

**(Un-audited)**

**Half Yearly Accounts**  
for the Period ended  
**December 31, 2017**



**BALUCHISTAN GLASS LIMITED**

An ISO 9001:2008 Certified Company



## Corporate Information

### Board of Directors

Mr. Muhammad Tousif Paracha	CEO
Mr. Mian Nazir Ahmed Paracha	
Mr. Mustafa Tousif Ahmed Paracha	Chairman
Mrs. Tabsum Tousif Paracha	
Mr. Shaffi Uddin Paracha	
Mr. Muhammad Niaz Paracha	
Mr. Shamim Anwar	

### COMPANY SECRETARY

Mr. Sheikh Arif Moin-ul-Haq

### AUDIT COMMITTEE

Mr. Mian Nazir Ahmed Paracha	Chairman
Mr. Mustafa Tousif Ahmed Paracha	Member
Mr. Muhammad Niaz Paracha	Member
Mr. Shamim Anwar	Member

### HR & REMUNERATION COMMITTEE

Mr. Mustafa Tousif Ahmed Paracha	Chairman
Mr. Mian Nazir Ahmed Paracha	Member
Mr. Muhammad Niaz Paracha	Member

### BANKERS

The Bank of Punjab  
Bank Al Falah Limited  
Al Baraka Bank (Pakistan) Limited  
Faysal Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
United Bank Limited  
Bank Islami Pakistan Limited  
JS Bank Limited  
MCB Bank Limited

### AUDITORS

PKF F.R.A.N.T.S.  
Chartered Accountants

### LEGAL ADVISOR

Masood Khan Ghory  
(Advocate & Legal Consultant)

### REGISTERED OFFICE

Plot no. 8, Sector M, H.I.T.E.,  
Hub, District Lasbella, Balochistan.  
Tel : 0853 - 363657

### HEAD OFFICE

12-KM, Sheikhpura Road,  
Kot Abdul Malik,  
Lahore.  
Ph. # 042-37164424-5  
37164071  
Web: www.balochistanglass.com  
Email: info@balochistanglass.com

### KARACHI OFFICE

Dime Centre, B.C. 4, 3rd Floor,  
Block 09, Clifton, Karachi.  
Ph. No. 021-35377977-80

### FACTORIES

#### UNIT-I

Plot no. 8, Sector M, H.I.T.E.,  
Hub, District Lasbella,  
Balochistan.

#### UNIT-II

29-KM, Sheikhpura Road,  
Sheikhpura.

#### UNIT-III

12-KM, Sheikhpura Road,  
Kot Abdul Malik,  
Lahore.

### SHARE REGISTRAR

Corplink (Pvt.) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore.

## Directors' Report

The Directors of your Company are pleased to present the Condensed Interim Financial Information for the half year ended December 31, 2017.

### COMPANY PERFORMANCE & FUTURE OUTLOOK

Brief comparison of key financial results of the Company for the half year and quarter ended December 31, 2017 as against the comparable preceding period is as follows:

	For The Half Year Ended		For The Quarter Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Sales - Net	246,126	441,043	113,779	194,752
Gross loss	(67,172)	(150,331)	(35,119)	(81,855)
Operating loss	(88,052)	(142,685)	(46,388)	(61,637)
Loss before taxation	(117,308)	(247,117)	(63,133)	(118,199)
Loss after taxation	(118,704)	(249,683)	(63,718)	(119,225)
Loss per share	(0.69)	(1.46)	(0.37)	(0.70)

In order to run the Company on sustainable basis and make the Company competitive in terms of product quality and production volume, the management had taken fundamental strategic decision to close its Unit II in October 2016, for the purpose of modernization of its production facilities that has resulted in shortfall in production activities during the period as compare to the corresponding periods. During the current period, Unit-III remained in production at its partial capacity and produced Pharmaceutical products for which production facilities were relocated from Unit-I in the previous financial year.

As discussed above, based on the management strategic decisions of modernization of its production facilities, both Units I & II were closed for some period of time, which affected the financial performance of the Company, but the management is aggressively working on a fundamental strategy to invest in modernization of its production facilities. The Company has started acquisition of modernized machinery for its Balancing, Modernization and Replacement (BMR) for which letter of credits were established in the previous period. The Company is in process of installing certain imported machinery at Unit-I which will start its production in the last quarter of this financial year.


With the committed support of the directors relating to availability/provision of financial resources, management is actively exploring the options in respect of upgraded production facilities in order to compete and penetrate the market with the objective to increase its market share. Management is of the view that, though, implementation of this strategy shall take few more time and will require financial resources but in the long run this will not only help the Company overcoming the ever increasing challenges but also will provide the Company competitive edge over their competitors in terms of better quality of products hence better price and better profit margins, streamlined production activities, lower costs, increased product demand and increased production efficiencies.

### GOING CONCERN ASSUMPTION

On the basis of consistent financial support from sponsoring directors, associates along with successful negotiations with banks & financial institutions for restructuring/settlement of overdue credit facilities, honoring existing restructuring/settlement agreements, modernization of production facilities, future demand of glass products & prospects of industry, and other supportive steps taken by management, Board of Directors' feels that Company will have adequate resources to operate its business on a sustainable basis for foreseeable future, therefore, these financial statements have been prepared on going concern basis. Management is also confident that it will be able to handle the liquidity related issues in near future with the adamant financial support from its directors and associates.

We are highly confident that up gradation of the production facilities will result into increased market share which would definitely help in getting the Company out of the current situation and achieving desirable market results in near future.

For and on the behalf of Board of Directors'  
**Muhammad Tousif Paracha**

  
Chief Executive

## ڈائریکٹر زکی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2017 پر اختتام پزیر پہلی ششماہی کی عبوری غیر آئٹڈ مالیاتی معلومات بخوشی پیش کرتے ہیں۔

### کمپنی کی کارکردگی اور عمومی مستقبل کے نقطہ نظر:

31 دسمبر 2017 کو ختم ہونے والی پچھلی ششماہی کی مدت کے مقابلے میں کمپنی کے اہم مالیاتی نتائج کا مختصر موازنہ:

سہ ماہی نتائج		ششماہی نتائج	
دسمبر	دسمبر	دسمبر	دسمبر
<b>31-2016</b>	<b>31-2017</b>	<b>31-2016</b>	<b>31-2017</b>
194,752	113,779	441,043	246,126
(81,855)	(35,119)	(150,331)	(67,172)
(61,637)	(46,388)	(142,685)	(88,052)
(118,119)	(63,133)	(247,117)	(117,308)
(119,225)	(63,118)	(249,683)	(118,704)
(0.70)	(0.37)	(1.46)	(0.69)
			سیلز نیٹ
			مجموعی خسارہ
			آپریٹنگ خسارہ
			ٹیکسیشن سے پہلے خسارہ
			ٹیکسیشن کے بعد خسارہ
			فی شنیر میں کمی

کمپنی کو پائیدار بنیادوں پر چلانے کیلئے اور کمپنی کو مصنوعات کے معیار اور پیداوار کے حجم کے لحاظ سے مسابقتی بنانے کے لئے، کمپنی انتظامیہ نے اکتوبر 2016 میں اپنے یونٹ II کو بند کرنے کا بنیادی اسٹریٹجک فیصلہ لیا تھا، تاکہ اس کی پیداوار کی ان سہولیات کو جدید بنایا جائے جو کہ پچھلی بار اسی عرصے کے دوران پیداوار میں کمی کی وجہ تھیں۔ موجودہ مدت کے دوران، یونٹ - III کی جزوی صلاحیت پر پیداوار جاری رہی اور دواسازی کی مصنوعات تیار کی، جس کے لئے گزشتہ مالی سال میں یونٹ - I میں سے پیداوار کی سہولیات منتقل کردی گئی۔

جیسا کہ اوپر بیان کیا گیا ہے کہ، پیداوار کی سہولیات کے جدید بنانے کے انتظامی اسٹریٹجک فیصلے کی بنیاد پر، یونٹس I & II دونوں کو کچھ عرصے تک بند کر دیا گیا، جس نے کمپنی کی مالی کارکردگی کو متاثر کیا، لیکن انتظامیہ جارحانہ انداز میں بنیادی حکمت عملی پر کام کر رہی ہے۔ اس کی پیداوار کے سہولیات کی جدیدیت میں سرمایہ کاری۔ کمپنی نے اس کے بیلنس، جدیدی اور تبدیلی کے لئے جدید مشینری حاصل کرنے کا آغاز کیا ہے جس کے لئے پچھلے عرصے میں کریڈٹ قائم کیے گئے ہیں۔ کمپنی یونٹ - I میں مخصوص درآمد شدہ مشینری نصب کرنے کے عمل میں ہے جو اس مالی سال کے آخری سہ ماہی میں اپنی پیداوار شروع کرے گی۔

مالی وسائل کی دستیابی / فراہمی سے متعلق ڈائریکٹروں کی عزم کی حمایت کے ساتھ، مارکیٹ کو اس کے حصص میں اضافہ کرنے کے مقصد سے مقابلہ کرنے اور مارکیٹ میں گھسنے کے لئے اعلیٰ درجے کی پیداوار کی سہولتوں کے سلسلے میں انتظامیہ کو فعال طور پر اختیارات کو تلاش کر رہا ہے۔ انتظام یہ ہے کہ، اگرچہ، اس حکمت عملی کے عمل کو کچھ وقت لگے گا اور مالی وسائل کی ضرورت ہو گی لیکن طویل عرصہ میں یہ کمپنی نہ صرف اس سے بڑھتی ہوئی چیلنجوں پر قابو پانے میں مدد کرے گی بلکہ ان کے مقابلے میں کمپنی کو مقابلہ کتارے بھی فراہم کرے گا۔ مصنوعات کی بہتر معیار کے لحاظ سے حریف، اس وجہ سے بہتر قیمت اور بہتر منافع، منجن، تابود پیداوار کی سرگرمیوں، کم قیمتوں، مصنوعات کی طلب میں اضافے اور پیداوار میں اضافے میں اضافہ ہوا ہے۔

### موجودہ مفروضہ جات پر تشویش:

ڈائریکٹرز سے مسلسل مالی امداد کے بنیاد پر بنکوں کے قرضوں کی سہولیات کی تنظیم نو / حل کیلئے مالیاتی اداروں کے ساتھ کامیاب مذاکرات اور معاهدات، پیداوار کی سہولیات کو جدید کرنے، شیشے کی مصنوعات اور صنعت کے امکانات اور مستقبل کی ضروریات کے ساتھ ساتھ ساتھیوں اور انتظامیہ کی جانب سے اٹھائے جانے والے دیگر معاونتی اقدامات پر بورڈ آف ڈائریکٹرز محسوس کرتا ہے کہ کمپنی کے کاروبار کو مستقبل میں پائیدار بنیادوں پر چلانے کیلئے مناسب وسائل حاصل ہونگے۔ لہذا ان کی ششماہی مالیاتی رپورٹ اسی تشویش کی بنیاد پر تیار کی گئی ہے۔ انتظامیہ کو یہ بھی یقین ہے کہ کمپنی اس کے ڈائریکٹرز اور ساتھیوں سے مالی مدد کے ساتھ مستقبل میں لیکوئیڈٹی کے متعلق وسائل کو ہینڈل کرنے کے قابل ہو جائے گی۔

ہمیں یقین ہے کہ پروٹکشن کی سہولیات کی اپ گریڈیشن ہوگی، جس سے مارکیٹ شنیر میں اضافہ ہوگا جس سے یقینی طور پر کمپنی کو موجودہ صورتحال سے باہر نکالنے میں مدد ملے گی اور مستقبل میں مطلوبہ بازار کے نتائج حاصل کریں گے۔

ہم اپنے تمام اسٹیک ہولڈرز اور خاص طور پر بنکوں اور مالیاتی اداروں کے ساتھ ساتھ اپنے صارفین، سپلائرز اور کمپنی کے ملازمین کے تعاون کیلئے شکر کا اظہار کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

*Mohd Saleem*

جناب محمد توصیف پراچہ

چیف ایگزیکٹو

Lahore: 26-Feb-2018

## **Independent Auditors' Report on Review of Condensed Interim Financial Information to the Members**

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of Balochistan Glass Limited (the Company) as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed by us, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

### **Scope of review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six months period ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### **Matter of emphasis**

Without qualifying our conclusion, we draw attention of the members to note 2 of the condensed interim financial information which disclose that the Company incurred a net loss of Rs. 118.704 million during the half year ended December 31, 2017 which increased its accumulated loss to Rs. 5,043.456 million resulting in net capital deficiency of Rs. 3,842.256 million. Also the Company's current liabilities exceeded its current assets by Rs. 854.010 million. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainty which may cast significant doubt about company's ability to continue as going concern.

**Multan:** February 26, 2018

**PKF F.R.A.N.T.S.**  
**Chartered Accountants**  
Engagement Partner: Muhammad Talib

## Condensed Interim Balance Sheet

as at December 31, 2017 - (Un-audited)

### EQUITY AND LIABILITIES

#### SHARE CAPITAL AND RESERVES

Authorized capital

266,600,000 (June 30, 2017: 266,600,000)

Ordinary shares of Rs. 10 each

Issued, subscribed and paid-up capital

Discount on shares

Accumulated loss

Subordinated loans - Unsecured

Loan from sponsors - Unsecured

Surplus on revaluation of property, plant and equipment - net of deferred tax

#### NON-CURRENT LIABILITIES

Long term loans

Deferred liabilities

#### CURRENT LIABILITIES

Trade and other payables

Markup accrued

Short term borrowings

Current maturity of non current liabilities

#### CONTINGENCIES AND COMMITMENTS

### ASSETS

#### NON-CURRENT ASSETS

Property, plant and equipment

Advance against purchase of plant and machinery

Long term investment

#### CURRENT ASSETS

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans and advances

Trade deposits, prepayments and other receivable

Taxes recoverable due from Govt.

Cash and bank balances

Notes	Un-audited	Audited
	Dec 31, 2017	June 30, 2017
(Rupees in thousands)		
	<b>2,666,000</b>	2,666,000
	<b>1,716,000</b>	1,716,000
	<b>(514,800)</b>	(514,800)
	<b>(5,043,456)</b>	(4,928,657)
	<b>(3,842,256)</b>	(3,727,457)
	<b>482,080</b>	482,080
5	<b>3,457,318</b>	3,143,201
	<b>285,094</b>	288,999
	<b>382,236</b>	186,823
6	<b>166,427</b>	266,415
7	<b>240,463</b>	238,503
	<b>406,890</b>	504,918
	<b>712,842</b>	878,789
	<b>144,272</b>	133,688
8	<b>472,287</b>	367,721
	<b>256,485</b>	284,057
	<b>1,585,886</b>	1,664,255
9	<b>2,375,012</b>	2,355,996
	<b>1,507,536</b>	1,268,570
	<b>9,969</b>	81,952
11	<b>125,631</b>	125,631
	<b>1,643,136</b>	1,476,153
	<b>209,193</b>	228,054
	<b>138,400</b>	163,374
	<b>96,593</b>	127,292
	<b>58,711</b>	43,030
	<b>55,829</b>	56,942
	<b>74,670</b>	68,558
	<b>98,480</b>	192,593
	<b>731,876</b>	879,843
	<b>2,375,012</b>	2,355,996

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director

## Condensed Interim Profit and Loss Account

for the Half Year and Quarter Ended December 31, 2017 - (Un-audited)

	For the half year ended		For the quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousands)		(Rupees in thousands)	
Sales - Net	246,126	441,043	113,779	194,752
Cost of sales	313,298	591,374	148,898	276,607
<b>Gross loss</b>	<b>(67,172)</b>	<b>(150,331)</b>	<b>(35,119)</b>	<b>(81,855)</b>
Administrative and selling expenses	22,211	17,915	12,072	5,339
Other incomes	1,331	25,561	803	25,557
<b>Operating loss</b>	<b>(88,052)</b>	<b>(142,685)</b>	<b>(46,388)</b>	<b>(61,637)</b>
Financial charges	29,256	104,432	16,745	56,562
<b>Loss before taxation</b>	<b>(117,308)</b>	<b>(247,117)</b>	<b>(63,133)</b>	<b>(118,199)</b>
Taxation - Current	3,069	4,411	1,421	1,948
- Deferred	(1,673)	(1,845)	(836)	(922)
<b>Loss after taxation</b>	<b>(118,704)</b>	<b>(249,683)</b>	<b>(63,718)</b>	<b>(119,225)</b>
Loss per share - Basic and diluted (Rs.)	(0.69)	(1.46)	(0.37)	(0.70)

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.

## Condensed Interim Statement of Comprehensive Income

for the Half Year and Quarter Ended December 31, 2017 - (Un-audited)

	For the half year ended		For the quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousands)		(Rupees in thousands)	
Loss for the period	(118,704)	(249,683)	(63,718)	(119,225)
Other comprehensive income:				
Items that will not be reclassified to profit and loss account:				
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	5,578	6,150	2,789	3,075
Related deferred tax	(1,673)	(1,845)	(836)	(922)
	3,905	4,305	1,953	2,153
Total comprehensive loss for the period	(114,799)	(245,378)	(61,765)	(117,072)

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.



Chief Executive



Chief Financial Officer



Director



## Condensed Interim Cash Flow Statement

for the Half Year Ended December 31, 2017 - (Un-audited)

December  
31, 2017

December  
31, 2016

(Rupees in thousands)

### CASH FLOW FROM OPERATING ACTIVITIES

Loss before taxation	(117,308)	(247,117)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	54,814	61,322
Provision for gratuity	-	3,802
Financial charges	29,256	104,432
Gain on settlement of liabilities	-	(25,518)
<b>Operating loss before working capital changes</b>	<b>(33,238)</b>	<b>(103,079)</b>

### Working capital changes

(Increase)/Decrease in current assets

Stores, spares and loose tools	18,861	(5,508)
Stock in trade	24,974	54,117
Trade debts	30,699	(14,483)
Loans and advances	(15,681)	(3,639)
Trade deposits, prepayments and other receivables	1,113	532

Increase/(Decrease) in current liabilities

Trade and other payables	(163,822)	(12,414)
	(103,856)	18,605

### Cash used in operations

(137,094) (84,474)

### Payments for:

Financial charges	(12,359)	(22,218)
Taxes	(13,786)	(4,297)
Gratuity	(200)	(16,312)

### Net cash outflow from operating activities

A (163,439) (127,301)

### CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditures	(211,828)	(13,055)
Advance against purchase of plant and machinery	(9,969)	-

### Net cash outflow from investing activities

B (221,797) (13,055)

### CASH FLOW FROM FINANCING ACTIVITIES

Loan from sponsors - Net	314,117	228,264
Long term loans - Net	(127,560)	(98,779)
Short term borrowings - Net	104,566	5,002

### Net cash inflow from financing activities

C 291,123 134,487

### Net increase/(decrease) in cash and cash equivalents A+B+C

(94,113) (5,869)

### Cash and cash equivalents as at 1st July

192,593 19,806

### Cash and cash equivalents as at 31st December

**98,480** **13,937**

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.

## Condensed Interim Statement of Changes in Equity

for the Half Year Ended December 31, 2017 - (Un-audited)

	Issued, subscribed and paid-up capital	Discount on shares	Accumulated Loss	Total
(Rupees in thousand)				
<b>Balance as on July 01, 2016 (Audited)</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(4,445,553)</b>	<b>(3,244,353)</b>
<b>Total comprehensive loss for the period</b>				
Loss after taxation	-	-	(249,683)	(249,683)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of deferred tax	-	-	4,305	4,305
Total comprehensive loss for the period	-	-	(245,378)	(245,378)
<b>Balance as on December 31, 2016 (Unaudited)</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(4,690,931)</b>	<b>(3,489,731)</b>
<b>Balance as on July 01, 2017 (Audited)</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(4,928,657)</b>	<b>(3,727,457)</b>
<b>Total comprehensive loss for the period</b>				
Loss after taxation	-	-	(118,704)	(118,704)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of deferred tax	-	-	3,905	3,905
Total comprehensive loss for the period	-	-	(114,799)	(114,799)
<b>Balance as on December 31, 2017 (Unaudited)</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(5,043,456)</b>	<b>(3,842,256)</b>

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director

## Selected Explanatory Notes to the Condensed Interim Financial Information for the Half Year Ended December 31, 2017 - (Un-audited)

### 1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public company in 1980 under the Companies Act, 1913 (now the Companies Act, 2017). Its shares are listed on the Pakistan Stock Exchange. The Company is engaged in manufacturing and sale of glass containers, glass table wares and plastic shells. The registered office of the Company is situated at Hub, Balochistan whereas head office of the Company is situated at Kot Abdul Malik, Lahore.

### 2 GOING CONCERN ASSUMPTION

The financial information for the half year ended December 31, 2017 show loss after taxation amounting to Rs. 118.704 million (December 2016: loss Rs. 249.683 million) and has accumulated loss of Rs. 5,043.456 million (June 2017: accumulated loss Rs. 4,928.657 million) at the period end which resulted in negative equity of Rs. 3,842.256 million (June 2017: Rs. 3,727.457 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 854.010 million (June 2017: Rs. 784.412 million).

As the above conditions are continually prevailing from last few years, thus raising significant doubts on the Company's ability to continue as a going concern as the Company may be unable to realize its assets and discharge its liabilities in normal course of business.

Sales revenue of the Company decreased significantly in the past couple of years because of the market competition and quality related issues of its certain products. During the current period, only Unit-III remained in production at its partial capacity and produced pharmaceutical products for which production facilities were relocated from Unit-I in the previous financial year. In order to run the Company on sustainable basis and make the Company competitive in terms of product quality and production volume, management has taken the fundamental strategic decision to close its Unit II since November 2016 for the purpose of modernization of its production facilities that has resulted in curtailment/shortfall in production activity during the period. Unit I was closed in June 2016 with a strategy to relocate its certain production facilities to Unit III for better management of production, reduction in fixed cost, maximum utilization of its available resources and improve the efficiency along with the modernization of its production facilities. The Company has started acquisition of modernized machinery for its Balancing, Modernization and Replacement (BMR) for which letter of credits were established in the previous period. The Company is in process of installing certain imported machinery at Unit-I which will start its production in the last quarter of this financial year.

Due to the management strategic decision of modernization of production facilities of the Company, Unit I & II were closed for significant period of time, resultantly the Company laid off substantial number of employees. Management is confident that once the BMR has been completed, adequate human resources with requisite skills shall be recruited in due course of time for which sufficient resources are available in the market.

The Company entered into an agreement with two of its lending financial institutions for the restructuring of its overdue credit facilities during the last financial year. The Company is committed to complete the BMR and honoring its existing restructuring agreements with financial institutions and complying with repayment terms of such agreements with the continuous support from its directors and associates. Management is confident that it will be able to handle the liquidity related issues in future with operational revenues and adamant financial support from its directors and associates.

During the period, the Company made arrangements with two of its major sponsoring directors pursuant to which loans and mark up payable thereon till the year end June 30, 2017 became payable at the option of the Company and the directors agreed not to charge the mark up on their loans for the future period. The Company is in the process of obtaining the approval from Securities & Exchange Commission of Pakistan (SECP) regarding further issue of shares without right offer against the Loan from Sponsoring director.

Based on continuing support from directors and associates along with future prospects of industry and other steps taken by the management, Board of Directors feel that the Company will have adequate resources to operate its business on a sustainable basis for foreseeable future, therefore, these financial statements have been prepared on going concern basis.

### 3 BASIS OF PREPARATION

This condensed interim financial information for the half year ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

Effective May 30, 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the SECP vide its circular No. 23 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Further, the Institute of Chartered Accountants of Pakistan (ICAP) also issued clarification vide its circular dated October 06, 2017 stating that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

It is expected that the promulgation of the Companies Act, 2017 will result in change in some accounting treatments and enhanced disclosures in the financial statements which will be assessed/incorporated in the subsequent financial statements of the Company. This condensed interim financial information is unaudited and is being submitted to the shareholders as required under listing regulations of Pakistan Stock Exchange and section 245 of the repealed Companies Ordinance, 1984.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed by the auditors of the Company as they have reviewed only the cumulative figures for the half year ended December 31, 2017. This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2017. The figures of this condensed interim financial information are presented in Pakistani Rupees which is the Company's functional and presentation currency.

## Selected Explanatory Notes to the Condensed Interim Financial Information

### Standards, interpretations and amendments to published approved accounting standards that became effective during the period

A number of new or amended standards became applicable for the financial year beginning on July 1, 2017. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information

### Standards, interpretations and amendments to published approved accounting standards that are not yet effective and have not been early adopted by the Company

A number of new or amended standards were published that are not yet effective and have not been early adopted by the Company. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

#### 4 SIGNIFICANT ACCOUNTING POLICIES, FINANCIAL RISK MANAGEMENT, JUDGMENTS AND ESTIMATES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2017. The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2017. Judgments and estimates made by management in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2017.

		Unaudited	Audited
		December 31, 2017	June 30, 2017
<b>(Rupees in thousands)</b>			
<b>5 LOAN FROM SPONSORS - Unsecured</b>			
	<b>Long Term Loan</b>		
	Muhammad Tousif Paracha	5.1	2,364,409
	Tariq Siddiq Paracha	5.1	94,215
			2,458,624
	<b>Deferred Mark Up - Reclassified</b>		
	Muhammad Tousif Paracha	5.2	903,953
	Tariq Siddiq Paracha	5.2	94,741
			998,694
			3,457,318
			3,143,201

5.1 These represent the long term loans provided by the sponsoring directors of the Company classified as long term loans under the mark up arrangement. Pursuant to the arrangements between the Company and the sponsoring directors, these have become interest free and payable at the discretion of the Company. Therefore, these loans are not measured at amortized cost as per requirements of IAS-39, rather these are recorded as equity in accordance with the Technical Release -32 ("Accounting Director Loan") issued by the Institute of Chartered Accountants of Pakistan.

5.2 These represent the amount of mark up charged, on long term loans from directors, till the year ended June 30, 2017. Pursuant to the arrangements between the Company and the sponsoring directors, no mark up is to be charged on these loans in the subsequent periods and outstanding balances of mark up as at the reporting date have become payable at the discretion of the Company.

#### 6 LONG TERM LOANS

Banks and financial institutions (Secured)	348,158	475,718
Ex Director (Un secured)	19,051	19,051
	367,209	494,769
Less: Current and overdue portion presented under current liabilities	(200,782)	(228,354)
	166,427	266,415

#### 7 DEFERRED LIABILITIES

Deferred taxation	36,755	38,428
Employees' retirement benefits	14,454	14,654
Deferred mark up (related parties)	25,184	24,227
Deferred mark up (financial institutions)	164,070	161,194
	240,463	238,503

7.1 Deferred tax asset arising due to assessed tax losses has not been recognized as the future taxable profits may not be available against which the said losses can be adjusted.

#### 8 SHORT TERM BORROWINGS

From related parties - Unsecured		
Associated Companies	8.1	252,945
Directors	8.2	104,931
Other associates	8.3	112,194
Others - Unsecured, interest free		
Temporary bank overdraft		2,217
		470,070
		367,721

## Selected Explanatory Notes to the Condensed Interim Financial Information

- 8.1 The unsecured loan /short term advance facility has been obtained from associated companies for working capital requirements which carries the mark up ranging from 9.67% to 9.75 % (June 2017: 8.55% to 9.62 %) per annum.
- 8.2 This represents interest free loan obtained from two directors of the Company.
- 8.3 The Company has obtained the loan from other associates for meeting the working capital requirements which carries mark up @ 10% (June 2017:10% per annum).

### 9 CONTINGENCIES AND COMMITMENTS

#### Contingencies

There is no material change in the status of contingencies as mentioned in the annual financial statements of the Company for the year ended June 30, 2017.

#### Commitments

- (a) Commitments in respect of capital expenditure through letters of credit amounts to Rs. 78.173 million (June 2017: Rs. 270.835 Million).
- (b) The Company has issued post dated cheques of Rs. 22.571 million (June 2017: Nil) to custom authorities in respect of differential amount of sales tax on machinery imported by the Company which are returnable subject to the condition that the said machinery shall be used in-house for production of taxable supplies.

### 10 PROPERTY, PLANT AND EQUIPMENT

		Unaudited December 31, 2017	Audited June 30, 2017
Operating fixed assets	10.1	1,212,779	1,266,287
Capital work in progress	10.2	294,757	2,283
		<b>1,507,536</b>	<b>1,268,570</b>

#### 10.1 Additions during the period

		Unaudited December 31, 2017	Unaudited December 30, 2016
Building		-	1,909
Plant and machinery		1,200	7,050
Furniture and fittings		84	50
Office equipment		22	106
Vehicles		-	3,940
		<b>1,306</b>	<b>13,055</b>

#### 10.2 Capital work in progress - At cost

		Unaudited December 31, 2017	Audited June 30, 2017
Opening		2,283	2,283
Additions	10.3	292,474	1,418
Less: Capitalized		-	(1,418)
Closing	10.4	<b>294,757</b>	<b>2,283</b>

10.3 This amount includes Rs. 81.952 million transferred from advance against purchase of plant & machinery.

#### 10.4 Capital work in progress - Breakup

Plant and machinery		<b>294,757</b>	<b>2,283</b>
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### 11 LONG TERM INVESTMENT

The Company holds 15 million (49.99%) ordinary shares in Paidar Hong Glass (Pvt.) Limited (Investee Company) and possesses joint control with the Chinese investor. Owing to joint control of the Company and Chinese investor in the Investee Company, investment in Associate has been accounted for under the equity method of accounting. The investee company has yet to start its operations as it had established letter of credit for import of machinery against which partial shipments have been arrived.

### 12 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, directors and key management personnel. Significant related party transactions made during the period are as follows: -

	Unaudited December 31, 2017	Unaudited December 30, 2016
<b>(Rupees in thousands)</b>		
<b>Associated Entities</b>		
Short term loan received - net	-	9,656
Payment against supplies	-	3,533
Markup charged on loan	12,122	12,438
Payments/ (reimbursements) on behalf of Associated Company	(1,267)	-
<b>Other Associates</b>		
Markup charged on loan	6,614	5,656
<b>Directors</b>		
Loan received - net	419,048	228,264
Markup charged on loan	-	67,606

## Selected Explanatory Notes to the Condensed Interim Financial Information

### 13 INFORMATION ABOUT BUSINESS SEGMENTS

- 13.1 For management purposes, the activities of the Company are organized into business units based on their products and services and has two reportable operating segments. The glass containers segment mainly relates to production of glass containers and tableware. Plastic shells segment includes production of plastic shells. The analysis for segments is given below:

December 31, 2017 (Unaudited)			
	Glass Containers	Plastic Shells	Total
(Rupees in thousands)			
<b>Revenue:</b>			
Sales to external customers	288,072	-	288,072
Less: Sales tax	(41,946)	-	(41,946)
Net Revenue	246,126	-	246,126
Segment result	(88,052)	-	(88,052)
Financial charges	(29,256)	-	(29,256)
Taxation			(1,396)
Loss for the year			(118,704)
<b>Other Information:</b>			
Capital expenditure	221,797	-	
Depreciation	54,814	-	

December 31, 2016 (Unaudited)			
	Glass Containers	Plastic Shells	Total
(Rupees in thousands)			
<b>Revenue:</b>			
Sales	520,414	-	520,414
Less: Sales tax	(79,371)	-	(79,371)
Net Revenue	441,043	-	441,043
Segment result	(142,685)	-	(142,685)
Financial charges	(104,432)	-	(104,432)
Taxation			(2,566)
Loss for the year			(249,683)
<b>Other Information:</b>			
Capital expenditure - Net	13,055	-	
Depreciation	61,322	-	

	Unaudited December 31, 2017	Unaudited December 31, 2016
(Rupees in thousands)		
13.2 <b>GEOGRAPHICAL INFORMATION</b>		
Local sales	243,214	432,882
Export sales	2,912	8,161
	246,126	441,043

### 14 FAIR VALUE ESTIMATION

The carrying values of financial assets and liabilities reflected in the financial statements approximate their fair values.

The management estimates regarding fair values of financial instruments are same as disclosed in annual financial statements of the Company for the year ended June 30, 2017.

### 15 CORRESPONDING FIGURES

Comparative figures have been rearranged and reclassified wherever required to facilitate better comparison while no major reclassification has been made in corresponding figures.

### 16 GENERAL

- 16.1 These condensed financial information is presented in rupees and figures have been rounded off to the nearest thousand rupees.
- 16.2 These condensed financial information is authorized for issue on **February 26, 2018** in accordance with the resolution of the Board of Directors of the Company.

  
Chief Executive

  
Chief Financial Officer

  
Director



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