MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2019

IBRAHIM, SHAIKH & CO
CHARTERED ACCOUNTANTS
259-260 & 403, Panorama Centre, Fatima Jinnah Road,
Karachi-74400
Phones : (92-21) 35210577- 35673529 – 35671853
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MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMTED
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. Masih ul Hassan	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
MCB Bank Limited

Auditors
Ibrahim Shaikh & Co.
Chartered Accountant

Tax Consultants
JALIS AHMED & CO
CHARTERED ACCOUNTANTS

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
E-mail: mmpil@cyber.net.pk

Shares Registrar
Registrar THK Associates (Pvt.) Limited
Ist Floor, 40 - C,
Block 6, P,E,C,H.S,
Karachi.

Factory

C-5, Uthal Industrial Estate,
Uthal, District Lasbella, Baluchistan.

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

Tel: 0853-610333, 0853-203218, Fax: 0853-610393

Notice of Annual General Meeting

Notice is hereby given that the 31st Annual General Meeting of **Mandviwalla MAUSER Plastic Industries Limited** will be held on Saturday, December 07, 2019, at 12:00 noon at Mandviwalla Building, Old Queens Road, Karachi to transact the following business-

1. To confirm the minutes of the 30th Annual General Meeting held on March 01, 2019.
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, 2019.
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 16, 2019
Karachi

Notes: `

1. Book of Closure

The share transfer books of the Company will remain closed from November 30, 2019 to December 07, 2019 (both days inclusive).

2. For appointing proxies

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

Members are requested to notify our Registrar THK Associates (Pvt) Ltd, State 1st Floor, 40 – C, Block 6, P.E.C.H.S,Karachi, 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 Thousand

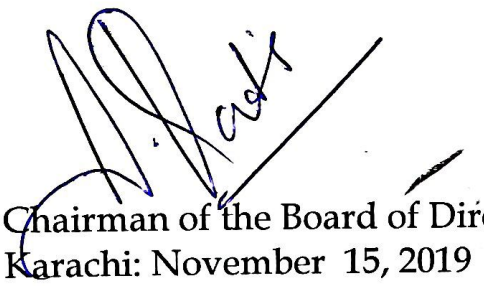
Key Operating And Financial Results

Operating Data	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Sales (Net)		-	-	-	-	42
Cost of sales	(12.066)	(6,327)	(6,293)	(7,469)	(7.552)	(8,835)
Gross Profit /(loss)	(12.066)	(6,327)	(6,293)	(7,469)	(7,552)	(8,793)
Operating Profit/lose	(19.209)	(8,161)	(7,749)	(9,889)	(15,343)	(13,664)
Financial Charges	(0.00452)	(0.00166)	-	(5,000)	(3.00)	(24)
Profit/(lose) before Taxation	(19.217)	(8,163)	22.357	127.838	(14,908)	(10,116)
Profit/(lose) after Taxation	(19.217)	(8,163)	18.556	43.906	(14,908)	(9,733)
Financial Data						
Shareholders equity	-52.958	(31.132)	(78.468)	(285,757)	(287,495)	(272,357)
Long term liabilities		-	-	-	-	-
Deferred liabilities	11.689	8.519	5.8660	5.561	7.329	8.355
Current liabilities	122.724	99.223	153.972	366,279	408,345	398,661
Fixed Assets	36.638	38,662	42,898	47,610	52.853	59,069
Work in Progress	4.625	-	-	-	-	-
Assest in Bond	19.785	-	-	-	-	-
Long term deposits	0.23171	0.23171	0.73	0.73	0.73	0.73
current assets	20.253	18.011	18,033	18,033	54.886	55.151
Key Ratio						
Gross margin	- -		- -		-	-207.45%
Operating margin	- -		- -		-	-322.39%
Net Profit/Loss		-	- -		-	-229.64%
Current ratio	0.16	0.19	0.160	0.049	0.13	0.13
Earning/(loss) per share	(2.61)	(1.11)	-	0	(2.03)	(1.32)
Dividend				-		
Production (Tons)						
Installed	4275	4275	4,275	4,275	4,275	4,275
Actual	-	-	-	-	-	-

Chairman's Review

As the elected Chairmen 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, 2019, 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 feel the shifting process is expected to be completed soon.

On behalf of the Board, I would like to thank our existing employees and their contribution for a revival of the company and hopefully in the coming year to bring our company into operations and profitability.



Chairman of the Board of Directors
Karachi: November 15, 2019

Chairman/Directors' Report

The Board of Directors of the company are presenting the 31st Annual Report and Audited Financial Statements of the company for the year ended June 30, 2019.

Financial Results

Financial results are summarized as under.

	2019 Rupees	2018 Rupees
Sales	-	-
Gross profit/(Loss)	(12,006,767)	(6,327,721)
Net profit/(loss)after taxation	(19,217,655)	(8,163,087)
Accumulated losses	(456,154,711)	(434,067,431)
Earning per share	(2.61)	(1.11)

Production

The Nil capacity utilization during 2018-19 is due to the closure of the production process with effect from July 01 2013.

Sales

The net sales revenue was Rs. Nil as compared to previous year Rs. Nil. The reason for Nil Sale is due to closure of production process with effect from July, 01 2013

The closure of production was due to the severe power breakdowns and declining security situation in Uthal, Baluchistan. The non-competitive nature of the location due to its geographical remoteness.

It's my pleasure to inform you that the company has already shifted its Plant & machinery from Uthal Balochistan to its new location in Port Qasim Karachi (Eastern Zone). The plant is under commissioning and necessary civil works and installations are being undertaken.

The company has increased its Authorized Capital to Rs 400,000,000. The company had also 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.

These shares were in lieu of his outstanding, Subordinated Loan of Rs 329.381 million towards the Company, under the first proviso to Section 83(1) of the Companies Act, 2017 ("the Act'). Furthermore the company had applied for approval of the Securities and Exchange Commission of Pakistan which is pending as on June 30, 2019.

After Tax Profit/Loss and Accumulated losses

The loss after tax is witnessed at Rs.19.217 million during the year as compared to loss of Rs. 8.163 million (2018).

Payments of Creditors

The company is working on to settle creditors in the near future.

Auditors' report to the members

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

1. The auditors have given qualification on the going concern assumption that the going concern assumption used in preparation of these financial statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively However, the management is of the view that the sponsor's are continuously injecting funds into the company and as on June 30, 2019 already provided Subordinated loans and long term loans to the Company amounting to Rs 329.642 million. The Company has a unique product mix and the highest credibility in their field. The technology is unique and difficult to gain experience in due to which condition in the future are expected to become favorable. The company has elaborated the factors in note 1.1 to the financial statements, and that has been considered in preparation of the financial statements on going concern basis.

2. The Auditors qualified that the management has not carried out a review of operating fixed assets to determine the impairment in the carrying values under IAS 36 "Impairment of assets". Consequently, the amounts for these assets are stated as per the stated accounting policy and no adjustment has been made in respect of impairment loss, if any. The management is making efforts and such review will be carried out in the coming year.

3. Provision for impairment loss of engineering stores in bond of Rs. 19.705 million have not been made as these are still lying in the bonded warehouse therefore, the amount of loss cannot be ascertained with certainty. Further explanation is given in note Note 8.1 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.19.1.2 into federal treasury within 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 2020.

6. The management is making effort in contacting these creditors to verify their balance to our auditors. This would most probably reflect in the half yearly audit or subsequent accounts.

7. Unclaimed Dividend represents unclaimed dividends of Sponsors and they have given their consent that these unclaimed dividend are payable to them at the discretion of the Company.

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. During the current year the policy for classification and measurement of financial assets and liabilities has been changed in compliance with the newly adopted IFRS- 9 'Financial Instruments' and IFRS 15 Revenue from contract with customers. The details of the changes are discussed in note 5 of the financial statements.

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
Mrs. Shireen H. Mandviwalla	00
Mr. Tariq Mehmood	04
Mr. Abdul Qadir Shawani	04
Mr. Masih ul Hassan	00
Mr. Syed Asghar Ali	04
Mr. Shamim Ahmed Khan	04
Ms. Farha Qureshi	00

Leave of absence was granted to directors 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

Future Outlook

The future of the plastic industry is very promising. The market has been growing constantly over the last five years. Our company has been contributing to this industry since 1988 and plans to provide innovative industrial packaging solutions.

The company plans to re-start its production with the award winning Mauser L-Ring drum range, followed by its line of Industrial crates and containers.

The company plans to add a new product range to its line in order to increase its market share. The company will disclose its plans after start up, in the near future.

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.

On behalf of the Board of Directors

Azeem H. Mandviwalla
Chief Executive

Abdul Qadir Shiwani
Chairman/Director

Karachi
Dated: November 15, 2019

چیئرمین / مجلس نظماء کی رپورٹ

مجلس نظماء 30 جون 2019 کو ختم ہونے والے سال کے لئے کمپنی کی (31) ویں سالانہ رپورٹ مع آڈٹ شدہ مالیاتی حسابات پیش کر رہی ہے۔

مالیاتی نتائج

	2019 روپے	2018 روپے
(روپے)		
مجموعی منافع (نقصان)	(12,006,767)	(6,327,721)
خالص منافع (نقصان) ٹیکس کے بعد	(19,217,655)	(8,163,087)
مجموعی اثاثہ جات	(456,154,711)	(434,067,431)
نقصان فی شیئر	(2.61)	(1.11)

[illegible]

2018-19 کے دوران NE-T کی پیداوار ... 2013 سے ... بند ہونے کی وجہ سے تھی۔

[illegible]

[illegible]

کمپنی نے اپنا مجاز سرمایہ 400,000,000 روپے تک بڑھا لیا ہے۔ ... 32,900,000 ... [illegible]

... 129,000,000 ... کمپنیز ایکٹ 2017 ... سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کی منظوری کے لئے درخواست دی ہے جو 10 جون 2019 کے مطابق زیر التواء ہے۔

[illegible]

... 19.217 ملین روپے ... ہوئی ہے۔

[illegible]

... 30 جون 2019 ... 329 ملین ... [illegible]

[illegible]

... 2019 ... [illegible]

... (SECP) ... [illegible]

... IFRS-9 ... IFRS 15 ... [illegible]

[illegible]

2019 [illegible]

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, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Mandviwalla MAUSER Plastic Industries Limited (the Company) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks. The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

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.
iv)	10	Qualification of Chief Financial and Officer and Head of Internal Audit	Qualification of Chief Financial Officer Head of Internal Auditor as per the requirement 23 (c) and 24 (c) of the code as regards the suitability of the candidate to be determined by the Commission.

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Email: Ibrahimshaikh41@yahoo.com Other Office: Lahore.

v)	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
vi)	14	Meeting of Audit Committee and HR Remuneration Committee	No meeting of HR Remuneration was held
vii)	15	Qualification of Internal Auditor	Qualification of Head of Internal Auditor as per the requirement 24 (c) of the code as regards the suitability of the candidate to be determined by the Commission.

Karachi.
Date: **November 15, 2019**

Ibrahim, Shaikh & Co.
Chartered Accountants

Engagement Partner Shabbir Ahmed FCA

Statement of Compliance

With the Code of Corporate Governance for the year ended June 30, 2019.

Mandviwalla MAUSER Plastic Industries Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("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. Masih ul Hasan
	Mr. Syed Asghar Ali
Executive Directors *	Mr. Azeem H. Mandviwalla *

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

One person have died and replaced by following person as directors on the Board of the company on March 03, 2019.

Deceased Directors	In coming Directors
Mst. Shireen H. Mandviwalla	Mst. Farah Qureshi

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

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of 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 Board 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 ,other than Qualification of Chief Financial Officer and Internal Auditor as per the requirement 23 (c) and 24 (c) of the code as regards the suitability of the candidate to be determined by the Commission.

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: Two quarterly meetings held during the financial year ended June 30, 2019
b. No HR and Remuneration Committee formed

15. The Board has set up effective internal audit functions that are considered suitably qualified and experienced for the purpose and are conversant with the policies and

procedures of the Company. However Qualification of Internal Auditor as per the requirement 24 (c) of the code as regards the suitability of the candidate to be determined by the Commission.

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 or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

18. We confirm that all other requirements of the Regulations have been complied with.

Azeem H. Mandviwalla
Shiwani
Chief Executive

Abdul Qadir
Chairman

Karachi: November 15, 2019

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, 2019, and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our Knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, statement of profit or loss account, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss the comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

- The financial statements for the year ended June 30, 2019 have been prepared on going concern assumption despite of the fact that company incurred loss after taxation of Rs 19.218 million and as of that date it has accumulated losses of Rs.456.155 million which resulted in negative equity of Rs.52.959 million and its current liabilities exceeded its current assets by Rs. 102.471 million and total assets by Rs.41.270 million. Furthermore, management's assertion as explained fully in note 1.1 we have not been furnished evidence in support of the management's assertion that they shall succeed in their efforts. These conditions lead us to be believe that going concern assumption used in preparation of these financial statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

- The management has not carried out a review of operating fixed assets to determine the impairment in the carrying values under IAS 36 "Impairment of assets". Consequently, the amounts for these assets are stated as per the stated accounting policy and no adjustment has been made in respect of impairment loss, if any.

- Company's policy for impairment of assets in respect of engineering stores in bond, having cost of Rs.19.705 million is contrary to International Accounting Standard (IAS-36) "Impairment of Assets". The customs authorities allegedly damaged the said stores. No provision for impairment loss has been made in financial statements in this respect. The company has filed a

suit against the customs authorities. Since, the engineering stores are held in bond, the extent of damage occurred could not be ascertained with reasonable certainty.

Had the company made the provisions the loss for the year would have been Rs. 38.923 million and the accumulated losses would have been Rs. 475.860 million. Furthermore, the net capital deficiency of the company would have been Rs. 72.664 million.

- As mentioned in note 19.1.2 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.

- Stores & spares and stock in trade as disclosed in note no. 10 and 11 amounting to Rs. 11.626 million and 7.178 million respectively were not physically verified by us because of prevailing law and order situation in Uthal District Lasbella Baluchistan. We also could not perform any alternate procedures to verify the existence of the said inventories and these are valued as per the information provided by the management;

- Included in the trade creditors and Contract Liabilities shown in note 15 to the financial statements is an amount of Rs. 84.474 million and Rs. 3.615 million respectively in respect of various parties, which remain unverified. In the absence of information we were unable to verify the actual liability against these creditors and 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 0.020 million.

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

Key Audit Matters

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

Except for the matters described in the Basis for Adverse Opinion section, we have determined the matter described below to be the key audit matter to be communicated in our report.

S. No.	Key Audit Matters	How the matter was addressed in our audit.
(i)	**First time adoption of International Financial Reporting Standards (IFRS) 9 Financial Instrument and International Financial Reporting Standard (IFRS) 15 Revenue from Contracts with Customers.** During the year, the Company has first time adopted IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers). As part of this first time adoption and transition to the requirements, the management performed an analysis to identify differences between the previous and the current applicable standards and as a result certain amendments relating to presentation and disclosures were made in the accompanying financial statements. Any change in presentation or classification of items has been accounted for in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated as disclosed in note 5 of the financial statements. In view of the amendments and various new disclosures prepared and presented in the financial statements, we considered this as a key audit matter.	We reviewed and understood the requirements of IFRS 9 and IFRS 15. Our audit procedures included the following. Reviewed the management's process to identify the additional disclosure requirements and related revisions (if any) as a result of first time adoption of IFRS 9 and IFRS 15; Obtained understanding of the recorded trade receivables by discussing with the management and making inquiries on the entire accounting process associated with the recording of trade receivables; Obtained relevant underlying supporting documents for ensuring that management has complied with the revenue recognition criteria as introduced by IFRS 15; and Obtained relevant underlying supporting documentation on test basis for the additional disclosures and assessed their appropriateness for the sufficient audit evidence.

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no Zakat was deductible at source under the Zakat and Ushr Ordinance,1980 (XVIII of 1980),

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

Ibrahim Sh—— & Co

IBRAHIM, SHAIKH & CO.
CHARTERED ACCOUNTANTS
KARACHI
DATED : 15 NOV 2019

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	Restated 2018 Rupees	Restated 2017 Rupees
NON-CURRENT ASSETS				
Property plant and equipment	6	36,638,660	38,662,185	42,898,281
Capital Work in Progress	7	4,625,085	-	-
Assets in bond	8	19,705,171	19,705,171	19,705,171
Long term deposits	9	231,710	231,710	733,850
		61,200,626	58,599,066	63,337,302
CURRENT ASSETS				
Stores, spares and loose tools	10	11,625,904	9,545,904	9,545,904
Stock-in-trade	11	7,178,083	7,178,083	7,178,083
Trade receivable - unsecured	12	-	109,805	109,805
Other receivables	13	1,174,778	1,149,985	1,174,027
Cash and bank balances	14	274,937	27,748	26,154
		20,253,702	18,011,525	18,033,973
CURRENT LIABILITIES				
Trade and other payables	15	99,953,168	97,014,665	106,845,299
Current portion of long term liabilities				44,893,000
Unclaimed dividend		2,208,846	2,208,846	2,208,846
Provision for taxation	16	-	-	25,534
Short term Borrowings	17	20,562,492	-	-
		122,724,506	99,223,511	153,972,679
Net current assets/(liabilities)		(102,470,804)	(81,211,986)	(135,938,706)
NON-CURRENT LIABILITIES				
Deferred liabilities	18	11,688,675	8,519,653	5,866,947
		11,688,675	8,519,653	5,866,947
CONTINGENCIES AND COMMITMENTS	19			
NET ASSETS		**(52,958,853)**	**(31,132,573)**	**(78,468,351)**
SHARE CAPITAL AND RESERVES				
Authorized: 40,000,000 ordinary shares of Rs.10/- each	20	**400,000,000**	**75,000,000**	**75,000,000**
Issued, subscribed and paid-up capital	20	73,554,000	73,554,000	73,554,000
Subordinated loans	21	329,641,858	329,380,858	271,736,329
Accumulated losses carried forward		(456,154,711)	(434,067,431)	(423,758,680)
Net shareholders' equity		**(52,958,853)**	**(31,132,573)**	**(78,468,351)**

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, 2019

	Note	2019 Rupees	Restated 2018 Rupees	Restated 2017 Rupees
Revenue	22	-	-	-
Cost of sales	23	(12,066,767)	(6,327,721)	(6,293,236)
Gross (loss)		(12,066,767)	(6,327,721)	(6,293,236)
General and administrative expenses	24	7,142,906	1,833,700	1,456,480
				-
		(7,142,906)	(1,833,700)	(1,456,480)
Loss generated from operation		(19,209,673)	(8,161,423)	(7,749,716)
Other income				7,772,073
Selling and distribution expense	25	(3,330)	-	-
		(19,213,003)	(8,161,423)	22,357
Finance cost	26	(4,652)	(1,664)	-
Profit / (loss) before taxation		(19,217,655)	(8,163,087)	22,357
Taxation	27	-	-	(3,801)
Profit / (loss) after taxation		**(19,217,655)**	**(8,163,087)**	**18,556**
Earnings per share - basic and diluted	28	**(2.61)**	**(1.11)**	**0.00**

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, 2019

	2019 Rupees	Restated 2018 Rupees	Restated 2017 Rupees
Profit / (loss) for the year	(19,217,655)	(8,163,087)	18,556
Acturial gain/(loss) on gratuity	(2,869,625)	(2,145,664)	202,901
Total comprehensive Income/(loss) for the year	**(22,087,280)**	**(10,308,751)**	**221,457**

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, 2019

	Issued, subscribed and paid up share capital	Subordinated loans	Accumulated losses carried forward	Net shareholders' equity
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2017	73,554,000	64,668,216	(423,758,680)	(285,536,464)
Total comprehensive Income/(loss) for the year	-	-	(10,308,751)	(10,308,751)
Balance as at June 30, 2018 as previously reported	**73,554,000**	**64,668,216**	**(434,067,431)**	**(295,845,215)**
Transferred from long term loans		264,712,642		**264,712,642**
Balances as at July 01, 2017 as restated	**73,554,000**	**329,380,858**	**(434,067,431)**	**(31,132,573)**
During the year		**261,000**		261,000
Total comprehensive Income/(loss) for the year	-	-	(22,087,280)	(22,087,280)
Balance as at June 30, 2019	**73,554,000**	**329,641,858**	**(456,154,711)**	**(52,958,853)**

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

Chief Executive **Director** **Chief Financial Officer**

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	Restated 2018 Rupees	Restated 2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (loss) before taxation		(19,217,655)	(8,163,087)	22,357
Adjustment for non-cash charges and other items:				
Depreciation	6.1	4,243,440	4,236,096	4,712,381
Provision for staff gratuity		1,124,412	784,031	508,175
Liability no more payable				(7,772,073)
Allowance for ECL on trade receivable		108,682	-	-
Finance cost		4,652	1,664	-
		5,481,186	5,021,791	(2,551,517)
		(13,736,469)	(3,141,296)	(2,529,160)
Working capital changes				
Decrease / (Increase) in current assets				
Stores, spares and loose tools		(2,080,000)	-	-
Trade receivable - unsecured		1,123	-	-
Increase / (decrease) in current liabilities				
Trade and other payables		2,263,488	(10,107,623)	236,201
		184,611	(10,107,623)	236,201
Income tax paid		(24,793)	(1,492)	-
Staff gratuity paid		(150,000)	-	-
Finance cost paid		(4,652)	(1,664)	-
		(179,445)	(3,156)	-
Net cash used in operating activities		(13,731,303)	(13,252,075)	(2,292,959)
CASH FLOWS FROM INVESTING ACTIVITIES				
Fixed capital expenditures		(6,845,000)	-	-
Net (increase) in long term deposits		-	502,140	-
Net cash generated from/(used in) investing activities		(6,845,000)	502,140	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Long Term Loan		-	(44,893,000)	-
Short term Borrowings		20,562,492	-	
Subordinated loans		261,000	57,644,529	2,292,959
Net cash generated from financing activities		20,823,492	12,751,529	2,292,959
Net increase / (decrease) in cash and cash equivalents		247,189	1,594	-
Cash and cash equivalents at the beginning of the year		27,748	26,154	26,154
Cash and cash equivalents at the end of the year	32	**274,937**	**27,748**	**26,154**

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 456.155 million (2018 Rs 434.067 million) as on June 30, 2019. Thus causing a net capital deficiency of Rs 52.959 million (2018 Rs 31.133 million). The currentl iabilities have exceeded current assets by Rs 102.471 million (2018 Rs 81.212 million). The company has temporarily shut down its operations with effect from July 01, 2013.

These conditions indicate the existance of material uncertainity 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 shifting plant to Port Qasim Karachi and to start production by March 31, 2020. Up to March 31, 2020 Sponsoring Directors of the company have Injected funds amounting to Rs 329,641,858 along with written commitment to the company stating that they would inject funds as and when required by the company. The Sponsoring Directors also put on record that they have enough liquid fund to fulfill their commitments .

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These 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 using accrual basis of accounting except for cash flow statement, under the historical cost convention 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 the Company.

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 estimates are significant to the financial statements are as follows:

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

3 New and Revised Standards and Interpretations

3.1 Standards, interpretations and amendments to approved accounting standards which becameeffective during the year

The following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after July 1, 2018 and are considered to be relevant to the Company's financial statements:

The Company has adopted IFRS 9 'Financial Instruments' during the year that has replaced IFRIC 9 - Reassessment of Embedded Derivatives, IAS 39 - Financial Instruments: Recognition and Measurement, IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013). IFRS 9 shall now govern the recognition, measurement, presentation and disclosure of financial instruments.

The Company has also adopted IFRS 15 (Revenue from contract) with customers that has replaced IAS 18 coversrevenue for goods and services, IAS 11 which covers construction contracts, SIC-31 - Revenue - Barter transaction involving advertising services, IFRIC 15 - Agreements for the construction of real estate and IFRIC 18 - Transfer of assets from customers.

The Company has adopted both the standards with effect from July 01, 2018, any change inpresentation or classification of items has been accounted for in accordance with IAS 8 AccountingPolicies, Changes in Accounting Estimates and Errors.

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

The following standards have been issued by the International Accounting Standards Board [IASB],which are yet to be notified by the Securities and Exchange Commission of Pakistan [SECP] for thepurpose of their applicability in Pakistan. The Company intends to adopt these standards, if applicable,when they become effective.

Standar		Effective Date (Periods beginning on or
IAS 23	Borrowing costs	January 01, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 01, 2019
IAS 19	Employee Benefits [Amendments]	January 01, 2019
Conceptual Framework in IFRS Standards [Amendments]		January 01, 2020
IAS 1		January 01, 2020

Amendments to IAS 19 specify the basis for determining the current service cost and the net interestexpense / income for the period between a defined benefit retirement plan amendment, curtailmentor settlement and the end of the reporting period.

The IASB has published a revised Conceptual Framework for Financial Reporting that will be used to develop new Standards and Interpretations in future. In particular, the definitions of assets and liabilities as well as the guidance on measurement and derecognition, presentation and disclosure were amended. This has not resulted in any technical amendments to current Standards to date.

The amendments merely update the references to the Conceptual Framework in existing Standards. .

The Conceptual Framework itself is not subject of the endorsement procedure

Amendments to IAS 1 & IAS 8 clarify the definition of "material". Besides additional explanations,the definition of "material" in the Conceptual Framework as well as all Standards was aligned withthe central definition no anchored in IAS 1.

The Company expects that such improvement to the standards will not have any material impact onits financial statements in the period of initial application, except for IAS 19.
The following standards and amendments to published accounting standards were not effectiveduring the year and have not been early adopted by the Company. The Company intends to adoptthese standards, if applicable, when they become effective.

		Effective Date (Periods beginning on or
IFRIC 23	Uncertainty over Income Tax Treatments	January 01, 2019
IFRS 9	Financial Instruments [Amendments]	January 01, 2019
IAS 28	Investments in Associates and Joint Ventures	January 01, 2019
IFRS 16	Leases	January 01, 2019

IFRIC 23 clarifies the requirements for measuring and recognizing uncertain income tax items. Theinterpretation must be applied to the determination of taxable profit / loss, tax bases, unused taxlosses, unused tax credits and tax rates when there is uncertainty over income tax treatments underIAS 12

Amendment to IFRS 9 clarifies how certain financial instruments with prepayment features withnegative compensation is classified

IFRS 16 'Leases' (effective for annual periods beginning on or after 1 January 2019) is introduced during the year that aims to set out the principles for recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all the leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right touse the underlying leased asset and a lease liability representing its obligation to make the lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and toaccount for those two types of leases differently. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determiningwhether an arrangement contains a lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Company expects that such improvement to the standards will not have any material impact on the company's financial statements.

The Company expects that such improvement to the standards will not have any material impact on the Company's financial statements.

There are certain new standards, amendments to the approved accounting standards and newinterpretations that are mandatory for accounting periods beginning on or after July 1, 2017, butare considered not to be relevant or have any significant effect on the Company's reporting and arethereforc, not disclosed in these financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

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

Assets subject to finance lease

Assets subject to finance lease are accounted for by recording the asset and related liability at the amounts determined on the basis of lower of fair value of the asset and the present value of minimum lease payments.

The outstanding obligation under the lease less finance charges allocated to future periods is shown as a liability.

Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged on the leased assets on the basis similar to that of owned tangible assets.

Assets subject to operating lease

Lease rentals payable on assets held under operating leases are charged to the income statement.

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 first-in, first-out 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 financialliability 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 valuethrough other comprehensive income and at fair value through profit or loss. The classification isbased on the Company's business model for managing the financial assets and the contractual cashflow characteristics of the financial asset. The management determines the classification of itsfinancial 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 modelwhose objective is to hold financial assets in order to collect contractual cash flows and the contractualterms of the financial asset give rise on specified dates to cash flows that are solely payments ofprincipal 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 assetis held within a business model whose objective is achieved by both collecting contractual cash flowsand selling financial assets and the contractual terms of the financial asset give rise on specifieddates 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 amortizedcost or at fair value through other comprehensive income. However, the Company can make anirrevocable election at initial recognition for particular investments in equity instruments that wouldotherwise be measured at fair value through profit or loss to present subsequent changes in fairvalue in other comprehensive income unless these are held for trading in which case these have tobe measured at fair value through profit or loss. The equity investments of the Company held inshort 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 thereclassification date.

In case of reclassification out of the amortized cost measurement category to fair value throughprofit 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 valueis recognized in profit or loss.

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

In case of reclassification out of the amortized cost measurement category to fair value throughother comprehensive income measurement category, fair value of the financial asset is measuredat the reclassification date. Any gain or loss arising from a difference between the previous amortizedcost and fair value is recognized in other comprehensive income. The effective interest rate and themeasurement 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 continuesto 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 continuesto 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 arecexpensed 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 usessettlement 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 therenegotiation 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 marketrates and are carried in the balance sheet at fair value. Net gains and losses arising on changes infair values of these financial assets are taken to the profit and loss account in the period in whichthese 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 impairmentin 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 nobligation topay 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 ora servicing liability for that servicing contract.

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

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

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

Impairment of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company hasno 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 measuredat amortized cost and through other comprehensive income, a lease receivable, a contract asset ora loan commitment and a financial guarantee contract. In case of financial assets measured at fair value thorugh other comprehensive income, loss allowance is recognized in other comprehensiveincome 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 anamount equal to the lifetime expected credit losses if the credit risk on that financial instrument hasincreased significantly since initial recognition. Where the credit risk on a financial instrument hasnot increased significantly since the initial recognition, the Company measures the loss allowancefor that financial instrument at an amount equal to 12-month expected credit losses.

The Company always measures the loss allowance at an amount equal to lifetime expected creditlosses 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 adjustthe 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 thecontractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost exceptfor financial liabilities at fair value through profit or loss, financial liabilities that arise when a transferof 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 interestrate 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 liabilitiesnot carried at fair value through profit or loss. Financial liabilities carried at fair value through profitor 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 includingCompany 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 andfinancial 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 repurchasingin the near term. This category also includes derivative financial instruments entered into by theCompany that are not designated as hedging instruments in hedge relationships. Separated embeddedderivatives 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 financialliability is presented in other comprehensive income and the remaining amount of change in the fairvalue of the liability is presented in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designatedat the initial date of recognition, and only if it eliminates or significantly reduces a measurement orrecognition inconsistency or a group of financial liabilities is managed and its performance is evaluatedon a fair value basis, in accordance with a documented risk management or investment strategy, andinformation about the group is provided internally on that basis to the Company's key managementpersonnel. 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 tobe made to reimburse the holder for a loss it incurs because the specified debtor fails to make apayment when due in accordance with the terms of a debt instrument. Financial guarantee contractsand 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 ofthe 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 recognizedless 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 consider at on paid, including any non-cash assets transferred or liabilities assumed, for the part derecognized is recognized in profit or loss.

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 Actuarial recommendations. The actuarial valuation is carried out using the Project Unit Credit Method. The actuarial 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".

5 CHANGES IN ACCOUNTING POLICY

i IFRS-9 Financial Instrument

IFRS -9 replaces the provisions of IAS 39 that relate to recognition, Classification and measurement of financial assets and financial liabilities, derecognication of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 financial instrument frm July 1, 2018 resuted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note. 3.7 above. In accordance with the transitional provisions in IFRS 9, corresponding figures have not been restated and any adjustment to carrying amount of financial assets and liabilities were recognised in the opening retained earnings as of transition date.

Classification and remeasurements

On July 1, 2018 (the date of initial application of IFRS 9) the Company's management has assessed which business model apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification and adjustments are as follows.

Financial assets July 1, 2018	Note	Carrying amount as reported under IAS 39 July 1, 2018	Reclassification due to IFRS-9	Remeasurement allowance: ECL	Carrying amount as reported under IFRS 9 July 1, 2018
Deposits		231,710	-	-	231,710
Trade debts		109,805	-	-	109,805
Cash and bank balances		27,748	-	-	27,748
			-	-	-
		369,263	-	-	369,263

IFRS 9 replaces the 'incurred loss' model in IAS 39 with and 'expected credit loss' (ECL) model. The company has determined that the application of IFRS 9's impairment requirement at July 1, 2018 results in no additional allowance for trade receiveables.

the company has adopted consequential amendments to IAS 1 presentation of Financial Statements which require impairment of financial assets to be presented in a separate line item in the profit and loss account. However, during the year ended June 30, 2018 there was no provision for doubtful debts that could be reclassified to 'impairment loss on trade receivables' in the profit and loss account.

The following table below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the company's financial assets and liabilities as at July 1, 2018.

	Original classification under IAS 39	New Classification under IFRS 9	Original amount under IAS 39	New Carrying amount under IFRS 9
Financial assets				
Deposits	Loans and Receivables	Amortised cost	**231,710**	**231,710**
Trade debts	Loans and Receivables	Amortised cost	**109,805**	**109,805**
Cash and bank balances	Loans and Receivables	Amortised cost	**27,748**	**27,748**
Financial				
Deferred liabilities	**Other Financial liabilities**	**Other Financial liabilities**	**8,519,653**	**8,519,653**
Unclaimed dividend	**Other Financial liabilities**	**Other Financial liabilities**	**2,208,846**	**2,208,846**
Creditors, accrued other liabilities	**Other Financial liabilities**	**Other Financial liabilities**	**97,014,665**	**97,014,665**

The impact of changes in accounting policy due to initial application of IFRS 9 has no material impact on corresponding figures as financial asset has been derecognized due to recovery in cash, hence no restatement is required in Company's financial statements.

ii **IFRS 15 Revenue from contract with customers**

The Company has also adopted IFRS 15 (Revenue from contract) with customers which replaced IAS 18 which covers revenue for goods and services, IAS 11 which covers construction contracts, SIC31 - Revenue - Barter transaction involving advertising services, IFRIC 15 - Agreements for the construction of real estate and IFRIC 18 - Transfer of assets from customers.

The Company has adopted IFRS 15 with effect from July 01, 2018, any change in presentation or classification of items has been accounted for in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. There has been no financial effect of the change in accounting policy on the prior period financial statements except for the following reclassifications in the corresponding period from adoption of IFRS 15:

Statement of financial position

In statement of financial position, contract liabilities are recognized in respect of Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from a customer. Amounts as at June 30, 2018 have also been reclassified as follows for the purpose of comparability:

Description	As at 30 June 2018		
	Carrying Amount as stated	Reclassification	IFRS 15 Carrying Amount
Advance from Customer	**3,615,476**	**(3,615,476)**	**-**
Contract Liabilities	**-**	**3,615,476**	**3,615,476**
	3,615,476	**-**	**3,615,476**

The application of IFRS 15 did not have a material impact on amounts in the statement of comprehensive income, the statement of changes in equity and the statement of cash flows as the current methodology for revenue recognition adequately reflects timing of satisfaction of performance obligations under requirements of the new standard.

6 PROPERTY PLANT & EQUIPMENT

	Leasehold land	Buildings on leasehold land	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	Compressors	Canteen Utensils	Motor Vehicles		Total
	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Leased	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At July 1, 2018														
Cost	739,303	32,901,125	251,219,309	11,495,350	97,782,581	9,045,500	9,483,290	9,509,940	831,105	1,999,235	192,919	9,441,310	-	379,947,999
Accumulated depreciation	-	30,889,164	229,779,333	10,396,631	89,089,681	7,803,979	8,274,851	8,449,405	429,033	1,705,266	190,996	8,378,942	-	345,785,811
Net book value	739,303	2,011,961	21,437,976	1,098,719	8,692,900	1,241,521	1,208,439	1,060,535	402,072	293,969	1,923	1,062,368	-	34,162,188
Year ended June 30, 2019														
Opening net book value	739,303	2,011,961	21,437,976	1,098,719	8,692,900	1,241,521	1,208,439	1,060,535	402,072	293,969	1,923	1,062,368	-	34,162,188
Additions	-	-	-	-	-	-	2,750	97,795	-	-	-	2,150,000	-	2,250,545
Disposals at net book value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(201,196)	(2,143,798)	(109,872)	(869,290)	(124,152)	(111,097)	(120,853)	(4,020)	(19,798)	(1,204)	(438,477)	-	(4,243,440)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	739,303	1,810,765	19,293,178	979,873	7,823,610	1,117,429	1,099,979	1,037,349	398,052	274,171	722	1,723,891	-	32,169,293
As at June 30, 2019														
Cost	739,303	32,901,125	251,219,309	11,495,350	97,782,581	9,045,500	9,486,040	9,607,735	831,105	1,999,235	192,919	11,591,310	-	385,897,911
Accumulated depreciation	-	31,090,360	231,926,131	10,515,477	89,959,971	7,928,071	8,386,061	8,570,386	433,053	1,725,064	192,197	9,867,419	-	351,127,600
Net book value	739,303	1,810,765	19,293,178	979,873	7,823,610	1,117,429	1,099,979	1,037,349	398,052	274,171	722	1,723,891	-	34,769,311
As at July 01, 2017														
Cost	739,303	32,901,125	251,219,309	11,495,350	97,782,581	9,045,500	9,483,290	9,509,940	831,105	1,999,235	192,919	9,441,310		379,947,999
Accumulated depreciation	-	30,689,940	227,397,462	10,276,959	87,222,681	7,696,979	8,164,576	8,328,610	429,033	1,515,538	189,393	8,363,330		330,849,715
Net book value	739,303	2,211,185	23,821,847	1,218,391	10,559,900	1,348,521	1,318,714	1,181,330	402,072	483,697	3,526	1,078,980		49,098,284
Year ended June 30, 2019														
Opening net book value	739,303	2,211,185	23,821,847	1,218,391	10,559,900	1,348,521	1,318,714	1,181,330	402,072	483,697	3,526	1,078,980		49,098,284
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals at net book value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(200,224)	(2,383,785)	(121,672)	(1,866,990)	(107,092)	(109,975)	(120,795)	(4,020)	(189,728)	(1,603)	(15,590)	-	(5,119,474)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	739,303	2,011,961	21,437,976	1,098,719	8,692,910	1,241,429	1,208,739	1,060,535	398,052	293,969	1,923	1,062,368	-	43,978,810
Rate	-	10%	10%	10%	10%	10%	10%	10%	20%	20%	20%	20%	20%	

		Note	2019 Rupees	2018 Rupees
6.1	The depreciation for the year has been allocated as follows:			
	Cost of goods manufactured		3,562,077	3,950,638
	Administrative expenses		681,363	285,458
			4,243,440	**4,236,096**
7	**WORK IN PROGRESS**			
	Civil Work			
	Construction - running bills and materials		4,625,085	-
			4,625,085	-
	Capitalized during the year			
	Buildings		-	-
			4,625,085	-
7.1	Building		4,625,085	16,499,172
			-	-
			4,625,085	16,499,172
8	**ASSETS IN BOND**			
	Engineering stores	8.1	**19,705,171**	**19,705,171**

8.1 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.

9	**LONG TERM DEPOSITS**		**231,710**	**231,710**
10	**STORES, SPARES AND LOOSE TOOLS**			
	Stores and spares		17,731,138	15,651,138
	Loose tools		1,600,849	1,600,849
			19,331,987	17,251,987
	Less: Provision for slow moving items	10.1	(7,706,083)	(7,706,083)
			11,625,904	**9,545,904**
10.1	**Provision for slow moving stores, spares and loose tools**			
	Opening balance		7,706,083	7,706,083
	Charge for the year		-	-
			7,706,083	**7,706,083**
11	**STOCK-IN-TRADE**			
	Raw materials		760,771	760,771
	Raw materials in bond		1,084,670	1,084,670
	Finished goods		5,755,309	5,755,309
			7,600,750	7,600,750
	Less: Provision for slow moving finished goods		(422,667)	(422,667)
			7,178,083	**7,178,083**
12	**TRADE RECEIVABLES - UNSECURED**			
	Considered doubtful		108,682	109,805
			-	-
			108,682	109,805
	Less: Allowance for ECL	12.1	(108,682)	-
			-	**109,805**

		Note	2019 Rupees	2018 Rupees
12.1	**Allowance for ECL**			
	Balance at beginning of the year		-	-
	Charge during the year - net		108,682	-
	Allowance no longer required		-	-
	Write - off		-	-
	Balance at the end of the year		108,682	-
13	**OTHERS RECEIVABLES**			
	Advance income tax		1,174,778	1,149,985
			1,174,778	**1,149,985**
14	**CASH AND BANK BALANCES**			
	Cash in hand		-	306
	Cash at banks - in current accounts			
	Local currency		274,937	27,442
			274,937	27,442
			274,937	**27,748**
15	**TRADE AND OTHER PAYABLES**			
	Creditors		84,473,719	83,547,120
	Accrued liabilities			
	Salaries and wages		3,220,773	2,264,193
	Staff Gratuity payable		3,122,210	2,567,195
			6,342,983	4,831,388
	Other liabilities			
	Contract Liabilities		3,615,117	3,615,476
	Tax deducted at source		5,023,232	5,019,735
	Rent payable		450,000	946
	Others		48,117	-
			9,136,466	8,636,157
			99,953,168	**97,014,665**
16	**INCOME TAX PAYABLE**			
	Opening balance		-	25,534
	Provided during the year	27		
	- Current		-	-
	- Prior		-	-
			-	-
			-	25,534
	Payments/adjustments during the year		-	(25,534)
			-	-
17	**SHORT TERM BORROWING - UN SECURED**			
	Others	17.1	20,562,492	-
			20,562,492	-

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

	Note	2019 Rupees	2018 Rupees
18 DEFERRED LIABILITY			
18.1 Deferred Taxation			
In view of the consistent tax losses and expected future turnover, it is probable that the company will not have sufficient future taxable income and hence will not able to utilize the deductible temporary difference. Therefore, deferred tax asset of Rs. 31.198 million (2018: Rs. 31.359 million) has not been recognized in these financial statements."			
18.2 Staff retirement benefits			
Staff Gratuity			
As at the beginning of the year		7,218,894	4,566,188
Charge to profit and loss account		1,124,412	784,031
Benefits due but now transfer to short term liability		(675,015)	(276,989)
Part Payment of gratuity of existing staff & workers		(150,000)	-
Actuarial (gain) loss during the year		2,869,625	2,145,664
As at end of the year		10,387,916	7,218,894
Employees' compensated absences	18.3	1,300,759	1,300,759
		11,688,675	**8,519,653**
18.2.1 Charge to profit or Loss			
Current service cost		371,332	269,242
Interest on past service Cost		753,080	514,789
		1,124,412	**784,031**
Actuarial (gain) or Loss recognized during the year		2,869,625	2,145,664
		3,994,037	2,929,695
18.2.2 The charge to profit or loss has been allocated as follows			
Cost of sales		860,304	597,593
Administrative expenses		264,108	186,438
		1,124,412	**784,031**

Present value of define benefit obligation has been determined using projected unit credit method. The liability as at June 30,2018 and June 30, 2019 has been determined by the management of the company based on projected unit credit method. The principal assumptions used in determining present value of define benefit obligation are.

	%	%
Discount rate	8	8
Expected rate of increase salary	5	5
Historical information		
Present value of defined benefits obligation	10,387,916	7,218,894
Actuarial adjustment arising during the year	2,869,625	2,145,664
Valuation date	June 30,2019	June 30,2018

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

18.3 Employees' compensated absences			
Net liability / (assets) at the beginning of the year		1,300,759	1,300,759
Charge for the year		-	-
		1,300,759	1,300,759
Benefits paid during the year		-	-
Net liability / (assets) at the end of the year		**1,300,759**	**1,300,759**

	Note	2019 Rupees	2018 Rupees

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 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.

19.1.2 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, 2019, to be levied under section 205 of Income Tax Ordinance, 2001 as disclosed in note 15 to the audited financial statements for the year ended June 30, 2019. The company believes that the said amount will be paid.

19.1.3 Securities and Exchange Commission of Pakistan (SECP)

19.1.3.1 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.

19.1.3.2 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.

19.2 Commitments		**Nil**	**Nil**

19.2.1 Guarantee issued to Honorable High Court of Sindh amounting to Rs.500,000 (2018: Rs.500,000).

		Note	2019 Rupees	2018 Rupees
20 SHARE CAPITAL				
Authorized Share capital		**20.1**	**400,000,000**	**75,000,000**
Issued, Subscribed and Paid Up capital				
Number of shares				
2019	**2018**			
7,355,400	7,355,400	Ordinary shares of Rs. 10/- each fully paid in	**73,554,000**	**73,554,000**
Reconciliation of share capital				
7,355,400	7,355,400	Opening balance	73,554,000	73,554,000
-	-	**Issued during the year**	-	-
7,355,400	**7,355,400**	Closing balance	**73,554,000**	**73,554,000**

20.1 This represents 40,000,000 (2018: 7,500,000) ordinary shares of Rs. 10/- each amounting to Rs. 400,000,000(2018 :75,000,000).

	Note	2019 Rupees	2018 Rupees

20.2 Shares held by the related parties of the company

	2019		2018	
	Number of Shares	Percentage Holding	Number of Shares	Percentage Holding
1 Azeem H Mandviwalla	1,296,555	17.627%	1,297,055	17.634%
2 Shireen H Mandviwalla			518,855	7.0541%
3 Masih ul Hassan	500	0.006%	500	0.006%
4 Tariq Mahmood	500	0.006%	500	0.006%
5 Syed Asghar Ali	800	0.011%	800	0.011%
6 Shamim Ahmed Khan	500	0.006%	500	0.006%
7 Abdul Qadir Shawani	500	0.006%	500	0.011%
8 Farah Qureshi	500	0.006%		

	Note	2019 Rupees	2018 Rupees
21 SUBORDINATED LOAN - Unsecured			
Due to director		329,641,858	329,380,858
		329,641,858	**329,380,858**

21.1 The Company has obtain loans from Director. As per the term of agreement, the loans are interest free (2018 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'). Further company had applied for approval of the Securities and Exchange Commission of Pakistan which is pending as on June 30, 2019.

22 REVENUE			
Local sales	22.1	-	-
Export sales		-	-
		-	-
22.1 Local sales			
Gross sales		-	-
Sales tax		-	-
		-	-
23 COST OF SALES			
Opening stock of finished goods		5,755,309	5,755,309
Cost of goods manufactured	23.1	12,066,767	6,327,721
		17,822,076	12,083,030
Closing stock of finished goods		(5,755,309)	(5,755,309)
		12,066,767	**6,327,721**
23.1 Cost of goods manufactured			
Raw materials consumed	23.1.1	-	-
Store and spares consumed		105,204	-
Salaries, wages and other benefits		4,870,333	2,377,083
Utilities		58,910	-
Repairs and maintenance		359,053	-
Rent rates & taxes		266,500	-
Postage telephone and telegram		10,600	-
Fees and subscription		44,370	-
Traveling, conveyance and vehicle running expenses		429,971	-
Shifting of plant and machinery		1,814,187	
Printing and stationery		5,057	-
Rent expense		450,000	
Freight & octroi		16,600	-
Other Expenses		73,905	-
Depreciation	6.1	3,562,077	3,950,638
Cost of goods manufactured		**12,066,767**	**6,327,721**

	Note	2019 Rupees	2018 Rupees
23.1.1 Raw materials consumed			
Opening stock		760,771	760,771
Raw material return to supplier		-	-
		760,771	760,771
Closing stock		(760,771)	(760,771)
		-	-
24 GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits		3,120,973	850,776
Directors' remuneration and executive		-	-
Traveling, conveyance and vehicle running expenses		131,054	-
Gratuity expense		264,108	186,438
Utility charges		278,829	-
Postage, telephone and telegram		155,033	-
Repair and maintenance		61,175	-
Depreciation on operating assets	6.1	681,363	285,458
Fee and subscription		1,756,747	277,828
Printing and stationery		124,752	-
Insurance		58,575	-
Office expenses		43,360	-
Books and periodicals		8,815	-
Auditors' remuneration	24.1	339,440	233,200
Allowance for ECL on trade receivable		108,682	-
Entertainment		10,000	-
		7,142,906	**1,833,700**
24.1 Auditors' remuneration			
Statutory annual audit fee		163,240	159,000
Half yearly review		53,000	53,000
Review report on code of corporate governance		21,200	21,200
Certification		102,000	-
Out-of-pocket expenses		-	-
		339,440	**233,200**
25 SELLING AND DISTRIBUTION EXPENSE			
Advertising and publicity		3,330	-
		3,330	**-**
26 FINANCE COST			
Bank charges		4,652	1,664
Mark up on Long term Loan		-	-
		4,652	**1,664**
27 TAXATION			
Current	27.1	-	-
Prior		-	-
		-	-
27.1 Current			
Under normal assessment		-	-
Income tax on exports		-	-
	27.1.1	-	-
27.2 Prior			
Under normal assessment		-	-

	Note	2019 Rupees	2018 Rupees
27.1.1 Relationship between tax expense and accounting profit			
Profit / (loss) before taxation		**(19,217,655)**	**(3,926,991)**
Tax at the applicable rate		29%	30%
Tax on accounting Profit		-	-
Tax effect of income taxed at lower rate			
- Prior year taxation		-	-
- Difference of minimum Tax on accounting profit		-	-
		-	-
Brought forward tax losses		**127,181,256**	**119,853,001**

The income tax assessments have been finalized up to the tax year 2018

28 EARNINGS PER SHARE

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

	Note	2019 Rupees	2018 Rupees
Profit/(loss) after taxation		(19,217,655)	(8,163,087)
Weighted average number of ordinary shares		7,355,400	7,355,400
Earnings per share - basic and diluted		**(2.61)**	**(1.11)**

29 TRANSACTIONS WITH ASSOCIATED/RELATED PARTIES

Sub ordinated borrowings from director Azeem H Mandviwalla	329,641,858	329,380,858
Borrowings from Others	20,562,492	-
Sub ordinated borrowings from director Azeem H Mandviwalla movement	261,000	57,644,529
Borrowings from Others movement	20,562,492	-
Salary Payable Directors Azeem H Mandviwalla	2,264,193	2,264,193
Staff gratuity payable	10,387,916	7,218,894
Benefits due but now transfer to short term liability	3,122,210	2,567,195
Staff gratuity charged	1,124,412	784,031
Staff gratuity paid	(270,000)	-
Rent payable	450,000	946

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

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

30 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2019	2018	2019	2018	2019	2018
Managerial remuneration	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-
Medical expense/	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Motor vehicle expense	-	-	-	-	-	-
	-	-	-	-	-	-
Number of persons	1	1	-	-	-	-

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

30.2 Aggregate amount charged in these accounts in respect of non-executive directors fee is Rs. Nil (2018: Rs. Nil).

31 PLANT CAPACITY AND ACTUAL PRODUCTION (IN TONS)

The production capacity of the whole unit plant on single shift basis, comes to 4,275 tons (2018: 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, 2019 comes to Nil tons (2018: Nil tons) which is Nil% (2018: Nil%) of the total capacity. The nil capacity utilized is due to closure of production process since july, 01 2013 .

	Note	2019 Rupees	2018 Rupees
32 CASH AND CASH EQUIVALENTS			
Cash and bank balances		274,937	27,748
Book overdraft		-	-
		274,937	**27,748**

33 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

33.1 Maturities of financial assets and liabilities as at June 30, 2019

	Mark up bearing maturity			Non-mark-up bearing maturity				
	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	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial assets								
Deposits	-	-	-	-	231,710	-	231,710	231,710
Trade debts	-	-	-	-	-	-	-	-
Cash and bank balances	-	-	-	274,937	-	-	274,937	274,937
	-	-	-	**274,937**	**231,710**	-	**506,647**	**506,647**
Financial liabilities								
Deferred liabilities	-		-	-	-		-	-
Short term Borrowings						11,688,675	11,688,675	11,688,675
Unclaimed dividend	-	-	-	20,562,492	-	-	20,562,492	20,562,492
Creditors, accrued and other liabilities				2,208,846			2,208,846	2,208,846
	-	-	-	99,953,168	-	-	99,953,168	99,953,168
	-	-	-	**122,724,506**	-	**11,688,675**	**134,413,181**	**134,413,181**
Sensitivity gap - 2019	-	-	-	**(122,449,569)**	**231,710**	**(11,688,675)**	**(133,906,534)**	**(133,906,534)**

Maturities of financial assets and liabilities as at June 30, 2018

	Mark up bearing maturity			Non-mark-up bearing maturity				
	Up to one year	Over one year unto five years	Sub-total	Up to one year	Over one year unto five years	Over five years	Sub-total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial assets								
Deposits	-	-	-	-	231,710	-	231,710	231,710
Trade debts	-	-	-	109,805	-	-	109,805	109,805
Cash and bank balances	-	-	-	27,748	-	-	27,748	27,748
	-	-	-	**137,553**	**231,710**	-	**369,263**	**369,263**
Financial liabilities								
Deferred liabilities	-	-	-	-	-	-	-	-
Unclaimed dividend						8,519,653	8,519,653	8,519,653
Creditors, accrued and other liabilities				2,208,846			2,208,846	2,208,846
	-	-	-	97,014,665	-	-	97,014,665	97,014,665
	-	-	-	**99,223,511**	-	**8,519,653**	**107,743,164**	**107,743,164**
Sensitivity gap - 2018	-	-	-	**(99,085,958)**	**231,710**	**(8,519,653)**	**(107,373,901)**	**(107,373,901)**

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

33.2 Capital risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. During 2019 the company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2019 and 2018 were as follows:

Total borrowings	20,562,492	-
Cash and bank	(274,937)	(27,748)
Net debt / (cash)	20,287,555	(27,748)
Total equity	(52,958,853)	(31,132,573)
Total capital	**(32,671,298)**	**(31,160,321)**
Gearing ratio in %	**(0.62)**	**0.00**

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 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. As indicated in note 33.1, the company is not exposed to interest rate risk as most of the financial liabilities are not interest based.

33.4 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 maintaing sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position. The company maintains flexibility in funding by maintaining availability under committed credit lines.

Financial liabilities in accordance with their contractual maturities are presented

	Carrying Amount Contractual Cash Flows	Up to one year	Over one year up to five years	Over five years
Deferred liabilities	**11,688,675**		-	11,688,675
Short term Borrowings	**20,562,492**	20,562,492	-	-
Unclaimed dividend	**2,208,846**	2,208,846	-	-
Creditors, accrued and other liabilities	**99,953,168**	99,953,168	-	-
	134,413,181	122,724,506	-	11,688,675

33.5 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company is not materially exposed to credit risk as the customers are reputable local and foreign parties.

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. 0.5 Million (2018: Rs.0.4 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

The maximum exposure to credit risk as at June 30, 2019, along with comparative is tabulated follows:

	2019 Rupees	2018 Rupees
Deposits	231,710	231,710
Trade debts	-	109,805
Cash and bank balances	274,937	27,748
	506,647	369,263

33.6 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The estimated fair values of all the financial assets and liabilities are not materially different from their book values as at the balance sheet date.

33.7 Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist in foreign currency. The company has a foreign currency bank account and export its products to various countries and is exposed to movement in foreign exchange rates.

34 STAFF STRENGTH

Total		
June, 30	11	14
Average	11	14
Plant		
June, 30	7	10
Average	7	10

35 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purposes of comparison. Significant reclassifications made is as following:

From	To	Nature	Amount Rupees
Non Current Liabilities	Equity		
1) Long Term Borrowings from directors	Subordinated loans	Proper presentatic	264,712,642

36 DATE OF AUTHORIZATION

These accounts were authorized for issue on 15 November 2019 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 30/06/2019

NO. OF SHAREHOLDERS	<---- HAVING SHARES ----> From	To	SHARES HELD	PERCENTAGE
943	1	100	84859	1.1537
1272	101	500	560258	7.6170
140	501	1000	135981	1.8487
204	1001	5000	600555	8.1648
45	5001	10000	360447	4.9004
13	10001	15000	167900	2.2827
13	15001	20000	235892	3.2071
3	20001	25000	63500	0.8633
6	25001	30000	172032	2.3389
5	30001	35000	166023	2.2572
3	35001	40000	116000	1.5771
2	45001	50000	95500	1.2984
1	50001	55000	54500	0.7410
2	55001	60000	119076	1.6189
2	65001	70000	136545	1.8564
1	80001	85000	83652	1.1373
1	90001	95000	95000	1.2916
1	95001	100000	100000	1.3595
1	110001	115000	113000	1.5363
1	125001	130000	129500	1.7606
1	135001	140000	138000	1.8762
1	235001	240000	239800	3.2602
1	400001	405000	404000	5.4926
1	515001	520000	518855	7.0541
1	1165001	1170000	1167970	15.8791
1	1295001	1300000	1296555	17.6273
2665			Company Total 7355400	100.0000

CATEGORIES OF SHARE HOLDERS

AS AT JUNE 30, 2019

Categories	No. of Share Holders	Total Share Held	Percentage%
Individuals Including Directors	2649	7,141,985	97%
Joint Stock Companies	12	76,715	1%
Financial Institutions	3	135,200	2%
Modarabas & Mutual Funds	1	1,500	0%
Total	**2665**	**7,355,400**	**100%**

Mandviwalla Mauser Plastic Industries Limited

DETAIL OF CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2019

Category of Shareholders	No. of Shareholders	Share Held
Associted 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)	1	1,296,555
Mst. Shireen H. Mandviwalla (Director)	1	500
Mr. Shamim Ahmed (Director)	1	500
Mr. Tariq Mahmood (Director)	1	500
Mr. Abdul Qadir Shiwani (Director)	1	500
Mr. Masih ul Hasan (Director)	1	500
Syed Asghar Ali (Director)	1	800
	7	1,299,855
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)	2634	5,793,980
General Public (Foreign)	8	48,150
Joint Stock Companies	12	76,715
	2,665	**7,355,400**

Shareholders Holding 10% or more Voting interst in Company

Total Paid-up Capital of the Company	7355400 Shares
10% of the Public Paid -up Capital	735540 Shares