-up Capital of the Company	28748133 Shares
10% of the Public Paid -up Capital	722,689,288Shares