

Annual Report 2024



Mandviwalla MAUSER Plastic Industries Limited

**MANDVIWALLA MAUSER PLASTIC INDUSTRIES
LIMITED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2024**

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Abdul Qadir Shiwani	Chairman /Director
Mr Azeem H. Mandviwalla	Chief Executive/Director
Mrs. Farha Qureshi	Director
Mr. Shamim Ahmed Khan	Director
Mr. Tariq Mehmood	Director
Mr. Naseer Ahmed	Director
Mr. S. Asghar Ali	Director

Board of Audit Committee

Mr. Tariq Mehmood	Member
Mr. Abdul Qadir Shiwani	Member
Mr. Shamim Ahmed Khan	Member

Company Secretary

Ms. Hina Ambreen

Bankers

Habib Metropolitan Bank Limited
SILK Bank Limited

Auditors

Ibrahim Shaikh & Co.
Chartered Accountant

Tax Consultants

F.A.K. Tax consultant

Legal Advisor

Tasawur Ali Hashmi (Advocate)

Registered Office

Mandviwalla Building, Old Queens Road,
Karachi -74000.

Tel: 021-32441116-9 Fax021-32441276

Website: www.mandviwallamauser.com

E-mail: mmpil@cyber.net.pk
info@mandviwalla.net

Shares Registrar

Registrar THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi-75500. Pakistan.
(021-111-000-322)

Factory

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

New Factory Location: - A79/B, Eastern
Industrial Zone, Port Qasim Authority,
Karachi

Notice of Annual General Meeting

Notice is hereby given that the **36th Annual General Meeting** of **Mandviwalla MAUSER Plastic Industries Limited** will be held on Tuesday, November 26, 2024, at 12 noon at Mandviwalla Building Old Queens Road Karachi to transact the following business-

1. To confirm the minutes of the 35th Annual General Meeting held on Friday, November 24, 2023.
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, 2024.
3. To appoint the Auditors of the Company and fix their remuneration. The retiring auditor M/s Ibrahim, Shaikh & Co., Chartered Accountant, has offered themselves for reappointment.
4. To elect seven (7) Directors; as the number fixed by the Board of Directors for the next term of three years. The following retiring Directors have offered themselves for re- election.

- | | | | |
|-------|--------------------------|------|-------------------------|
| (i) | Mr. Tariq Mahmood | (ii) | Mr. S. Asghar Ali |
| (iii) | Mr. Azeem H. Mandviwalla | (iv) | Mr. Abdul Qadir Shiwani |
| (v) | Mr. Naseer Ahmed | (vi) | Mr. Shamim Ahmed Khan |

Ms. Farha Qureshi passed away during the year.

5. To transact any other business with the permission of the Chairman.

By order of the Board of Directors

HINA AMBREEN
Company Secretary

November 06, 2024
Karachi

Notes:

The Members can also provide their comments and questions for the agenda items of the AGM by emailing mandviwalla.investor.relations@thk.com.pk

1. CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books will remain closed from November 16, 2024 to November 26, 2024 (both days inclusive). Transfers received in order at the office of our Shares Registrar by the

close of business hours on November 15, 2024 will be treated in time to attend and vote at the Annual General Meeting. The Members are requested to notify the change of address, if any, immediately to our Shares Registrar.

2. PARTICIPATION IN THE ANNUAL GENERAL MEETING:

A Member entitled to attend and vote may appoint another Member as his/her proxy to attend and vote instead of him/her. In order to be effective, duly completed and signed Proxy Form must be received at the Company's Registered Office at Mandviwalla Building, Old Queens Road, Karachi, at least 48 hours before the time of the meeting. For the convenience of the Members, a blank Proxy Form is being dispatched with the notice of AGM. CDC account holders will further have to follow the under mentioned guidelines as laid down by the SECP:

FOR ATTENDING THE MEETING:

In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting; and

In case of corporate entities, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the meeting.

FOR APPOINTING PROXIES:

In case of Individuals:

The account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall submit the Proxy Form as per the above requirement. Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the Passport of beneficial owners and the Proxy shall be furnished with the Proxy Form. The Proxy shall produce his / her original CNIC or original Passport at the time of the meeting;

In case of Corporate Entities:

The Board of Directors' resolution / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted along with the proxy form to the Company. A corporate entity, being Member, may appoint any person, regardless of whether they are a Member or not, as its proxy.

3. VOTING THROUGH E-VOTING AND POSTAL BALLOT PAPER:

Pursuant to the Companies (Postal Ballot) Regulations, 2018 for the purpose of special business and for any other agenda item subject to the requirements of Sections 143 and 144 of the Companies Act, 2017, the Company shall publish the ballot paper and information as provided in sub-regulation 8(1) in newspaper and also upload the ballot paper on its website not later than seven days before the general meeting. Voting lines will be opened for the

shareholders from November 23, 2024 at 9:00 a.m. till November 25, 2024, at 5:00 pm.

The shareholders shall ensure duly filled and signed ballot paper along with the copy of CNIC, in case of individual and in case of body corporate, acceptable identification documents should reach the chairperson of the meeting through post at Mandviwalla Building, Old Queens Road, Karachi, or by email at hina@mandviwalla.net, one (1) day before the day of poll i.e. November 25, 2024 during working hours. The signature on the ballot paper shall match with the signature on CNIC.

In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s Ibrahim, Shaikh & Co. Chartered Accountants, (a QCR rated audit firm and external auditors of the Company) to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

4. ONLINE PARTICIPATION IN THE ANNUAL GENERAL MEETING:

Pursuant to Circular 4 of 2021, for online participation in the Annual General Meeting, the shareholders are requested to get themselves registered with the Company's Shares Registrar latest by November 25, 2024 till 05:00 p.m. on mandviwalla.investor.relations@thk.com.pk by providing the following details:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	** Email ID	** Mobile Phone No.
	Mandviwalla Mauser Plastic Industries Limited				

**Shareholders/proxy holders are requested to provide active email addresses and mobile phone number.

Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company's Shares Registrar latest by October 25, 2024 till 05:00 p.m. at above-given email address. Shareholders are required to mention their full name, CNIC No and Folio No. for this purpose.

Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

5. COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) / NATIONAL TAX NUMBER (NTN):

The shareholders holding physical shares who have not yet provided their CNIC Number(s) are once again reminded to immediately submit the copy of their CNICs to the Company's Shares Registrar. The corporate Members having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate entities having physical shares should send a copy of their NTN certificates to the Company's Shares Registrar. The shareholders and the corporate Members while sending their CNIC and NTN, as the case may be, must mention their folio number(s).

6. UNCLAIMED SHARE(S) / DIVIDEND(S):

Pursuant to the Companies Act, 2017, the Company has previously discharged its responsibility whereby the Company approached its shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law. Shareholders, whose dividends still remained unclaimed and/or undelivered share certificates are available with the Company are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or unclaimed share certificates.

7. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS:

As per Section 72 of the Companies Act, 2017, every listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares are requested to convert their shares into book-entry form, which would facilitate them in many ways including swift sale/purchase of shares and to streamline their information in Members' Register enabling the Company to effectively communicate with the shareholders.

8. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON THE COMPANY'S WEBSITE:

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2024 have been made available on the Company's website, at-least 21 days before the date of AGM.

9. TRANSMISSION OF ANNUAL REPORT ELECTRONICALLY:

The shareholders interested to receive the Annual Report and notice of Annual General Meeting electronically, i.e. through email, are requested to approach our Shares Registrar or the Company Secretary at his email id hina@mandviwalla.net. The Company shall, however, additionally provide hard copies of the Annual Report free of cost to such shareholders, on request.

VISION STATEMENT

To diversity and expand in other related sectors where quality plastic products are not available and fill the gaps in these fields. Increase awareness of our Company and the international quality standards being met nationally and internationally. Further improve whenever possible and identify areas which can be better managed

MISSION STATEMENT

Our mission is to exceed the expectations of our customers in producing, with efficiency, quality plastic products, employing international best practices and applying an integrated approach to product research and development, manufacturing technology, operations management, material procurement, financial management and information system.

Strategic goals:

- a) **Achieving customer satisfaction** by manufacturing quality products, timely management of deliveries and after sales support.
- b) **Ensuring quality manufacturing** by producing highest quality of plastic products at competitive prices.
- c) **Expanding customer base** by exploring new national and international markets and understanding product research and development in plastic products as well as our own market requirement.
- d) **Ensuring efficient resource management** by managing human, financial, technical and infrastructural resources to support the above strategic goals and to ensure highest possible value addition to stakeholders.

Core Values:

- 1. Striving for continuous improvement and innovation with commitment and responsibility;
- 2. Treating stake holders with respect, courtesy and competence;
- 3. Practicing highest personal and professional integrity;
- 4. Maintaining teamwork, trust and support , with open an candid communication;
- 5. Ensuring cost consciousness in all decisions and operations;

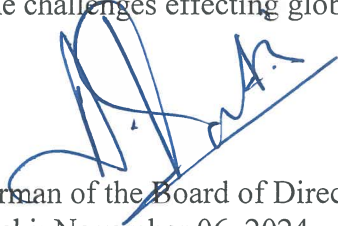
(Rupees in Million)

Key Operating And Financial Results
Rupees in Thousand

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Data						
Sales (Net)	1,108.56	619.811	458.220	123.106	-	-
Cost of sales	(868.80)	(526.090)	(424.443)	(123.078)	(26.741)	(12.066)
Gross Profit /(loss)	239.76	93.721	33.777	0.027	(26.741)	(12.066)
Operating Profit/lose	212.48	78.808	24.63	(12.83)	(35.733)	(19.209)
Financial Charges	(19.3656)	(14.736)	(7.492)	(1.576)	(0.00709)	(0.00452)
Profit/(lose) before Taxation	120.164	49.035	17.442	(4.839)	(36.084)	(19.217)
Profit/(lose) after Taxation	108.0693	40.699	11.663	(6.735)	(36.084)	(19.217)
Financial Data						
Shareholders equity	55.90	(53.32)	(82.81)	(94.74)	(88.528)	(52.958)
Long term liabilities						
Deferred liabilities	29.62	26.333	12	11	10.747	11.689
Current liabilities	357.09	408.95	325	272	161.692	122.724
Fixed Assets	64.545	88.746	36	37	32.727	36.638
Work in Progress			-	-	4.842	4.625
Assesment in Bond	0	19.705	19.705	19.705	19.705	19.705
Long term deposits	1.42	0.431	0.471	0.23171	0.23171	0.23171
current assets	361.97	293.246	198.16	130.59	26.407	20.253
Key Ratio						
Gross margin	22%	15.12%	7.371%	0.022%	-	-
Operating margin	19.17%	12.71%	5.37%	-8.21%	-	-
Net Profit/Loss	9.75%	6.57%	2.55%	-5.47%	-	-
Current ratio*	1.01	0.71	0.61	0.48	0.163	0.16
Earning/(loss) per share	3.76	1.41	0.41	(0.23)	(4.91)	(2.61)
Dividend					-	-
Production (Tons)						
Installed -Tons	5775	5775	4,275	4,275	4,275	4,275
Actual-Tons	1834	1180	1,111	464	-	-

Chairman's Review

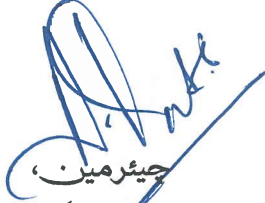
As the elected Chairman of the Board of Directors, It is my pleasure to present this report to the shareholders of the Company for the year ended June 30, 2024, pertaining to the overall performance of the Board of Directors and their effectiveness in guiding the Company towards accomplishing its aims and objectives. I appreciate the efforts of the Board and Management for increasing profitability under difficult business conditions. I am pleased to announce that Company has been able to increase its revenue and profitability in its 4th year of operation with all the challenges effecting globally.



Chairman of the Board of Directors
Karachi: November 06, 2024

چیرمین کا جائزہ

بورڈ آف ڈائریکٹرز کے منتخب چیرمین ہونے کی حیثیت میں 30 جون 2024 کو اختتام پر پہنچنے والے سال کے لئے شیئر ہولڈروں کی خدمت میں یہ رپورٹ پیش کرتے ہوئے مجھے انتہائی خوشی ہو رہی ہے۔ یہ رپورٹ بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور اہداف و مقاصد کے حصول کی جانب کمپنی کو لے جانے میں ان کی افادیت کے بارے میں ہے۔ میں بورڈ اور انتظامیہ کی تعریف پر مجبور ہوں کہ ان کی انتھک محنت کے سبب انتہائی مشکل کاروباری حالات میں بھی کمپنی کے منافع میں اضافہ ہو سکا ہے۔ یہ اعلان کرتے ہوئے بھی مجھے انتہائی مسرت محسوس ہو رہی ہے کہ عالمی معیشت کو درپیش مشکلات کے ماحول میں بھی کمپنی مسلسل چوتھے سال میں اپنی آمدنی اور منافع بڑھانے کے قابل رہی ہے۔


چیرمین،
بورڈ آف ڈائریکٹرز

کراچی: 06 نومبر 2024

Chairman/Directors' Report

The Board of Directors of the company are presenting the 36th Annual Report and Audited Financial Statements of the company for the year ended June 30, 2024.

Financial Results

Financial results are summarized as under.

	2024 Rupees	2023 Rupees
Sales (Net)	1,108,559,824	619,811,475
Gross profit/(Loss)	239,761,924	93,721,302
Net profit/(loss)after taxation	108,069,304	40,699,170
Accumulated losses	(347,300,278)	(456,522,266)
Earnings per share	3.76	1.42

Sales

The net sales revenue was Rs 1,108.559 million as compared to the previous year of Rs 619.811 million. The company was able to achieve an increase in revenue of 78.85% under extremely tough market and economic conditions.

The main growth has been attributed to Chemical and Food sectors. The company launched its 250 litre drums for the Chemical sector and was able to sell a substantial volume in its first year of introduction. .

After-Tax Profit/Loss and Accumulated losses

The Profit after tax has grown to Rs. 108.069 million during the year as compared to a profit of Rs. 40.699 million the year before. The gross profit grew to 156.53 % as compared to 15% the year before.

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.

- 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.18.1.3 into federal treasury within the stipulated period. The company expects to satisfy the auditors to the full regarding the same as all obligation have been discharged according to law and proof of which will be provided subsequently to the auditors.
- "Stock in trade" items have been recorded at realizable value and as per management assessment no provision against these items are required. However, independent revaluation of "Stock in trade" will be carried out in 2025.
- The management is making effort in contacting these creditors to verify their balance to our auditors.
- Unclaimed Dividend represents unclaimed dividends of Sponsors and they have given their consent that these unclaimed dividend are payable on demand.

Auditors

The present auditors M/s Ibrahim, Shaikh & Co, Chartered Accountants retire and being eligible to offer themselves for reappointment.

Statement on Corporate and Financial Reporting Frame Work

The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP). Following are statements on Corporate and Financial Reporting Framework:

- The Financial Statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.

- Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Accounting estimates are based on reasonable prudent judgment.
- 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.
- 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.
- The going concern assumption is discussed in note 1.1 to the financial statements.
- There has been no material departure from the best practice of the corporate governance, as detailed in the listing regulation.
- Key operating & financial data for the last six years in summarized, form is annexed.
- In view of the losses sustained, the company has not declared dividend during the year.
- Outstanding taxes & levies:
Please refer to note 27 to the annexed financial statements
- During the year four meetings of the board of directors were held. Attendance by each director is as follows:-

Board of Directors	No. of meeting Attended
Mr. Azeem H. Mandviwalla	04
Mr. Tariq Mehmood	04
Mr. Abdul Qadir Shawani	04
Mr. Naseer Ahmed	04
Mr. Syed Asghar Ali	04
Mr. Shamim Ahmed Khan	04
Ms. Farha Qureshi	00

Ms. Farha Qureshi passed away during the year.

Leave of absence was granted to director who could not attend the board meetings.

The Audit Committee held Two (2) meeting during the year. Attendance by each member was as follows:

Members Name	No. of meeting Attended
Mr. Qadir Shiwani	02
Mr. Tariq Mehmood	02
Mr. Shamim Ahmed Khan	02

l) The total number of directors are seven as per the following:

- Male: Six
- Female: One

m) The composition of the Board of Directors ("the Board") is as follows:

Category	Names
Independent Director	Nil
Other Non-Executive Directors	Mst. Farha Qureshi
	Mr. Shamim Ahmed Khan
	Mr. Tariq Mahmood
	Mr. Abdul Qadir Shiwani
	Mr. Naseer Ahmed
	Mr. Syed Asghar Ali
Executive Directors *	Mr. Azeem Hakim Mandviwalla *

n) The Board has formed committees comprising of members given below:

- Audit Committee
 - Mr. Tariq Mehmood -Chairman
 - Mr. Abdul Qadir Shiwani
 - Mr. Shamim Ahmed Khan
- The Board has not formed an HR and Remuneration Committee

Directors' Remuneration Policy

The Board is authorized to determine the remuneration/fee of its Directors for attending meetings of the Board. No remuneration shall be paid for attending meetings of the Committee(s) of the Board and for attending General Meeting(s) or any other business meeting(s) of the company. The details of fee paid during the year and the remuneration package of the Chief Executive Officer are disclosed in note 29 to the financial statements.

Future Outlook

Pakistan's economic condition has stabilised in the last 6 months. Pakistani Rupee has performed well against the US Dollar and inflation figures are down. Oil prices have also remained consistent due to which Raw material prices are on the decline. The selling prices will reduce further in the coming year 2024-2025.

Due to the increase in freight costs, the demand for Ethanol export market is affected so the volumes might remain stable.

The company plans to launch 120 litre and 160 litre Open Top drums next year mainly for the chemical and food sectors.

The company also plans to start its range of industrial crates and containers.

Acknowledgment

It is our privilege to share with you our deep appreciation of the sincerity and dedication of our company employees who are our main asset. We also cherish the support and co-operation from our customers, shareholders, suppliers and financial institutions.



Azeem H. Mandviwalla
Chief Executive

Karachi
Dated: November 06, 2024

On behalf of the Board of Directors



Abdul Qadir Shiwani
Chairman/Director

چیرمین/ڈائریکٹرز رپورٹ

کمپنی کا بورڈ آف ڈائریکٹرز 30 جون 2024 کو اختتام کو پہنچنے والے سال کے لئے 36 ویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

مالیاتی نتائج بصورت خلاصہ درج ذیل ہیں:

2023 روپے	2024 روپے	
619,811,475	1,108,559,824	فروخت (خالص)
93,721,302	239,761,924	خام منافع/(نقصان)
40,699,170	108,069,304	خالص نفع/(نقصان) بعد از ٹیکس
(456,522,266)	(347,300,278)	مجموعی خسارہ
1.42	3.76	کما فی شیر

فروخت

فروخت سے 1,108.559 ملین روپے کی آمدنی حاصل ہوئی جو گزشتہ برس کی اسی مدت کے دوران 619.811 ملین روپے رہی تھی۔ اس ضمن میں کمپنی نے اپنی آمدنی میں 78.85% کا اضافہ کیا حالانکہ مارکیٹ بھی انتہائی سخت تھی اور اقتصادی حالات بھی۔

فروخت میں زیادہ بڑھتی کیمیکل اور خوراک کی سیکٹروں میں ہوئی کمپنی نے کیمیکل سیکٹر کے لئے 250 لیٹر گنجائش والے ڈرم مارکیٹ میں متعارف کروائے اور پہلے ہی سال میں اچھی خاصی آمدنی حاصل کی۔

بعد از ٹیکس نفع/نقصان اور مجموعی خسارہ

بعد از ٹیکس نفع بڑھ کر 108.069 ملین روپے ہوا جبکہ گزشتہ برس کی اسی مدت کے اختتام پر حاصل ہونے والے منافع کا حجم 40.699 ملین روپے تھا۔ اسی طرح گزشتہ برس حاصل ہونے والے 15% اضافے کی بنسبت خام نفع میں بھی 156.53% کا اضافہ ہوا۔

آڈیٹروں کی رپورٹ برائے ممبران

ہمارے آڈیٹرز میسرز ابراہیم، شیخ اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے زیر جائزہ سال کے ممبران کے لئے مالیاتی گوشواروں میں چند معاملات اجاگر کئے ہیں۔ ان معاملات کی وضاحتیں ذیل میں پیش کی جا رہی ہیں:

☆۔ نوٹ نمبر 18.1.3 میں مذکورہ وفاقی خزانے میں مقررہ مدت کے اندر ٹھہرڈ پارٹی ٹیکس کی تحویل کے ضمن میں کمپنی نے اکٹم ٹیکس آرڈیننس 2001 کی دفعہ 205 کے تحت کوئی اضافی ذمہ داری ریکارڈ نہیں کی ہے۔ کمپنی آڈیٹروں کو اس معاملے میں کئی طور سے مطمئن کر لے گی کیونکہ تمام تر ذمہ داریاں قانون کے تحت پوری کی گئی ہیں اور ان کے ثبوت بھی آڈیٹروں کو فراہم کئے جائیں گے۔

☆۔ ”اسٹاک این ٹریڈ“ آئٹم قابل حصول قدر پر ریکارڈ کئے گئے ہیں اور انتظامیہ کے تخمینے کے مطابق ان آئٹمز کے لئے کسی شرط کی ضرورت نہیں۔ البتہ ”اسٹاک این ٹریڈ“ کی دوبارہ آزاد قدر کاری 2025 میں کی جائے گی۔

☆۔ انتظامیہ ان قرض خواہوں سے رابطہ کرنے کی کوششیں کر رہی ہے تاکہ اپنے آڈیٹروں کے لئے ان کے بقایا جات کی توثیق کی جاسکے۔

☆۔ غیر دعویٰ شدہ منافع منقسمہ، اسپانسروں کی غیر دعویٰ شدہ منافع کو ظاہر کرتا ہے اور انہوں نے رضامندی دے دی ہے کہ یہ منافع عند الطلب ادا کیا جاسکتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ابراہیم، شیخ اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہونے کے سبب دوبارہ تقرر کی گئی ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے بارے میں بیان

ڈائریکٹرز یہ کہتے ہوئے خوشی محسوس کر رہے ہیں کہ کمپنی کوڈ آف کارپوریٹ گورننس کی شرائط کی تعمیل کرتی ہے جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی شرط ہے۔ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے متعلق بیانات درج ذیل ہیں:

x۔ کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کو غیر جانب دارانہ طور سے پیش کرتے ہیں۔

x۔ کمپنی کے کھاتوں کی کتب موزوں طور سے تیار کی جاتی ہیں۔

x۔ مالیاتی گوشواروں کی تیاری کرتے ہوئے موزوں اکاؤنٹنگ پالیسیاں مستقل طور سے اپنائی جاتی رہی ہیں۔ اکاؤنٹنگ تخمینہ جات معقول اور ہر احتیاط فیصلوں پر بنیاد کرتے ہیں۔

x۔ مالیاتی گوشواروں کی تیاری میں پاکستان پر قابل اطلاق عالمی اکاؤنٹنگ معیارات کی پابندی کی گئی ہے اور کوئی بھی انحراف، اگر کوئی ہے،

تو اسے موزوں طور سے ظاہر کیا گیا ہے۔

x۔ اندرونی آڈٹ اور دیگر طریق کاروں میں بہتری لانے کی غرض سے کمپنی میں قائم مالیاتی انضباط کے نظام کا انتظامیہ کی جانب سے باقاعدہ جائزہ لیا جاتا ہے۔ جائزے کا یہ عمل جاری رہے گا اور انضباط میں کسی قسم کی کمزوری کو دور کیا جائے گا۔

x۔ کمپنی کے چلنے کی صلاحیت کے بارے میں مالیاتی گوشواروں کے نوٹ 1.1 میں بحث کی گئی ہے۔

x۔ لسٹنگ ریگولیشنز میں صراحت کردہ کارپوریٹ گورننس کے بہترین معمولات سے کسی قسم کا کوئی انحراف نہیں کیا گیا ہے۔

x۔ گزشتہ چھ (06) برسوں کا اہم کاروباری اور مالیاتی ڈیٹا خلاصے کی صورت میں رپورٹ ہذا کے ساتھ منسلک ہے۔

x۔ نقصانات کے باعث کمپنی نے زیر جائزہ سال کے دوران منافع منقسمہ کا اعلان نہیں کیا ہے۔

x۔ واجب الادا ٹیکس اور محصولات:

ازراہ کرم منسلک شدہ مالیاتی گوشواروں کا نوٹ 27 ملاحظہ فرمائیں۔

دوران سال بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ ڈائریکٹروں کی حاضری کی صورت حال ذیل میں پیش کی جاتی ہے:

بورڈ آف ڈائریکٹرز	اجلاسوں میں حاضری
جناب عظیم ایچ مائڈوی والا	04
جناب طارق محمود	04
جناب عبدالقادر شیوانی	04
جناب نصیر احمد	04
جناب سید اصغر علی	04
جناب شمیم احمد خان	04
محترمہ فرح قریشی	00

بد قسمتی سے محترمہ فرح قریشی زیر جائزہ سال کے دوران فوت ہو گئیں۔

بورڈ کے اجلاسوں میں شرکت نہ کر سکنے والے ڈائریکٹر کو رخصت عطاء کی گئی۔

سال کے دوران آڈٹ کمیٹی کے دو اجلاس منعقد ہوئے۔ ان میں ممبران کی حاضری کی صورت حال درج ذیل ہے:

ممبر کا نام	اجلاس میں حاضری
جناب قادر شیوانی	02
جناب طارق محمود	02
جناب شمیم احمد خان	02

(1) ڈائریکٹروں کی کل تعداد برطابق ذیل سات ہے:

+ حضرات: چھ
+ خاتون: ایک

بورڈ آف ڈائریکٹرز ("بورڈ") کی ترکیب برطابق ذیل ہے:

کیٹگری	نام
انڈیپنڈنٹ ڈائریکٹر	کوئی نہیں
دیگرنان ایگزیکٹیو ڈائریکٹرز	محترمہ فرح قریشی جناب شمیم احمد خان جناب طارق محمود جناب عبدالقادر شیوانی جناب نصیر احمد جناب سید اصغر علی
ایگزیکٹیو ڈائریکٹر *	جناب عظیم حکیم مانڈوی والا

بورڈ نے درج ذیل ممبران پر مشتمل کمیٹیاں تشکیل دی ہیں:

☆ آڈٹ کمیٹی

- جناب طارق محمود..... چیئر مین

- جناب عبدالقادر شیوانی

- جناب شمیم احمد خان

☆ - بورڈ نے ایچ آر اینڈ ریمونریشن کمیٹی تشکیل نہیں دی ہے

ڈائریکٹروں کے معاوضے کی پالیسی

بورڈ کو اجلاسوں شرکت کے عوض ڈائریکٹروں کے لئے معاوضے کے تعین کا اختیار حاصل ہے۔ بورڈ کی کمیٹی (کمیٹیوں) اور اجلاس عام یا کمپنی کے کسی اور کاروباری اجلاس میں شرکت کے عوض کوئی معاوضہ ادا نہیں کیا جائے گا۔ دوران سال ادا کی گئی فیسوں اور چیف ایگزیکٹو آفیسر کے معاوضے کے پیکج کی تفصیلات مالیاتی گوشواروں کے نوٹ 29 میں ظاہر کر دی گئی ہیں۔

مستقبل کا منظر

پاکستان کی اقتصادی صورت حال میں گزشتہ چھ ماہ میں استحکام آیا ہے۔ امریکی ڈالر کے مقابلے میں پاکستانی روپے نے اچھی کارکردگی دکھائی ہے۔ تیل کی قیمتوں میں بھی استحکام رہا ہے جس کے سبب خام مال کی قیمتوں میں کمی کا رجحان ہے۔ چنانچہ آئندہ سال 2024-2025 میں قیمت فروخت میں مزید کمی واقع ہوگی۔

نقل و حمل کے اخراجات میں اجانے کے باعث استھانول کی برآمدی مارکیٹ میں ڈرم کی طلب متاثر ہوئی ہے لہذا فروخت کے حجم کے مستحکم رہنے کا امکان ہے۔

کمپنی کا پلان ہے کہ کیمیکل اور خوراک کے سیکٹروں کے لئے آئندہ سال 120 لیٹر اور 160 لیٹر گنجائش والے اوپن ٹاپ ڈرمز مارکیٹ میں متعارف کروائے جائیں۔ اس کے علاوہ کمپنی انڈسٹریل کرٹس اور کنٹینرز کی ریخ شروع کرنے کا پلان بھی رکھتی ہے۔

تہنیت

ہمارے سب سے بڑے اثاثے، کمپنی کے ملازمین کے خلوص اور وفاداری کا اعتراف ہمارے لئے اعزاز کی بات ہے۔ اس کے علاوہ ہم اپنے گاہکوں، شیئرز ہولڈروں، سپلائرز اور مالیاتی اداروں کے تعاون اور اعانت کے بھی شکر گزار ہیں۔



عبدالقادر خدیوانی
چیئر مین / ڈائریکٹر

منجانب بورڈ آف ڈائریکٹرز



عظیم ایچ مائڈوی والا
چیف ایگزیکٹو

کراچی

مورخہ 06 نومبر 2024

I B R A H I M , S H A I K H & C O
C H A R T E R E D A C C O U N T A N T S

**Review Report on the Statement of Compliance contained in Listed
Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mandviwalla MAUSER Plastic Industries Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

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

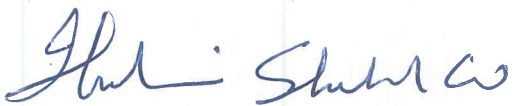
Note reference	Description	Non-Compliance
i) 2	Composition of the board	Number of Directors as on June 30, 2024 are Six Mst. Farah Qureshi died on April 16, 2024 and not replaced and no Independent Director

IBRAHIM, SHAIKH & CO.

ii)	4	Code of Conduct	Company has not prepared Code of Conduct.
iii)	9	Directors Training	No orientation course for Directors arranged.
iv)	12	Audit Committee and HR and Remuneration Committee	No Independent Director in Audit Committee and None of the member is financially literate. The Board has not formed an HR and remuneration Committee
v)	14	Meeting of Audit Committee and HR Remuneration Committee	No meeting of HR Remuneration was held

Karachi.
Date: November 6, 2024

UDIN : **CR202410234JQnVEs928**



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



Statement of Compliance

With the Code of Corporate Governance for the year ended June 30, 2024.

Mandviwalla MAUSER Plastic Industries Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of directors are Six as per the following:
 - a) Male: Six
 - b) Female: None
2. The composition of the Board of Directors ("the Board") is as follows:

Category	Names
Independent Director	Nil
Other Non-Executive Directors	Mr. Syed Asghar Ali
	Mr. Shamim Ahmed Khan
	Mr. Tariq Mahmood
	Mr. Abdul Qadir Shiwani
	Mr. Naseer Ahmed
Executive Directors *	Mr. Azeem H. Mandviwalla *

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

One Director Mst. Farah Qureshi died on April 16, 2024 and will be replaced in the election of directors to be held in upcoming Annual General Meeting.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has not prepared a Code of Conduct.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the dates of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the

requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.

8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Directors were apprised of their duties and responsibilities from time to time. The directors remained non compliant with the provision with regard to their directors' training program. The company has an arrangement to hold orientation course for their directors in coming year.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a. Audit Committee
 - i. Mr. Tariq Mehmood -Chairman
 - ii. Mr. Abdul Qadir Shiwani
 - iii. Mr. Shamim Ahmed Khan

Audit Committee comprises three non- executive directors and no independent director and None of the member is financially literate.

 - b. The Board has not formed an HR and Remuneration Committee
13. The terms of reference of the Audit Committee have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
 - a. Audit Committee: Quarterly
 - b. No HR and Remuneration Committee formed
15. The Board has set up effective internal audit functions comprising of personal who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ("the ICAP") and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-

2

dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

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

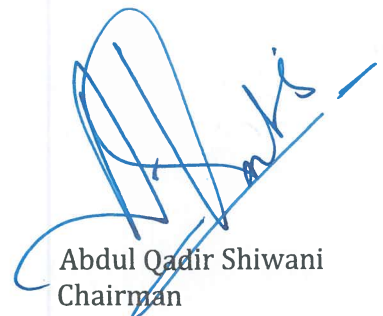
18. We confirm that all other requirements of the Regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with excluding Regulation No 6 and 27 are explained below.

S. No.	Requirement	Explanation	Reg. No
1	Independent Director	No Independent Director	6
2	Audit Committee.	No Independent Director in Audit Committee. and None of the member is financially literate	27

19 We confirm that the Company has complied with respect to all other material requirements of the Regulation.



Azeem H. Mandviwalla
Chief Executive



Abdul Qadir Shiwani
Chairman

Karachi: November 06, 2024

DRAFT INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Mandviwalla MAUSER Plastics Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including material accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our Knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the statement of financial position, statement of profit or loss account, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- As mentioned in note 18.1.3 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.

- The balance under the head "Stock in Trade" amounting to Rs. 5.755 million, which is unmoved from the last eleven years. The Company has not recorded any provision against these slow moving "Stock in Trade" items and we have not been provided NRV working of these items.

Had the company made the provisions the profit for the year, accumulated losses and net capital of the company would have been lower by Rs. 5.755 million.

- Included in the trade creditors shown in note 14 to the financial statements is an amount of Rs. 14.227 million in respect of various parties, which remain unverified. In the absence of information we were unable to verify the actual liability against these creditors;
- Unclaimed Dividend amounting to Rs 2.209 Million. However balance as per Dividend account in MCB (account No 10075-9) amounting to Rs Nil.

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

Material Uncertainty Relating to Going Concern

The financial statements for the year ended June 30, 2024 have been prepared on going concern assumption. The Company accumulated losses amounting to Rs 344.832 million (2023 Rs 456.522 million) as on June 30, 2024. Thus causing negative operating cash flow for last four years current year operating cash flow is positive, net capital deficiency of Rs 53.326 million in 2023 current year positive. These conditions, along with other matters as set forth in note 1.1 indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as going concern therefore the company may be unable to realize its asset and discharge its liabilities in the normal course of the business. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matters described in Basis for Qualified Opinion section and in the Material Uncertainty Related to Going Concern Section we have determined the matters described below to be the key audit matters to be communicated in our report:

S No	Key audit matter	How the matter was addressed in our audit
1	Revenue Recognition	
	<p>Refer 4.12 and note 21 to the financial statements</p> <p>The company is engaged in the production and sale of Plastic Barrels. The company recognized gross revenue of Rs.1,282 million</p> <p>We considered revenue recognition as a key audit matter due to the revenue being one of the key performance indicators of the company. Large number of revenue transactions with a large number of customers majorly in Karachi, inherent risk of material misstatements and significant increase in revenue from last year</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <ul style="list-style-type: none"> Understood and evaluated management controls over revenue and checked their validation; Performed verification of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices; Performed cut-off procedures on sample basis to ensure revenue has been recognized in the correct period;

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		<ul style="list-style-type: none"> • Performed recalculation of soles incentive as per company's policy on test basis; • Performed analytical procedures to analyze variation in the price and quantity sold during the year; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and Assessed the appropriateness of disclosures made in the financial Statements related to revenue.
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Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

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matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matters described in the Basis for Qualified Opinion section, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980),

The engagement partner on the audit resulting in this independent auditor's report is Imran Ahmed Zaki FCA.



IBRAHIM, SHAIKH & CO.
CHARTERED ACCOUNTANTS
KARACHI
DATED : November 6, 2024 2.

UDIN : AR202410234YfxsbKeH6

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

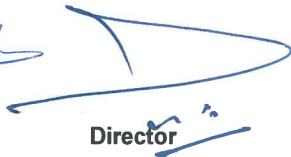
**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
NON-CURRENT ASSETS			
Property plant and equipment	5	64,544,574	68,610,076
Assets in bond	6	-	19,705,171
Deferred Taxation	7	14,672,067	-
Long term deposits	8	1,423,656	431,710
		80,640,297	88,746,957
CURRENT ASSETS			
Stores, spares and loose tools	9	2,374,131	10,980,825
Stock-in-trade	10	150,354,272	131,343,219
Trade receivable - unsecured	11	83,525,921	126,058,519
Other receivables	12	113,848,933	24,067,091
Cash and bank balances	13	11,865,782	796,571
		361,969,039	293,246,225
CURRENT LIABILITIES			
Trade and other payables	14	91,235,399	100,778,070
Unclaimed dividend		2,208,846	2,208,846
Provision for taxation	15	24,613,100	8,335,974
Short term Borrowings	16	239,033,278	297,662,893
		357,090,623	408,985,783
Net current assets/(liabilities)		4,878,416	(115,739,559)
NON-CURRENT LIABILITIES			
Deferred liabilities	17	29,623,133	26,333,806
		29,623,133	26,333,806
CONTINGENCIES AND COMMITMENTS			
NET ASSETS	18	55,895,580	(53,326,408)
SHARE CAPITAL AND RESERVES			
Authorized: 40,000,000 ordinary shares of Rs.10/- each	19	400,000,000	400,000,000
Issued, subscribed and paid-up capital	19	287,481,330	287,481,330
Subordinated loans	20	115,714,528	115,714,528
Accumulated losses carried forward		(347,300,278)	(456,522,266)
Net shareholders' equity		55,895,580	(53,326,408)

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



Chief Executive



Director



Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

**STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2024 Rupees	2023 Rupees
Revenue	21	1,108,559,824	619,811,475
Cost of sales	22	(868,797,900)	(526,090,173)
Gross (loss)		<u>239,761,924</u>	<u>93,721,302</u>
General and administrative expenses	23	<u>27,280,420</u>	<u>14,913,183</u>
		(27,280,420)	(14,913,183)
Profit generated from operation		<u>212,481,504</u>	<u>78,808,119</u>
Selling and distribution expense	24	(14,610,466)	(11,402,172)
		<u>197,871,038</u>	<u>67,405,947</u>
Finance cost	25	(19,365,611)	(14,736,619)
Other Charges/ Income	26	(58,341,091)	(3,634,184)
Profit / (loss) before taxation		<u>120,164,336</u>	<u>49,035,145</u>
Taxation	27	(12,095,032)	(8,335,974)
Profit / (loss) after taxation		<u>108,069,304</u>	<u>40,699,170</u>
Earnings per share - basic and diluted	28	<u>3.76</u>	<u>1.42</u>

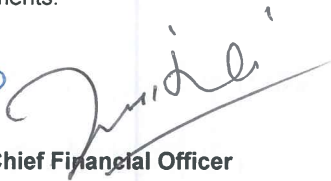
The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2024 Rupees	2023 Rupees
Profit / (loss) for the year	108,069,304	40,699,170
Gain/(loss) on gratuity	1,152,683	(11,216,043)
Total comprehensive Income/(loss) for the year	<u>109,221,987</u>	<u>29,483,127</u>

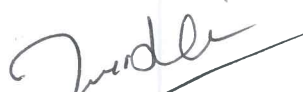
The annexed notes from 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

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MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

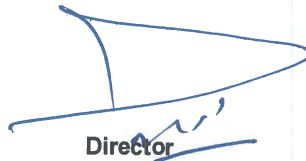
**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		120,164,336	49,035,144
Adjustment for non-cash charges and other items:			
Depreciation	5.1	7,198,752	7,119,836
Provision for staff gratuity		4,485,403	4,351,309
Impairment of Assets in Bond		19,705,171	-
Raw materials in bond writeoff		1,084,670	-
Provision for slow moving stores		7,945,056	-
Finance cost		19,365,611	14,736,619
		<u>59,784,663</u>	<u>26,207,764</u>
		179,948,999	75,242,908
Working capital changes			
Decrease / (Increase) in current assets			
Stores, spares and loose tools		661,638	4,352,563
Stock-in-trade		(20,095,723)	(85,175,773)
Trade receivable - unsecured		42,532,598	(22,476,968)
Other receivables		(69,305,276)	13,461,785
Increase / (decrease) in current liabilities			
Trade and other payables		(6,179,648)	(19,154,754)
		<u>(52,386,411)</u>	<u>(108,993,147)</u>
Income tax paid		(30,966,540)	(13,401,870)
Long term deposits		(991,946)	40,000
Staff gratuity/employees compensated absences paid		(43,393)	(216,530)
Finance cost paid		(22,728,632)	(12,403,510)
		<u>(54,730,511)</u>	<u>(25,981,910)</u>
Net cash used in operating activities		72,832,077	(59,732,149)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(3,133,251)	(40,012,219)
Net cash used in investing activities		(3,133,251)	(40,012,219)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term Borrowings Habib Metropolitan Bank Trust Receipts			
Foreign Bills		(57,932,051)	53,972,395
Short term Borrowings Others		(697,564)	37,500,000
Net cash generated from financing activities		<u>(58,629,615)</u>	<u>91,472,395</u>
Net increase / (decrease) in cash and cash equivalents		11,069,211	(8,271,973)
Cash and cash equivalents at the beginning of the year		796,571	9,068,543
Cash and cash equivalents at the end of the year	32	<u><u>11,865,782</u></u>	<u><u>796,571</u></u>

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



Chief Executive



Director



Chief Financial Officer



MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

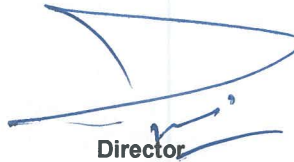
**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	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, 2022	287,481,330	115,714,528	(486,005,393)	(82,809,535)
			-	-
Total comprehensive Income/(loss) for the year	-	-	29,483,127	29,483,127
Balance as at June 30, 2023	287,481,330	115,714,528	(456,522,266)	(53,326,408)
Total comprehensive Income/(loss) for the year	-	-	109,221,987	109,221,987
Increased Paid-up-Capital			-	-
Balance as at June 30, 2024	287,481,330	115,714,528	(347,300,278)	55,895,580

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



Chief Executive



Director



Chief Financial Officer

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1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on June 13, 1988, as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) domiciled in the province of Sindh and is listed on Pakistan Stock Exchanges. The company is mainly engaged in manufacturing and sale of plastic and allied products. The registered office of the company is situated at Mandviwalla Building, Old Queens Road, Karachi.

1.1 GOING CONCERN ASSUMPTION

The Company accumulated losses amounting to Rs 344.832 million (2023 Rs 456.522 million) as on June 30, 2024. Thus causing negative operating cash flow for last four years current year operating cash flow is positive, net capital deficiency of Rs 53.326 million in 2023 current year positive.

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.

Forecasted Financial Statements of the company for subsequent 5 years indicates profitability and positive operating cash flows. Up to June 30, 2024 Sponsoring Directors and Prospective Investor of the company have injected funds amounting to Rs 115,714,528 and 156,065,220 respectively along with written commitment to the company stating that they would inject funds as and when required by the company.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention using accrual basis of accounting, except for certain financial assets and liabilities which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional and presentation currency of

2.4 USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the companies accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and

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

3 New and Revised Standards and Interpretations

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial reporting.

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

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

4 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

4.1 PROPERTY PLANT & EQUIPMENT AND DEPRECIATION

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any except for capital work-in-progress is stated at cost.

Depreciation on fixed assets is charged to the income statement applying the diminishing balance method whereby the cost of an asset is written off over its estimated useful life. Depreciation is charged on a proportionate basis from the month of addition & up to the month of disposal.

Company accounts for impairment, where indication exists, by reducing its carrying value to the assessed recoverable amount. However, no such indication exists till the authorization of these financial statements.

Expenditure incurred subsequent to the initial acquisition of asset is capitalized only when it increases the future economic benefits embodied in the items of above assets. All other expenditure is recognized in the profit and loss account as and when incurred.

Gains and losses on disposal are included in income currently.

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Leased

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity mainly leases properties for its operations. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the diminishing balance method over the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The lease payments associated with these leases are recognized as an expenses on a reducing balance basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

Asset held under Ijarah financing

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS 2), "Ijarah". The assets are not recognized on the Company's statement of financial position and payments made under Ijarah financing are recognized in the statement of profit or loss on a straight line basis over the term of the Ijarah.

4.2 IMPAIRMENT OF ASSETS

The company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired except for assets in bond. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

4.3 STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools are stated at cost which is determined under the moving average method except for those in transit and in bond which are valued at actual cost. Provision is made for slow moving and obsolete items. The term cost means invoice price including direct expenses.

4.4 STOCK IN TRADE

Raw materials are valued at lower of cost and estimated net realizable value. Cost is arrived at by using moving average basis except for goods in transit and in bond.

Finished goods are valued at lower of cost determined on average basis and net realizable value. Cost consists of cost of direct materials, labour and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of the business less costs of completion and the estimated costs necessary to make the sale.

Goods in transit and in bond are stated at cost comprising invoice value plus other charges paid thereon.

4.5 TRADE RECEIVABLES

Trade receivables originated by the company are recognized and carried at original invoice amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as and when incurred.

4.6 CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

Creditors, accrued expenses and other liabilities are stated at cost which is the fair value of the consideration to be

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paid in future in respect of goods and services.

4.7 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHERS RECEIVABLE

These are stated at cost.

4.8 PROVISIONS

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

4.9 FOREIGN CURRENCY TRANSLATIONS

Foreign currency transactions are converted into rupees at the rates of exchange approximating to those ruling at the date of transaction. Monetary assets and liabilities in foreign currencies have been translated into rupees at the rates of exchange approximating those ruling at the balance sheet date except for liabilities covered under forward exchange contracts which are translated at the contracted rates. Exchange gains or losses are included in income currently.

4.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

4.10.1 Financial Assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

Classification

The Company classifies its financial assets in the following categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification is based on the Company's business model for managing the financial assets and the contractual cashflow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at amortized cost

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Company can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income unless these are held for trading in which case these have to be measured at fair value through profit or loss. The equity investments of the Company held in short term investments are classified at fair value through profit or loss because they are frequently traded.

2.

Reclassification

When the Company changes its business model for managing financial assets, it reclassifies all affected financial assets accordingly. The Company applies the reclassification prospectively from the reclassification date.

In case of reclassification out of the amortized cost measurement category to fair value through profit or loss measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in profit or loss.

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

In case of reclassification out of the amortized cost measurement category to fair value through other comprehensive income measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through other comprehensive income measurement category to the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through profit or loss measurement category to the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value.

In case of reclassification out of fair value through other comprehensive income measurement category to the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Initial recognition and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade date – the date on which the Company commits to purchase or sell the asset.

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account when the Company's right to receive payments is established. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15. Where the Company uses settlement date accounting for an asset that is subsequently measured at amortized cost, the asset is recognized initially at its fair value on the trade debt.

Subsequent measurement

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

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

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

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Financial assets 'at fair value through other comprehensive income' are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss. Dividends on equity instruments are credited to the statement of profit or loss when the Company's right to receive payments is established.

Financial assets 'at fair value through profit or loss' are marked to market using the closing market rates and are carried in the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Company has transferred substantially all the risks and rewards of the asset; or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or Loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

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

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

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

Impairment of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost and through other comprehensive income, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract. In case of financial assets measured at fair value through other comprehensive income, loss allowance is recognized in other comprehensive income and carrying amount of the financial asset in the statement of financial position is not reduced.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions under IFRS 15 and lease receivables.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the profit or loss.

4.10.2 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interest rate and contingent consideration recognized in a business combination.

The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the statement of profit or loss account.

The Company's financial liabilities include trade and other payables, loans and borrowings including Company overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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Financial liabilities at fair value through profit or loss

Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The amount of change in the fair value that is attributable to changes in the credit risk of financial liability is presented in other comprehensive income and the remaining amount of change in the fair value of the liability is presented in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if it eliminates or significantly reduces a measurement or recognition inconsistency or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel. The Company has not designated any financial liability as at fair value through profit or loss.

Financial guarantee contracts and commitments to provide a loan at a below-market interest rate

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts and commitments to provide a loan at a below-market interest rate are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

Contingent consideration recognized in a business combination

These are subsequently measured at fair value with changes recognized in profit or loss.

All other liabilities

All other financial liabilities are measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

If the Company repurchases a part of a financial liability, the Company allocates the previous carrying amount of the financial liability between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the part derecognized and the consideration paid, including any non-cash assets transferred or

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4.10.3 Offsetting of financial

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4.11 Balances from

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

4.12 REVENUE RECOGNITION

Revenue is to be recognized in accordance with the afore mentioned principle by applying the following steps:

- i) Identify the contract with a customer
- ii) Identify the performance obligation in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by supplying the electricity or services to its customers. Any bundled goods or services that are distinct are separately recognized, and any discounts or rebates on the contract price are generally allocated to the separate elements.

Markup/interest income is recognized on time proportion basis that takes into account effective interest.

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4.13 BORROWING COSTS

Mark-up, interest and other charges on long term borrowings are capitalized unto the date of commissioning of the related fixed asset, acquired out of the proceeds of such long term borrowings. All other mark-up, interest and other charges are charged to income statement.

4.14 TAXATION

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001.

Deferred

Deferred tax is calculated using the liability method on all temporary differences at the balance sheet date, between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, un-absorbed tax losses to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and significant taxable income will be available against which the deductible temporary differences or un-absorbed tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

4.15 STAFF RETIREMENT BENEFITS

Defined benefit plan - gratuity

The company operates an unfunded gratuity scheme for its all permanent employees who have completed a minimum qualifying period of service. Provision is made on the basis of Projected Unit Credit Method. The valuation is carried out using the Project Unit Credit Method. The gains and losses are recognized at each valuation date.

Employees' compensated absences

The company provides for liability in respect of employees' compensated absences in the year in which these are earned.

The company accounts for these benefits on an accrual basis.

4.16 CASH AND CASH EQUIVALENTS

Cash in hand and at banks, if any, are carried at cost.

For the purposes of the cash flow statement, cash and cash equivalents consists of cash in hand, bank balances net off book overdraft.

4.17 RELATED PARTY TRANSACTIONS

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

4.18 SHARE CAPITAL

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

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5 PROPERTY PLANT & EQUIPMENT

	At July 1, 2023		At July 1, 2024		As at June 30, 2023		As at June 30, 2024		As at July 01, 2022		As at July 01, 2023		Year ended June 30, 2023		Year ended June 30, 2024		Rate	
	Owned	Leased	Owned	Leased	Owned	Leased	Owned	Leased	Owned	Leased	Owned	Leased	Owned	Leased	Owned	Leased	10%	20%
Cost	739,202	32,801,122	4,979,021	284,722,508	11,498,380	60,986,166	9,922,420	6,683,459	6,072,816	431,165	4,359,393	275,345	3,699,316	-	427,170,313	-	10%	20%
Accumulated depreciation	-	31,613,080	936,322	237,555,818	10,843,786	52,437,407	8,471,525	5,779,893	4,985,118	430,467	2,598,919	214,025	2,893,875	-	358,560,237	-	10%	20%
Net book value	739,202	1,188,042	4,042,699	47,366,690	654,594	8,548,759	1,450,895	903,566	1,087,698	698	1,760,474	61,320	805,441	-	68,610,076	-	10%	20%
Operating net book value	739,202	1,188,042	4,042,699	47,366,690	654,594	8,548,759	1,450,895	903,566	1,087,698	698	1,760,474	61,320	805,441	-	68,610,076	-	10%	20%
Additions/Transfer from CWIP	-	-	-	-	-	815,790	-	158,730	280,423	-	1,878,308	-	-	-	3,133,251	-	10%	20%
Disposals-net book value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10%	20%
Asset destroyed in transit-net book value	-	(118,804)	(404,270)	(4,736,669)	(65,460)	(929,656)	(145,089)	(91,679)	(118,928)	(140)	(414,705)	(12,264)	(161,088)	-	(7,198,752)	-	10%	20%
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10%	20%
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10%	20%
Closing net book value	739,202	1,069,238	3,638,429	42,630,021	589,134	8,434,893	1,305,806	970,617	1,249,193	558	3,224,077	49,056	644,353	-	64,544,574	-	10%	20%
As at June 30, 2024	739,202	32,801,122	4,979,021	284,722,508	11,498,380	61,801,566	9,922,420	6,842,189	6,353,239	431,165	6,237,701	275,345	3,699,316	-	430,303,564	-	10%	20%
Cost	739,202	31,731,864	1,340,592	242,092,487	10,909,246	53,367,063	8,616,514	5,871,572	5,104,046	430,607	3,013,624	226,289	3,054,963	-	365,758,990	-	10%	20%
Accumulated depreciation	739,202	1,069,238	3,638,429	42,630,021	589,134	8,434,893	1,305,806	970,617	1,249,193	558	3,224,077	49,056	644,353	-	64,544,574	-	10%	20%
Net book value	739,202	31,731,864	1,340,592	242,092,487	10,909,246	53,367,063	8,616,514	5,871,572	5,104,046	430,607	3,013,624	226,289	3,054,963	-	365,758,990	-	10%	20%
As at July 01, 2022	739,202	32,801,122	4,888,161	246,722,508	11,498,380	59,574,091	9,903,280	6,552,450	5,713,681	431,165	4,359,393	275,345	3,699,316	-	387,158,094	-	10%	20%
Cost	739,202	31,481,075	4,888,816	232,795,566	10,771,053	51,551,964	8,311,332	5,667,988	4,870,913	430,292	2,158,800	198,695	2,692,515	-	351,440,402	-	10%	20%
Accumulated depreciation	739,202	1,320,047	4,399,345	13,925,952	727,327	8,022,127	1,591,548	864,462	842,768	873	2,200,593	76,650	1,006,801	-	35,717,592	-	10%	20%
Net book value	739,202	31,481,075	4,888,816	232,795,566	10,771,053	51,551,964	8,311,332	5,667,988	4,870,913	430,292	2,158,800	198,695	2,692,515	-	351,440,402	-	10%	20%
Year ended June 30, 2023	739,202	1,320,047	4,399,345	13,925,952	727,327	8,022,127	1,591,548	864,462	842,768	873	2,200,593	76,650	1,006,801	-	35,717,592	-	10%	20%
Operating net book value	739,202	1,320,047	4,399,345	13,925,952	727,327	8,022,127	1,591,548	864,462	842,768	873	2,200,593	76,650	1,006,801	-	35,717,592	-	10%	20%
Additions	-	-	80,860	38,000,000	-	1,412,075	19,140	131,009	359,135	-	-	-	-	-	40,012,219	-	10%	20%
Disposals at net book value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10%	20%
Asset destroyed in transit-net book value	-	(132,005)	(447,506)	(4,559,262)	(72,733)	(885,443)	(159,793)	(91,905)	(114,205)	(175)	(440,119)	(15,330)	(201,360)	-	(7,119,836)	-	10%	20%
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10%	20%
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10%	20%
Closing net book value	739,202	1,188,042	4,042,699	47,366,690	654,594	8,548,759	1,450,895	903,566	1,087,698	698	1,760,474	61,320	805,441	-	68,610,076	-	10%	20%
Rate	-	10%	10%	10%	10%	10%	10%	10%	10%	20%	20%	20%	20%	-	-	-	10%	20%

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	Note	2024 Rupees	2023 Rupees
5.1 The depreciation for the year has been allocated as follows:			
Cost of goods manufactured		6,788,492	6,651,273
Administrative expenses		410,260	468,563
		<u>7,198,752</u>	<u>7,119,836</u>
5.2 Leasehold Land represents 5 acre of land situated at C-5 Uthal Industrial Estate Uthal District Lasbella Baluchistan on which factory and non factory building are constructed. Currently production facility is closed due to declining security situation in Lasbella. Plant and machinery was shifted to new rented premisses located in Industrial zone Port Qasim Authority, karachi			
6 ASSETS IN BOND			
Engineering stores	6.1	19,705,171	19,705,171
Provision for impairment		<u>(19,705,171)</u>	<u>-</u>
		<u>-</u>	<u>19,705,171</u>
6.1 These are molds which, have been pledged with a lender. These molds were imported in 1990 and were damaged by the Custom Authorities in respect of which the company has filed suits. Since the Engineering Stores are held in bond, the extent of damage occurred could not be ascertained with reasonable certainty.			
7 DEFERRED TAXATION			
Taxable temporary difference			
Accelerated depreciation		5,210,550	-
Deductible temporary differences:			
Provision for expected credit Loss		6,034,620	-
Tax loss		5,603,114	-
Provision for Gratuity		8,244,883	-
		<u>19,882,617</u>	<u>-</u>
		<u>14,672,067</u>	<u>-</u>
8 LONG TERM DEPOSITS		<u>1,423,656</u>	<u>431,710</u>
9 STORES, SPARES AND LOOSE TOOLS			
Stores and spares		16,424,421	17,086,059
Loose tools		1,600,849	1,600,849
		18,025,270	18,686,908
Less: Provision for slow moving items	9.1	<u>(15,651,139)</u>	<u>(7,706,083)</u>
		<u>2,374,131</u>	<u>10,980,825</u>
9.1 Provision for slow moving stores, spares and loose tools			
Opening balance		7,706,083	7,706,083
Charge for the year		-	-
		<u>7,706,083</u>	<u>7,706,083</u>
10 STOCK-IN-TRADE			
Raw materials		102,669,220	82,664,006
Raw materials in bond		-	1,084,670
Finished goods		48,107,719	48,017,210
		150,776,939	131,765,886
Less: Provision for slow moving finished goods		<u>(422,667)</u>	<u>(422,667)</u>
		<u>150,354,272</u>	<u>131,343,219</u>
11 TRADE RECEIVABLES - UNSECURED			
Considered doubtful		108,682	108,682
Considered good		104,226,272	126,058,519
		104,334,954	126,167,201
Less: Allowance for ECL	11.1	<u>(20,809,033)</u>	<u>(108,682)</u>
		<u>83,525,921</u>	<u>126,058,519</u>
11.1 Allowance for ECL			
Balance at beginning of the year		108,682	108,682
Charge during the year - net		20,700,351	-
Allowance no longer required		-	-
Write - off		-	-
Balance at the end of the year		<u>20,809,033</u>	<u>108,682</u>

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	Note	2024 Rupees	2023 Rupees
12 OTHER RECEIVABLES			
Advance to Employees		3,290,236	877,692
Advance to Suppliers		662,704	538,379
Letter of credit		72,471,353	-
Sales Tax Receivable		142,021	5,844,967
Advance income tax		37,282,619	16,806,053
		113,848,933	24,067,091
13 CASH AND BANK BALANCES			
Cash in hand		1,514,000	-
Pay order in Hand		5,644,388	-
Cash at banks - in current accounts			
Local currency		4,707,394	796,571
		4,707,394	796,571
		11,865,782	796,571
14 TRADE AND OTHER PAYABLES			
Creditors		40,619,624	55,900,444
Accrued liabilities			
Salaries and wages		3,452,572	3,119,454
Mark-up on short term finances		416,419	3,779,440
Accrued expenses		-	-
Staff Gratuity payable		3,875,034	5,070,527
		7,744,025	11,969,421
Other liabilities			
Contract Liabilities		19,434,844	845,119
Tax deducted at source		8,324,478	6,757,021
Rent payable		4,823,984	21,046,320
Workers welfare fund		3,696,275	1,243,942
Workers profit participation fund	14.1	6,453,509	2,633,466
Others		138,660	382,337
		42,871,750	32,908,205
		91,235,399	100,778,070
14.1 Workers' profits participation fund			
Opening balance		2,633,466	380,894
Contributions for the year		6,453,509	2,633,466
Intrest on Funds used in the Company's business		220,175	26,980
		9,307,150	3,041,340
Less: Payments during the year		(2,853,641)	(407,874)
		6,453,509	2,633,466
15 INCOME TAX PAYABLE			
Closing Balance		8,335,974	5,727,754
Provided during the year			
- Current	27	24,613,099	8,335,974
- Prior		-	-
		24,613,099	8,335,974
		32,949,074	14,063,728
Payments/adjustments during the year		(8,335,974)	(5,727,754)
		24,613,100	8,335,974

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	Note	2024 Rupees	2023 Rupees
16 SHORT TERM BORROWING			
Habib Metropolitan Bank Trust Receipts Foreign Bills	16.1	82,968,058	140,900,109
Banking Company Secured			
Others	16.2	156,065,220	156,762,784
Un-Secured			
		<u>239,033,278</u>	<u>297,662,893</u>

16.1 This represents the Trust Receipts finance facility of Rs.150 million to facilitate retirement of import bills under Letter of credit sight opened through Habib Metropolitan Bank (2023: Rs.150) bearing mark-up of 3 month Kibor plus 1% (2023: 3 month Kibor plus 1%) per annum. This loan to be paid within maximum 180 days from the date of initiation. The loan is secured against First Pari Passu charge over plant & machinery, personal guarantees of Shahid Tawawalla Director of M/s Messkay & Femtee Trading Co Pvt Ltd. & Coprrate Gurantee of M/s Messkay & Femtee Trading Co Pvt Ltd. The facility expires on 30-09-2024.

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

17 DEFERRED LIABILITY

	Note	2024 Rupees	2023 Rupees
17.1 Staff retirement benefits			
Staff Gratuity			
As at the beginning of the year		25,097,910	10,904,535
Charge to profit and loss account		4,485,403	4,351,309
Paid during the year to existing employees employee		-	(200,000)
Benefits due but now transfer to short term liability		-	(1,173,977)
(Gain)/ loss during the year		(1,152,683)	11,216,043
As at end of the year		<u>28,430,630</u>	<u>25,097,910</u>
Employees' compensated absences	17.2	1,235,896	1,252,426
Paid During Year		(43,393)	(16,530)
		<u>1,192,503</u>	<u>1,235,896</u>
		<u>29,623,133</u>	<u>26,333,806</u>

17.1.1 Charge to profit or Loss

Current service cost	953,482	842,754
Interest on past service Cost	3,531,921	3,508,556
	<u>4,485,403</u>	<u>4,351,310</u>
(Gain) or Loss recognized during the year	(1,152,683)	11,216,043
	<u>3,332,720</u>	<u>15,567,353</u>

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

Cost of sales	3,262,695	3,272,686
Administrative expenses	1,222,708	1,078,623
	<u>4,485,403</u>	<u>4,351,309</u>

2.

Present value of define benefit obligation has been determined using projected unit credit method. The liability as at June 30,2023 and June 30, 2024 has been determined by the management of the company based on projected unit credit method. The principal assumptions used in determining present value of define benefit obligation are.

	2024 Rupees	2023 Rupees
Discount rate	14.75	16.75
Expected rate of increase salary	5	5

Historical information

Present value of defined benefits obligation	28,430,630	25,097,910
Adjustment arising during the year	(1,152,683)	11,216,043
Valuation date	June 30,2024	June 30,2023

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

17.1.3 Sensitivity of Assumptions.

Sensitivity analysis was carried out on significant assumptions, such as discount rate and salary increase rate. Impact of changing these assumption are as under :-

1 Salary Increase +100 bps	28,406,010	25,084,117
2 Salary decrease -100 bps	28,456,245	25,112,448
3 Discounr rate + 100 bps	28,406,010	25,084,117
4 Discounr rate -100 bps	28,456,245	25,112,448

17.2 Employees' compensated absences

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

1,235,896	1,252,426
-	-
1,235,896	1,252,426
-	(16,530)
1,235,896	1,235,896

Benefits paid during the year

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

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 Income Tax assessment Tax year 2016 and 2017

Appeal filed by the company before the Appellate Tribunal Inland Revenue, Karachi against amended assessment order for Tax year 2016 and 2017 under section 122(5A) of the Income Tax Ordinance 2001 creating tax liability of Rs 12.1 million. The Appellate Tribunal had upheld the demand with direction to MTU to adjust the tax demand by allowing available tax lossess. The assessment is pending with Commissioner and the company has a good arguable case on merits.

18.1.2 Income Tax assessment Tax Year 2018

Constitutional petition No 14 of 2024 filed by the company before the High Court of Sindh against amended assessment order for Tax year 2018 under section 122(5A) of the Income Tax Ordinance 2001 creating tax liability of Rs 15 million stay has been granted by the High Court. In the opinion of legal advisor the company has a good arguable case on merits.

18.1.3 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. 5.023 million as at June 30, 2024, 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, 2023. The company believes that the said amount will be paid.

18.2 Commitments

Nil

Nil

18.2.1 Guarantee issued to Honorable High Court of Sindh amounting to Rs.500,000 (2023: Rs.500,000).

17,2,2 Letter of credit from raw material Rs. 67,0 million (2023 8.85) million

Handwritten signature

1,282,392,006	708,881,278
(173,832,182)	(89,069,803)
1,108,559,824	619,811,475

	Note	2024 Rupees	2023 Rupees
22 COST OF SALES			
Opening stock of finished goods		48,017,210	11,468,329
Cost of goods manufactured	22.1	868,888,409	562,639,054
		916,905,619	574,107,383
Closing stock of finished goods		(48,107,719)	(48,017,210)
		<u>868,797,900</u>	<u>526,090,173</u>
22.1 Cost of goods manufactured			
Raw materials consumed	22.1.1	687,888,402	429,620,586
Store and spares consumed		14,462,777	13,157,885
Salaries, wages and other benefits		25,178,165	18,997,131
Gratuity expense		3,262,695	3,272,686
Indirect labor (external processing)		9,700,270	6,735,128
Utilities		85,183,364	60,530,377
Rent For Generator		2,275,000	690,000
Repairs and maintenance		3,326,441	2,482,748
Rent rates & taxes		-	14,500
Postage telephone and telegram		64,509	81,130
Fees and subscription		100,000	6,000
Traveling, conveyance and vehicle running expenses		5,016,629	4,600,976
Insurance		1,342,628	963,494
Printing and stationery		-	4,890
Rent expense		21,980,880	14,746,320
Security Expenses		2,283,158	-
Other Expenses		35,000	83,930
Depreciation	5.1	6,788,492	6,651,273
Cost of goods manufactured		<u>868,888,409</u>	<u>562,639,054</u>
22.1.1 Raw materials consumed			
Opening stock		82,664,006	34,037,114
Purchases		707,893,616	478,256,296
Purchase return		-	(8,818)
		790,557,622	512,284,592
Closing stock		(102,669,220)	(82,664,006)
		<u>687,888,402</u>	<u>429,620,586</u>
23 GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits		10,284,019	6,433,155
Directors' remuneration and executive		-	-
Traveling, conveyance and vehicle running expenses		1,614,122	840,825
Gratuity expense		1,222,709	1,078,623
Insurance		510,429	54,501
Utility charges		1,588,197	1,178,981
Postage, telephone and telegram		633,016	732,910
Repair and maintenance		1,343,291	304,639
Depreciation on operating assets	5.1	410,260	468,563
Fee and subscription		4,177,701	926,924
Legal and professional Charges		125,000	1,764,777
Printing and stationery		507,991	486,087
Office expenses		3,723,921	182,690
Books and periodicals		25,752	21,330
Auditors' remuneration	23.1	773,408	426,728
Freight and octroi		-	10,500
Income tax Demand		-	-
Entertainment		340,604	1,950
		<u>27,280,420</u>	<u>14,913,183</u>

2

	Note	2024 Rupees	2023 Rupees
23.1 Auditors' remuneration			
Statutory annual audit fee		637,200	298,080
Half yearly review		86,400	78,840
Review report on code of corporate governance		29,808	29,808
Out-of-pocket expenses		20,000	20,000
		773,408	426,728
24 SELLING AND DISTRIBUTION EXPENSE			
Freight & outward		13,622,660	11,130,422
Advertising and publicity		53,400	248,150
Loading and unloading		-	23,600
Commission		934,406	-
		14,610,466	11,402,172
25 FINANCE COST			
Bank charges		311,099	133,876
Interest on WPPF		220,175	26,980
Markup on short Term Finance HMB		18,834,337	14,575,763
		19,365,611	14,736,619
26 OTHER CHARGES/ INCOME			
Workers profit participation fund		(6,453,509)	(2,633,466)
Workers Welfare Fund		(2,452,333)	(1,000,717)
Raw materials in bond writeoff		(1,084,670)	-
Provision for slow moving stores		(7,945,056)	-
Impairment of Assets in Bond		(19,705,171)	-
Allowance for expected credit loss on trade debts		(20,700,351)	-
		(58,341,091)	(3,634,184)
27 TAXATION			
Current	27.1	24,613,099	8,335,974
Deferred	27.2	(14,672,067)	-
Prior	27.1.1	2,154,000	-
		12,095,032	8,335,974
27.1 Current			
Under normal assessment		24,613,099	8,335,974
Income tax on exports		-	-
		24,613,099	8,335,974
27.2 Prior			
Under normal assessment		2,154,000	-
27.1.1 Relationship between tax expense and accounting profit			
Profit / (loss) before taxation		120,164,336	49,035,145
Tax at the applicable rate		29%	29%
Tax on accounting Profit		34,847,658	14,220,192
Tax effect of income taxed at lower rate			
- Effect of prior year taxation		2,154,000	-
- Effect of tax losses		(25,508,641)	(14,220,192)
- Effect of admissible/ Inadmissible expenses		15,232,343	-
- Effect of deferred taxation		(14,672,067)	-
- Difference of corporate Tax on accounting profit		-	8,335,974
- Difference of minimum Tax on accounting profit		41,739	-
		(22,752,626)	5,884,218
		12,095,032	8,335,974
Brought forward tax losses		19,321,084	108,827,691
The income tax assessments have been finalized up to the tax year 2024			

2.

	Note	2024 Rupees	2023 Rupees
28 EARNINGS PER SHARE			
No figures for diluted earnings per share has been presented as the company has not yet issued any instrument which would have an impact on earnings per share when exercised.			
Profit/(loss) after taxation		108,069,304	40,699,170
Weighted average number of ordinary shares		28,748,133	28,748,133
Earnings per share - basic and diluted		<u>3.76</u>	<u>1.42</u>
29 TRANSACTIONS WITH ASSOCIATED/RELATED PARTIE Relationship			
Subordinated borrowings from director Azeem H Mandviwalla	Director	115,714,528	115,714,528
Subordinated borrowings from director Azeem H Mandviwalla movement		-	-
Borrowings from Others	Prospective Investor	156,065,220	156,762,784
Borrowings from Others movement	Prospective Investor	(697,564)	37,500,000
Salary Payable Directors Azeem H Mandviwalla	Director	1,082,520	1,082,520
Salary Payable Directors Azeem H Mandviwalla movement	Director	-	-
Staff gratuity payable	Employees retirement benefits	28,430,630	25,097,910
Benefits due but now transfer to short term liability	Employees retirement benefits	3,875,034	5,070,527
Staff gratuity charged	Employees retirement benefits	4,485,403	4,351,310
Staff retirement benefits paid	Employees retirement benefits	(1,195,493)	(761,030)

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

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

29.2 The Loan of Habib Metropolitan Bank is secured by personal guarantees of Shahid Tawawalla Director of M/s Messkay & Femtee Trading Co Pvt Ltd. & Coprprate Gurantee of M/s Messkay & Femtee Trading Co Pvt Ltd

2.

30 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2024	2023	2024	2023	2024	2023
Managerial remuneration	-	-	-	-	6,300,000	5,242,000
Housing allowance	-	-	-	-	-	-
Medical expense/	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Motor vehicle expense	-	-	-	-	-	-
	-	-	-	-	6,300,000	5,242,000
Number of persons	1	1	-	-	2	2

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

30.2 Aggregate amount charged in these accounts in respect of non-executive directors fee is Rs. Nil (2023: Rs. Nil).

31 PLANT CAPACITY AND ACTUAL PRODUCTION (IN TONS)

The production capacity of the whole unit plant on single shift basis, comes to 5,475 tons (2023: 5,475) 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, 2024 comes to 1,820 tons (2022: 1,180 tons) which is 33% (2023: 22%) of the total capacity.

	Note	2023 Rupees	2022 Rupees
32 CASH AND CASH EQUIVALENTS			
Cash and bank balances		11,865,782	796,571
		11,865,782	796,571

32.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Habib Metropolitan Bank Trust Receipts Foreign Bills	Others	Total
Opening balance s at 1 July 2023	140,900,109	156,762,784	297,662,893
Received during the year	663,929,082	8,768,793	672,697,875
	663,929,082	8,768,793	672,697,875
Payments during the year	(721,861,133)	(9,466,357)	(731,327,490)
	(721,861,133)	(9,466,357)	(731,327,490)
Net Payments	(57,932,051)	(697,564)	(58,629,615)
Closing Balance as at 30 June 2024	82,968,058	156,065,220	239,033,278

2.

33 FINANCIAL RISK MANAGEMENT

33.1 Maturities of financial assets and liabilities as at June 30, 2024

	Mark up bearing maturity			Non-mark-up bearing maturity				
	Up to one year	Over one year up to five years	Sub-total	Up to one year	Over one year up to five years	Over five years	Sub-total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial Assets at amortized cost								
Advances & Deposits	-	-	-	3,290,236	-	1,423,656	4,713,892	4,713,892
Trade debts	-	-	-	83,525,921	-	-	83,525,921	83,525,921
Cash and bank balances	-	-	-	11,865,782	-	11,865,782	11,865,782	11,865,782
	-	-	-	98,681,939	-	1,423,656	100,105,595	100,105,595
Financial liabilities at amortized cost								
Deferred liabilities	-	-	-	-	-	29,623,133	29,623,133	29,623,133
Short term Borrowings	82,968,058	-	82,968,058	156,065,220	-	-	156,065,220	239,033,278
Unclaimed dividend	-	-	-	2,208,846	-	-	2,208,846	2,208,846
Creditors, accrued and other liabilities	-	-	-	91,235,399	-	-	91,235,399	91,235,399
	82,968,058	-	82,968,058	249,509,465	-	29,623,133	279,132,598	362,100,656
Sensitivity gap - 2024	- 82,968,058	- (82,968,058)	(150,827,527)	- (150,827,527)	- (28,199,477)	(179,027,004)	(261,995,062)	

Maturities of financial assets and liabilities as at June 30, 2023

Statement of Financial Assets and Liabilities as at June 30, 2023								
	Mark up bearing maturity			Non-mark-up bearing maturity				Total
	Up to one year	Over one year upto five years	Sub-total	Up to one year	Over one year upto five years	Over five years	Sub-total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Financial Assets at amortized cost								
Advances & Deposits	-	-	-	877,692	-	431,710	1,309,402	
Trade debts	-	-	-	126,058,519	-	-	126,058,519	
Cash and bank balances	-	-	-	796,571	-	-	796,571	
	-	-	-	127,732,782	-	431,710	128,164,492	
Financial liabilities at amortized cost								
Deferred liabilities	-	-	-	-	-	-	-	
Short term Borrowings	140,900,109	-	140,900,109	156,762,784	-	26,333,806	26,333,806	
Unclaimed dividend	-	-	-	2,208,846	-	-	2,208,846	
Creditors, accrued and other liabilities	-	-	-	100,778,070	-	-	100,778,070	
	140,900,109	-	140,900,109	259,749,700	-	26,333,806	286,083,506	
Sensitivity gap - 2023	(140,900,109)	-	(140,900,109)	(132,016,918)	-	(25,902,096)	(157,919,014)	
							(298,819,123)	

(a) the effective rate of profit / mark-up are disclosed in the respective notes.

(b) On-balance sheet gap represents the net amount of on-balance sheet items.

33.2 Capital risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. During 2021 the company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2023 and 2022 were as follows:

Total borrowings	239,033,278	297,662,893
Cash and bank	(11,865,782)	(796,571)
Net debt / (cash)	227,167,496	296,866,322
Total equity	55,895,580	(53,326,408)
Total capital	283,063,076	243,539,914
Gearing ratio in %	0.80	1.22

The company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix of such instruments. Taken as a whole, company is materially exposed to capital risk.

33.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk, and other price risk.

(i) Currency risk

Currency risk arises due to fluctuation in foreign exchange rates. The Company has transactional currency exposure. Such exposure arises from imports by the Company in currencies other than Rupee.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate. If Pakistani Rupee (Pak Rupee) had weakened / strengthened by 40% (2023 40%) against the USD, with all other variables held constant, the effect on the Company's profit for the year (due to changes in the fair value of monetary assets and liabilities) at June 30, 2024 and 2023 would have been as follows:

2.

	Increase (Decrease) US Dollar to Pak Rupee	Effect on profit/(loss) before tax Rupees
2024		
Pak Rupees	+3%	111,311,383
Pak Rupees	-3%	104,827,225
2023		
Pak Rupees	+40%	56,978,838
Pak Rupees	-40%	24,419,502

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Term Deposit Receipts. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments is as follows:

Financial liabilities

	2024 Rupees	2023 Rupees
Variable rate instruments		
Habib Metropolitan Bank Trust Receipts Foreign Bills	82,968,058	140,900,109

Cash flow sensitivity analysis for variable rate instruments

A Change of 100 basis in interest rates at the reporting date would have increase/(decrease) profit for the year by the amounts shown below. This analysis assumes that all over variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basic for the prior year.

	Profit or loss (post tax) 100 bps increase (Rupees in thousands)	100 bps decrease (Rupees in thousands)
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial liabilities	896,873	(896,873)
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial liabilities	694,084	(694,084)

The Sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/liabilities of the companies

33.4 Credit Risk

Credit Risk represents the accounting loss that would be recognized in the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash equivalents, deposits with banks, as well as credit exposures to customers and other counter parties which includes loans and advances, trade debts and other receivables. Out of the total financial assets, those that are subject credit risk amounted to Rs. 121 Million (2023: Rs.128 million).

For trade debts, credit risk assessments process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the company also believes that it is not exposed to major concentration of credit risk.

In respect of other counter parties, due to the company's long standing business relationships with them, management does not expect non-performance by these counter parties on their obligations to the company.

The maximum exposure to credit risk as at June 30, 2024, along with comparative is tabulated follows:

	Note	2024 Rupees	2023 Rupees
Financial Assets			
Financial Assets at amortized cost			
Advances & Deposits		4,713,892	1,309,402
Trade debts		83,525,921	126,058,519
Cash and bank balances		11,865,782	796,571
		100,105,595	128,164,492
Not past due		59,044,344	55,108,359
Past due 1-30 days		5,665,610	10,674,858
Past due 30-60 days		18,805,969	60,275,302
Past due 60-90 days		9,520,104	108,682
Past due 90-120 days		2,685,526	
Past due >120 days		8,613,401	
Allowance for ECL		(20,809,033)	(108,682)
To manage exposure		83,525,921	126,058,519

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The ratings of banks ranges from A to AAA

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Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

33.5 Liquidity Risk

Liquidity Risk is the risk that an entity will encounter difficulties in meeting obligation associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position. The company maintains flexibility in funding by maintaining availability under committed credit lines.

Financial liabilities in accordance with their contractual maturities are presented :

	Carrying Amount Contractual Cash Flows	On Demand contractual cash flow	Six month or less	Six to twelve months	One to Two year	Two to five year
Deferred liabilities	29,623,133	-	-	-	-	29,623,133
Short term Borrowings	239,033,278	156,065,220	82,968,058	-	-	-
Unclaimed dividend	2,208,846	2,208,846	-	-	-	-
Creditors, accrued and other liabilities	91,235,399	14,227,453	77,007,946	-	-	-
	<u>362,100,656</u>	<u>172,501,519</u>	<u>159,976,004</u>	<u>-</u>	<u>-</u>	<u>29,623,133</u>

33.6 Fair values of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liability
 - Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices
 - Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs
- Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.
- The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values

34 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment.

All the sales of the company relates to Plastic Barrels

Total sales of the company relating to customers in Pakistan were 100% during the year ended June 30, 2024 (June 30 2023 100%)

All non current assets of the company as at June 30, 2024 and 2023 are located in Pakistan.

Sales to four major customers of the company are 73% during the year ended June 30, 2024. (June 30 2023 73%)

35 STAFF STRENGTH

Total		
June, 30	57	46
Average	63	52
Plant		
June, 30	46	39
Average	52	44

06 NOV 2024


36 DATE OF AUTHORIZATION

These accounts were authorized for issue on _____ by the Board of Directors of the company.

37 GENERAL AND LEVEL OF PRECISION

Figures in these accounts have been rounded off to the nearest rupee.


Chief Executive


Director


Chief Financial Officer



ReportID : SH0930MRG(10D09)

MANDVIWALLA MAUSER PLASTIC IND. LTD.

Page : 1

UserID : MANAGER

Pattern of Shareholding
As On 30/06/2024

Date : 30/10/2024

<---- HAVING SHARES ---->

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
959	1	100	84614	0.2943
1276	101	500	561104	1.9518
138	501	1000	133274	0.4636
193	1001	5000	565379	1.9667
38	5001	10000	321300	1.1176
11	10001	15000	142901	0.4971
9	15001	20000	161492	0.5617
2	20001	25000	42500	0.1478
7	25001	30000	194294	0.6758
4	30001	35000	133336	0.4638
1	35001	40000	37000	0.1287
2	40001	45000	84644	0.2944
2	45001	50000	99000	0.3444
1	50001	55000	50006	0.1739
2	55001	60000	119076	0.4142
3	65001	70000	202945	0.7059
1	80001	85000	83652	0.2910
1	85001	90000	90000	0.3131
1	90001	95000	95000	0.3305
1	110001	115000	113000	0.3931
1	125001	130000	129500	0.4505
1	135001	140000	138000	0.4800
1	145001	150000	146203	0.5086
1	235001	240000	239800	0.8341
1	400001	405000	404000	1.4053
1	515001	520000	518855	1.8048
1	1165001	1170000	1167970	4.0628
1	1295001	1300000	1296555	4.5100
1	21390001	21395000	21392733	74.4143
2661		Company Total	28748133	100.0000

CATEGORIES OF SHARE HOLDERS

AS AT JUNE 30, 2024

Categories	No. of Share Holders	Total Share Held	Percentage%
Individuals Including Directors	2645	28,471,818	99%
Joint Stock Companies	12	139,615	0%
Financial Institutions	3	135,200	0%
Modarabas & Mutual Funds	1	1,500	0%
Total	2661	28,748,133	100%

Mandviwalla Mauser Plastic Industries Limited

**DETAIL OF CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2024**

Category of Shareholders	No. of Shareholders / Folio	Share Held
Associated companies, undertakings and related parties	Nil	Nil
NIT and ICP	1	5200
Directors, CEO and their Spouse and Minor Children		
Mr. Azeem H. Mandviwalla (Chief Executive)	2	22,689,288
Mst. Farha Qureshi (Director)	1	500
Mr. Shamim Ahmed (Director)	1	500
Mr. Tariq Mahmood (Director)	1	500
Mr. Abdul Qadir Shiwani (Director)	1	500
Mr. Naseer Ahmed (Director)	1	500
Syed Asghar Ali (Director)	1	800
	8	22,692,588
Exectives	Nil	Nil
Public Sector Companies and Corporations	Nil	Nil
Banks, Development Finance Institutions, Non- Banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds	3	131,500
General Public (local)	2629	5,746,580
General Public (Foreign)	8	32,650
Joint Stock Companies & Others	12	139,615
	2,661	28,748,133

Shareholders Holding 10% or more Voting interst in Company

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

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 Foilo No. _____

herby appoint _____

who is also Member of the company, of _____

as my/out Proxy to vote for me/us and on my/our behalf at the 36th Annual General
Meeting of the Company to be held on 26th November 2024 and at any adjournment
thereof.

Signed this _____ day of _____ 2024

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 corpotation, it's common seal should be affixed to the instrumnet and signed by authorized person(s).

