

Annual Report 2014



Mandviwalla MAUSER Plastic Industries Limited

Mandviwalla MAUSER Plastic Industries Limited

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COMPANY INFORMATION**Board of Directors**

Mr Azeem H. Mandviwalla	Chairman / Chief Executive
Mrs. Shireen H. Mandviwalla	Director
Mr. Nadeem H. Mandviwalla	Director
Mr. Tariq Mehmood	Director
Mr. Kalbe Abbas Dharmasey	Director
Mr. Masih ul Hassan	Director
Mr. Rahmat Karim Fazli	Director
Mr. Abdul Qadir Shiwani	Director

Board of Audit Committee

Mr Tariq Mehmood	Member
Mr. Abdul Qadir Shiwani	Member
Mr. Nadeem H. Mandviwalla	Member

Company Secretary

Ms. Hina Ambreen

Bankers

Sauid Pak Industrial & Agricultural Investment Company (Pvt.) Limited
Standard Chartered Bank Pakistan Limited
Industrial Development Bank of Pakistan
MCB Bank Limited
HBL
Bank Al- Falah Limited.

Auditors

Ibrahim Shaikh & Co.
Chartered Accountants

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
Ground Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi.

Factory

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of Mandviwalla MAUSER Plastic Industries Limited will be held on Thursday, March 31, 2016, at 11:00 am at Mandviwalla Building, Old Queens Road, Karachi to transact the following business-

1. To confirm the minutes of the 25th Annual General Meeting held on April 11, 2014.
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, 2014.
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

HINAAMBREEN

Company Secretary

March 04, 2016 Karachi Notes:

1. The share transfer books of the Company will remain closed from March 25, 2016 to March 31, 2016 (both days inclusive).
2. 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.
3. Members are requested to submit copy of valid CNIC with their folio no. and notify our Registrar THK Associates (Pvt) Ltd, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi, if there is any change in their addresses immediately.
4. 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.*
-
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;*

KEY OPERATING AND FINANCIAL RESULTS

	2014	2013	2012	2011	2010
Operating Data					
Sales (Net)	42	16,945	44,059	57,264	203,529
Cost of sales	(8,835)	(31,282)	(45,015)	(69,569)	(183,103)
Gross Profit /(loss)	(8,793)	(143,337)	(956.00)	(12,305)	20,425
Operating Profit/lose	(13,664)	(24,148)	(17,122)	(41,123)	(12,697)
Financial Charges	(24)	(1,343)	(41)	(255.56)	(4,230)
Profit/(lose) before Taxation	(10,116)	3,109	(2,488)	(43,053)	(16,928)
Profit/(lose) after Taxation	(9,733)	3,109	(2,929)	(43,662)	(17,958)
Financial Data					
Shareholders equity	(272,357)	263,109	(266 219)	(269,354)	(226,075)
Long term liabilities	-	185,174	216,413	191,413	191,413
Deferred liabilities	8,355	12,691	14,503	14,841	14,271
Current liabilities	398,661	208,392	216,273	253,077	235,044
Fixed Assets	59,069	65,816	73,138	81,657	93,196
Long term deposits	733	733	733	1,487	731
current assets	55,151	56,893	87,394	87,127	101,022
Key Ratio					
Gross margin	-207.45%	-84.60%	(2.17)	-21.49%	10.035%
Operating margin	-322.39%	136%	(35.80)	-71.81%	-6.230%
Net Profit/Loss	-229.64%	18.35%	(6.65)	-76.25%	-8.82%
Current ratio*	0.13	0.27	0.41:1	0.34:1	0.42:1
Earning/(loss) per share	(1.32)	0.42	-0.40	(5.94)	(2.44)
Dividend					
			-	-	-
Production (Tons)					
Installed	4,275	4275	4,275	4,275	4,27
Actual	-	70	150	279	1,009

*Current ration has been calculated after deducting current maturity of long term liabilities

CHAIRMAN / DIRECTOR'S REPORT

The Board of Directors of the company are presenting the 26th Annual Report and Audited Financial Statements of the company for the year ended June 30, 2014.

Financial Results

Financial results are summarized as under.

	2014 Rupees	2013 Rupees
Sales	42,385	16,945,178
Gross profit/(Loss)	(8,793,171)	(14,337,431)
Net profit/(loss)after taxation	(9733,388)	3,109,965
Accumulated losses	(410,579,731)	(401,331,979)
Earning per share	(1.32)	0.42

Production

The nil capacity utilization during 2013-14 is due to closure of production process with effect from July, 01 2013.

Sales

The net sales revenue has decreased by 99.75 % to Rs. 0.042 million as compared to previous year Rs.16.945 million. This continuous drastic drop in sales is due to closure of production process with effect from July, 01 2013. 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.

The company is trying its best to relocate at the earliest to Hub Industrial & Trade Estate (HITE) and resume normal operations.

After Tax Profit/Loss and Accumulated losses The loss after tax is witnessed at Rs. 9.733 million during the year as compared to profit of Rs. 3.110 million (2013). 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. 44.893 million as compared to 46.393 million (2009) by virtue of order/degree of high Court Sindh which resulted in substantial reduction of liability. The company has also plans to further reduce this liability. The management is fully confident to reduce further liability of IDBP in 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, 2014 already provided Subordinated loans short term loans to the Company amounting

toRs 64.668 million and 154.805 million respectively The Company has a unique product mix and the highest credibility in their field, the technology is very difficult to gain experience in due to which condition in the future are expected of becoming favorable. The company has a plan to relocate its factory to Hub Industrial & Trade Estate (HITE). The company has elaborated the factors in note 1.1 to the financial statements, and which 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 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 ware house therefore, the amount of loss cannot be ascertained with certainty. Further explanation is given in note Note 5.1 to the financial statements.
4. The Auditors qualified that the Trade receivable and Advances to Suppliers which have been outstanding for considerable period of time. Age of balances suggest that these may not be recoverable. Accordingly the auditor considers that provision up to Rs 18.663 million should be provided. Management is fully confident for the recovery of the amount. Therefore no provision is made in the accounts for the year ended June 30, 2014.
5. 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.19.1.3 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.
6. The liability of Industrial Development Bank of Pakistan has been restricted to Rs. 44.893 million by virtue of order/degree of high Court Sindh. The company has also plans to further reduce this liability. The management is fully confident to reduce further liability of IDBP in near future.
7. The stock in hand could not be verified physically due to the appointed of auditor until after June 30, 2014 and further due to the deplorable security situation and threat calls had been received by our staff against which appropriate reporting has been done to the respective police department.
8. 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.
9. 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.
10. The Auditors have not received confirmation for Long term Loan from Industrial Development Bank of Pakistan amounting to Rs 44.893 million as already explained in point No 6 that the matter is Subject in high court therefore IDBP might hold the reply of Auditor's Request. All the current relevant documents are provided to the auditors.

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

- a) The financial statements, prepared by the management of the company, presents , fairly its state of affairs, the result of its operations, cash flows & changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting polices have been consistently applied in the preparation of the financial

- statements. Accounting estimates are based on reasonable prudent judgment.
- d) International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from if any, has been adequately disclosed.
 - e) The system of financial controls, which was in place, is being continuously reviewed by the management for improvement of internal audit and other procedures. The process of review will continue and any weaknesses in the controls will be removed.
 - f) The going concern assumption is discussed in note 1.1 to the financial statements.
 - g) There has been no material departure from the best practice of the corporate governance, as detailed in the listing regulation.
 - h) Key operating & financial data for the last six years in summarized, form is annexed.
 - i) In view of the losses sustained, the company has not declared dividend during the year.
 - j) Outstanding taxes & levies: Please refer to note 21 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. Nadeem H. Mandviwalla	04
Mr. Tariq Mehmood	04
Mr. Kalbe Abbas Dharmasey (Resigned on April 4 2014)	02
Mr. Abdul Qadir Shiwani	00
Mr. Masih ul Hassan	04
Mr. Rahmat Karim Fazli	00

Future Outlook

The company tried its best to stay in production despite all the security concerns, major power breakdowns, geographical un-competitiveness, absence of Gas generation in case of power breakdowns and labour issues, at the present location, the conditions has lead the company to close its operations with effect from July 01, 2013. The main objective of the directors of the company is to move to relocate the plant at the earliest. Extensive measures have been taken in reducing costs at all levels until the move is made. However, it is imperative that the shifting needs to be done before the company can start performing again and reach to its optimum potential. We expect to continue business in the near future once the factory is shifted from its current location.

Acknowledgment

It is our privilege to share with you our deep appreciation of the sincerity and dedication of our company employees during the course of the year 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.

Karachi
Dated: March 1, 2016

On behalf of the Board of Directors
Azeem H. Mandviwalla
Chief Executive

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in listing regulations of Stock Exchanges where the shares of the Company are listed, for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Directors	Nil
Executive Directors	Mr. Azeem H. Mandviwalla
Non-Executive Directors	Mst. Shireen H. Mandviwalla Mr. Nadeem H. Mandviwalla Mr. Tariq Mahmood Mr. Abdul Qadir Shiwani Mr. Masih ul Hasan Mr. Rehmat Karim Fazli

These persons have resigned and replaced by following persons as directors on the Board of the company on April 11, 2014:

Outgoing Directors	In coming Directors
Mr. Kalbe Abbas Dharmasey	Mr. Abdul Qadir Shiwani

The articulation of this statement shall be based on the following:

1. Questionable and improper payments or misuse of the Company's assets shall be
2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF1 or, being a member of a stock exchange, has been declared as defaulter by that stock exchange.
4. The (01) directors of the company have resigned on their personal engagements during the year, therefore, casual vacancy in board of directors of the company occurred and the same refilled with new directors accordingly.
5. The Company has not prepared a 'Code of Conduct'.

6. The Board has developed vision and mission statements, 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.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
8. 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 and the Chief Financial Officer and Company Secretary attended all the meetings. The Board meets at least once in every quarter. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded, circulated and signed by the Chairman of the meeting of the Board of Directors.
9. The Board has not arranged orientation course for its directors during the year to apprise them of their duties and responsibilities. The directors have kept themselves abreast of the duties and responsibilities as per the amended Code of Corporate Governance and the company has an arrangement to hold orientation course for their directors in coming year.
10. The Board has approved terms of appointment and remunerations of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The CEO and CFO duly endorsed the financial statements of the Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises three non-executive directors and no Independent Director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has not formed an HR and Remuneration Committee
18. The Board has set-up of an effective internal audit function and that is involved in the Internal Audit on full time basis relating to the business and other affairs of the Company.
19. 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, 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 Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The related party transactions have been placed before the audit committee and approved by the Board of Directors along with pricing methods for transactions carried out on terms equivalent to those that prevail in the arm's length transactions.
22. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.
23. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

We confirm that all other material principles contained in the Code have been complied with.

Date: March 01, 2016
Place : Karachi

On behalf of the Board
Azeem H. Mandviwalla
(Chief Executive Officer)

REVIEW REPORT TO THE MEMEBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Mandviwalla MAUSER Plastic Industries Limited for the year ended June 30, 2014 to comply with the requirements of Listing Regulation No(s) 35 (Chapter XI) of the Karachi Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2014.

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)	1	Composition of the board	No Independent Director
ii)	5	Code of Conduct	Company has not prepared Code of Conduct
iii)	9	Orientation course for Directors	No such course arranged
iv)	15	Audit Committee	No independent Director in Audit Committee
v)	17.	HR and Remuneration Committee	No HR and Remuneration Committee

Date: March 01, 2016

Place: KARACHI

Ibrahim, Shaikh & Co.

Chartered Accountants

Engagement Partner Mr.Imran Ahmed Zaki FCA

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Mandviwalla Mauser Plastic Industries Limited** as at June 30, 2014 and the related profit & loss account, cash flow statement, statement of comprehensive income and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that except for the matters described in paragraphs (b), (g), (h) and (j) below we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

Except for the matters described in paragraphs (b), (g), (h) and (j) below, we conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

- a) The financial statements for the year ended June 30, 2014 have been prepared on going concern assumption despite of the fact that company incurred loss after taxation of Rs.9.733 million and as of that date it has accumulated losses of Rs.410.580 million which resulted in negative equity of Rs.272.358 million and its current liabilities (including the effect of non provided markup at cost of fund amounting to Rs 41.557 million) exceeded its current assets by Rs.385.068 million and total assets by Rs.305.560 million. During the year 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 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.
- 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 year would have been Rs. 28.953 million and the accumulated losses would have been Rs. 430.285 million. Furthermore, the net capital deficiency of the company would have been Rs. 292.063 million.

- d) Trade receivable and Advances to Suppliers amounting Rs 17.496 million and Rs. 1.167 million respectively which have been outstanding for considerable period of time. Age of balances suggest that these may not be recoverable. Accordingly we consider that provision up to Rs 18.663 million should be provided.
- e) As mentioned in note 19.1.3 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.
- f) With reference to note 19.1.2 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;
- g) We were not appointed as auditor of the company until after June 30, 2014 thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at June 30, 2014 which are stated in the Balance sheet at Note No 7 and 8. amounting to Rs 9.546 million and 23.033 million respectively. We also could not perform any alternate procedures to verify the existence of the said inventories;
- h) Included in the trade creditors and Advance from Customer shown in note 13 to the financial statements is an amount of Rs. 173.653 million and 5.070 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;
- i) Unclaimed Dividend which are stated in Note No 13 amounting to Rs 2.209 Million. However balance as per Dividend account in MCB (account No 10075-9) amounting to Rs 0.020 million.

- j) The reply of our letter requesting the confirmation for Long term Loan from Industrial Development Bank of Pakistan (refer Note No 17) 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.
- k) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- l) In our opinion: -
- i. except for the effects of the matters referred to in paragraphs (a) to (j) above the balance sheet and profit & loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with the accounting policies consistently applied;
- ii. The expenditure incurred during the year was for the purpose of the company's business;
- iii. The business conducted, investments made and expenditure incurred during the year were in accordance with the objects of the company;
- m) Due to the significance of the matters on the financial statements, as discussed in the preceding paragraphs (a) to (j) above, in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof do not conform with the approved accounting standards as applicable in Pakistan and do not give the information required by the Companies Ordinance 1984, 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, 2014 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended ; and
- n) In our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

Date: March 01, 2016
Place: KARACHI

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

**BALANCE SHEET
AS JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
NON-CURRENT ASSETS			
Property plant and equipment	4	59,069,457	65,816,311
Assets in bond	5	19,705,171	19,705,171
Long term deposits	6	733,850	733,850
		79,508,478	86,255,332
CURRENT ASSETS			
Stores, spares and loose tools	7	9,545,904	9,545,904
Stock-in-trade	8	23,032,738	23,084,479
Trade receivable - unsecured	9	17,496,290	18,237,093
Short term loans and advances	10	3,876,138	3,748,027
Other receivables	11	1,146,137	2,206,734
Cash and bank balances	12	54,197	71,111
		55,151,404	56,893,348
CURRENT LIABILITIES			
Trade and other payables	13	198,963,669	206,920,325
Morabaha finance	14	154,804,846	-
Current portion of long term liabilities	15	44,893,000	-
Provision for taxation	16	424	1,472,314
		398,661,939	208,392,638
Net current assets/(liabilities)		(343,510,534)	(151,499,290)
NON-CURRENT LIABILITIES			
Long term borrowing - secured	17	-	185,174,013
Deferred liabilities	18	8,355,458	12,691,790
		8,355,458	197,865,803
CONTINGENCIES AND COMMITMENTS			
	19		
NET ASSETS		<u>(272,357,515)</u>	<u>(263,109,762)</u>
SHARE CAPITAL AND RESERVES			
Authorized: 7,500,000 ordinary shares of Rs.10/- each	20	<u>75,000,000</u>	<u>75,000,000</u>
Issued, subscribed and paid-up capital	20	73,554,000	73,554,000
Subordinated loans	21	64,668,216	64,668,216
Accumulated losses carried forward		(410,579,731)	(401,331,978)
Net shareholders' equity		<u>(272,357,515)</u>	<u>(263,109,762)</u>

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

Chief Executive

Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
Revenue	22	42,385	16,945,178
Cost of sales	23	(8,835,556)	(31,282,609)
Gross (loss)		<u>(8,793,171)</u>	<u>(14,337,431)</u>
General and administrative expenses	24	4,741,998	11,404,761
Selling and distribution expenses	25	129,713	1,406,572
		<u>(4,871,711)</u>	<u>(12,811,333)</u>
Loss generated from operation		(13,664,882)	(27,148,764)
Other income / (charges)	26	3,572,665	31,602,100
		<u>(10,092,217)</u>	<u>4,453,336</u>
Finance cost	27	(24,190)	(1,343,371)
Profit / (loss) before taxation		<u>(10,116,407)</u>	<u>3,109,965</u>
Taxation	28	383,019	-
Profit / (loss) after taxation		<u>(9,733,388)</u>	<u>3,109,965</u>
Earnings per share - basic and diluted	29	<u>(1.32)</u>	<u>0.42</u>

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

Chief Executive

Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2014**

	2014 Rupees	2013 Rupees
Profit / (loss) for the year	(9,733,388)	3,109,965
Other comprehensive income	485,635	-
Total comprehensive (loss) for the year	<u>(9,247,753)</u>	<u>3,109,965</u>

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

Chief Executive

Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES	Note	Rupees
Profit / (loss) before taxation		3,109,965
Adjustment for non-cash charges and other items:		
Depreciation	4.1	7,387,417
Provision for staff gratuity		629,805
Liability no more payable		-
(Gain)/loss on disposal of property plant and equipment		-
Finance cost		1,343,371
		<u>3,839,148</u>
		<u>12,470,558</u>
Working capital changes		
Decrease / (Increase) in current assets		
Stores, spares and loose tools		(71,828)
Stock-in-trade		652,347
Trade receivable - unsecured		27,920,003
Short term loans and advances		(94,086)
Other receivables		2,091,485
Increase / (decrease) in current liabilities		
Trade and other payables		(4,851,746)
		<u>1,280,556</u>
		<u>25,646,175</u>
Income tax paid		-
Staff gratuity paid		(2,411,614)
Employees' compensated absences paid		(30,168)
Finance cost paid		(1,343,371)
		<u>(4,482,172)</u>
		<u>(3,785,153)</u>
Net cash generated from/(used in) operating activities		<u>(9,478,875)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures		(65,250)
Sale proceeds from disposal of property plant and equipment		-
Net (increase) in long term deposits		-
Net cash generated from investing activities		<u>1,337,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease		(3,217,998)
Morabaha finance		(854,000)
Short term borrowings from directors		(31,239,914)
Net cash from/ (used in) financing activities		<u>14,523,833</u>
Net increase / (decrease) in cash and cash equivalents		<u>(1,045,581)</u>
Cash and cash equivalents at the beginning of the year		(6,327,761)
Cash and cash equivalents at the end of the year	33	<u><u>(6,327,761)</u></u>

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

Chief Executive

Director

**STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2014**

	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, 2012	73,554,000	64,668,216	(404,441,944)	(266,219,728)
Total comprehensive Income/(loss) for the year	-	-	3,109,965	3,109,965
Balance as at June 30, 2013	73,554,000	64,668,216	(401,331,978)	(263,109,763)
Total comprehensive Income/(loss) for the year	-	-	(9,247,753)	(9,247,753)
Balance as at June 30, 2014	73,554,000	64,668,216	(410,579,731)	(272,357,515)

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

Chief Executive

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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 domiciled in the province of Sindh and is listed on the Karachi and Lahore 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 has incurred a loss of Rs 9,248 million (2013 Profit Rs 3.110 million) for the year and the accumulated losses amounting to Rs 410.580 million (2013 Rs 401.332 million) as on June 30, 2014. Thus causing a net capital deficiency of Rs 272.358 million (2013 Rs 263.110 million). The current liabilities have exceeded current assets by Rs 343.511 million (2013 Rs 151.499 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 a going concern, therefore the company may not be able to realize its assets and discharge its liabilities during the normal course of business

The Management is of the view that the company will be able to continue as a going concern because the sponsors of the company intends to inject funds into the company in the near future. Furthermore, the company has also cut down on its expenditure. Accordingly, these financial statements have been prepared on the basis of going concern assumption.

2 STATEMENT OF COMPLIANCE

These accounts have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF MEASUREMENT

3.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN CURRENT YEAR

a The amendment to following standards has been adopted by the Company for the first time for the financial year beginning on July, 01 2013.

Amendment to IAS 19 - 'Employee benefits'. The change in Company's accounting policies have been as follows to immediately recognise all past service costs and to replace interest cost and

expected return on plan asset with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/ assets. The management anticipates that adoption of the standard will have no material impact on the company's financial statements because the liability as on June 30, 2013 have not been determined by the management on actuarial valuation basis.

b STANDARDS, INTERPERATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT YEAR AND ARE NOT REVELANT
Other new standards, amendments and interpretations that are mandatory for the accounting periods beginning on July 1, 2013 are considered not to be relevant for the Company's financial statements and hence have not been detailed in these financial statements.

c STANDARDS, INTERPERATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET BUT REVELANT.
There are no other standards, amendments to existing approved accounting standards and new interpretations that are not yet effective that would be expected to have a material impact on the financial statements of the Company.

3.3 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

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHERS RECEIVABLE

These are stated at cost.

3.11 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.

3.12 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.

3.13 REVENUE RECOGNITION

Local sales are recorded on receipt of goods by customers. Sales return are booked as and when received back.

Export sales are recorded on dispatch of goods to customers. Interest income is recognized on an accrual basis.

3.14 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.

3.15 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.

3.16 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.

3.17 OFFSETTING

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognized amounts and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.18 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.

3.19 FINANCIAL INSTRUMENTS

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and derecognizing of the financial assets and liabilities is included in the income currently.

3.20 RELATED PARTY TRANSACTIONS

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

4 PROPERTY PLANT & EQUIPMENT

	Lessehold land		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		Compressor		Canteen Utensils		Motor Vehicles		Total		
	Owmed	Rupees	Owmed	Rupees	Owmed	Rupees	Owmed	Rupees	Owmed	Rupees	Owmed	Rupees	Owmed	Rupees	Owmed	Rupees	Owmed	Rupees	Owmed	Rupees	Owmed	Rupees		Owmed	Rupees
At July 1, 2013																									
Cost	739,202	32,801,122	251,216,368	11,485,380	57,792,581	9,045,566	6,443,296	5,569,846	431,165	1,689,235	192,919	2,579,719	-	379,986,399											
Accumulated depreciation	-	29,393,849	214,912,594	9,641,574	41,377,502	6,942,928	4,463,846	3,672,472	424,859	1,411,630	174,539	1,754,497	-	314,170,089											
Net book value	739,202	3,407,273	36,303,774	1,843,806	16,415,079	2,102,640	1,979,450	1,897,374	5,506	277,605	18,380	825,222	-	65,816,311											
Year ended June 30, 2014																									
Opening net book value	739,202	3,407,273	36,303,774	1,843,806	16,415,079	2,102,640	1,979,450	1,897,374	5,506	277,605	18,380	825,222	-	65,816,311											
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals-net book value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(340,727)	(3,630,377)	(184,381)	(1,641,508)	(210,264)	(197,945)	(189,737)	(1,301)	(55,521)	(3,676)	(133,451)	-	(6,568,689)											
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	739,202	3,066,546	32,673,397	1,659,425	14,773,571	1,892,376	1,781,505	1,707,636	5,205	222,084	14,704	533,806	-	59,069,457											
As at June 30, 2014																									
Cost	739,202	32,801,122	251,216,368	11,485,380	57,792,581	9,045,566	6,443,296	5,569,846	431,165	1,689,235	192,919	1,977,132	-	379,983,812											
Accumulated depreciation	-	29,734,576	218,542,971	9,825,955	43,019,010	7,153,190	4,661,791	3,862,210	425,960	1,467,151	178,215	1,443,326	-	320,314,355											
Net book value	739,202	3,066,546	32,673,397	1,659,425	14,773,571	1,892,376	1,781,505	1,707,636	5,205	222,084	14,704	533,806	-	59,069,457											
As at July 01, 2012																									
Cost	739,202	32,801,122	251,216,368	11,485,380	57,792,581	9,045,566	6,378,046	5,569,846	431,165	1,689,235	192,919	2,579,719	-	379,921,149											
Accumulated depreciation	-	29,015,263	210,878,841	9,436,707	39,553,604	6,709,299	4,243,907	3,461,653	423,033	1,342,229	169,944	1,548,192	-	306,782,672											
Net book value	739,202	3,785,859	40,337,527	2,048,673	18,238,977	2,336,267	2,134,139	2,108,193	8,132	347,006	22,975	1,031,527	-	73,138,477											
Year ended June 30, 2013																									
Opening net book value	739,202	3,785,859	40,337,527	2,048,673	18,238,977	2,336,267	2,134,139	2,108,193	8,132	347,006	22,975	1,031,527	-	73,138,477											
Additions	-	-	-	-	-	-	65,250	-	-	-	-	-	-	65,250											
Disposals at net book value	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Depreciation	-	(378,586)	(4,033,753)	(204,867)	(1,823,898)	(233,627)	(219,939)	(210,819)	(1,628)	(69,401)	(4,595)	(206,305)	-	(7,387,417)											
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Closing net book value	739,202	3,407,273	36,303,774	1,843,806	16,415,079	2,102,640	1,979,450	1,897,374	6,506	277,605	18,380	825,222	-	65,816,311											
Rate	-	10%	10%	10%	10%	10%	10%	10%	10%	20%	20%	20%	20%	20%											

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
4.1			
The depreciation for the year has been allocated as follows:			
Cost of goods manufactured		6,042,252	6,721,324
Administrative expenses		546,637	666,092
		6,588,889	7,387,417
4.2			
The asset disposed off during the last year is as follows:			
Description	Cost	Depreciation	WDV
Sale Proceed	Name Of Person	Mode Of Disposal	
Car AMK-552	602,587	444,622	157,965
1,337,000	M/s Roshan Autos	Negotiation	
5			
ASSETS IN BOND			
Engineering stores	5.1	19,705,171	19,705,171
5.1			
These are moulds which, have been pledged with a lender. These moulds 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.			
6			
LONG TERM DEPOSITS		733,850	733,850
7			
STORES, SPARES AND LOOSE TOOLS			
Stores and spares		15,651,138	15,651,138
Loose tools		1,600,849	1,600,849
		17,251,987	17,251,987
Less: Provision for slow moving items	7.1	(7,706,083)	(7,706,083)
		9,545,904	9,545,904
7.1			
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
8			
STOCK-IN-TRADE			
Raw materials		16,310,771	16,310,771
Raw materials in bond		1,389,325	1,389,320
Finished goods		5,755,309	5,807,055
		23,455,405	23,507,146
Less: Provision for slow moving finished goods		(422,667)	(422,667)
		23,032,738	23,084,479
9			
TRADE RECEIVABLES - UNSECURED			
Considered good		17,496,290	1,274,161
Considered doubtful		17,496,290	16,962,932
		-	18,237,093
Less: Provision for doubtful debts		-	-
		17,496,290	18,237,093

10	SHORT TERM LOANS AND ADVANCES		
	Loan to employees	2,709,347	2,740,954
	Advances to suppliers	1,166,791	1,007,073
		3,876,138	3,748,027
11	OTHERS RECEIVABLES		
	Advance income tax	1,146,137	2,206,734
		1,146,137	2,206,734
12	CASH AND BANK BALANCES		
	Cash in hand	25,153	25,208
	Cash at banks - in current accounts		
	Local currency	29,044	45,903
		29,044	45,903
		54,197	71,111
13	TRADE AND OTHER PAYABLES		
	Creditors	173,653,166	174,906,584
	Accrued liabilities		
	Salaries and wages (permanent)	2,264,193	2,970,433
	Salaries and wages (contract and daily wages)	932,845	1,201,015
	Accrued expenses	2,544	2,544
	Staff Gratuity payable	1,280,270	-
		4,479,852	4,173,992
	Other liabilities		
	Sales tax & special excise duty payable	2,963,576	3,956,376
	Sales tax penalty payable	814,380	814,380
	Advances from customers and others	5,069,958	4,810,875
	Payable to director	4,794,441	4,768,734
	Unclaimed dividend	2,208,846	2,208,846
	Tax deducted at source	4,978,504	4,880,720
	Book overdraft	-	6,398,872
	Rent payable to Mandviwalla Estate (Private) Limited	946	946
		20,830,651	27,839,749
		198,963,669	206,920,325

13.1 Penalty payable shall be accrued upon final settlement of liability, hence no further accrual is made in the books of accounts. However during the year company has filled appeal with the relevant authority to absolve the company from paying any penalty and in view of management the outcome of the appeal would be in favour of the company.

13.2 This represents adverse bank book balance due to post dated cheques.

14 SHORT TERM BORROWINGS FROM DIRECTOR

Unsecured	154,804,846	-
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This represents interest free short term loans from directors payable on demand

15 CURRENT PORTION OF LONG TERM LIABILITIES

Long term borrowing - secured	44,893,000	-
	44,893,000	-

16 INCOME TAX PAYABLE

Opening balance	1,472,314	1,472,314
Provided during the year	28	
- Current	424	-
- Prior	(383,443)	-
	(383,019)	-
	1,089,295	1,472,314
Payments/adjustments during the year	(1,088,871)	-
	424	1,472,314

17 LONG TERM BORROWING - SECURED

17.1

From banking companies:

Industrial Development Bank of Pakistan	17.2	44,893,000	44,893,000
		44,893,000	44,893,000
		-	-
Current maturity and over dues of long term loans		44,893,000	-
		-	44,893,000

Long term borrowing from directors and others

- unsecured and non interest bearing		-	140,281,013
		-	185,174,013

17.1 The loan stated in note 17.2 is secured by a combination of specific charge on land, building, plant and machinery of the company, floating charge on present and future properties and assets of the company, hypothecation of moveable assets of the company, pledge of specific engineering stores and personal securities of the directors.

17.2 Industrial Development Bank of Pakistan

Opening balance		99,133,650	99,133,650
Waived	17.2.1	(54,240,650)	(54,240,650)
Payments		-	-
Closing balance		44,893,000	44,893,000

17.2.1 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 (IDBP). The waiver is given under State Bank of Pakistan (SBP) 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.

According to the order of the 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 stands to the extent of Rs. 44,893,000/-. However, IDBP has demanded cost of fund amounting to Rs. 41,557,073/- in addition to the settlement amount. During the year IDBP has also requested for out of court settlement and in management's view Rs. 44,893,000/- would be be required to fully settle the amount.

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, deffered tax asset of Rs. 14.597 million (2013: Rs. 7.616 million) has not been recognized in these financial statements.

18.2 Staff retirement benefits

Staff Gratuity

As at the beginning of the year	11,271,496	13,053,305
Charge to profit and loss account	798,734	629,805
Benefits due but now transfer to short term liability	(1,280,270)	-
Benefits paid during the year	(3,305,400)	(2,411,614)
Actuarial (gain) loss during the year	(485,685)	-
As at end of the year	<u>6,998,875</u>	<u>11,271,496</u>

Employees' compensated absences	18.3	1,356,583	1,420,294
		<u>8,355,458</u>	<u>12,691,790</u>

18.2.1 Charge to profit or Loss

Current service cost	302,719	-
Interest on past service Cost	496,015	-
	798,734	-
Actuarial (gain) or Loss recognized during the year	(485,685)	-
	<u>313,049</u>	<u>-</u>

18.2.2 The charge to profit or loss has been allocated as follows

Cost of sales	733,020	-
Administrative expenses	65,713	629,805
	<u>798,733</u>	<u>629,805</u>

Present value of define benefit obligation has been determined using projected unit credit method. The liability as at June30,2014 has been determined by the management of the company based on projected unit credit method and liability as at June 30, 2013 has not 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	-
Expected rate of increase salary	5	-

Historical Information

Present value of defined benefits obligation	6,998,875	-
Actuarial adjustment arising during the year	6.94	-
Valuation Date	June 30,,2014	-

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	1,420,294	1,450,462
Charge for the year	-	-
	1,420,294	1,450,462
Benefits paid during the year	(63,711)	(30,168)
Net liability / (assets) at the end of the year	1,356,583	1,420,294

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 Wash Basin Mould

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 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 Mandviwalla 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. The IDBP has also requested for out of court settlement and in management's view Rs. 44,893,000/- would be required to fully settle the amount.

19.1.3 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. 4.979 million as at June 30, 2014, to be levied under section 205 of Income Tax Ordinance, 2001 as disclosed in note 13 to the audited financial statements for the year ended June 30, 2014. The company believes that the said amount will be paid.

19.1.4 Securities and Exchange Commission of Pakistan (SECP)

19.1.4.1 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.

19.1.4.2 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.

19.2 Commitments

Nil

Nil

19.2.1 Guarantee issued to Honorable High Court of Sindh amounting to Rs.500,000 (2013: Rs.500,000).

20 SHARE CAPITAL

Authorized Share capital

20.1

75,000,000

75,000,000

Issued, Subscribed and Paid Up capital

Number of shares

2014

2013

Rs. 10/- each fully
paid in cash

7,355,400

7,355,400

73,554,000

73,554,000

Reconciliation of share capital

	7,355,400	7,355,400		73,554,000	73,554,000
			Opening balance		
	-	-	Issued during the year	-	-
	<u>7,355,400</u>	<u>7,355,400</u>	Closing balance	<u>73,554,000</u>	<u>73,554,000</u>

20.1 This represents 7,500,000 (2013: 7,500,000) ordinary shares of Rs. 10/- each amounting to Rs. 75,000,000

21 SUBORDINATED LOAN - Unsecured

Due to director	59,698,216	59,698,216
Due to employee	4,970,000	4,970,000
	<u>64,668,216</u>	<u>64,668,216</u>

21.1 These represent interest free loans obtained from directors and an employee of the company. The directors and the employee have confirmed that the repayment of loan is at discretion of the company.

22 REVENUE

Local sales		42,385	16,945,178
Export sales	22.1	-	-
		<u>42,385</u>	<u>16,945,178</u>

22.1 Local sales

Gross sales		49,589	19,656,830
Sales tax		(7,204)	(2,711,652)
		<u>42,385</u>	<u>16,945,178</u>

23 COST OF SALES

Opening stock of finished goods		5,807,055	5,363,354
Cost of goods manufactured	23.1	8,783,810	31,726,310
		14,590,865	37,089,664
Closing stock of finished goods		(5,755,309)	(5,807,055)
		<u>8,835,556</u>	<u>31,282,609</u>

23.1 Cost of goods manufactured

Raw materials consumed	23.1.1	-	11,624,490
Store and spares consumed		-	660,595
Salaries, wages and other benefits		2,305,556	6,564,474
Indirect labour (external processing)		-	110,852
Utilities		8,000	5,003,751
Repairs and maintenance		24,940	326,790
Rent, rates and taxes		-	26,890
Fee and subscription		-	10,000
Traveling, conveyance and vehicle running expenses		403,062	571,758
Freight and octroi		-	100,000
Office expenses		-	5,385
Depreciation	4.1	6,042,252	6,721,325
Cost of goods manufactured		8,783,810	31,726,310

23.1.1 Raw materials consumed

Opening stock	16,310,771	17,512,819
Purchases	-	10,422,442
	16,310,771	27,935,261
Closing stock	(16,310,771)	(16,310,771)
	-	11,624,490

24 GENERAL AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits		2,083,755	2,589,331
Directors' remuneration and executive		-	3,364,735
Traveling, conveyance and vehicle running expenses		-	1,452,729
Gratuity expense		65,713	629,805
Rent, rates and taxes		4,217	1,160
Utility charges		577,305	784,668
Postage, telephone and telegram		379,735	394,279
Repairs and maintenance		-	289,211
Depreciation on operating assets	4.1	546,637	666,091
Fee and subscription		324,332	407,060
Entertainment		13,199	129,379
Printing and stationery		358,168	150,292
Legal and professional charges		120,000	125,000
Office expenses		23,837	-
Books and periodicals		11,900	12,047
Auditors' remuneration	24.1	233,200	400,000
Miscellaneous and office expenses		-	8,974
		4,741,998	11,404,761

24.1 Auditors' remuneration

Statutory annual audit fee	159,000	250,000
Half yearly review	53,000	100,000
Review report on code of corporate governance	21,200	25,000
Out-of-pocket expenses	-	25,000
	233,200	400,000

25 SELLING AND DISTRIBUTION EXPENSES

Salaries, wages and benefits	129,713	126,986
Advertising and publicity	-	11,101
Freight and Octri	-	1,157,488
Commission	-	50,425
Traveling, conveyance and vehicle running expenses	-	10,000
Sales promotion, publicity and advertisement	-	50,572
	129,713	1,406,572

26 OTHER INCOME / (CHARGES)

Waiver on Habib Bank Limited loan	-	31,602,100
Liabilities no more payabale	2,393,630	-
Gain / (loss) on sale of fixed assets	1,179,035	-
	3,572,665	31,602,100

26.1 GAIN / (LOSS) ON SALE OF FIXED ASSETS

Sale proceed	1,337,000	-
Cost	602,587	-
Accumulated depreciation	(444,622)	-
Written down value	157,965	-
Gain / (loss) on sale of fixed assets	1,179,035	-

27 FINANCE COST

Bank charges	24,190	17,081
Mark-up on Prudential Mudaraba	-	1,326,290
Mark-up on leased vehicles	-	-
	24,190	1,343,371

28 TAXATION

Current	424	-
Prior	(383,443)	-
	(383,019)	-

28.1 Current

Under normal assessment	424	-
Income tax on exports	-	-
	424	-

28.2 Prior

Under normal assessment	(383,443)	-
-------------------------	-----------	---

28.1.1 Relationship between tax expense and accounting profit

Profit / (loss) before taxation	(10,116,407)	3,109,965
Tax at the applicable rate	34%	35%

Tax effect of income taxed at lower rate		
- On exports	-	-
- Turnover tax	424	-
	<u>424</u>	<u>-</u>
Brought forward tax losses	<u>(472,655,138)</u>	<u>(483,152,520)</u>

The income tax assessments have been finalized up to the tax year 2013.

29 EARNINGS PER SHARE

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

Profit/(loss) after taxation	<u>(9,733,388)</u>	<u>3,109,965</u>
Weighted average number of ordinary shares	<u>7,355,400</u>	<u>7,355,400</u>
Earnings per share - basic and diluted	<u>(1.32)</u>	<u>0.42</u>

30 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 borrowing from directors and others	-	140,281,013
Long term borrowing from directors and others	(140,280,013)	-
Short term borrowings from directors	154,804,846	-
Short term borrowings from directors movement	154,804,846	-
Staff gratuity payable	6,998,875	11,271,496
Benefits due but now transfer to short term liability	(1,280,270)	-
Staff gratuity charged	798,734	629,805
Staff gratuity paid	(3,305,400)	2,411,614
Rent payable to Mandviwalla Estate (Private) Limited	946	946

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

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

31 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	CHIEF EXECUTIVE		EXECUTIVES		TOTAL	TOTAL
	2014	2013	2014	2013	2014	2013
Managerial remuneration	-	1,242,576	-	514,443	-	1,757,019
Housing allowance	-	559,164	-	231,504	-	790,668
Medical expense/	-	160,500	-	71,904	-	232,404
Utilities	-	124,260	-	51,444	-	175,704
Motor vehicle expense	-	310,290	-	98,650	-	408,940
	-	2,396,790	-	967,945	-	3,364,735
Number of persons	1	1	1	1	2	2

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

31.2 Aggregate amount charged in these accounts in respect of non-executive directors fee is Rs. Nil (2013: Rs. Nil).

32 PLANT CAPACITY AND ACTUAL PRODUCTION (IN TONS)

The production capacity of the whole unit plant on single shift basis, comes to 4,275 tons (2013: 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, 2014 comes to Nil tons (2013: 80 tons) which is Nil% (2013: 1.88%) of the total capacity. The nil capacity utilized is due to closure of production process from July, 01 2013.

	Note	2014 Rupees	2013 Rupees
33 CASH AND CASH EQUIVALENTS			
Cash and bank balances		54,197	71,111
Book overdraft		-	(6,398,872)
		54,197	(6,327,761)

NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

34.1 Maturities of financial assets and liabilities as at June 30, 2014

	Up to one year Rupees	Over one year up to five years Rupees	Sub-total Rupees	Up to one year Rupees	Over one year up to five years Rupees	Over five years Rupees	Sub-total Rupees	Total Rupees
Financial assets								
Deposits	-	-	-	-	733,850	-	733,850	733,850
Trade debts	-	-	-	17,496,290	-	-	17,496,290	17,496,290
Advances and other receivables	-	-	-	3,876,138	-	-	3,876,138	3,876,138
Cash and bank balances	-	-	-	54,197	-	-	54,197	54,197
	-	-	-	21,426,625	733,850	-	22,160,475	22,160,475
Financial liabilities								
Long term finances	44,893,000	-	44,893,000	-	-	-	-	44,893,000
Short term borrowings from directors	-	-	-	154,804,846	-	-	154,804,846	154,804,846
Creditors, accrued and other liabilities	-	-	-	198,963,669	-	-	198,963,669	198,963,669
	44,893,000	-	44,893,000	353,768,515	-	-	353,768,515	398,661,515
Sensitivity gap - 2014	- 44,893,000	-	(44,893,000)	(332,341,890)	733,850	-	(331,608,040)	(376,501,040)

Maturities of financial assets and liabilities as at June 30, 2013

	Up to one year Rupees	Over one year up to five years Rupees	Sub-total Rupees	Up to one year Rupees	Over one year up to five years Rupees	Over five years Rupees	Sub-total Rupees	Total Rupees
Financial assets								
Deposits	-	-	-	-	733,850	-	733,850	733,850
Trade debts	-	-	-	18,237,093	-	-	18,237,093	18,237,093
Advances and other receivables	-	-	-	3,748,027	-	-	3,748,027	3,748,027
Cash and bank balances	-	-	-	71,111	-	-	71,111	71,111
	-	-	-	22,056,231	733,850	-	22,790,081	22,790,081
Financial liabilities								
Long term finances	-	44,893,000	44,893,000	-	-	140,281,013	140,281,013	185,174,013
Short term finances	-	-	-	-	-	-	-	-
Creditors, accrued and other liabilities	-	-	-	206,920,325	-	-	206,920,325	206,920,325
	-	44,893,000	44,893,000	206,920,325	-	140,281,013	347,201,338	392,094,338
Sensitivity gap - 2013	-	(44,893,000)	(44,893,000)	(184,864,094)	733,850	(140,281,013)	(324,411,257)	(369,304,257)

(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.

34.2 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 2014 the company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2014 and 2013 were as follows:

Total borrowings	199,697,846	191,572,885
Cash and bank	(54,197)	(71,111)
Net debt / (cash)	199,643,649	191,501,774
Total equity	<u>(272,357,515)</u>	<u>(263,109,763)</u>
Total capital	<u>(72,713,866)</u>	<u>(71,607,989)</u>
Gearing ratio in %	<u>(2.75)</u>	<u>(2.67)</u>

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.

34.3 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 34.1, the company is exposed to interest rate risk as most of the financial liabilities are interest based.

34.4 Liquidity risk

Liquidity risk is the risk that an institution will be unable to meet its net funding requirements. To guard against this risk the company's assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents. The maturity profile is monitored to ensure that adequate liquidity is maintained.

34.5 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.

34.6 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.

34.7 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.

35 STAFF STRENGTH

The total number of permanent employees at the year end were 17 (2013: 22).

36 DATE OF AUTHORIZATION

These accounts were authorized for issue on March 01, 2016 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

**PATTERN OF SHAREHOLDER
AS JUNE 30, 2014**

NO OF SHARE HOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE %
	FROM	TO		
1094	1	100	100536	1.3668
1289	101	500	569057	7.7366
144	501	1000	140617	1.9118
220	1001	5000	657054	8.9329
39	5001	10000	314600	4.2771
17	10001	15000	230169	3.1293
13	15001	20000	230742	3.1370
5	20001	25000	115500	1.5703
4	25001	30000	114500	1.5567
2	30001	35000	69172	0.9404
2	35001	40000	77500	1.0536
3	45001	50000	146000	1.9849
2	50001	55000	110000	1.4955
1	55001	60000	59576	0.8100
2	65001	70000	136545	1.8564
2	70001	75000	150000	2.0393
2	75001	80000	155000	2.1073
1	80001	85000	83652	1.1373
1	125001	130000	129500	1.7606
1	235001	240000	239800	3.2602
1	515001	520000	518855	7.0541
1	540001	545000	542000	7.3687
1	1165001	1170000	1167970	15.8791
1	1295001	1300000	1297055	17.6341
2848			7355400	100.0000

**CATEGORIES OF SHAREHOLDER
AS JUNE 30, 2014**

Categories	No. of Share Holders	Total Share Held	Percentage%
Individuals	2835	7,185,499	98%
Joint Stock Companies	9	33,001	0.45%
Financial Institutions	3	135,400	2%
Modarabas & Mutual Funds	1	1,500	0.02%
Total	2848	7,355,400	

**DETAIL OF CATEGORIES OF SHAREHOLDERS
AS JUNE 30, 2014**

Category of Shareholders	No. of Shareholders	Share Held
Associated companies, undertakings and related parties	Nil	Nil
NIT and ICP	1	5400
Directors, CEO and their Spouse and Minor Children		
Mr. Azeem H. Mandviwalla (Chief Executive)	1	1,297,055
Mst. Shireen H. Mandviwalla (Director)	1	518,855
Mr. Nadeem H. Mandviwalla (Director)	2	1,168,470
Mr. Tariq Mahmood (Director)	1	500
Mr. Abdul Qadir Shiwani (Director)	1	500
Mr. Masih ul Hasan (Director)	1	500
Mr. Rehmat Karim Fazli (Director)	1	500
	9	2,986,380
Executives	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
Individuals	2827	4,199,119
Joint Stock Companies	9	33,001
	<u>2848</u>	<u>7,355,400</u>

Shareholders Holding 10% or more Voting interest in Company

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

FORM OF PROXY

The Secretary,
Mandviwalla MAUSER Plastic Industries Limited.
Mandviwalla Building
Old Queens Road,
Karachi.

I/We _____
of _____

being a Member of **Mandviwalla MAUSER Plastic Industries Limited** and a holder of _____ Ordinary Shares, as per Register Folio No. _____

herby appoint _____
who is also Member of the company, of _____

as my/our Proxy to vote for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on 31th March 2016 and at any adjournment thereof.

Signed this _____ day of _____ 2016

Five
Rupees
Revenue
Stamp

(Signature should agree with the specimen signature registered with the Company)

NOTE:

1. A Member entitled to attend and vote at the Meeting may appoint any other member on his/her behalf except that a corporation may appoint a person who is not a member.
2. This form should be signed by the Member. If the member is a corporation, it's common seal should be affixed to the instrument and signed by authorized person(s).



Head Office:

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