

# ***Annual Report 2022***



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**Mandviwalla MAUSER Plastic Industries Limited**

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**MANDVIWALLA MAUSER PLASTICS INDUSTRIES  
LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE, 2022**

**IBRAHIM, SHAIKH & CO**

**CHARTERED ACCOUNTANTS**

**259-260 & 403, Panorama Centre, Fatima Jinnah Road,  
Karachi-74400**

**Phones : (92-21) 35210577 - 35673529 - 35671853**

**Fax : (92-21) 35676591**

**MANDVIWALLA MAUSER PLASTICS INDUSTRIES  
LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE, 2022**

## **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**

F.A.K. Tax consultant

#### **Legal Advisor**

Tasawur Ali Hashmi (Advocate)

#### **Registered Office**

Mandviwalla Building, Old Queens Road,  
Karachi -74000.  
Tel: 021-32441116-9 Fax021-32441276  
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 34th Annual General Meeting of **Mandviwalla MAUSER Plastic Industries Limited** will be held on Saturday, November 26, 2022, at 12:00 noon at Mandviwalla building Old Queens Road Karachi to transact the following business-

1. To confirm the minutes of the 33<sup>rd</sup> Annual General Meeting held on October 28, 2021.
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, 2022.
3. To appoint the Auditors of the Company and fix their remuneration.
4. To transact any other business with the permission of the Chairman.

By order of the Board of Directors

  
HINA AMBREEN  
Company Secretary

November 05, 2022  
Karachi

Notes:

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)

#### **1. Book of Closure**

The share transfer books of the Company will remain closed from November 19, 2022 to November 26, 2022 (both days inclusive).

**2.**

#### **3. 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>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Operating Data</b>         |             |             |             |             |             |             |
| Sales (Net)                   | 458.220     | 123.106     | -           | -           | -           | -           |
| Cost of sales                 | (424.443)   | (123.078)   | (26.741)    | (12.066)    | (6,327)     | (6,293)     |
| Gross Profit /(loss)          | 33.777      | 0.027       | (26.741)    | (12.066)    | (6,327)     | (6,293)     |
| Operating Profit/lose         | 24.63       | (12.83)     | (35.733)    | (19.209)    | (8,161)     | (7,749)     |
| Financial Charges             | (7.492)     | (1.576)     | (0.00709)   | (0.00452)   | (0.00166)   | -           |
| Profit/(lose) before Taxation | 17.442      | (4.839)     | (36.084)    | (19.217)    | (8,163)     | 22.357      |
| Profit/(lose) after Taxation  | 11.663      | (6.735)     | (36.084)    | (19.217)    | (8,163)     | 18.556      |
| <b>Financial Data</b>         |             |             |             |             |             |             |
| Shareholders equity           | (82.81)     | (94.74)     | (88.528)    | (52.958)    | (31.132)    | (78.468)    |
| Long term liabilities         |             |             |             |             | -           | -           |
| Deferred liabilities          | 12          | 11          | 10.747      | 11.689      | 8.519       | 5.8660      |
| Current liabilities           | 325         | 272         | 161.692     | 122.724     | 99.223      | 153.972     |
| Fixed Assets                  | 36          | 37          | 32.727      | 36.638      | 38,662      | 42,898      |
| 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            | 0.471       | 0.23171     | 0.23171     | 0.23171     | 0.23171     | 0.73        |
| current assets                | 198.16      | 130.59      | 26.407      | 20.253      | 18.011      | 18,033      |
| <b>Key Ratio</b>              |             |             |             |             |             |             |
| Gross margin                  | 7.371%      | 0.022%      | -           | -           | -           | -           |
| Operating margin              | 5.37%       | -8.21%      | -           | -           | -           | -           |
| Net Profit/Loss               | 2.55%       | -5.47%      | -           | -           | -           | -           |
| Current ratio*                | 0.61        | 0.48        | 0.163       | 0.16        | 0.19        | 0.160       |
| Earning/(loss) per share      | 0.41        | (0.23)      | (4.91)      | (2.61)      | (1.11)      | -           |
| <b>Dividend</b>               |             |             |             |             |             |             |
|                               |             |             | -           | -           | -           | -           |
| <b>Production (Tons)</b>      |             |             |             |             |             |             |
| Installed                     | 4,275       | 4,275       | 4,275       | 4,275       | 4,275       | 4,275       |
| Actual                        | 1,111       | 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, 2022, 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 Company has come into a profitable positions in its 2<sup>nd</sup> year of operation with all the challenges effect global




Chairman of the Board of Directors  
Karachi: November 04, 2022



## چیرمین کا جائزہ

بورڈ آف ڈائریکٹرز کے منتخب صدر نشین ہونے کی حیثیت سے مورخہ 30 جون 2022 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 کاوشوں کو میں قدر کی نگاہ سے دیکھتا ہوں اور یہ اعلان کرتے ہوئے مجھے خوشی ہو رہی ہے کہ کام شروع کرنے کے دوسرے برس میں کمپنی تمام تر ملکی اور عالمی چیلنجوں کے باوجود منافع دینے کی حیثیت میں آگئی ہے۔

  
چیرمین / بورڈ آف ڈائریکٹرز

کراچی: مورخہ 04 نومبر 2022ء



## Chairman/Directors' Report

The Board of Directors of the company are presenting the 34<sup>th</sup> Annual Report and Audited Financial Statements of the company for the year ended June 30, 2022.

### Financial Results

Financial results are summarized as under.

|                                 | 2022<br>Rupees | 2021<br>Rupees |
|---------------------------------|----------------|----------------|
| Sales (Net)                     | 458,220,357    | 123,106,275    |
| Gross profit/(Loss)             | 33,777,169     | 27,499         |
| Net profit/(loss)after taxation | 11,663,017     | (6,734,840)    |
| Accumulated losses              | (486,005,393)  | (497,970,824)  |
| Earning per share               | 0.41           | (0.23)         |

### Production

The 1,112 M.tons capacity utilization during 2021-22 as compared to previous year of 464 M.Tons.

### Sales

The net sales revenue was Rs 458.220 million as compared to previous year Rs 123.106 million. The company has been able to increase its sale by 272% with extremely tough market conditions.

The growth has been in the Chemical, Lube Oil and Food sectors. The company plans to expand further in Blow molding packaging and complete its range in order to be more competitive in the market.

### After Tax Profit/Loss and Accumulated losses

The Profit after tax is witnessed at Rs.11.663 million during the year as compared to loss of Rs. 6.734 million (2021).

## **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, 2022 already provided Subordinated loans to the Company amounting to Rs 115.714 million. The company has also obtained interest free short term loan from M/s Meskay and Femtee Trading Company (pvt) Ltd amounting to Rs 119.262 million. The Company has a unique product mix and the highest credibility in their field. The European technology is unique 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 17.1.1 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.17.1.2 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 2023.



6. The management is making effort in contacting these creditors to verify their balance to our auditors.
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:-

| Board of Directors       | No. of meeting Attended |
|--------------------------|-------------------------|
| 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:

| Members Name          | No. of meeting Attended |
|-----------------------|-------------------------|
| 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 29 to the financial statements.

### Future Outlook

The outlook of the plastic industry is very promising; however, it is dependent on high consumption of energy. The energy costs play an important role in the profitability of the company. The company plans to increase its range of products next year, by adding additional capacity and introducing 160 litre Open Tops and 250 Litre L-Ring drums. The company has now established its main product the 210 Litre MAUSER L-Ring drums in the Chemical, Lube Oil and Food sectors.

The market has been growing constantly over the last five years and the company is in the process of expansion by the second half of 2022. By the first half of 2023 the company will start manufacturing its range of industrial crates and containers.

## 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: November 04, 2022

On behalf of the Board of Directors



Abdul Qadir Shiwani  
Chairman/Director





## چیسر مین/ ڈائریکٹرز کی رپورٹ

کمپنی کا بورڈ آف ڈائریکٹرز مورخہ 30 جون 2022 کو اختتام پذیر ہونے والے مالی سال کے لئے 34 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:-

| 2021          | 2022          |                                |
|---------------|---------------|--------------------------------|
| روپے          | روپے          |                                |
| 123,106,275   | 458,220,357   | فروخت (خالص)                   |
| 27,499        | 33,777,169    | خام نفع / (نقصان)              |
| (6,734,840)   | 11,663,017    | خالص نفع / (نقصان) بعد از ٹیکس |
| (497,970,824) | (486,005,393) | مجموعی نقصانات                 |
| (0.23)        | 0.41          | فی شیئر کمائی                  |

### پیداوار

سال 2020-2021 میں 464 میٹرک ٹن کی بہ نسبت زیر جائزہ سال کے دوران 1,112 میٹرک ٹن کی گنجائش سے استفادہ کیا گیا۔

### فروخت

گزشتہ سال کی 123,106 ملین کی فروخت کے مقابلے میں زیر جائزہ سال کے دوران فروخت سے ہونے والی آمدنی کا حجم 458,220 ملین روپے رہا۔ مارکیٹ کی انتہائی مشکل صورت حال کے باوجود کمپنی فروخت کے حجم میں 272% کی بڑھوتی کرنے میں کامیاب رہی۔

یہ بڑھوتی کیمیکل، لیوب آئل اور فوڈ سیکٹروں میں عمل میں آئی۔ کمپنی کا منصوبہ ہے کہ Blow مولڈنگ پیکیجنگ میں مزید توسیع کر کے ریٹج مکمل کی جائے تاکہ مارکیٹ میں مسابقت کی صلاحیت بڑھائی جاسکے۔

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

زیر جائزہ سال کے دوران بعد از ٹیکس منافع 11.663 ملین روپے حاصل ہوا جب کہ گزشتہ برس (2021) کی اسی مدت کے دوران ہونے والے نقصان کا حجم 6.734 ملین روپے رہا تھا۔

## 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 2022 تک کمپنی کو 115.714 ملین روپے مالیت کے ماتحت قرضے دیئے جا چکے ہیں۔ کمپنی نے M/s Meskay and Femtee Trading Company (pvt) Ltd سے 119.262 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 یورپی ٹیکنالوجی منفرد 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۔ کمپنی کی انتظامیہ اس ضمن میں جدوجہد کر رہی ہے اور یہ جائزہ آئندہ سال میں لیا جائے گا۔

3۔ مبلغ 19.705 ملین روپے کے بونڈ میں رکھے انجینئرنگ اسٹورز کے تخریبی نقصان کی بھرپائی نہیں کی جاسکی ہے کیوں کہ یہ اشیاء تاحال بونڈ ڈویژن 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 انکم ٹیکس آرڈیننس 2001 کی دفعہ 205 کے تحت کوئی اضافی باریا 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۔

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 ہونے کے سبب انہوں نے اپنی خدمات دوبارہ پیش کی 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 تیاری جاتی ہیں۔
- مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مستقل نفاذ کیا گیا ہے۔ اکاؤنٹنگ تخمینہ جات معقول اور چوکسی سے کئے گئے فیصلوں پر بنیاد کرتے ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل نفاذ اکاؤنٹنگ کے عالمی معیارات پر عمل کیا گیا ہے اور کسی بھی

انحراف، اگر ہو، کموزوں 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 آپریننگ 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 مائڈ وی 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:-

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

(l) 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<br>جناب شمیم احمد خان<br>جناب طارق محمود<br>جناب عبدالقادر شیوانی<br>جناب نصیر احمد<br>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 ریمونریشن 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 کوئی معاوضہ ادا نہیں کیا



جائے گا۔ دوران سال ادا کی گئی فیسوں کی تفصیلات اور چیف ایگزیکٹو آفیسر کے معاوضے کا بیکیج 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 تاہم یہ صنعت توانائی پر بہت زیادہ انحصار کرتی ہے۔ کمپنی کے منافع میں توانائی کی قیمتیں انتہائی اہم کردار ادا کرتی ہیں۔ کمپنی آئندہ برس تک اضافی گنجائش شامل کر کے اور 160 لیٹر گنجائش والے اوپن ٹائپس اور 250 لیٹر گنجائش کے حامل ایل رنگ ڈرمز متعارف کر کے اپنی مصنوعات کے سلسلے (رینج) میں اضافہ کرنے کا منصوبہ بنا رہی ہے۔ کمپنی نے کیمیکل اور فوڈ انڈسٹری میں اب اپنی مرکزی صناعت (پروڈکٹ) یعنی 210 لیٹر والے ماوز ریل رنگ ڈرمز کی پہچان کرا لی ہے۔

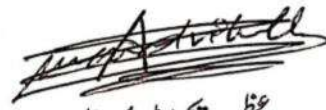
گزشتہ پانچ برسوں سے مارکیٹ مستقل طور سے بڑھ رہی ہے لہذا کمپنی سال 2022 کی دوسری ششماہی تک اپنی پیداواری صلاحیت میں توسیع کرنے کی کارروائی کر رہی ہے۔ سال 2023 کی پہلی ششماہی تک کمپنی صنعتی استعمال کے کریٹوں اور کنٹینروں کے سلسلے کی پیداوار شروع کر دے گی۔

### 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، شیئر 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  
چیئر مین / ڈائریکٹر

  
عظیم امجد مانڈوی والا  
چیف ایگزیکٹو

کراچی

مورخہ 04 نومبر 2022ء



**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, 2022 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, 2022.

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

|      | Note reference | Description              | Non-Compliance                                |
|------|----------------|--------------------------|---|
| 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. |



**IBRAHIM, SHAIKH & CO.**

- |     |    |  |  |
|-----|----|--|--|
| 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   |

*Ibrahim Sheikh & Co.*

Faisalabad.

Date:

05 NOV 2022

Ibrahim, Shaikh & Co.

Chartered Accountants

Engagement Partner Ghulam Mudassar.

FCA

UDIN :

CR202210203j3kE2RhvL



## Statement of Compliance

**With the Code of Corporate Governance for the year ended June 30, 2022.**

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.



  
Azeem H. Mandviwalla  
Shiwani  
Chief Executive

  
Abdul Qadir  
Chairman

Karachi: November 04, 2022

**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, 2022, 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 except as discussed in the paragraph basis for adverse opinion below, 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, 2022 and of the profit, the comprehensive income, 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, 2022 have been prepared on going concern assumption despite of the fact that as of that date the company has accumulated losses of Rs.486.005 million which resulted in negative equity of Rs 82.810 million and its current liabilities exceeded its current assets by Rs. 126.547 million and total assets by Rs.70.653 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 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 17.1.2 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 13 to the financial statements is an amount of Rs. 62.694 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.
- The company did not produce the condensed interim financial statements for the half year ended December 31, 2021 for our review as per the requirement of Section 237 of the Company's Act, 2017. Hence we did not issue any report thereon.

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 adverse 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.

Except for the adjustment in respect of matters stated in Basis for Adverse Opinion above which may have a pervasive effect due to their materiality, we have determined that there are no other 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.

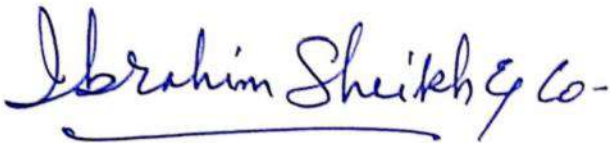


**Report on Other Legal and Regulatory Requirements**

Except for the adjustment in respect of matters stated in Basis for Adverse Opinion above which may have a pervasive effect due to their materiality, we further report that in our opinion:

- (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 not 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 Ghulam Mudassar FCA.



**IBRAHIM, SHAIKH & CO.  
CHARTERED ACCOUNTANTS  
FAISALABAD**

**DATED : 05 NOV 2022**

**UDIN : AR202210203423RMrZKx**




**MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022**

|  | Note | 2022<br>Rupees       | 2021<br>Rupees       |
|--|------|----------------------|----------------------|
| <b>NON-CURRENT ASSETS</b>                              |      |                      |                      |
| Property plant and equipment                           | 5    | 35,717,692           | 37,329,511           |
| Assets in bond   | 6    | 19,705,171           | 19,705,171           |
| Long term deposits                                     | 7    | 471,710              | 231,710              |
|  |      | 55,894,573           | 57,266,392           |
| <b>CURRENT ASSETS</b>                                  |      |                      |                      |
| Stores, spares and loose tools                         | 8    | 15,333,388           | 13,670,276           |
| Stock-in-trade   | 9    | 46,167,446           | 37,804,617           |
| Trade receivable - unsecured                           | 10   | 103,581,551          | 54,450,150           |
| Other receivables                                      | 11   | 24,009,793           | 16,608,196           |
| Cash and bank balances                                 | 12   | 9,068,543            | 8,055,806            |
|  |      | 198,160,721          | 130,589,045          |
| <b>CURRENT LIABILITIES</b>                             |      |                      |                      |
| Trade and other payables                               | 13   | 110,580,770          | 122,274,471          |
| Unclaimed dividend                                     |      | 2,208,846            | 2,208,846            |
| Provision for taxation                                 | 14   | 5,727,754            | 1,846,594            |
| Short term Borrowings                                  | 15   | 206,190,498          | 145,276,456          |
|  |      | 324,707,869          | 271,606,367          |
| <b>Net current assets/(liabilities)</b>                |      | <b>(126,547,148)</b> | <b>(141,017,322)</b> |
| <b>NON-CURRENT LIABILITIES</b>                         |      |                      |                      |
| Deferred liabilities                                   | 16   | 12,156,961           | 11,024,036           |
|  |      | 12,156,961           | 11,024,036           |
| <b>CONTINGENCIES AND COMMITMENTS</b>                   |      |                      |                      |
|  | 17   |                      |                      |
| <b>NET ASSETS</b>                                      |      | <b>(82,809,535)</b>  | <b>(94,774,966)</b>  |
| <b>SHARE CAPITAL AND RESERVES</b>                      |      |                      |                      |
| Authorized: 40,000,000 ordinary shares of Rs.10/- each | 18   | 400,000,000          | 400,000,000          |
| Issued, subscribed and paid-up capital                 | 18   | 287,481,330          | 287,481,330          |
| Subordinated loans                                     | 19   | 115,714,528          | 115,714,528          |
| Accumulated losses carried forward                     |      | (486,005,393)        | (497,970,824)        |
| <b>Net shareholders' equity</b>                        |      | <b>(82,809,535)</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

**MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED**

**STATEMENT OF PROFIT OR LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2022**

|  | Note | 2022<br>Rupees           | 2021<br>Rupees            |
|--|------|--------------------------|---------------------------|
| Revenue                                | 20   | 458,220,357              | 123,106,275               |
| Cost of sales                          | 21   | (424,443,188)            | (123,078,776)             |
| <b>Gross (loss)</b>                    |      | <u>33,777,169</u>        | <u>27,499</u>             |
| General and administrative expenses    | 22   | <u>9,145,387</u>         | <u>10,134,726</u>         |
|  |      | (9,145,387)              | (10,134,726)              |
| Loss generated from operation          |      | <u>24,631,782</u>        | <u>(10,107,227)</u>       |
| Selling and distribution expense       | 23   | <u>(9,521,387)</u>       | <u>(2,723,688)</u>        |
|  |      | 15,110,395               | (12,830,915)              |
| Finance cost                           | 24   | (7,492,524)              | (1,597,051)               |
| Other Charges/ Income                  | 25   | 9,824,367                | 9,588,172                 |
| Profit / (loss) before taxation        |      | <u>17,442,238</u>        | <u>(4,839,794)</u>        |
| Taxation                               | 26   | (5,779,221)              | (1,895,046)               |
| Profit / (loss) after taxation         |      | <u><u>11,663,017</u></u> | <u><u>(6,734,840)</u></u> |
| Earnings per share - basic and diluted | 27   | <u><u>0.41</u></u>       | <u><u>(0.23)</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, 2022

|  | 2022<br>Rupees    | 2021<br>Rupees     |
|--|-------------------|--------------------|
| Profit / (loss) for the year                   | 11,663,017        | (6,734,840)        |
| Gain/(loss) on gratuity                        | 302,414           | 487,807            |
| Total comprehensive Income/(loss) for the year | <u>11,965,431</u> | <u>(6,247,033)</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 CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2022**

|  | Note | 2022<br>Rupees      | 2021<br>Rupees      |
|--|------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |      |                     |                     |
| Profit / (loss) before taxation                              |      | 17,442,238          | (4,839,794)         |
| <b>Adjustment for non-cash charges and other items:</b>      |      |                     |                     |
| Depreciation   | 5.1  | 4,210,438           | 3,346,175           |
| Provision for staff gratuity                                 |      | 1,435,339           | 1,100,217           |
|  |      | -                   | -                   |
| Finance cost   |      | 7,492,524           | 1,597,051           |
|  |      | 13,138,301          | 6,043,443           |
|  |      | <u>30,580,539</u>   | <u>1,203,649</u>    |
| <b>Working capital changes</b>                               |      |                     |                     |
| <b>Decrease / (Increase) in current assets</b>               |      |                     |                     |
| Stores, spares and loose tools                               |      | (1,663,112)         | (2,044,372)         |
| Stock-in-trade   |      | (8,362,829)         | (26,213,084)        |
| Trade receivable - unsecured                                 |      | (49,131,401)        | (54,450,150)        |
| Other receivables  |      | (1,854,628)         | (11,126,130)        |
| <b>Increase / (decrease) in current liabilities</b>          |      |                     |                     |
| Trade and other payables                                     |      | (12,637,527)        | 12,410,593          |
|  |      | <u>(73,649,497)</u> | <u>(81,423,143)</u> |
| Income tax paid  |      | (7,445,031)         | (2,370,978)         |
| Long term deposits   |      | (240,000)           | -                   |
| Staff gratuity/employees compensated absences paid           |      | -                   | (27,570)            |
| Finance cost paid  |      | (6,548,697)         | (1,094,547)         |
|  |      | <u>(14,233,728)</u> | <u>(3,493,095)</u>  |
| <b>Net cash used in operating activities</b>                 |      | <u>(57,302,687)</u> | <u>(83,712,589)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |      |                     |                     |
| Fixed capital expenditures                                   |      | (2,598,619)         | (3,106,964)         |
| <b>Net cash used in investing activities</b>                 |      | <u>(2,598,619)</u>  | <u>(3,106,964)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |      |                     |                     |
| Short term Borrowings Habib Metropolitan Bank Trust Receipts |      |                     |                     |
| Foreign Bills  |      | 34,614,042          | 52,313,672          |
| Short term Borrowings Others                                 |      | 26,300,000          | 42,531,929          |
| <b>Net cash generated from financing activities</b>          |      | <u>60,914,042</u>   | <u>94,845,601</u>   |
| Net increase / (decrease) in cash and cash equivalents       |      | 1,012,736           | 8,026,048           |
| Cash and cash equivalents at the beginning of the year       |      | 8,055,806           | 29,758              |
| Cash and cash equivalents at the end of the year             | 31   | <u>9,068,543</u>    | <u>8,055,806</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, 2022**

|  | Issued,<br>subscribed<br>and paid up<br>share capital | Subordinated<br>loans | Accumulated<br>losses carried<br>forward | Net<br>shareholders'<br>equity |
|--|---|-----------------------|--|--------------------------------|
|  | Rupees  | Rupees                | Rupees                                   | Rupees                         |
| <b>Balance as at July 01, 2020</b>             | 73,554,000  | 329,641,858           | (491,723,791)                            | (88,527,933)                   |
| Increased Paid-up-Capital                      | 213,927,330   | (213,927,330)         | -  | -                              |
| Total comprehensive Income/(loss) for the year | -   | -                     | (6,247,033)                              | (6,247,033)                    |
| <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>            |
| Total comprehensive Income/(loss) for the year | -   | -                     | 11,965,431                               | 11,965,431                     |
| Increased Paid-up-Capital                      | -   | -                     | -  | -                              |
| <b>Balance as at June 30, 2022</b>             | <b>287,481,330</b>                                    | <b>115,714,528</b>    | <b>(486,005,393)</b>                     | <b>(82,809,535)</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 486.005 million (2021 Rs 497.971 million) as on June 30, 2022. Thus causing a net capital deficiency of Rs 82.810 million (2021 Rs 94.775 million). The current liabilities have exceeded current assets by Rs 126.547 million (2021 Rs 141.017 million).

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

The company shifted plant to Port Qasim Karachi and started commercial production with effect from July 25, 2020. Up to June 30, 2022 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/-. In last year these shares have been issued to Azeem Hakim Mandviwalla after fulfillment of all the relevant requirements.

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

The Company has taken appropriate measures to keep its human resource and assets safe and secure. Further, the Company is continuously monitoring the situation to counter act the changed environment.

The management believes that there is no significant financial impact of COVID-19 on the carrying amounts of assets and liabilities or items of income or expenses, as disclosed in these financial statements. The management has evaluated and concluded that there are no material implications of COVID-19 that require specific disclosures in these financial statements.

## 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:

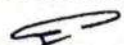
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017;
- Where provisions of and directives issued under the Companies Act, 2017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

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the Company's financial statements.

#### Amendments to approved accounting standards

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)  
IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

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

The following standards, amendments and improvements to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or

| Amendments       |  | Effective date (annual reporting periods beginning on or after) |
|------------------|--|---|
| IFRS 3           | Reference to the Conceptual Framework (Amendments)   | January 01, 2022  |
| IAS 16           | Property, plant and equipment: Proceeds before Intended Use (Amendments)                           | January 01, 2022  |
| IAS 37           | Onerous Contracts - Cost of Fulfilling a Contract (Amendments)                                     | January 01, 2022  |
| IAS 1            | Classification of Liabilities as Current or Non-Current (Amendments)                               | January 01, 2023  |
| IAS 1            | Disclosure of Accounting Policies (Amendments)   | January 01, 2023  |
| IAS 8            | Definition of Accounting Estimates (Amendments)  | January 01, 2023  |
| IAS 12           | Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments)      | January 01, 2023  |
| IFRS 10 / IAS 28 | Sale or Contribution of Assets between an Investor and its Associates or Joint Venture (Amendment) | Not yet Finalised   |

#### Improvements to Accounting Standard Issued by the IASB (2018-2020 cycle)

|         |                  |
|---------|------------------|
| IFRS 9  | January 01, 2022 |
| IAS 41  | January 01, 2022 |
| IFRS 16 | January 01, 2022 |



Further following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

IFRS 1 Financial Instruments - Fee in the '10 percent' test for derecognition of financial liabilities January 01, 2004

IFRS 17 Insurance Contracts January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

#### 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





**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 cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

**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 measurementcategory to the amortized cost measurement category, the financial asset is reclassified at its fairvalue at the reclassification date. However, the cumulative gain or loss previously recognized in othercomprehensive income is removed from equity and adjusted against the fair value of the financialasset at the reclassification date. The effective interest rate and the measurement of expected creditlosses 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 fairvalue 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 measurementcategory 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 comprehensiveincome 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 contractualprovisions of the instrument. Regular purchases and sales of investments are recognized on tradedate– 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 transactioncosts for all financial assets not carried at fair value through profit or loss. Financial assets carriedat fair value through profit or loss are initially recognized at fair value and transaction costs areexpensed in the profit and loss account. Dividend income from financial assets at fair value throughprofit or loss is recognized in the profit and loss account when the Company's right to receivepayments is established. Trade receivables are initially measured at the transaction price if these donot contain a significant financing component in accordance with IFRS 15. Where the Company usesettlement date accounting for an asset that is subsequently measured at amortized cost, the assetis recognized initially at its fair value on the trade debt.

#### **Subsequent measurement**

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

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair

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

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and there negotiation or modification does not result in the derecognition of that financial asset, the Companyrecalculates 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 theclosing market rates and are carried in the statement of financial position at fair value. Net gains andlosses arising on changes in fair values of these financial assets are recognized in other comprehensiveincome. Interest calculated using the effective interest rate method is credited to the statement ofprofit or loss. Dividends on equity instruments are credited to the statement of profit or loss whenthe Company's right to receivepayments 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-

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.

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 valuation date.

**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".

**4.18 SHARE CAPITAL**

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any

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   | Owned Rupees                | Owned Rupees                 | Owned Rupees                 | Owned Rupees              | Owned Rupees              | Owned Rupees                            | Owned Rupees | Owned Rupees  | Owned Rupees | Owned Rupees | Owned Rupees | Owned Rupees     | Owned Rupees | Owned Rupees   | Leased Rupees | Rupees      |
| <b>At July 1, 2021</b>                    |                |                             |                              |                              |                           |                           |   |              |   |              |              |              |                  |              |                |               |             |
| Cost                                      | 739,202        | 32,801,122                  | 4,888,161                    | 246,722,508                  | 11,485,380                | 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 |
| Accumulated depreciation                  | -              | 31,334,403                  | -                            | 231,245,228                  | 10,691,683                | 50,726,428                | 8,140,469                               | 5,598,777    | 4,777,610   | 430,073      | 1,642,661    | 189,835      | 2,448,815        | -            | -              | -             | 347,229,962 |
| Net book value                            | 739,202        | 1,466,719                   | 4,888,161                    | 15,477,280                   | 793,697                   | 7,066,153                 | 1,618,016                               | 883,448      | 923,921   | 1,092        | 2,350,239    | 3,084        | 1,122,501        | -            | -              | -             | 37,329,511  |
| <b>Year ended June 30, 2022</b>           |                |                             |                              |                              |                           |                           |   |              |   |              |              |              |                  |              |                |               |             |
| Opening net book value                    | 739,202        | 1,466,719                   | 4,888,161                    | 15,473,280                   | 793,697                   | 7,066,153                 | 1,618,016                               | 883,448      | 923,921   | 1,092        | 2,350,239    | 3,084        | 1,122,501        | -            | -              | -             | 37,329,511  |
| Additions                                 | -              | -                           | -                            | -                            | 13,000                    | 1,781,510                 | 144,815                                 | 70,225       | 12,150  | -            | 366,493      | 82,426       | 128,000          | -            | -              | -             | 2,598,619   |
| Disposals-net book value                  | -              | -                           | -                            | -                            | -                         | -                         | -                                       | -            | -   | -            | -            | -            | -                | -            | -              | -             | -           |
| Asset destroyed in transit-net book value | -              | -                           | -                            | -                            | (79,370)                  | (825,536)                 | (171,284)                               | (89,212)     | (93,303)  | (218)        | (516,139)    | (8,860)      | (243,700)        | -            | -              | -             | (4,210,438) |
| Depreciation                              | -              | (146,672)                   | (488,816)                    | (1,547,328)                  | -                         | -                         | -                                       | -            | -   | -            | -            | -            | -                | -            | -              | -             | -           |
| Impairment                                | -              | -                           | -                            | -                            | -                         | -                         | -                                       | -            | -   | -            | -            | -            | -                | -            | -              | -             | -           |
| Closing net book value                    | 739,202        | 1,320,047                   | 4,399,345                    | 13,925,952                   | 727,327                   | 8,022,127                 | 1,591,548                               | 864,462      | 842,768   | 873          | 2,200,593    | 76,650       | 1,006,801        | -            | -              | -             | 35,717,692  |
| <b>As at June 30, 2022</b>                |                |                             |                              |                              |                           |                           |   |              |   |              |              |              |                  |              |                |               |             |
| Cost                                      | 739,202        | 32,801,122                  | 4,888,161                    | 246,722,508                  | 11,498,380                | 59,574,091                | 9,903,280                               | 6,552,450    | 5,713,681   | 431,165      | 4,359,393    | 275,345      | 3,699,316        | -            | -              | -             | 387,158,094 |
| Accumulated depreciation                  | -              | 31,481,075                  | 488,816                      | 232,756,556                  | 10,771,053                | 51,551,964                | 8,311,732                               | 5,687,988    | 4,870,913   | 430,292      | 2,158,800    | 198,695      | 2,692,515        | -            | -              | -             | 351,440,402 |
| Net book value                            | 739,202        | 1,320,047                   | 4,399,345                    | 13,925,952                   | 727,327                   | 8,022,127                 | 1,591,548                               | 864,462      | 842,768   | 873          | 2,200,593    | 76,650       | 1,006,801        | -            | -              | -             | 35,717,692  |
| <b>As at July 01, 2020</b>                |                |                             |                              |                              |                           |                           |   |              |   |              |              |              |                  |              |                |               |             |
| Cost                                      | 739,202        | 32,801,122                  | -                            | 246,722,508                  | 11,485,380                | 57,792,581                | 9,045,566                               | 6,482,225    | 5,657,631   | 431,165      | 1,689,235    | 192,919      | 3,571,316        | -            | -              | -             | 376,610,850 |
| Accumulated depreciation                  | -              | 31,171,434                  | -                            | 229,529,975                  | 10,603,495                | 49,941,300                | 8,039,880                               | 5,500,616    | 4,679,017   | 429,800      | 1,631,017    | 189,064      | 2,168,190        | -            | -              | -             | 343,883,788 |
| Net book value                            | 739,202        | 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  |
| <b>Year ended June 30, 2021</b>           |                |                             |                              |                              |                           |                           |   |              |   |              |              |              |                  |              |                |               |             |
| Opening net book value                    | 739,202        | 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        | -            | -              | -             | 32,727,062  |
| Additions                                 | -              | -                           | 4,888,161                    | -                            | -                         | 712,899                   | -                                       | -            | 43,900  | -            | 2,303,665    | -            | -                | -            | -              | -             | 7,948,625   |
| Disposals at net book value               | -              | -                           | -                            | -                            | -                         | -                         | -                                       | -            | -   | -            | -            | -            | -                | -            | -              | -             | -           |
| Asset destroyed in transit-net book value | -              | -                           | -                            | (1,719,253)                  | (88,189)                  | (785,128)                 | (100,569)                               | (98,161)     | (98,593)  | (273)        | (11,644)     | (771)        | (280,625)        | -            | -              | -             | (3,346,175) |
| Depreciation                              | -              | (162,969)                   | -                            | -                            | -                         | -                         | -                                       | -            | -   | -            | -            | -            | -                | -            | -              | -             | -           |
| Impairment                                | -              | -                           | -                            | -                            | -                         | -                         | -                                       | -            | -   | -            | -            | -            | -                | -            | -              | -             | -           |
| Closing net book value                    | 739,202        | 1,466,719                   | -                            | 15,473,280                   | 793,697                   | 7,066,153                 | 1,618,016                               | 883,448      | 923,921   | 1,092        | 2,350,239    | 3,084        | 1,122,501        | -            | -              | -             | 37,329,511  |
| <b>Rate</b>                               | -              | 10%                         | 10%                          | 10%                          | 10%                       | 10%                       | 10%                                     | 10%          | 10%   | 10%          | 20%          | 20%          | 20%              | 20%          | 20%            | 20%           | 20%         |



|  | Note | 2022<br>Rupees     | 2021<br>Rupees     |
|--|------|--------------------|--------------------|
| 5.1 The depreciation for the year has been allocated as follows:   |      |                    |                    |
| Cost of goods manufactured   |      | 3,697,164          | 2,865,776          |
| Administrative expenses  |      | 513,274            | 480,399            |
|  |      | <u>4,210,438</u>   | <u>3,346,175</u>   |
| 5.2 Leasehold Land represents 5 acre of land situated at C-5 Uthal Industrial Estate Uthal District Lasbella Baluchistan on which factory and non factory building are constructed. Currently production facility is closed due to declining security situation in Lasbella. Plant and machinery was shifted to new rented premises located in Industrial zone Port Qasim Authority, karachi |      |                    |                    |
| <b>6 ASSETS IN BOND</b>  |      |                    |                    |
| Engineering stores   | 6.1  | <u>19,705,171</u>  | <u>19,705,171</u>  |
| 6.1 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.   |      |                    |                    |
| <b>7 LONG TERM DEPOSITS</b>  |      | <u>471,710</u>     | <u>231,710</u>     |
| <b>8 STORES, SPARES AND LOOSE TOOLS</b>  |      |                    |                    |
| Stores and spares  |      | 21,438,622         | 19,775,510         |
| Loose tools  |      | 1,600,849          | 1,600,849          |
|  |      | 23,039,471         | 21,376,359         |
| Less: Provision for slow moving items  | 8.1  | <u>(7,706,083)</u> | <u>(7,706,083)</u> |
|  |      | <u>15,333,388</u>  | <u>13,670,276</u>  |
| <b>8.1 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>   |
| <b>9 STOCK-IN-TRADE</b>  |      |                    |                    |
| Raw materials  |      | 34,037,114         | 11,517,369         |
| Raw materials in bond  |      | 1,084,670          | 1,084,670          |
| Finished goods   |      | 11,468,329         | 25,625,245         |
|  |      | 46,590,113         | 38,227,284         |
| Less: Provision for slow moving finished goods   |      | <u>(422,667)</u>   | <u>(422,667)</u>   |
|  |      | <u>46,167,446</u>  | <u>37,804,617</u>  |
| <b>10 TRADE RECEIVABLES - UNSECURED</b>  |      |                    |                    |
| Considered doubtful  |      | 108,682            | 108,682            |
| Considered good  |      | 103,581,551        | 54,450,150         |
|  |      | 103,690,233        | 54,558,832         |
| Less: Allowance for ECL  | 10.1 | <u>(108,682)</u>   | <u>(108,682)</u>   |
|  |      | <u>103,581,551</u> | <u>54,450,150</u>  |
| <b>10.1 Allowance for ECL</b>  |      |                    |                    |
| Balance at beginning of the year   |      | 108,682            | 108,682            |
| Charge during the year - net   |      | -                  | -                  |
| Allowance no longer required   |      | -                  | -                  |
| Write - off  |      | -                  | -                  |
| Balance at the end of the year   |      | <u>108,682</u>     | <u>108,682</u>     |

|  | Note | 2022<br>Rupees     | 2021<br>Rupees     |
|--|------|--------------------|--------------------|
| <b>11 OTHERS RECEIVABLES</b>                         |      |                    |                    |
| Advance to Employees                                 |      | 1,416,772          | 1,811,955          |
| Advance to Suppliers                                 |      | 577,415            | 534,179            |
| Letter of credit                                     |      | 12,862,709         | 10,656,134         |
| Advance WeBoc  |      | 20,960             | 20,960             |
| Advance income tax                                   |      | 9,131,937          | 3,584,968          |
|  |      | <u>24,009,793</u>  | <u>16,608,196</u>  |
| <b>12 CASH AND BANK BALANCES</b>                     |      |                    |                    |
| Cash in hand   |      | -                  | -                  |
| Cash at banks - in current accounts                  |      |                    |                    |
| Local currency                                       |      | 9,068,543          | 8,055,806          |
|  |      | <u>9,068,543</u>   | <u>8,055,806</u>   |
|  |      | <u>9,068,543</u>   | <u>8,055,806</u>   |
| <b>13 TRADE AND OTHER PAYABLES</b>                   |      |                    |                    |
| Creditors  |      | 86,152,382         | 94,558,530         |
| Accrued liabilities                                  |      |                    |                    |
| Salaries and wages                                   |      | 2,380,572          | 2,916,536          |
| Mark-up on short term finances                       |      | 1,446,331          | 502,504            |
| Accrued expenses                                     |      | 781,509            | -                  |
| Staff Gratuity payable                               |      | 4,441,050          | 4,747,087          |
|  |      | <u>9,049,462</u>   | <u>8,166,127</u>   |
| Other liabilities                                    |      |                    |                    |
| Sales tax Payable                                    |      | 142,690            | 664,872            |
| Contract Liabilities                                 |      | 2,215,117          | 2,215,117          |
| Tax deducted at source                               |      | 5,525,020          | 5,213,767          |
| Rent payable   |      | 6,300,000          | 11,250,000         |
| Workers welfare fund                                 |      | 243,225            | 98,485             |
| Workers profit participation fund                    |      | 380,894            | -                  |
| Others   |      | 571,982            | 107,573            |
|  |      | <u>15,378,927</u>  | <u>19,549,814</u>  |
|  |      | <u>110,580,770</u> | <u>122,274,471</u> |
| <b>14 INCOME TAX PAYABLE</b>                         |      |                    |                    |
| Opening balance                                      |      | 1,846,594          | -                  |
| Provided during the year                             |      |                    |                    |
| - Current  | 26   | 5,727,754          | 1,846,594          |
| - Prior  |      | -                  | -                  |
|  |      | <u>5,727,754</u>   | <u>1,846,594</u>   |
|  |      | <u>7,574,348</u>   | <u>1,846,594</u>   |
| Payments/adjustments during the year                 |      | <u>(1,846,594)</u> | <u>-</u>           |
|  |      | <u>5,727,754</u>   | <u>1,846,594</u>   |
| <b>15 SHORT TERM BORROWING</b>                       |      |                    |                    |
| Habib Metropolitan Bank Trust Receipts Foreign Bills | 15.1 | 86,927,714         | 52,313,672         |
| Banking Company Secured                              |      |                    |                    |
| Others   | 15.2 | 119,262,784        | 92,962,784         |
| Un-Secured   |      |                    |                    |
|  |      | <u>206,190,498</u> | <u>145,276,456</u> |



**15.1** 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 (2021: Rs.100) bearing mark-up of 3 month Kibor plus 1% (2021: 3 month Kibor plus 1% ) 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. & Corporate Guarantee of M/s Messkay & Femtee Trading Co Pvt Ltd. The facility expires on 30-09-2022.

**15.2** The Company has obtained loans from Messkay & Femtee Trading Company (Private) Limited. As per the term of agreement, the loans are repayable on demand.

## **16 DEFERRED LIABILITY**

### **16.1 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 be able to utilize the deductible temporary difference. Therefore, deferred tax asset of Rs. 44.570 million (2021: Rs. 43.143 million) has not been recognized in these financial statements."

|   | Note        | 2022<br>Rupees           | 2021<br>Rupees           |
|---|-------------|--------------------------|--------------------------|
| <b>16.2 Staff retirement benefits</b>                 |             |                          |                          |
| <b>Staff Gratuity</b>                                 |             |                          |                          |
| As at the beginning of the year                       |             | 9,771,610                | 9,467,400                |
| Charge to profit and loss account                     |             | 1,435,339                | 1,100,217                |
| Benefits due but now transfer to short term liability |             | -                        | (308,200)                |
| (Gain)/ loss during the year                          |             | (302,414)                | (487,807)                |
| As at end of the year                                 |             | <u>10,904,535</u>        | <u>9,771,610</u>         |
| <b>Employees' compensated absences</b>                | <b>16.3</b> | 1,252,426                | 1,279,996                |
| Paid During Year                                      |             | -                        | (27,570)                 |
|   |             | <u>1,252,426</u>         | <u>1,252,426</u>         |
|   |             | <u><b>12,156,961</b></u> | <u><b>11,024,036</b></u> |

### **16.2.1 Charge to profit or Loss**

|   |                  |                  |
|---|------------------|------------------|
| Current service cost                      | 393,727          | 319,791          |
| Interest on past service Cost             | 1,041,612        | 780,425          |
|   | <b>1,435,339</b> | <b>1,100,216</b> |
| (Gain) or Loss recognized during the year | -                | (487,807)        |
|   | <u>1,435,339</u> | <u>612,409</u>   |

### **16.2.2 The charge to profit or loss has been allocated as follows**

|                         |                         |                         |
|-------------------------|-------------------------|-------------------------|
| Cost of sales           | 1,109,044               | 890,651                 |
| Administrative expenses | 326,295                 | 209,566                 |
|                         | <u><b>1,435,339</b></u> | <u><b>1,100,217</b></u> |

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at June 30, 2021 and June 30, 2022 has been determined by the management of the company based on projected unit credit method. The principal assumptions used in determining present value of defined benefit obligation are.

|                                  |    |   |
|----------------------------------|----|---|
|                                  | %  | % |
| Discount rate                    | 11 | 9 |
| Expected rate of increase salary | 2  | 2 |

### **Historical information**

|  |               |               |
|--|---------------|---------------|
| Present value of defined benefits obligation | 10,904,535    | 9,771,610     |
| Adjustment arising during the year           | (302,414)     | (487,807)     |
| Valuation date                               | June 30, 2022 | June 30, 2021 |

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



|  | Note | 2022<br>Rupees | 2021<br>Rupees |
|--|------|----------------|----------------|
| been disclosed   |      |                |                |
| <b>16.2.3 Sensitivity of Assumptions.</b>  |      |                |                |
| Sensitivity analysis was carried out on significant assumptions, such as discount rate and salary increase rate. Impact of changing these assumption are as under :- |      |                |                |
| 1 Salary Increase +100 bps   |      | 1,521,486      | 1,179,295      |
| 2 Salary decrease -100 bps   |      | 1,347,749      | 1,019,705      |
| 3 Discounr rate + 100 bps  |      | 1,521,486      | 1,179,295      |
| 4 Discounr rate -100 bps   |      | 1,347,749      | 1,019,705      |

**16.3 Employees' compensated absences**

Net liability / (assets) at the beginning of the year  
Charge for the year

|                  |                  |
|------------------|------------------|
| 1,252,426        | 1,279,996        |
| -                | -                |
| 1,252,426        | 1,279,996        |
| -                | (27,570)         |
| <u>1,252,426</u> | <u>1,252,426</u> |

Benefits paid during the year

Net liability / (assets) at the end of the year

**17 CONTINGENCIES AND COMMITMENTS**

**17.1 Contingencies**

**17.1.1 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.

**17.1.2 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, 2022, 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, 2022. The company believes that the said amount will be paid.

**17.1.3 Securities and Exchange Commission of Pakistan (SECP)**

**17.1.3.1** 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.

**17.1.3.2** 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.

**17.2 Commitments**

|            |            |
|------------|------------|
| <u>Nil</u> | <u>Nil</u> |
|------------|------------|

**17.2.1** Guarantee issued to Honorable High Court of Sindh amounting to Rs.500,000 (2021: Rs.500,000).

**17.2.2** Letter of credit from raw material Rs.12.26 (2021 25.98) million





|  | Note | 2022<br>Rupees     | 2021<br>Rupees     |
|--|------|--------------------|--------------------|
| <b>18 SHARE CAPITAL</b>  |      |                    |                    |
| Authorized Share capital   | 18.1 | <u>400,000,000</u> | <u>400,000,000</u> |
| Issued, Subscribed and Paid Up capital   |      |                    |                    |
| Number of shares   |      |                    |                    |
| 2022   |      |                    |                    |
| 28,748,133   |      |                    |                    |
| 2021   |      |                    |                    |
| 28,748,133   |      |                    |                    |
| Ordinary shares of Rs. 10/- each fully paid in cash  |      | <u>287,481,330</u> | <u>287,481,330</u> |
| Reconciliation of share capital  |      |                    |                    |
| 28,748,133   |      |                    |                    |
| 7,355,400  |      |                    |                    |
| Opening balance  |      | 287,481,330        | 73,554,000         |
| Issued During the year   |      |                    |                    |
| Ordinary shares of Rs. 10/- each fully paid in lieu of outstanding Subordinated loan of Director |      | -                  | 213,927,330        |
| -  |      |                    |                    |
| 21,392,733   |      |                    |                    |
| 28,748,133   |      |                    |                    |
| 28,748,133   |      | <u>287,481,330</u> | <u>287,481,330</u> |
| Closing balance  |      |                    |                    |

18.1 This represents 40,000,000 (2021: 40,000,000) ordinary shares of Rs. 10/- each amounting to Rs. 400,000,000 (2021 :400,000,000)

18.2 Shares held by the related parties of the company

|                       | 2022             | Percentage | 2021             | Percentage |
|-----------------------|------------------|------------|------------------|------------|
|                       | Number of Shares | Holding    | Number of Shares | Holding    |
| 1 Azeem H Mandviwalla | 22,689,288       | 78.926%    | 22,689,288       | 78.926%    |
| 2 Tariq Mahmood       | 500              | 0.002%     | 500              | 0.002%     |
| 3 Syed Asghar Ali     | 800              | 0.003%     | 800              | 0.003%     |
| 4 Shamim Ahmed Khan   | 500              | 0.002%     | 500              | 0.002%     |
| 5 Abdul Qadir Shawani | 500              | 0.002%     | 500              | 0.002%     |
| 6 Farah Qureshi       | 500              | 0.002%     | 500              | 0.002%     |
| 7 Naseer Ahmed        | 500              | 0.002%     | 500              | 0.002%     |

18.3 The company does not have any agreements with shareholders for voting rights, board selection, rights of first refusal and block voting

**19 SUBORDINATED LOAN - Unsecured**

Due to director  
Share Issue Again Loan

|                    |                    |
|--------------------|--------------------|
| 115,714,528        | 329,641,858        |
| -                  | (213,927,330)      |
| <u>115,714,528</u> | <u>115,714,528</u> |

19.1 The Company has obtain loans from Director. As per the term of agreement, the loans are interest free (2021 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/-. These shares had been issued to Azeem Hakim Mandviwalla after fulfillment of all the relevent requirements.

|                   | Note | 2022<br>Rupees     | 2021<br>Rupees     |
|-------------------|------|--------------------|--------------------|
| <b>20 REVENUE</b> |      |                    |                    |
| Local sales       | 20.1 | <u>458,220,357</u> | <u>123,106,275</u> |
| Export sales      |      | -                  | -                  |
|                   |      | <u>458,220,357</u> | <u>123,106,275</u> |

|  | Note   | 2022<br>Rupees     | 2021<br>Rupees     |
|--|--------|--------------------|--------------------|
| <b>20.1 Local sales</b>                            |        |                    |                    |
| Gross sales  |        | 530,869,164        | 144,034,342        |
| Sales tax  |        | (72,648,808)       | (20,928,067)       |
|  |        | <u>458,220,357</u> | <u>123,106,275</u> |
| <b>21 COST OF SALES</b>                            |        |                    |                    |
| Opening stock of finished goods                    |        | 25,625,245         | 5,755,309          |
| Cost of goods manufactured                         | 21.1   | 410,286,271        | 142,948,712        |
|  |        | 435,911,516        | 148,704,021        |
| Closing stock of finished goods                    |        | (11,468,329)       | (25,625,245)       |
|  |        | <u>424,443,188</u> | <u>123,078,776</u> |
| <b>21.1 Cost of goods manufactured</b>             |        |                    |                    |
| Raw materials consumed                             | 21.1.1 | 322,477,323        | 100,442,323        |
| Store and spares consumed                          |        | 5,984,101          | 3,784,091          |
| Salaries, wages and other benefits                 |        | 15,274,302         | 11,625,753         |
| Gratuity expense                                   |        | 1,109,044          | 890,651            |
| Indirect labor (external processing)               |        | 5,339,041          | 1,806,994          |
| Utilities  |        | 42,585,311         | 12,386,767         |
| Rent For Generator                                 |        | 892,700            | -                  |
| Repairs and maintenance                            |        | 3,384,250          | 1,121,530          |
| Rent rates & taxes                                 |        | 20,590             | 15,780             |
| Postage telephone and telegram                     |        | 70,240             | 47,230             |
| Fees and subscription                              |        | 27,750             | -                  |
| Traveling, conveyance and vehicle running expenses |        | 2,953,256          | 1,980,670          |
| Insurance  |        | 833,156            | 344,330            |
| Printing and stationery                            |        | -                  | 35,177             |
| Rent expense                                       |        | 5,400,000          | 5,400,000          |
| Other Expenses                                     |        | 238,043            | 201,640            |
| Depreciation                                       | 5.1    | 3,697,164          | 2,865,776          |
| Cost of goods manufactured                         |        | <u>410,286,271</u> | <u>142,948,712</u> |
| <b>21.1.1 Raw materials consumed</b>               |        |                    |                    |
| Opening stock                                      |        | 11,517,369         | 5,174,221          |
| Purchases  |        | 344,997,069        | 106,785,471        |
|  |        | 356,514,438        | 111,959,692        |
| Closing stock                                      |        | (34,037,114)       | (11,517,369)       |
|  |        | <u>322,477,323</u> | <u>100,442,323</u> |
| <b>22 GENERAL AND ADMINISTRATIVE EXPENSES</b>      |        |                    |                    |
| Salaries, allowances and other benefits            |        | 4,047,712          | 5,270,291          |
| Directors' remuneration and executive              |        | -                  | -                  |
| Traveling, conveyance and vehicle running expenses |        | 471,187            | 568,264            |
| Gratuity expense                                   |        | 326,295            | 209,566            |
| Insurance  |        | 81,530             | -                  |
| Utility charges                                    |        | 825,833            | 781,035            |
| Postage, telephone and telegram                    |        | 488,797            | 343,871            |
| Repair and maintenance                             |        | 148,400            | 121,765            |
| Depreciation on operating assets                   | 5.1    | 513,274            | 480,398            |
| Fee and subscription                               |        | 489,217            | 1,280,439          |
| Legal and professional Charges                     |        | 592,500            | 296,400            |
| Printing and stationery                            |        | 280,157            | 205,478            |
| Office expenses                                    |        | 163,549            | 246,324            |
| Books and periodicals                              |        | 17,567             | 17,545             |
| Auditors' remuneration                             | 22.1   | 314,840            | 304,840            |
| Sales tax Demand                                   |        | 375,179            | -                  |
| Entertainment                                      |        | 9,350              | 8,510              |
|  |        | <u>9,145,387</u>   | <u>10,134,726</u>  |



|  | Note   | 2022<br>Rupees     | 2021<br>Rupees     |
|--|--|--------------------|--------------------|
| <b>22.1 Auditors' remuneration</b>                                   |  |                    |                    |
| Statutory annual audit fee   |  | 216,000            | 216,000            |
| Half yearly review   |  | 57,240             | 57,240             |
| Review report on code of corporate governance                        |  | 21,600             | 21,600             |
| Out-of-pocket expenses   |  | 20,000             | 10,000             |
|  |  | <u>314,840</u>     | <u>304,840</u>     |
| <b>23 SELLING AND DISTRIBUTION EXPENSE</b>                           |  |                    |                    |
| Freight & outward  |  | 9,457,987          | 2,493,617          |
| Advertising and publicity  |  | 50,400             | 230,071            |
| Travelling, conveyance and vehicle running expense                   |  | 13,000             | -                  |
|  |  | <u>9,521,387</u>   | <u>2,723,688</u>   |
| <b>24 FINANCE COST</b>   |  |                    |                    |
| Bank charges   |  | 119,037            | 109,697            |
| Markup on short Term Finance HMB                                     |  | 7,373,488          | 1,487,354          |
|  |  | <u>7,492,524</u>   | <u>1,597,051</u>   |
| <b>25 OTHER CHARGES/ INCOME</b>                                      |  |                    |                    |
| Workers profit participation fund                                    |  | (380,894)          | -                  |
| Workers Welfare Fund   |  | (144,740)          | (98,485)           |
| Waiver of rent Expense   | 25.1   | 10,350,000         |                    |
| Insurance Claim Recoverd   | 25.2   |                    | 9,686,657          |
|  |  | <u>9,824,367</u>   | <u>9,588,172</u>   |
| <b>25.1</b>  | M/S M.M. Flour Mill (Pvt) Limited compromise the rent due for the period January 2020 to November, 2021 amounting to Rs 10.350 million vide settlement agreement dated November 01, 2021   |                    |                    |
| <b>25.2</b>  | 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 amounting to 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>26 TAXATION</b>   |  |                    |                    |
| Current  | 26.1   | 5,727,754          | 1,846,594          |
| Prior  | 26.2   | 51,467             | 48,452             |
|  | 26.1.1   | <u>5,779,221</u>   | <u>1,895,046</u>   |
| <b>26.1 Current</b>  |  |                    |                    |
| Under normal assessment  |  | 5,727,754          | 1,846,594          |
| Income tax on exports  |  | -                  | -                  |
|  |  | <u>5,727,754</u>   | <u>1,846,594</u>   |
| <b>26.2 Prior</b>  |  |                    |                    |
| Under normal assessment  |  | <u>51,467</u>      | <u>48,452</u>      |
| <b>26.1.1 Relationship between tax expense and accounting profit</b> |  |                    |                    |
| Profit / (loss) before taxation                                      |  | <u>17,442,238</u>  | <u>(4,839,794)</u> |
| Tax at the applicable rate   |  | 29%                | 29%                |
| Tax on accounting Profit   |  | <u>5,058,249</u>   | -                  |
| Tax effect of income taxed at lower rate                             |  |                    |                    |
| - Effect of prior year taxation                                      |  | 51,467             | 48,452             |
| - Effect of tax losses   |  | (5,058,249)        | -                  |
| - Difference of minimum Tax on accounting profit                     |  | <u>5,727,754</u>   | <u>1,846,594</u>   |
|  |  | <u>720,972</u>     | <u>1,895,046</u>   |
|  |  | <u>5,779,221</u>   | <u>1,895,046</u>   |
| Brought forward tax losses   |  | <u>167,913,013</u> | <u>165,646,984</u> |

The income tax assessments have been finalized up to the tax year 2021

|  | Note                          | 2022<br>Rupees | 2021<br>Rupees |
|--|-------------------------------|----------------|----------------|
| <b>27 EARNINGS PER SHARE</b>   |                               |                |                |
| 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   |                               | 11,663,017     | (6,734,840)    |
| Weighted average number of ordinary shares   |                               | 28,748,133     | 28,748,133     |
| Earnings per share - basic and diluted   |                               | <u>0.41</u>    | <u>(0.23)</u>  |
| <b>28 TRANSACTIONS WITH ASSOCIATED/RELATED PARTIE Relationship</b>   |                               |                |                |
| Subordinated borrowings from director Azeem H Mandviwalla  | Director                      | 115,714,528    | 115,714,528    |
| Subordinated borrowings from director Azeem H Mandviwalla movement   |                               | -              | (213,927,330)  |
| Borrowings from Others   | Prospective Investor          | 119,262,784    | 92,962,784     |
| Borrowings from Others movement  | Prospective Investor          | 26,300,000     | 42,531,929     |
| Salary Payable Directors Azeem H Mandviwalla   | Director                      | 1,082,520      | 2,264,193      |
| Salary Payable Directors Azeem H Mandviwalla movement  | Director                      | (1,181,673)    | -              |
| Staff gratuity payable   | Employees retirement benefits | 10,904,535     | 9,771,610      |
| Benefits due but now transfer to short term liability  | Employees retirement benefits | 4,441,050      | 4,747,087      |
| Staff gratuity charged   | Employees retirement benefits | 1,435,339      | 1,100,216      |
| Staff retirement benefits paid   | Employees retirement benefits | (306,037)      | 37,570         |

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

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

**28.2** The Loan of Habib Metropolitan Bank is secured by personal guarantees of Shahid Tawawalla Director of M/s Messkay & Femtee Trading Co Pvt Ltd. & Corporate Guarantee of M/s Messkay & Femtee Trading Co Pvt Ltd





**29 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES**

|                         | CHIEF EXECUTIVE |      | DIRECTORS |      | EXECUTIVES |      |
|-------------------------|-----------------|------|-----------|------|------------|------|
|                         | 2022            | 2021 | 2022      | 2021 | 2022       | 2021 |
| Managerial remuneration | -               | -    | -         | -    | 3,420,000  | -    |
| Housing allowance       | -               | -    | -         | -    | -          | -    |
| Medical expense/        | -               | -    | -         | -    | -          | -    |
| Utilities               | -               | -    | -         | -    | -          | -    |
| Motor vehicle expense   | -               | -    | -         | -    | -          | -    |
|                         | -               | -    | -         | -    | 3,420,000  | -    |
| Number of persons       | 1               | 1    | -         | -    | 2          | -    |

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

29.2 Aggregate amount charged in these accounts in respect of non-executive directors fee is Rs. Nil (2021: Rs. Nil).

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

The production capacity of the whole unit plant on single shift basis, comes to 4,275 tons (2021: 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, 2022 comes to 1,123 tons (2021: 464 tons) which is 26% (2021: 11%) of the total capacity.

**31 CASH AND CASH EQUIVALENTS**

|                        | Note | 2022<br>Rupees   | 2021<br>Rupees   |
|------------------------|------|------------------|------------------|
| Cash and bank balances |      | 9,068,543        | 8,055,806        |
|                        |      | <u>9,068,543</u> | <u>8,055,806</u> |

**31.1 Reconciliation of movements of liabilities to cash flows arising from financing activities**

|                                    | Habib<br>Metropolitan<br>Bank Trust<br>Receipts<br>Foreign Bills | Others       | Total         |
|------------------------------------|--|--------------|---------------|
| Opening balance s at 1 July 2021   | 52,313,672   | 92,962,754   | 145,276,426   |
| Received during the year           | 317,709,266  | 117,300,000  | 435,009,266   |
|                                    | 317,709,266  | 117,300,000  | 435,009,266   |
| Payments during the year           | (283,095,224)  | (91,000,000) | (374,095,224) |
|                                    | (283,095,224)  | (91,000,000) | (374,095,224) |
| Net Payments                       | 34,614,042   | 26,300,000   | 60,914,042    |
| Closing Balance as at 30 June 2022 | 86,927,714   | 119,262,754  | 206,190,468   |

### 32 FINANCIAL RISK MANAGEMENT

#### 32.1 Maturities of financial assets and liabilities as at June 30, 2022

|  | 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                            | -                        | -                              | -          | 1,416,772                    | -                              | 471,710         | 1,888,482     | 1,888,482     |
| Trade debts                                    | -                        | -                              | -          | 103,581,551                  | -                              | -               | 103,581,551   | 103,581,551   |
| Cash and bank balances                         | -                        | -                              | -          | 9,068,543                    | -                              | -               | 9,068,543     | 9,068,543     |
|  | -                        | -                              | -          | 114,066,866                  | -                              | 471,710         | 114,538,576   | 114,538,576   |
| <b>Financial liabilities at amortized cost</b> |                          |                                |            |                              |                                |                 |               |               |
| Deferred liabilities                           | -                        | -                              | -          | -                            | -                              | 12,156,961      | 12,156,961    | 12,156,961    |
| Short term Borrowings                          | 86,927,714               | -                              | 86,927,714 | 119,262,784                  | -                              | -               | 119,262,784   | 205,190,498   |
| Unclaimed dividend                             | -                        | -                              | -          | 2,208,846                    | -                              | -               | 2,208,846     | 2,208,846     |
| Creditors, accrued and other liabilities       | -                        | -                              | -          | 110,580,770                  | -                              | -               | 110,580,770   | 110,580,770   |
|  | 86,927,714               | -                              | 86,927,714 | 232,052,400                  | -                              | 12,156,961      | 244,209,361   | 331,137,075   |
| <b>Sensitivity gap - 2022</b>                  | -                        | 86,927,714                     | -          | (86,927,714)                 | (117,985,535)                  | (11,685,251)    | (216,598,500) | (216,598,500) |

#### 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     |
|  | -                        | -                              | -            | 64,317,911                   | -                              | 231,710         | 64,549,621    | 64,549,621    |
| <b>Financial liabilities at amortized cost</b> |                          |                                |              |                              |                                |                 |               |               |
| Deferred liabilities                           | -                        | -                              | -            | -                            | -                              | 11,024,036      | 11,024,036    | 11,024,036    |
| Short term Borrowings                          | 52,313,672               | -                              | 52,313,672   | 92,962,784                   | -                              | -               | 92,962,784    | 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   |
|  | 52,313,672               | -                              | 52,313,672   | 217,446,101                  | -                              | 11,024,036      | 228,470,137   | 280,783,809   |
| <b>Sensitivity gap - 2021</b>                  | (52,313,672)             | -                              | (52,313,672) | (153,128,190)                | -                              | (10,792,326)    | (163,920,516) | (216,234,188) |

(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.

#### 32.2 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, 2022 and 2021 were as follows:

|                    |              |              |
|--------------------|--------------|--------------|
| Total borrowings   | 206,190,498  | 145,276,456  |
| Cash and bank      | (9,068,543)  | (8,055,806)  |
| Net debt / (cash)  | 197,121,955  | 137,220,650  |
| Total equity       | (82,809,535) | (94,774,966) |
| Total capital      | 114,312,420  | 42,445,684   |
| Gearing ratio in % | 1.72         | 3.23         |

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 30% (2021 6%) 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:

*(Signature)*



|             | Increase<br>(Decrease) US<br>Dollar to Pak<br>Rupee | Effect on<br>profit/(loss)<br>before tax<br>Rupees |
|-------------|---|--|
| <b>2022</b> |   |  |
| Pak Rupees  | 30%   | 9,642,565  |
| Pak Rupees  | 30%   | 13,683,469   |
| <b>2021</b> |   |  |
| Pak Rupees  | 6%  | (7,138,930)  |
| Pak Rupees  | 6%  | (6,330,749)  |

(iii) 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

|  | 2022<br>Rupees | 2021<br>Rupees |
|--|----------------|----------------|
| Variable rate instruments                            |                |                |
| Habib Metropolitan Bank Trust Receipts Foreign Bills | 86,927,714     | 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)<br>100 bps increase<br>(Rupees in thousands) | 100 bps decrease<br>(Rupees in thousands) |
|---|--|---|
| As at June 30, 2022   |  |   |
| Cash flow sensitivity - Variable rate financial liabilities | 145,444  | 165,261                                   |
| As at June 30, 2021   |  |   |
| Cash flow sensitivity - Variable rate financial liabilities | 145,444  | 165,261                                   |

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. 115 Million (2021: Rs.65 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, 2022, along with comparative is tabulated follows:

|                                    | Note | 2022<br>Rupees     | 2021<br>Rupees    |
|------------------------------------|------|--------------------|-------------------|
| <b>Financial Assets</b>            |      |                    |                   |
| Financial Assets at amortized cost |      |                    |                   |
| Advances & Deposits                |      | 1,838,432          | 2,043,665         |
| Trade debts                        |      | 103,581,551        | 54,450,150        |
| Cash and bank balances             |      | 9,068,543          | 8,055,806         |
|                                    |      | <u>114,538,576</u> | <u>64,549,621</u> |
| Not past due                       |      | 82,167,641         | 42,780,465        |
| Past due 1-30 days                 |      | 21,413,910         | 11,669,685        |
| Past due 30-90 days                |      | -                  | -                 |
| Past due 90 days                   |      | 108,682            | 108,682           |
| Allowance for ECL                  |      | (108,682)          | (108,682)         |
| To manage exposure                 |      | <u>103,581,551</u> | <u>54,450,150</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.

### 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<br>Contractual Cash<br>Flows | On Demand<br>contractual<br>cash flow | Six month or<br>less | Six to twelve<br>months | One to Two<br>year | Two to five year  |
|---|--|---------------------------------------|----------------------|-------------------------|--------------------|-------------------|
| Deferred liabilities                        | 12,156,961                                   | -                                     | -                    | -                       | -                  | 12,156,961        |
| Short term Borrowings                       | 206,190,498                                  | 119,262,784                           | 86,927,714           | -                       | -                  | -                 |
| Unclaimed dividend                          | 2,208,846                                    | 2,208,846                             | -                    | -                       | -                  | -                 |
| Creditors, accrued and<br>other liabilities | 110,580,770                                  | 83,755,579                            | 26,825,191           | -                       | -                  | -                 |
|   | <u>331,137,075</u>                           | <u>205,227,209</u>                    | <u>113,752,905</u>   | <u>-</u>                | <u>-</u>           | <u>12,156,961</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 liability
- 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.

All the sales of the company relates to Plastic Barrels

Total sales of the company relating to customers in Pakistan were 100% during the year ended June 30, 2022 ( June 30 2021 100%)

All non current assets of the company as at June 30, 2022 and 2021 are located in Pakistan.

Sales to four major customers of the company are 75% during the year ended June 30, 2022. (June 30 2021 78%)

### 35 STAFF STRENGTH

|          |    |    |
|----------|----|----|
| Total    |    |    |
| June, 30 | 46 | 41 |
| Average  | 51 | 46 |
| Plant    |    |    |
| June, 30 | 38 | 31 |
| Average  | 42 | 36 |

04 NOV 2022

### 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 30/06/2022

| NO. OF SHAREHOLDERS | ← HAVING SHARES → |               | SHARES HELD | PERCENTAGE |
|---------------------|-------------------|---------------|-------------|------------|
|                     | From              | To            |             |            |
| 942                 | 1                 | 100           | 84359       | 0.2934     |
| 1268                | 101               | 500           | 558258      | 1.9419     |
| 142                 | 501               | 1000          | 137981      | 0.4800     |
| 202                 | 1001              | 5000          | 597055      | 2.0768     |
| 45                  | 5001              | 10000         | 360947      | 1.2555     |
| 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     |
| 3                   | 55001             | 60000         | 177076      | 0.6160     |
| 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, 2022

| Categories                      | No. of Share Holders | Total Share Held  | Percentage% |
|---------------------------------|----------------------|-------------------|-------------|
| 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, 2022**

| Category of Shareholders  | No. of Shareholders / Folio | Share Held        |
|---|-----------------------------|-------------------|
| Associated companies, undertakings and related parties  | Nil                         | Nil               |
| NIT and ICP   | 1                           | 5200              |
| Directors, CEO and their Spouse and Minor Children  |                             |                   |
| 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        |
| Exectives   | Nil                         | Nil               |
| Public Sector Companies and Corporations  | Nil                         | Nil               |
| Banks, Development Finance Institutions, Non- Banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds | 3                           | 131,500           |
| General Public (local)  | 2629                        | 5,793,980         |
| General Public (Foreign)  | 8                           | 48,150            |
| Joint Stock Companies   | 12                          | 76,715            |
|   | <b>2,661</b>                | <b>28,748,133</b> |

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

|                                      |                  |
|--------------------------------------|------------------|
| Total Paid-up Capital of the Company | 28748133 Shares  |
| 10% of the Public Paid -up Capital   | 22,689,288Shares |