

UN-AUDITED
QUARTERLEY ACCOUNTS
FOR THE PERIOD ENDED
SEPTEMBER 30, 2017



Mandviwalla Mauser Plastic Industries Limited

**MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED
COMPANY INFORMATION**

Board of Directors

| | |
|-----------------------------|--------------------------|
| Mr. Abdul Qadir Shiwani | Chairman /Director |
| Mr. Azeem H. Mandviwalla | Chief Executive/Director |
| Mrs. Shireen H. Mandviwalla | 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

Industrial Development Bank of Pakistan (IDBP)
MCB Bank Limited
SILK Bank Limited

Auditors

Ibrahim Shaikh & Co.
Chartered Accountant

Tax Consultants

Jamal Yousuf (Advocates)

Legal Advisor

Tasawur Ali Hashmi (Advocate)

Registered Office

Mandviwalla Building, Old Queens Road,
Karachi -74000.
Tel: 021-32441116-9 Fax021-32441276
Website: www.mandviwallamauser.com
E-mail: mmpil@cyber.net.pk

Shares Registrar

Registrar THK Associates (Pvt.) Limited
1st Floor, 40 - C,
Block 6, P,E,C,H.S,
Karachi.

Factory

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

DIRECTORS REVIEW REPORT

The directors of your Company are pleased to present un-audited condensed financial statements of the Company for the Quarter Ended September 30, 2017.

Financial Results

A summary of the financial results is shown below:

| As per un-audited financial statements | Rupees |
|--|---------------|
| Sales- Net | --- |
| Gross Loss | (1,588,718) |
| Net profit/(loss) after taxation | (1,801,412) |
| Accumulated losses | (425,560,092) |
| Earnings per share | (0.24) |

Sales

The net sales revenue during the Quarter ended under review has Rs.NIL as compared to Quarter Ended September 30, 2017, Rs NIL.

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

After tax profit/loss and accumulated losses

The loss after tax is witnessed at Rs.1.801 million during the Quarter Ended as compared to September 30, 2016 loss of Rs 1.664 million. The existing plant in Uthal, Baluchistan still remains unviable & needs to be relocated immediately.

Future Outlook

The company is in the process of shifting its plant and machinery and for this purpose again approval is being taken from the shareholders / Members in upcoming Annual General Meeting and hopefully, the company expects to complete the task by next financial year.


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



Azeem H. Mandviwalla
Chief Executive

Karachi
Dated:

On behalf of the Board of Directors



Abdul Qadir Shiwani
Chairman/Director

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

BALANCE SHEET
AS AT SEPTEMBER 30, 2017

| | Note | Un-audited September 30, 2017 Rupees | Audited June 30, 2017 Rupees |
|---|------|---|---------------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | | | |
| Operating assets | | 41,839,257 | 42,898,281 |
| Assets in bonds | | 19,705,171 | 19,705,171 |
| Long term deposits | | 733,850 | 733,850 |
| | | 62,278,278 | 63,337,302 |
| CURRENT ASSETS | | | |
| Stores, spare and loose tools | | 9,545,904 | 9,545,904 |
| Stock-in-trade | | 7,178,083 | 7,178,083 |
| Trade debts - unsecured, considered good | | 109,805 | 109,805 |
| Short Term Loans and advances | | 1,174,027 | 1,174,027 |
| Cash and bank balances | | 26,154 | 26,154 |
| | | 18,033,973 | 18,033,973 |
| CURRENT LIABILITIES | | | |
| Creditors, accrued and other liabilities | | 109,054,145 | 109,054,145 |
| Short Term borrowing from directors | | 207,810,501 | 207,068,113 |
| Current portion of Long term liabilities | | 44,893,000 | 44,893,000 |
| Provision for taxation | | 25,534 | 25,534 |
| | | 361,783,180 | 361,040,792 |
| Net current assets/(current liabilities) | | (343,749,207) | (343,006,819) |
| NON-CURRENT LIABILITIES | | | |
| Long term Borrowing -Secured | 4 | - | - |
| Deferred liability | | 5,866,947 | 5,866,947 |
| | | 5,866,947 | 5,866,947 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 5 | - | - |
| NET ASSETS | | (287,337,876) | (285,536,464) |
| REPRESENTED BY: | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 7,500,000 (2006: 7,500,000) ordinary shares of Rs.10/- each | | 75,000,000 | 75,000,000 |
| Issued, subscribed and paid-up capital | | | |
| 7,355,400 (2006: 7,355,400) Ordinary shares of Rs. 10/- each fully paid in cash | | 73,554,000 | 73,554,000 |
| Subordinated loan | | 64,668,216 | 64,668,216 |
| Accumulated losses carried forward | | (425,560,092) | (423,758,680) |
| NET SHAREHOLDERS' EQUITY | | (287,337,876) | (285,536,464) |

The annexed notes form an integral part of these accounts.


Chief Executive


Director


Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**PROFIT AND LOSS ACCOUNT (UNAUDITED)
AS AT SEPTEMBER 30, 2017**

| | Note | Sept. 30 2017 Rupees | Sept. 30 2016 Rupees |
|-----------------------------------|------|----------------------------|----------------------------|
| Sales - net | | - | - |
| Cost of goods sold | 6 | (1,588,718) | (1,458,189) |
| Gross profit | | <u>(1,588,718)</u> | <u>(1,458,189)</u> |
| Operating expenses | | | |
| Administrative expenses | | 212,694 | 205,907 |
| Selling and distribution expenses | | - | - |
| | | <u>(212,694)</u> | <u>(205,907)</u> |
| Operating profit/(loss) | | <u>(1,801,412)</u> | <u>(1,664,096)</u> |
| Other income | | - | - |
| | | <u>(1,801,412)</u> | <u>(1,664,096)</u> |
| Financial and other charges | | - | - |
| Profit/(loss) before taxation | | <u>(1,801,412)</u> | <u>(1,664,096)</u> |
| Taxation | | - | - |
| Profit/(loss) after taxation | | <u><u>(1,801,412)</u></u> | <u><u>(1,664,096)</u></u> |
| Earnings per share - basic | | <u><u>(0.24)</u></u> | <u><u>(0.23)</u></u> |

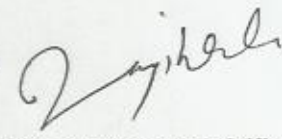
The annexed notes form an integral part of these accounts.



Chief Executive



Director



Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
AS AT SEPTEMBER 30, 2017

| | SEPTEMBER 2017 Rupees | SEPTEMBER 2016 Rupees |
|---|-----------------------------|-----------------------------|
| Loss for the Year | (1,801,412) | (1,664,096) |
| Other comprehensive income | - | - |
| Total comprehensive loss for the period | <u>(1,801,412)</u> | <u>(1,664,096)</u> |

The annexed notes form an integral part of these accounts.


Chief Executive


Director


Chief Financial Officer

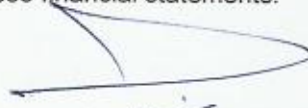
MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
AS AT SEPTEMBER 30, 2017

| | Issued, Subscribed and Paid-up Capital | Subordinated loan | Accumulated Losses | Net shareholders' equity |
|------------------------------------|---|----------------------|-----------------------|--------------------------------|
| | Rupees | Rupees | Rupees | Rupees |
| Balance as at July 1, 2016 | 73,554,000 | 64,668,216 | (410,579,731) | (272,357,515) |
| Net profit/ (loss) for the quarter | - | - | (1,664,096) | (1,664,096) |
| Balance as at September 30, 2016 | <u>73,554,000</u> | <u>64,668,216</u> | <u>(412,243,827)</u> | <u>(274,021,611)</u> |
| Balance as at July 1, 2017 | 73,554,000 | 64,668,216 | (423,758,680) | (285,536,464) |
| Net profit/ (loss) for the quarter | - | - | (1,801,412) | - |
| Increase in subordinated loan | | - | - | |
| Balance as at September 30, 2017 | <u>73,554,000</u> | <u>64,668,216</u> | <u>(425,560,092)</u> | <u>(285,536,464)</u> |

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


Chief Executive


Director


Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED


**CASH FLOW STATEMENT
AS AT SEPTEMBER 30, 2016**

| | SEPT,30 2017 Rupees | SEPT,30 2016 Rupees |
|---|---------------------------|---------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit / (loss) before taxation | (1,801,412) | (1,664,096) |
| Adjustment for non-cash charges and other items: | | |
| Depreciation on operating assets | 1,059,024 | 1,178,104 |
| Provision for staff gratuity | - | - |
| Loss/(gain) on sale of fixed assets | - | - |
| Financial charges | - | - |
| | <u>1,059,024</u> | <u>1,178,104</u> |
| Cash flows from operating activities before working capital changes | (742,388) | (485,992) |
| Working capital changes | | |
| Decrease / (Increase) in current assets | | |
| Stores, spare and loose tools | - | - |
| Stock-in-trade | - | - |
| Trade debts | - | - |
| Short Term Loans and advances Other receivable | - | - |
| Other Receivable | - | - |
| Increase / (decrease) in current liabilities | | |
| Creditors, accrued and other liabilities | - | 125,992 |
| | - | 125,992 |
| Income tax paid | - | - |
| Staff gratuity paid | - | - |
| Employees' compensated absences paid | - | - |
| Financial charges paid | - | - |
| | - | - |
| Net cash inflow / (outflow) from operating activities | <u>(742,388)</u> | <u>(360,000)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure paid | - | - |
| Sale proceed of fixed assets | - | - |
| Net increase/(decrease) in long term deposits | - | - |
| Net cash (outflow) from investing activities | - | - |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Short term finances FROM DIRECTORS | 742,388 | 360,000 |
| Obligation under finance lease | - | - |
| Subordinated Loan | - | - |
| Long term Loans | - | - |
| Net cash inflow / (outflow) from financing activities | <u>742,388</u> | <u>360,000</u> |
| Net increase / (decrease) in cash and cash equivalents | - | - |
| Cash and cash equivalents at the beginning of the year | 26,154 | 26,154 |
| Cash and cash equivalents at the end of the quarter | <u>7</u> <u>26,154</u> | <u>26,154</u> |

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


Chief Executive


Director


Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

SELECTED NOTES TO THE ACCOUNTS (UN-AUDITED) AS AT SEPTEMBER 30, 2017

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on June 13, 1988, as a public limited company. The company is listed on the Pakistan Stock Exchanges. The company is mainly engaged in manufacturing and sale of plastic and allied products. The registered office of the company is situated at Mandviwalla Building, Old Queens Road, Karachi. The Plant is Located at C-5, Uthal Industrial Estate, Uthal, District Lasbella, Baluchistan.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. As per the requirement of Circular No. CLD/ CCD / ER (11) 2017 dated July 20, 2017 and Circular number. 23 of 2017 dated October 04, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP), the Company has Prepared these Financial Statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the ordinance) accordingly approved accounting standards of Interim Financial Reporting comprising of international Accounting Standard -34, 'Interim Financial Reporting' and provisions of and directives issued under the ordinance. In case requirements differ, the provisions of or directives issued under the Ordinance prevail.

The accounting policies and the methods of computation followed in the preparation of quarter financial statements are the same as those of the published annual financial statements for the year ended June 30, 2017.

These financial statements are un-audited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. However, a limited scope review of these interim financial statements has been performed by the external auditors of the company in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

3 GOING CONCERN ASSUMPTION

The company has incurred a net loss of Rs. 1.801 million for the quarter ended and the accumulated losses come to Rs. 425.56 million as on September 2013. Thus causing net capital deficiency of Rs. 287.338 million. The current liabilities of the company have exceeded its current assets by Rs. 343.749 million.

However, the Management is of the view that the company will be able to continue as a going concern as the management is making every possible effort to put the company on the track of profitable operations. The sponsors of the company have also committed to standby and support the company in every possible manner in these difficult times.

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**SELECTED NOTES TO THE ACCOUNTS (UN-AUDITED)
AS AT SEPTEMBER 30, 2017**

| | Note | Sept. 30, 2017 | Sept. 30, 2016 Rupees |
|---|------|---------------------------|---------------------------|
| 4 LONG-TERM LOANS | | | |
| As at July 1, 2017 | | 99,133,650 | 99,133,650 |
| Waived/ revised | 4.1 | (54,240,650) | (54,240,650) |
| Repayments | | - | - |
| Current maturity | | 44,893,000 | 44,893,000 |
| | | - | - |
| From directors and others unsecured an noninterest bearing | | <u>207,810,439</u> | <u>165,972,483</u> |
| | | <u>252,703,439</u> | <u>210,865,483</u> |

4.1 This amount represents the waiver/reversal of loan through order given by High Court of Sindh in respect of outstanding loan liability of Industrial Development Bank of Pakistan. The waiver given is under State Bank of Pakistan BPD Circular Letter No. 29 dated October 15, 2002, and has been disclosed as per the Circular No. 09/2005 dated October 27, 2005 of Institute of Chartered Accountants of Pakistan and to be disclosed until the entire liability of IDBP is repaid / extinguished.

| | Sept. 30, 2017 Rupees | June 30, 2016 Rupees |
|--|--------------------------|-------------------------|
| 5 CONTINGENCIES AND COMMITMENTS | | |
| 5.1 Capital commitments | <u>NIL</u> | <u>NIL</u> |
| 5.2 Contingencies | | |
| 5.2.1 Wash basin Moulds | | |

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

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

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**SELECTED NOTES TO THE ACCOUNTS (UN-AUDITED)
AS AT SEPTEMBER 30, 2017**

5.2.2 Industrial Development Bank of Pakistan

According to the order of the Honorable High Court of Sindh dated January 27, 2006, the settlement agreement have reached between IDBP and the company, and the liability towards the company in respect of IDBP as a result of the said settlement agreement stands to the extent of Rs. 49.393 million. The company paid Rs. 4.5 million till June 30, 2010. Due to liquidity problems, company failed to comply the execution order and could not make any further payment.

Industrial Development Bank of Pakistan vide advertisement dated: Feb 03, 2012 in the daily dawn newspaper has announced the "Properties for Sale" as: separate offers on " AS IS WHERE IS" basis are invited for the sale of following properties being in Execution No. 59/2006 (I.D.B.P. Versus Mandviwala Mauser Plastic Industries).

(i) Plot bearing No. C-5, admeasuring 5 acres or thereabouts, together with buildings, factories, structures including fixtures and fittings and plants, machinery, equipments thereon, situated at Uthal Industrial Estate, District Lasbella, Sub-district and City of Bella. Total assessed value of property Rs. 93,801,525/- and Forced Sales Value Rs. 50.00 million.

(ii) 460,000 shares of Rs. 10/- each pledged with I.D.B.P.

(iii) Hyothecated plastic goods etc. lying at plot bearing No. C-5, situated at Uthal Industrial Estate,

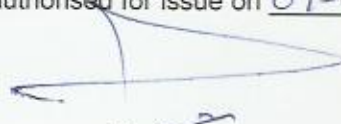
| | Sept. 30, 2017 Rupees | Sept. 30, 2016 Rupees |
|--|--------------------------|--------------------------|
| 6 Cost of Good Sold | | |
| Raw materials consumed | - | - |
| Salaries, wages and other benefits | 529,694 | 360,000 |
| Travelling Conveyance and Vehical running expenses | | |
| Other manufacturing expenses | | |
| Depreciation | 1,059,024 | 1,098,189 |
| Cost of goods manufactured | 1,588,718 | 1,458,189 |
| Finished goods | | |
| Opening stock | 5,755,309 | 5,755,309 |
| Closing stock | (5,755,309) | (5,755,309) |
| Export rebate | - | - |
| | <u>1,588,718</u> | <u>1,458,189</u> |
| 7 CASH AND CASH EQUIVALANTS | | |
| cash and bank balance | 26,154 | 26,154 |
| Book Overdraft (Included in other liabilities) | - | |
| | <u>26,154</u> | <u>26,154</u> |


8 GENERAL

8.1 Figures have been rounded to the nearest rupee.

8.2 These financial statements were authorised for issue on 07-02-19 by the Board of Directors of the Company.


Chief Executive


Director


Chief Financial Officer