

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED
COMPANY BROCHURE

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**HALF YEARLY ACCOUNTS
FOR THE PERIOD ENDED 31ST DECEMBER, 2017
(UN- AUDITED)**

**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 six months period ended December 31, 2017.

Financial Results

A summary of the financial results is shown below:

As per un-audited financial statements	<u>Rupees</u>
Sales- Net	---
Gross Loss	(3,040,650)
Net profit/(loss) after taxation	(3,616,027)
Accumulated losses	(427,374,707)
Earning per share	(0.49)

Sales

The net sales revenue during the Half Year ended under review has Rs.NIL as compared to Period ended December 31, 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. 3.616 million during the half year as compared to December 31, 2016 loss of Rs 3.255 million. The existing plant in Uthal, Baluchistan still remains unviable & needs to be relocated immediately.

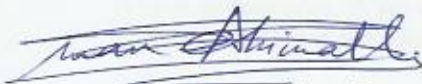
Payments of debts

The liability of Industrial Development Bank of Pakistan has been restricted to Rs. 49.893 million as compared to 46.393 million (2016) by virtue of order/degree of high Court Sindh which resulted in substantial reduction of liability. The management is fully confident to settle liability of IDBP in near future.

Future Outlook

The company is in the process of shifting its plant approval has already been taken from the shareholders/Members and the company expects to complete the transaction by next financial year after taking necessary approval from our banker & financial institutions.

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 boxes.




Azeem H. Mandviwalla
Chief Executive

Karachi


Dated:

07 FEB 2019

On behalf of the Board of Directors



Abdul Qadir Shiwani
Chairman/Director



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Mandviwalla MAUSER Plastic Industries Limited** as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2016 and 2017 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

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

Basis for Adverse Conclusion

- a) The financial statements for the half year ended December 31, 2017 have been prepared on going concern assumption despite of the fact that company incurred loss after taxation of Rs.3.616 million and as of that date it has accumulated losses of Rs.427.374 million which resulted in negative equity of Rs.289.152 million and its current liabilities exceeded its current assets by Rs.135.935 million and total assets by Rs.289.152 million. During the period company defaulted in repayment of Industrial Development Bank of Pakistan liabilities, amounting to Rs 44.893 million. Furthermore, management's assertion as explained fully in note 1.1 we have not been furnished evidence in support of the management's assertion that they shall succeed in their efforts. These conditions lead us to believe that going concern assumption used in preparation of these financial statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- b) 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.



- c) Company's policy for impairment of assets in respect of engineering stores in bond, having cost of Rs.19.705 million is contrary to International Accounting Standard (IAS-36) "Impairment of Assets". The customs authorities allegedly damaged the said stores. No provision for impairment loss has been made in financial statements in this respect. The company has filed a suit against the customs authorities. Since, the engineering stores are held in bond, the extent of damage occurred could not be ascertained with reasonable certainty.

Had the company made the provisions as stated in paragraph (c) above the loss for the period would have been Rs. 23.321 million and the accumulated losses would have been Rs. 447.079 million. Furthermore, the net capital deficiency of the company would have been Rs. 308.857 million.

- d) As mentioned in note 5.2.3 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.
- e) With reference to note 5.2.2 to the financial statements, the company has gone into litigation and filed a suit in Honorable High Court of Sindh (banking jurisdiction) against a commercial bank. The markup and penalty accrued thereon has not been accounted for in the financial statements. The banking company has in turn also counter filed a legal suit against the company for recovery of outstanding dues which is pending before the banking court;
- f) Included in the trade creditors and Advance from Customer shown in the financial statements is an amount of Rs. 83.860 million and 3.615 million respectively in respect of various parties, which remain unverified. In the absence of information we were unable to verify the actual liability against these creditors and Advances;
- g) 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.
- h) The reply of our letter requesting the confirmation for Long term Loan from Industrial Development Bank of Pakistan (refer Note No 4) amounting to Rs 44.893 million is not received from the bank therefore remain unverified. In the absence of information we were unable to verify the actual liability against Long term Loan from Industrial Development Bank of Pakistan..



Adverse Conclusion

Our review indicates that, because of the significance of the matters discussed in paragraph (a) to (h) above this interim condensed financial information as of and for the half year ended December 31, 2017 is not prepared in all material respects in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Date: **07 FEB 2019**
Place: **KARACHI**



Ibrahim, Shaikh & Co.
Chartered Accountants
Engagement partner : Mr. Imran Ahmed Zaki, FCA



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2017**

	Note	Unaudited December 31, 2017 Rupees	Audited June 30, 2017 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	40,780,233	42,898,281
Assets in bond		19,705,171	19,705,171
Long term deposits		231,710	733,850
		60,717,114	63,337,302
CURRENT ASSETS			
Stores, spare and loose tools		9,545,904	9,545,904
Stock-in-trade/ transit		7,178,083	7,178,083
Trade debts - unsecured, considered good		109,805	109,805
Loan, advances, deposits, prepayments and other receivables		1,175,519	1,174,027
Cash and bank balances		28,050	26,154
		18,037,361	18,033,973
CURRENT LIABILITIES			
Current portion of long term finances	4	44,893,000	44,893,000
Creditors, accrued and other liabilities		109,054,145	109,054,145
Provision for taxation		25,534	25,534
		153,972,679	153,972,679
Net current assets/(current liabilities)		(135,935,319)	(135,938,706)
NON-CURRENT LIABILITIES			
Long term finances	4	-	-
Long term borrowings from directors		208,067,339	207,068,113
Deferred liability		5,866,947	5,866,947
		213,934,286	212,935,060
CONTINGENCIES AND COMMITMENTS			
	5		
NET ASSETS		<u>(289,152,491)</u>	<u>(285,536,464)</u>

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2017**

	Unaudited December 31, 2017	Audited June 30, 2017
Note	Rupees	Rupees
REPRESENTED BY:		
SHARE CAPITAL AND RESERVES		
Authorized capital		
7,500,000 (June 30, 2016: 7,500,000) ordinary shares of Rs.10/- each	<u>75,000,000</u>	<u>75,000,000</u>
Issued, subscribed and paid-up capital		
7,355,400 (June 30, 2016: 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	(427,374,707)	(423,758,680)
NET SHAREHOLDERS' EQUITY	<u>(289,152,491)</u>	<u>(285,536,464)</u>

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


Chief Executive


Director


Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

Note	Half year ended		Quarter ended	
	December 31, 2,017 Rupees	December 31, 2,016 Rupees	December 31, 2,017 Rupees	December 31, 2,016 Rupees
Sales - net	-	-	-	-
Cost of goods sold	3,040,650	2,916,377	1,451,932	1,458,188
Gross profit / (loss)	(3,040,650)	(2,916,377)	(1,451,932)	(1,458,188)
Operating expenses				
Administrative expenses	574,014	338,814	361,320	132,907
Selling and distribution expenses	-	-	-	-
	(574,014)	(338,814)	(361,320)	(132,907)
Other income	-	-	-	-
Operating profit/(loss)	(3,614,664)	(3,255,191)	(1,813,252)	(1,591,095)
Financial and other charges	(1,363)	-	-	-
Profit/(loss) before taxation	(3,616,027)	(3,255,191)	(1,813,252)	(1,591,095)
Taxation	-	-	-	-
Profit/(loss) after taxation	(3,616,027)	(3,255,191)	(1,813,252)	(1,591,095)
Earnings per share - basic	(0.49)	(0.44)	(0.25)	(0.22)

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


Chief Executive


Director


Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Half Year Ended		Quarter Ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
Profit / (Loss) for the period	(3,616,027)	(3,255,191)	(1,813,252)	(1,591,095)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(3,616,027)</u>	<u>(3,255,191)</u>	<u>(1,813,252)</u>	<u>(1,591,095)</u>

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


Chief Executive


Director


Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Un-audited December 31, 2017 Rupees	Unaudited December 31, 2016 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(3,616,027)	(3,255,191)
Adjustment for non-cash charges and other items:		
Depreciation	2,118,048	2,356,191
Gain on Sale of Fixed Assets	-	-
Financial and other charges	1,363	-
	<u>2,119,411</u>	<u>2,356,191</u>
Cash flows from operating activities before working capital changes	(1,496,616)	(899,000)
Working capital changes		
(Increase)/dcrease in current assets		
Stores, spare and loose tools	-	-
Stock-in-trade	-	-
Trade debts	-	-
Advances, deposits, prepayments and other receivables	(1,492)	(5)
	<u>(1,492)</u>	<u>(5)</u>
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	-	179,005
	-	179,005
Long term deposits	502,140	-
Financial charges paid	(1,363)	-
	<u>500,777</u>	<u>-</u>
Net cash inflow / (outflow) from operating activities	<u>(997,331)</u>	<u>(720,000)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	-
Sale Proceeds from disposal of fixed Assets	-	-
Net cash inflow / (outflow) from investing activities	<u>-</u>	<u>-</u>

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MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Un-audited December 31, 2017 Rupees	Unaudited December 31, 2016 Rupees
CASH FLOW FROM FINANCING ACTIVITIES		
Long term Financing from directors	999,227	720,000
Suordinatd Loan	-	-
Net cash inflow / (outflow) from financing activities	999,227	720,000
Net increase / (decrease) in cash and cash equivalents	1,896	-
Cash and cash equivalents at beginning of the period	26,154	26,154
Cash and cash equivalents at the end of the period	7 28,050	26,154

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


Chief Executive


Director


Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Issued, Subscribed and Paid-up Capital Rupees	Subordinated loan Rupees	Accumulated Losses Rupees	Net shareholders' equity Rupees
Balance as at July 1, 2016	73,554,000	64,668,216	(423,980,137)	(285,757,921)
Total comprehensive income for the period ended	-	-	(3,255,191)	(3,255,191)
Balance as at December 31, 2016	<u>73,554,000</u>	<u>64,668,216</u>	<u>(427,235,328)</u>	<u>(289,013,112)</u>
Balance as at July 1, 2017	73,554,000	64,668,216	(423,758,680)	(285,536,464)
Total comprehensive income for the period ended	-	-	(3,616,027)	(3,616,027)
Balance as at December 31, 2017	<u>73,554,000</u>	<u>64,668,216</u>	<u>(427,374,707)</u>	<u>(289,152,491)</u>

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


Chief Executive


Director


Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

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 and is domiciled in the province of Sindh. The company is listed on the Pakistan Stock Exchanges. The company is mainly engaged in manufacturing and sale of plastic and allied products. The registered office of the company is situated at Mandviwalla Building, Old Queens Road, Karachi.

1.1 GOING CONCERN ASSUMPTION

The Company accumulated losses amounting to Rs 427.374 million) as on December 31, 2017. Thus causing a net capital deficiency of Rs 289.152 million . The current liabilities have exceeded current assets by Rs 135.935 million . The company has temporarily shut down its operations with effect from July 01, 2013.

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

The company plans to shift plant to other premises and to start production by June, 2019. Up to December 31, 2017 Sponsoring Directors of the company have injected funds amounting to Rs 208,067,339 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 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 requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 and circular No. 23 of 2017 dated October 4, 2017 issued by the Securities & 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 for interim financial reporting comprise 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 half year 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.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

2.1 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

- a) **Amendments to published approved accounting standards which are effective during the half year ended December 31,2017**

There are certain amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1,2017. However these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

- b) **Standards and amendments to published approved accounting standards that are not yet effective**

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2018. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements. During the current period the SECP has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Customers', the impacts of which on the Company's future financial statements are being assessed. Further, certain new standards are yet to be adopted by the Securities and Exchange Commission of Pakistan.

In addition to the foregoing, the Companies Act, 2017 which is not effective on these condensed interim financial statements has added certain disclosure requirements which will be applicable in the future

2.2 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

- 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



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	December 31, 2017 Rupees	June 30, 2017 Rupees
Note		
3 PROPERTY, PLANT AND EQUIPMENT	40,780,233	42,898,281

3.1 During the period December 31, 2017 and December 31, 2016 addition and Disposal to Fixed Assets was Nil

Depreciation for the period has been allocated as follows:

Cost of goods sold	1,975,318	2,196,377
Administrative expenses	142,730	159,814
	2,118,048	2,356,191

4 LONG-TERM LOANS

From banking companies and financial institutions
- secured and interest bearing

As at July 01, 2017	99,133,650	99,133,650
Waived/reversed	(54,240,650)	(54,240,650)
Repayments	44,893,000	44,893,000
Current maturity and over dues	44,893,000	44,893,000
	-	-

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.

	December 31, 2017 Rupees	June 30, 2017 Rupees
Note		
5 CONTINGENCIES AND COMMITMENTS		
5.1 Capital commitments	NIL	NIL

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 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

5.2.2 Industrial Development Bank of Pakistan (IDBP)

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.

The Official Assignee vide advertisement dated: February 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. Forced Sales Value Rs. 50.00 million.

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

(iii) Hypothecated plastic goods etc. lying at plot bearing No. C-5, situated at Uthal Industrial Estate, District Lasbella, Sub-district and City of Bella.

However, no bid received by the official Assignee till date and the case is still pending before the High Court of Sindh.

The company vide letter dated November 5, 2012 and November 6, 2012 issued two cheques amounting to Rs. 2,244,650/- and Rs. 42,648,350/- to settle the outstanding liability of Rs. 44.893 million, but IDBP refused to accept the same and demanded an additional amount of Rs. 41.557 million as cost of fund vide letter dated November 6, 2012. However, the company is not willing to pay any amount in respect of cost of funds and is in negotiation with the bank on the said matter. The company is quite hopeful that negotiations would conclude in its favour and the liability would be fully and finally settled by paying Rs. 44.893 million which is the outstanding liability in company's book of account and is in agreement to court order dated January 27, 2006.

5.2.3 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. 5.020 million as at December 31, 2017 to be levied under section 205 of Income Tax Ordinance, 2001 as mentioned in note 13 to the audited financial statements for the year ended June 30, 2017. The company believes that the said amount will be paid.

5.2.4 Securities and Exchange Commission of Pakistan (SECP)

5.2.4.1 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.

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

The directors have decided to file an appeal against the order.

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Half year ended		Quarter ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
6 COST OF GOODS SOLD				
Raw materials consumed	-	-	-	-
Salaries, wages and other benefits	1,065,332	720,000	535,638	360,000
Travelling Coneyance and vehicle running expenses	-	-	-	-
Other manufacturing expenses	-	-	-	-
Depreciation	1,975,318	2,196,377	916,294	1,098,188
Cost of goods manufactured	3,040,650	2,916,377	1,451,932	1,458,188
Finished goods - opening stock	5,755,309	5,755,309	5,755,309	5,755,309
Cost of goods available for sale	8,795,959	8,671,686	7,207,241	7,213,497
Finished goods - closing stock	(5,755,309)	(5,755,309)	(5,755,309)	(5,755,309)
	<u>3,040,650</u>	<u>2,916,377</u>	<u>1,451,932</u>	<u>1,458,188</u>

7 CASH AND CASH EQUIVALENTS

Cash and bank balances
Book overdraft (included in other liabilities)
Cash and bank balances

	December 31, 2017 Rupees	December 31 2016 Rupees
	28,050	26,154
	-	-
	<u>28,050</u>	<u>26,154</u>

8 TRANSACTIONS WITH ASSOCIATED/RELATED PARTIES

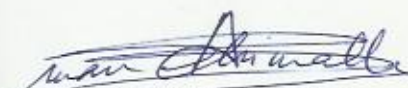
Subordinated borrowings from director	59,698,216	59,698,216
Subordinated borrowings from employee	4,970,000	4,970,000
Long term borrowings from directors	208,067,339	205,495,153
Long term borrowings from directors movement	(2,572,186)	(37,492,270)
Salary Payable Directors	2,264,193	2,264,193
Payable to Director	4,794,441	4,794,441
Staff gratuity payable	5,866,947	5,561,672
Benefits due but now transfer to short term liability	2,290,206	2,290,206
Rent payable to Mandviwalla Estate (Private) Limited	946	946

9 GENERAL


9.1 Figures have been rounded to the nearest rupee.

07 FEB 2019

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


Chief Executive


Director


Chief Financial Officer

