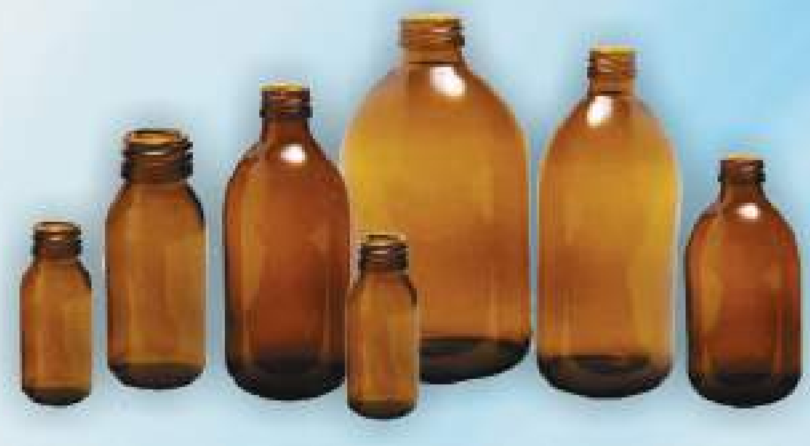
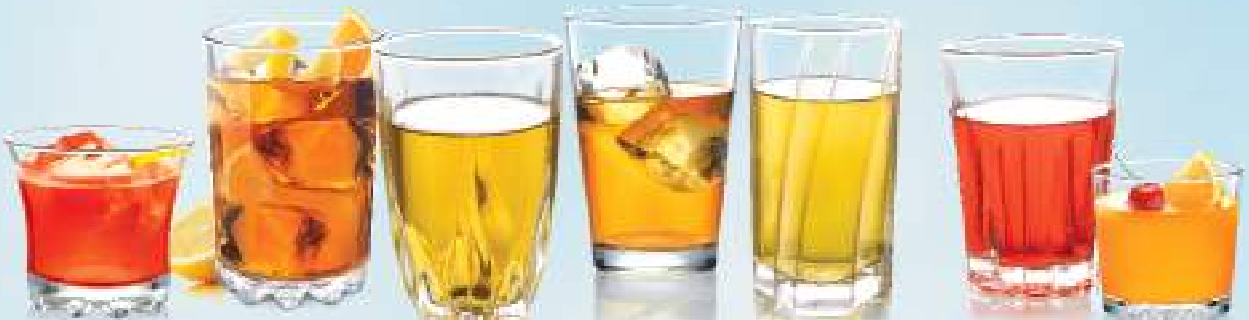
BALOCHISTAN GLASS LIMITED

2017

ANNUAL REPORT





AN ISO 9001:2008 Certified Company

Contents

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 & REMUNIRATION 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
BankIslami 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, Sheikhupura 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, Sheikhupura Road,
Sheikhupura.

UNIT-III

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

SHARE REGISTRAR

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

VISION STATEMENT

To attain and maintain second to none status in Quality, Customers' Satisfaction, Cost Effectiveness and Market Leadership

Mission Statement

To Establish, Maintain and continuously improve the management system by:

- Developing and maintaining the Lean organization structure
- Monitoring and reducing the cost without compromising the quality
- Establishing, maintaining and continuous improvement of process efficiency and effectiveness
- Developing a culture of process ownership

Notice of Annual General Meeting

Notice is hereby given that 37th Annual General Meeting of Balochistan Glass Limited will be held on October 28, 2017 at 12:00 p.m. at Plot # M-8, H.I.T.E. Hub, Hub Industrial Estate Lasbela, Balochistan to transact the following businesses:

Ordinary Business

1. To confirm the minutes of Extra Ordinary General Meeting held on January 27, 2017.
2. To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2017 together with Auditor's and Director's report thereon.
3. To appoint Auditors of the Company for the year ending June 30, 2018 and to fix their remuneration.
4. **Special Business**
   To consider and if thought fit, pass the following resolution as a special resolution with or without modification, under Section 83 (1) (b) of the Companies Act, 2017 ("Act"):

Issue of Shares Otherwise Than Right:

"RESOLVED THAT, subject to compliance with the provisions of all applicable laws and requisite regulatory approvals, permissions and sanctions, including the approvals of the Securities and Exchange Commission of Pakistan (the "SECP") pursuant to Section 83 (1) (b) of the Companies Act, 2017 ("Act"), the approval of the shareholders of Baluchistan Glass Limited (the "Company") be and is hereby accorded to increase the paid up share capital of the Company from Rs. 1,716 million divided into 171.6 million ordinary shares of Rs. 10/- each to Rs. 2,616 million divided into 261.6 million ordinary shares of Rs. 10/- each by the issuance of additional 90,000,000 Ordinary Shares of the face value of Rs. 10/- each by way of otherwise than right shares at a price of Rs. 10 each/-, total Rs. 900,000,000 to Mr. Muhammad Tousif Peracha, Director & CEO of the Company against his outstanding loan towards the Company.

FURTHER RESOLVED THAT the shares when issued shall from the date of their allotment, rank pari passu in all respects with the existing fully paid Ordinary Shares and the recipient of such shares shall enjoy similar rights and entitlements in respect of these shares as in respect of previously held shares from the date of allotment.

FURTHER RESOLVED THAT the Chief Executive or Company Secretary of the Company, be and is hereby singly authorized ("Authorized Persons") to enter into and execute such documents as may be required in relation to the further issue of shares otherwise than right shares.

FURTHER RESOLVED THAT the Authorized Persons, be and are hereby further authorized singly, to take all steps necessary, ancillary and incidental for the issuance of the shares otherwise than right shares including but not limited to the filing of requisite applications through the Authorized Persons or their appointed consultant(s) for seeking permission from the SECP, engaging legal advisor(s) and consultant(s) for above purposes, obtaining all requisite regulatory approvals, preparation and circulation of the notice of the General Meeting, preparing the resolutions to be placed before the General Meeting, filing of the requisite application(s), statutory forms and all other documents as may be required to be filed with SECP and any other authority, submitting all such documents as may be required, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the issue of further shares without right shares and all other matters incidental or ancillary thereto.

FURTHER RESOLVED THAT the Company be and is hereby authorized to take all such actions including but not limited to the filing the requisite applications (through the Authorized Persons or their appointed consultants) for seeking permission from the Securities and Exchange Commission of Pakistan and such other regulatory authorities as may be required for issuance of further capital without right offering and all matters relating thereto.

FURTHER RESOLVED THAT all acts, deeds, and actions taken by the Authorized Persons pursuant to the above resolutions for and on behalf of and in the name of the Company shall be binding acts, deeds and things done by the Company.

FURTHER RESOLVED THAT the aforesaid special resolution(s) shall be subject to any amendment, modification, addition or deletion as may be suggested, directed and advised by the shareholders, SECP and / or any other regulatory body including the pricing of shares different from the one proposed in this special resolution which suggestion, direction and advice shall be agreed and accepted by the shareholders and deemed to be part of these Special resolution(s) without the need of the shareholders to pass fresh Special Resolution(s).

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

By Order of the Board

Date: October 06, 2017
Place: Lahore.

Sheikh Arif Moin-ul-Haq
Company Secretary

Notes:

1. The share transfer books will remain closed from October 21, 2017 to October 28, 2017 both days inclusive. Transfer received by the share registrar of the company CorplinkPvt Ltd, 1-k commercial, Model Town, Lahore up to October 20, 2017 will be considered in time for the purpose of attendance at AGM.

2. A member entitled to attend and vote at the AGM may appoint another member as his /her proxy to attend, speak and vote instead of him/her. Forms of proxy to be valid must be properly filled in /executed and received at the registered office of the company not later than 48 hours before the time of the meeting .

3. Shareholders whose shares are deposited with Central Depository Company are requested to bring their CNIC along with their CDC Account Number for verification. In case of corporate entity , the Board of Directors resolution / power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting .

4. For attending the meeting and appointing proxies CDC account holders will further have to follow the guidelines as laid down in circular 01 dated January 26,2000 issued by the SECP.

5. Members are requested to notify the share registrar of the company promptly of any change in their addresses and also provide copy of their CNIC for updating record .

6. The financial statements of the company for the year ended June 30,2017 have been placed on the website of the company www.balochistanglass.com

Statement Under Rule 4(2) of the Companies (Investment In Associated Companies and Undertakings) Regulations 2012 (Ref: Section 199 of the Companies Act, 2017)

7. As per resolution passed by members in last AGM held on October 31, 2016, it was approved to invest up to Rs. 150 million in associated company "Paidar Hong Glass (Pvt.) Limited (PHGL)". The status of investment is as under:

Sr. no.	Particulars	Required information/Explanation
1	Total Investment Approved	Up to Rs. 150 million
2	Total Investment made till to date	Rs. 125,631,360/- (Paidar Hong Glass (Pvt.) Ltd issued 12,563,136 no. of shares having face value of Rs. 10/ - per share against investment of BGL). BGL hold 49.99% shares of the issued capital of Paidar Hong (Glass) Limited
3	Reason for not making the complete investment	No more further investment is required at present.
4	Material Change in financial statements of Associated company since the date of Passing the special resolution	Company has yet to start its operations. Company has established LC for import of equipment and partial shipment has also arrived. All shipment is expected to arrive at site by November/ December 2017.
5	Updating about status of land on lease to Paidar Hong Glass (Pvt) Limited	Company has already informed to all sharehold ers in notice of last AGM and as well as at the time of AGM, upon directions of SECP, that no formal agreement has been reached so far as it will only be executed after approval of members in AGM. However, the broad terms are repeated again: • The total land area will be up to 20-kanals for a lease period of 10 to 15-years located at its Hub Plant (Unit-I). • Company has yet not finalized any monthly/quarterly rentals so far, however, the estimated monthly rentals may be in the range of Rs. 800,000 to Rs. 1,000,000 which will be finalized after detail discussion and extent of use of land upon construction of civil work. • The proposed potion of land is not in active use of the company and will not have any impact on operations of the company • CEO of the company is authorized to finalize the lease agreement by the board and member is last AGM. The above information is circulated again as per the directions of SECP.

Circulate Audited Financial Statements along with Notice of AGM through e-mail:

8. The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. However, if shareholder, in addition, request for hard copy of Audited Financial Statements the same shall be provided free of cost within seven (7) days of receipt of such request.
In order to avail this facility a Standard Request Form is available at the Company's website and in annual report of 2017.

CNIC of Members/Shareholders& Dividend Payment

9. It has already been notified that the Securities and Exchange Commission of Pakistan (SECP) vide Notification S.R.O. 275(I)/2016 dated 31st March 2016 read with Notification S.R.O. 19(I)/2014 dated 10th January 2014 and Notification S.R.O. 831(1)/2012 dated July 5, 2012 required that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s). Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

   Members are requested to submit a copy of the Computerized National Identity Card (CNIC) to update our records. In case of non-submission of CNIC (copy), all future dividend warrants may be withheld.

Declaration as per Zakat &Usher Ordinance 1980

10. Members are requested to submit declaration as per Zakat &Usher Ordinance 1980 for zakat exemption and to advise change in address, if any.

Transmitting Of Annual Audited Accounts on CD/DVD/USB instead Of Transmitting in Printed Copy

The Securities and Exchange Commission of Pakistan by their SRO No. 470(I)/2016 dated May 31, 2016 allowed to transmit annual audited financial statements, auditor's report and directors report etc. to the Company's shareholders/members at their registered addresses in the form of soft copies in CD/DVD/USB instead of transmitting the annual audited accounts in printed copy, provided consent of shareholders has been obtained in a general meeting and an option of hard copy of the same information is offered to any interested shareholder.
To proceed towards paperless environment and to fulfill the responsibility towards environment, Company has already passed resolution with the consent of its shareholder in last Annual General Meeting held on October 31, 2016, therefore, accounts are circulated in soft copies instead of printed copy. If any shareholder wants to receive hard copy then he can fill the form which is available on our website and company will provide the same.

E-DIVIDEND

As per Section 242 of the Companies Act, 2017, in case of a Public listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Therefore, through this notice, all shareholders are requested to update their bank account details in the Central Depository System through respective participants/stock brokers. In case of physical shares, please provide bank account details (IBAN account no.) directly to our Share Registrar, M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore. E-Dividend mandate form is enclosed and available at our website as well.
Please note that after October 31, 2017 all cash dividends, declared by the Company, will only be remitted to designated bank accounts and not otherwise, so please ensure an early update of your particulars to avoid any inconvenience in future.

UNCLAIMED DIVIDENDS & BONUS SHARES

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore to collect/enquire about their unclaimed dividend or pending shares, if any.
Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2017

The statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on 28th October 2017.

Issuance of Shares Otherwise Than Right U/S 83 (1) of the Companies Act 2017

The Board of Directors of M/s. Baluchistan Glass Limited (the "Company") in their meeting held on 6th of October 2017 has decided to raise further issue of share capital amounting to Rs. 900 million divided into 90 million ordinary shares of Rs. 10/- each to Mr. Muhammad Tousif Paracha, Director & CEO ("MTP") of the Company against his outstanding loans towards the Company without right offering as proposed in the special resolution subject to approval of shareholders and permission from the Securities and Exchange Commission of Pakistan in terms of Section 83 (1) (b) of the Companies Act, 2017 (the "Act") and subject to the completion of all legal formalities and compliances.

The proposed shares shall be issued at par value against conversion of loans provided by MTP to the Company and payable to him. In this regard, the Company provides the following further material information:

(a) Justification for Issue of Shares Otherwise than Right Shares:

Due to continued losses suffered by the Company, the equity of the Company has been completely eroded and its equity net of losses amounts to negative 3,727.457 million (excluding loan from sponsors) as of 30 June 2017 on the basis of audited accounts. As the share the Company is trading at Pakistan Stock Exchange Limited close to its par value of Rs. 10/-, therefore, it is unlikely that shareholders will subscribe any right offering particularly in view of the fact that the Company has not been able to declare any distribution for the shareholders during past several years. The issue of shares at par value to MTP is justified due to the negative break-up value (i.e. approximately negative Rs. 20 after revaluation surplus) of the share of the Company. In the current circumstances where the Company needs funding for its BMR, capital expenditures and working capital needs, it will be in the interest of the Company as well as its shareholders to enhance the capital base and give comfort to the creditors and facilitate future business prospects without having any negative impact on the cash flows.

(b) Name of the persons to whom the proposed shares will be issued:

Mr. Muhammad Tousif Paracha Rs. 900 million.

(c) Price at which shares will be issued and its justification:

The shares will be issued at par value of Rs. 10/- per share. This price is close to the market price of the share (around Rs. 12 as at the date of issuance of these Financial Statements) which is above the break-up value per share (negative Rs. 20 per share).

(d) Latest Market Price of Share

Rs. 12 (around) as of 6th of October 2017 as per closing rate at Pakistan Stock Exchange Limited.

(e) Break-up value per Share:

Break-up value per shares on the basis of latest audited accounts of the Company for the year ended 30th June, 2017 is negative Rs. 20 (approximately after revaluation surplus).

(f) **Consideration for issue of Shares:**

The consideration for the proposed issuance of shares will be conversion of MTP's loans extended by him to the Company as detailed above.

(g) **Purpose, Utilization and benefits:**

Purpose: To reduce the liabilities and improvement of capital base of the Company and breakup value of the Company.

Utilization: The issuance of the Shares will be against the outstanding loans of MTP.

Benefits: This will enhance the borrowing capacity of the company thereby improving liquidity position and improvement in the business and returns for the Company and value for its shareholders.

(h) **Existing shareholding of the persons to whom shares are proposed to be issued:**

Mr. Muhammad Tousif Paracha holding 85,935,924 shares i.e., 50.08 % of the existing paid up share capital.

(i) **Total shareholding of the persons after the proposed issuance of Shares:**

Mr. Muhammad Tousif Paracha holding 175,935,924 shares i.e. 67.25% of revised issued share capital.

(j) **Consent of persons to whom the proposed shares are to be issued:**

MTP has consented in writing to the acquisition of proposed shares if approved by the shareholders and the Securities and Exchange Commission of Pakistan.

(k) **Ranking of shares:**

The proposed shares when issued will rank pari passu with the existing ordinary shares of the Company.

(l) **Approval:**

The proposed issuance of shares shall be subject to approval of the Securities and Exchange Commission of Pakistan.

(m) **Shares issued in past two years:**

Nil.

11. The Board of Directors of the Company has recommended that the special resolutions as set out in the notice be passed at the Annual General Meeting of the Company.

12. MTP is interested in the proposed issuance of shares of the Company in consideration of his outstanding loans. Other directors have no interest in the issue of shares, whether directly or indirectly.

The Directors of your company pleased to present the Annual Report along with the Audited Financial Statements of your company for the year ended June 30, 2017.

COMPANY PERFORMANCE

Analysis of key operating results for the current period in comparison with the previous period is given below:

(Rupees in thousands)

	2017	2016
Sales - Net	**674,149**	1,494,503
Gross (Loss)	**(265,232)**	(280,015)
Operating (Loss)	**(279,151)**	(322,289)
Depreciation for the year	**123,020**	132,482
(Loss) before Tax	**(488,663)**	(528,081)
(Loss) after Tax	**(491,751)**	(524,329)
Basic and diluted (Loss) per share	**(2.87)**	(3.06)

The Company has closed its Unit II in the month of November 2016 because of various operational difficulties including constraints of restricted profit margin and increasing trend of energy cost. In addition to that, closure of Unit I was also the main reason of the above results. The management is intending to revise its operational structure to reduce the operational losses incurred due to low efficiency with the existing machineries.

The Company has managed its functional responsibilities and streamlined the operational activities at Unit I (Hub) which was closed down in June 2016. Meanwhile the Company has managed the production facilities which were transferred from Unit I (Hub) to Unit III (Kot Abdul Malik) in the month of October 2016; this plant is steadily achieving its targets.

Supply of regasified liquefied natural gas (RLNG) has increased the energy cost which also remained a big challenge for the Company to continue its productions during the year. Keeping in view this fact, the Company decided to close Unit II & Unit I to re-design/modernize the whole operational activities in order to achieve the maximum production efficiency to compete with all challenges so far has been faced in previous years.

FUTURE OUTLOOK

As refer to above, the management has started progressive activities to re-operate its two major Plants Unit -I & II with maximum capacity to produce Pharma glass products and Tableware Products with advanced technology removing the production related weaknesses.

The management has started the process of procurement of capital equipment's and established Letter of Credit (LC) in favor of two leading Chinese manufacturers regarding import of IS-Machines for Pharma products and Tableware Machineries with advanced technology. Hopefully the commissioning of these Plants would be initiated in the last quarter of coming financial year.

Since the company had worked to establish its Pharma and Tableware manufacturing facilities in order to meet the growing demand of local and export market more efficiently with the use of new imported machineries, therefore, we are highly confident that these decisions shall support the company to compete in the long-run.

In addition to the above, the Board of Directors has also decided to raise equity against the sponsors' loan utilized/to be utilized for the purpose of necessary BMR and to meet operational requirements, by way of further issue of capital amounting to rupees 900 million, without right offer subject to approval of shareholders and the Securities and Exchange Commission of Pakistan. Furthermore, pursuant to the new arrangements between the Company and the sponsoring directors, the balances of their loans outstanding as at the reporting date have become interest free and payable at the discretion of the Company.

Based on analysis of theses, key management decisions as mentioned in 'future outlook' and below mentioned factors, management is comfortable that the Company will be able to continue as a going concern in the foreseeable future.

COMMENTS ON AUDITORS OBSERVATIONS /QUALIFICATION

Going Concern Assumption

Auditors' has raised their observation about going concern of company. In assessing the going concern status of the Company, management has carefully assessed a number of factors covering the operational performance of the business, the ability to implement a significant debt restructuring of the Company's existing debts and the appetite of directors & associates to continue financial support. Based on the analysis of these, and key management efforts and decisions as mentioned above, management is comfortable that the Company will be able to continue as a going concern in the foreseeable future.

Based on analysis of theses, key management decisions as mentioned in 'future outlook' and below mentioned factors, management is comfortable that the Company will be able to continue as a going concern in the foreseeable future.

- Fresh funds injection by sponsors for capital expenditures.
- Arrangements with the sponsoring directors regarding waiver of markup on their loans for future period.
- Modernization and up gradation of the Plant & Machineries for two Units.
- Continuous efforts by the management to increase the market share.
- Continued financial support of its sponsors and associates.
- Improvement in current ratio as compare to previous year.
- Operational units of the company are meeting their maximum operational liabilities.
- Settlement of all major loan facilities with financial institutions.
- Restructuring with other major lenders of the company.
- Potential market of the Company's all products.
- Future prospects of industry, better selling prices and company presence in local and export market.

We feel that by considering all the above factors, performance of glass industry, present and future demand of glass products in local & export market and continued support and commitment of directors & associates, management of the company is fully justified to prepare the financial statements by using going concern assumption.

Corporate and Financial Reporting Framework

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting Framework:

i. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

ii. Proper books of accounts of the Company have been maintained.

iii. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

iv. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.

v. The system of internal control is sound in design and has been effectively implemented and monitored.

vi. Management feels that there is no significant doubt on the Company's ability to continue as going concern. We had already provided our reply on Auditors' Observation in this report and mitigating factors are also disclosed in detail.

vii. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations. Company has also constituted Audit Committee and HR &R Committee and its members are disclosed in annual report.

viii. The detail of trading in shares of the Company, if any, carried out by the directors, CEO, CFO, and Company Secretary and their spouses and minor children is provided in pattern of shareholding annexed with this report.

ix. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of Directors' report.

x. Key operating and financial data for last six years is annexed.

xi. The pattern of shareholding is also annexed.

xii. The Company has fulfilled its major statutory and financial obligations, except as disclosed in the Financial Statements in detail (refer note 10, 11, &16) due to liquidity issues.

xiii. No dividend or bonus shares are declared because of loss during the year.

xiv. Company has arranged in house training programs for its directors; however, most of directors meet criteria as laid down in code of corporate governance regarding directors' training.

xv. The Statement of compliance with the best practices of Code of Corporate Governance is annexed with this report.

Annual Evaluation of Board of Directors

The Board performs three major roles in a company - it provides direction (i.e. sets the strategic direction of the company), it controls (i.e. monitors the management) and provides support and advice (advisory role). The Board has set an in house Board performance evaluation mechanism which typically examines these roles of the Board and the entailing responsibilities, and assesses how effectively these are fulfilled by the Board. The evaluation of the performance of the Boards is essentially an assessment of how the Board has performed on all of the following parameters:

a - Board Structure: its composition, constitution and diversity and that of its Committees, competencies of the members, Board and Committee charters, frequency of meetings, procedures;

b - Dynamics and Functioning of the Board: annual Board calendar, information availability, interactions and communication with CEO and senior executives, Board agenda, cohesiveness and the quality of participation in Board meetings;

c - Business Strategy Governance: Board's role in company strategy;

d - Financial Reporting Process, Internal Audit and Internal Controls: The integrity and the robustness of the financial and other controls regarding abusive related party transactions, vigil mechanism and risk management;

e - Monitoring Role: Monitoring of policies, strategy implementation and systems; and f - Supporting and Advisory Role.

BGL

BOARD & AUDIT COMMITTEE MEETINGS

Attendances by each director at the Board of Directors (BOD), Board Audit Committee (BAC) and HR & REMUNIRATION Committee (HR&R) meetings are as under:

	Meetings attended		
	BOD	**BAC**	**HR&R**
Number of meetings held	**4**	**4**	**2**
1. Mr. Muhammad Tousif Paracha	4	-	-
2. Mrs. Tabsum Tousif Paracha (elected on 27-01-2017)	2	-	-
3. Mr. Mian Nazir Ahmad Paracha	4	4	-
4. Mr. Muhammad Niaz Paracha (elected on 27-01-2017)	2	2	-
5. Mr. Tariq Siddiq Paracha	2	-	2
6. Mr. Muhammad Mustafa Tousif Paracha	3	3	2
7. Mr. Jawaid Aziz Paracha (retired on 27-01-2017)	2	2	1
8. Mr. Muhammad Nasir Malik (retired on 27-01-2017)	2	-	-
9. Mr. Shamim Anwer	4	2	-

(Mr. Tariq Siddiq Paracha resigned on 03- 04-2017)

Auditors

The auditors of the company M/s PKF F.R.A.N.T.S. Chartered Accountants retire and are eligible for re-appointment for the next year. Audit Committee has recommended the re-appointment of M/s PKF F.R.A.N.T.S. Chartered Accountants, as auditors of the Company for the forthcoming year.

Acknowledgment

Board of Directors appreciates the assistance and co-operation extended by our banks and financial institutions as well as efforts, dedication and commitment demonstrated by all the employees and contractors of the Company as well as support & cooperation extended by our distributors, dealers, suppliers and other stakeholders of the company.

For on the behalf of Board of Directors'

Lahore: October 06, 2017

Muhammad Tousif Paracha
CEO

کمپنی ڈائریکٹرز نے 30 جون، 2017 کو اختتام پذیر ہونے والے مالی سال کے لئے، کمپنی کی سالانہ رپورٹ، اَڈٹڈ فائیننشیل رپورٹ کے ہمراہ پیش ہوتے ہیں۔

کمپنی پرفارمنس:

گزشتہ اور موجودہ سال کے آپریٹنگ نتائج کا موازنہ مندرجہ ذیل ہے:

	2016	2017
	روپے (ہزاروں میں)	
سیلز- نیٹ	1,494,503	674,149
مجموعی (نقصان)	(280,015)	(265,232)
آپریٹنگ (نقصان)	(322,289)	(279,151)
سالانہ ڈپریسئیشن	132,482	123,020
(نقصان) ٹیکس سے پہلے	(528,081)	(488,663)
(نقصان) ٹیکس کے بعد	(524,329)	(491,751)
Basic اور Diluted (نقصان) فی شیئر	(3.06)	(2.87)

کمپنی نے اپنا یونٹ نمبر II نومبر 2016 میں مختلف آپریشنل مشکلات (انرجی اور گیس کی قیمتوں میں اضافے اور پرافٹ مارجن میں کمی) کی وجہ سے بند کر دیا ہے۔ جبکہ یونٹ I کے بند ہونے کی وجہ بھی یہ ہی تھی۔ اب کمپنی کی انتظامیہ آپریشنل ڈھانچے کی تنظیم نو کر رہی ہے تا کہ موجودہ مشینری کی وجہ سے جو آپریشنل نقصانات ہو رہے ہیں اُن کو کم کیا جا سکے۔

کمپنی نے اپنی فنکشنل ذمہ داریوں کو منظّم کیا ہے اور یونٹ نمبر I (حب) جو کہ پچھلے مالی سال کی آخری سہ ماہی میں بند کر دیا گیا تھا کی آپریشنل سرگرمیوں کو سنبھال کیا ہے۔ اِسی دوران وہ پیداواری سہولیات جن کو کمپنی نے پچھلے سال اکتوبر 2016 میں حب یونٹ I سے کوٹ عبدالمالک یونٹ III پر منتقل کیا تھا۔ اُن کو منظّم طریقے سے چلایا گیا ہے اور یہ یونٹ مسلسل اپنے مقاصد/ٹارگٹس کو حاصل کر رہا ہے۔

آر ایل این جی کی وجہ سے انرجی/توانائی کی قیمت میں اضافہ ہوا ہے۔ جو کہ اِس مالی سال کے دوران کمپنی کے لیے اپنی پیداوار کو جاری رکھنے

کے لیےایک بڑاچیلنج ہے جس کو مدِنظر رکھتے ہوئے کمپنی نے یونٹ II کو بند کرنے کا فیصلہ کیا تا کہ آپریشنل سرگرمیوں کو نئے سرے سے منظّم کر کے زیادہ سے زیادہ پیداوار حاصل کی جاسکے اوراُن چیلنجز کا مقابلہ کیا جائے جن کا پچھلے سالوں کے دوران کمپنی کو سامنا کرنا پڑا۔

مستقبل کے تناظر میں:

جیسا کہ اوپر بیان کیا گیا ہے کہ انتظامیہ نے ترقیاتی سرگرمیاں شروع کیں تا کہ کمپنی کے دو بڑے پلانٹس یونٹ I اور II کو(پیداوار سے متعلقہ کمزوریوں کو دور کرتے ہوئے) پوری پیداواری صلاحیت اور جدید ترین ٹیکنالوجی کے ساتھ فارما گلاس اورٹیبل وئیر گلاس کی پیداوار شروع کی جائے۔

انتظامیہ نے موجودہ مالی سال کے دوران اعلیٰ درجے کی ٹیکنالوجی کے ساتھ ٹیبل وئیر اور فارما کیلیئے مشینوں کی درآمد کے حوالے سے دو معروف چینی مینوفیکچرز سے مشینوں کی خریداری کے لیے ایل سی کھول دیں۔ امید ہے کہ آنے والے مالی سال 2017-18 کی آخری سہ ماہی میں اِن پلانٹس کا آغاز ہوجائے گا۔

چونکہ کمپنی اپنے فارما اورٹیبل وئیر پیداواری سہولیات کو بہتر بنانے کے لیے کام کررہی ہے۔ اِس لیے اندرونی اور بیرونی خریداروں کی ضروریات کو جدید درآمدی مشینری کے ذریعے پورا کیا جاسکے لہٰذا ہم یقین رکھتے ہیں کہ یہ فیصلہ کمپنی کو طویل مدت تک مقابلہ کرنے میں مددگار ثابت ہوگا۔

نیز، بورڈ آف ڈائیریکٹرز نے اسپانسرز کے قرضوں کو equity میں تبدیل کرنے کا فیصلہ کیا ہے، جس کی مالیت 900 ملین روپے تک ہوسکتی ہے اور جو BMR اورخاص آپریشنل ضروریات کیلیئے استعمال ہوئے یا کیا جا سکتا ہے، جو کہ شیئر ہولڈر اور S.E.C.P کی منظوری سے مشروط ہوگی۔ اسکےعلاوہ اسپانسرز کے بقیہ قرضوں پر رپورٹنگ تاریخ کے بعد مارک اپ بھی چارج نہیں ہوگا جس کی ادائیگی کا فیصلہ کمپنی کے اختیار میں ہوگا۔

مستقبل کے تناظر میں بیان کیے گئے مندرجہ بالا عوامل اور انتظامیہ کے فیصلوں (کے تجزیئے کے مطابق) کی روشنی میں انتظامیہ آسانی سے مستقبل میں پیش آنے والے تشویش ناک عوامل پرقابو پالے گی۔

آڈیٹرز کے مشاہدات/اہلیت پر تبصرے

موجودہ پُرتشویش مفروضہ جات

آڈیٹرز نے کمپنی کے بارے میں تشویش ظاہر کی ہے۔ کمپنی کی تشویشی حیثیت کا تعین کرنے میں، کے مینجمنٹ نے محتاط طریقے سے کاروبار کی آپریشنل کارکردگی پر اثر انداز ہونے والے عوامل کا اندازہ لگایا ہے، کمپنی کے موجودہ قرج کی ریسٹرکچرنگ اورڈائریکٹرز اوران کے ساتھیوں کی

مالی امداد جاری رکھنے کی صلاحیت کا بھی اندازہ لگایا ہے۔اس تجزیے، اوراہم انتظامی کوششوں اور فیصلوں، جیسا کہ اوپر بیان کیا گیا ہے، کی بنیاد پر، مینجمنٹ مطمئن ہے کہ مستقبل میں کام جاری رکھنے کے قابل ہو جائے گی۔

☆ سپانسرز کی جانب سے فریش فنڈز کا اضافہ۔

☆ اسپانسرز کے قرضوں پر مارک اپ کا نہ چارج کرنا۔

☆ بڑے یونٹوں کی وسیع پیمانے پر مرومت۔

☆ مسلسل اس کی سپانسرز اور ساتھیوں کی مالی امداد۔

☆ گزشتہ سال کی نسبت، کرنٹ تناسب میں بہتری۔

☆ مالیاتی ادارون کے ساتھ بڑے قرضوں کی سیٹلمنٹ ۔

☆ کمپنی کے مستقبل کے لئے مقامی اور برآمدی منڈی میں صنعت اور بہتر فروخت کی قیمت کی تقرری۔

ہم سب متفق ہیں کہ مندرجہ بالا عوامل پر عمل کرکے، گلاس صنعت کی کارکردگی، مقامی اور برآمدی منڈی میں شیشے کی مصنوعات کی موجودہ اور مستقبل کی ضروریات اور ڈائریکٹرز اور ساتھیوں کے عزم اور مسلسل حمایت میں، کمپنی کی انتظامیہ مالی بیانات تیار کرنے کی حق بجانب ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کارپوریٹ گورننس کے کوڈ کے تناظر میں، ہمارے کارپویٹ اور مالیاتی رپورٹنگ فریم ورک پر بیانات ذیل میں ہیں:

1- کمپنی کی انتظامیہ کی طرف سے تیار مالی بیانات، موجودہ امور، کاروباری معاملات کے نتائج، نقدی بہاؤ کے نتائج اور تبدیلیوں کو منصفانہ طور پر بیان کرتا ہے۔

2- کمپنی کے اکاؤنٹس کی مناسب کتابوں کو برقرار رکھا گیا ہے۔

3- مالی بیانات اور اکاؤنٹنگ اندازون کی تیاری مناسب اکاؤنٹنگ پالیسوں کو لاگو کیا گیا ہے، اور یہ پالیسیاں مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4- پاکستان میں قابل بین الاقوامی اکاؤنٹنگ کے معیارات کی مالی بیانات کی تیاری میں پیروی کی گئی ہے، اور ان پالیسیوں سے انحراف بھی ظاہر کر دیا گیا ہے۔

5- اندرونی کنٹرول کے نظام کی مؤثر طریقے سے عملدرآمدگی اور نگرانی کی گئی ہے۔

6- مینجمنٹ کو محسوس ہوتا ہے حالیہ تشویش کے باوجود کمپنی کی صلاحیت پر کوئی قابل ذکر شک نہیں ہے۔ہم نے پہلے ہی اس رپورٹ میں آڈیٹرز کے مشاہدات پر جواب داخل کرا دیئے ہیں۔

7- لسٹنگ کے ضابطے میں کارپوریٹ گورننس کے بہترین طریقوں میں کوئی واضح انحراف موجود نہیں۔ سے تفصیلی طور پر، اضافہ ہو رہا ہے۔ کمپنی

نے آڈٹ کمیٹی اور HR &R کمیٹی تشکیل دی ہے اوراس کے اراکین کے نام سالانہ رپورٹ میں ظاہر ہیں۔

8- کمپنی کے حصص میں ٹریڈنگ کی تفصیل، اگر کوئی ہے تو، ڈائریکٹرز، CEO، CFO اور کمپنی سیکریٹری اوران کے اہل واعیال کی تفصیل شیئر ہولڈنگ رپورٹ میں پیٹرن کے مطابق فراہم کی جا چکی ہے۔

9-اس مالی سال کے آخر اور اُس مالی سال کے درمیان، جس سے یہ مالی بیانات اور ڈائریکٹرز کی رپورٹ تعلق رکھتے ہیں، کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی خاطر خواہ تبدیلیاں اور وعدے واقع نہیں ہوئے۔

10-اہم آپریٹنگ اور گزشتہ چھ سال کا مالیاتی ڈیٹا اَن ریکارڈ ہے۔

11-شیئر ہولڈنگ کا پیٹرن بھی اَن ریکارڈ ہے۔

12- کمپنی نے اہم قانونی اور مالی ذمہ داریوں کو پورا کیا ہے سوائے ان کے، کے جو لیکویڈیٹی مسائل کی وجہ سے مالیاتی بیانات (حوالہ جات 9، 14، اور 15) میں واضح ہوئے۔

13-رواں مالی سال خسارے کے باعث، کوئی منفعاتی یا بونس شیئرز جاری نہیں ہوئے۔

14- کمپنی نے ڈائریکٹرز کے لئے" مرتب کئے ہیں، تاہم اکثر ڈائریکٹرز اس ٹریننگ کے معاملے میں کارپوریٹ گورننس کے معیار پر پورا اترتے ہیں۔

15- کارپوریٹ گورننس کے کوڈ کے بہترین طریقوں کے ساتھ تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہیں۔

بورڈ آف ڈائریکٹرز کی سالانہ تشخیص:

بورڈ کمپنی میں تین اہم امور سرانجام دیتا ہے۔ یہ سمت فراہم کرتا ہے۔ (یعنی کمپنی کی اسٹریٹجک سمت کا تعین کرتا ہے)۔ یہ کنٹرول کرتا ہے (یعنی انتظام پر نظر رکھتا ہے) اور یہ مدد اور مشورہ فراہم کرتا ہے۔ بورڈ نے ایک اندرونی کارکردگی کی تشخیص کا طریقہ کار وضع کیا ہے جو عام طور پر ان کرداروں اوران کے نتیجے میں آنے والی لازمی ذمہ داریوں کا جائزہ لیتا ہے اور نظر رکھتا ہے کہ کتنے موثر طریقے سے ان ذمہ داریوں کو ادا کیا گیا ہے۔ بورڈ کی کارکردگی کے جائزے میں بنیادی طور پر یہ دیکھا جاتا ہے کہ درج ذیل امور کو کیسے سرانجام دیا ہے۔

ا) بورڈ کی ساخت، اس کی تشکیل، اس کا آئین، تنوع اور کمیٹیاں، اراکین کی مہارت، بورڈ اور کمپنی کے چارٹر (قوانین) اور اجلاسوں کی تعداد اور طریقہ کار۔

ب) بورڈ کے محرکات اور کام کاج، بورڈ کا سالانہ کیلنڈر، معلومات کی دستیابی، سی ای او اور سینئر افسروں کے ساتھ گفت وشنیس اور مواصلات، بورڈ کا ایجنڈا، بورڈ کے اجلاس میں میل جول اور شرکت کے معیار۔

پ) کاروباری حکمتِ عملی کا نظم وضبط، کمپنی کی حکمتِ عملی میں بورڈ کا کردار

ت) مالیاتی رپورٹنگ کا عمل، اندرونی جانچ پڑتال اور کنٹرول، متعلقہ پارٹیوں کے ساتھ غیر منصفانہ لین دین کے پیشِ نظر مالی اور دیگر کنٹرول کے نظام کی سلیت، متحرک طریقہ کار اور خطرات سے نپٹنا۔

ٹ) نگرانی کا کردار: پالیسیوں، حکمتِ عملی کا نفاذ اور نگرانی۔

ث) امدادی اور مشاورتی کردار۔

بورڈ اور آڈٹ کمیٹی کے اجلاس

بورڈ آف ڈائریکٹرز، بورڈ آڈٹ کمیٹی(BAC) اور HR&R کمیٹی میں سے ہر ایک کے ڈائریکٹر کی طرف سے اجلاس میں حاضری، حسب ذیل ہے:

حاضری

	BOD	BAC	HR&R
منعقد ملاقاتوں کی تعداد	4	4	2
1-جناب محمد توصیف پراچہ	4	-	-
2-مسز تبسم توصیف پراچہ (تاریخ منتخب 27-01-2017)	2	-	-
3-جناب میاں نذیر احمد پراچہ	4	4	-
4-جناب نیاز احمد پراچہ (تاریخ منتخب 27-01-2017)	2	2	-
5-جناب طارق صدیق پراچہ	2	-	2
6-جناب محمد مصطفیٰ توصیف پراچہ	3	3	2
7-جناب جاوید عزیز پراچہ (تاریخ ریٹائرمنٹ 27-01-2017)	2	2	1
8-جناب محمد ناصر ملک (تاریخ ریٹائرمنٹ 27-01-2017)	2	-	-
9-جناب شمیم انور	4	2	-

(جناب طارق صدیق پراچہ نے 03 اپریل 2017 کو استعفیٰ دے دیا۔)

آڈیٹرز

کمپنی کے آڈیٹر ریٹائرڈ ہوئے اور اگلے سال دوبارہ تعیناتی کے لئے اہل ہیں۔ آڈٹ کمیٹی نے M/s F.R.A.N.T.S PKF چارٹرڈ اکاؤنٹنٹس کی آئندہ سال کے لئے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی ہے۔

اعترافیہ

بورڈ آف ڈائریکٹرز بینکوں اور مالیاتی اداروں کی امداد اور تعاون کے ساتھ ساتھ تمام ملازمین اور کمپنی کے ٹھیکیداروں کی کوششوں، لگن اور عزم اور تقسیم کاروں، ڈیلرز، سپلائرز اور اسٹیک ہولڈرز کے تعاون کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Mohd Tosif

جناب محمد توصیف پراچہ

سی-ای-او

لاہور۔ اکتوبر 06، 2017

CODE OF CONDUCT

Balochistan Glass Limited (BGL) places the highest value on the integrity of the Company as integrity is a bedrock principle of all our behaviors. All employees must abide by and uphold the Code of Business Conduct and all laws. All directors, officers and employees and all representatives, including all agents, consultants, independent contractors and suppliers of BGL, are responsible for complying with all applicable laws and regulations and complying with this Code of Business Conduct and other policies of the Company. Violations of law or this Code or other policies of the Company are subject to disciplinary action, which may include termination. The policies in this Code apply across BGL.

BGL provides this Code of Conduct to its employees for their guidance in recognizing and resolving properly the ethical and legal issues they may encounter in conducting the Company's business. The Code and its terms may be modified or eliminated at any time by the Company. Directors, officers and employees and other representatives of the Company are responsible for being familiar with its contents. The Code does not include all of the policies of the Company. Each BGL employee shall comply with the letter and spirit of the Code of Business Conduct and with the policies and procedures of the Company, and shall communicate any suspected violations promptly.

1. **Relationship with the Company and Each Other**

   BGL most important resource is its employees whose skills, energy and commitment to excellence and the Company's vision and values are the source of the Company's character and central to its leadership and success.

2. **We Respect the Individual and Diversity**

   Company recognizes the dignity of each individual, respects each employee, provides compensation and benefits that are competitive, promotes self-development through training that broadens work-related skills, and values diversity and different perspectives and ideas.

3. **We Live Our Values**

   As representatives of the Company to the outside world, and regardless of the pressures inherent in conducting business, BGL employees are expected to act responsibly and in a manner that reflects favorably on Company. We will carry out our assignments guided by the principles set forth in our vision and values and in compliance with this Code of Business Conduct and our corporate policies.

4. **We Avoid Conflicts of Interest**

   Each of us and our immediate families should avoid any situation that may create or appear to create a conflict between our personal interests and the interests of the Company.

5. **We Invite Full Participation and Support Diversity**

   BGL is committed to an all-inclusive work culture. We believe and recognize that all people should be respected for their individual abilities and contributions. The Company aims to provide challenging, meaningful and rewarding opportunities for personal and professional growth to all employees without regard to gender, race, ethnicity, sexual orientation, physical or mental disability, age, pregnancy, religion, veteran status, national origin etc.

6. **We Work in a Positive Environment**

   BGL endeavors to provide all employees an environment that is conducive to conducting business and allows individuals to excel, be creative, take initiatives, seek new ways to solve problems, generate opportunities and be accountable for their actions. The Company also encourages teamwork in order to leverage our diverse talents and expertise through effective collaboration and cooperation.

7. We Do Not Employ Child or Forced Labor

BGL does not and will not employ child labor or forced labor. BGL defines a child as anyone under the age of eighteen.

8. We Provide a Safe Workplace

It's BGL policy to establish and manage a safe and healthy work environment and to manage its business in ways that are sensitive to the environment. The Company will comply with all regulatory requirements regarding health, safety and protection of the environment.

9. We Safeguard Company Property and Business Information

Safeguarding Company assets is the responsibility of all directors, officers and employees and Company representatives. All employees, directors' must use and maintain such assets with care and respect while guarding against waste and abuse.

Similarly, all directors, officers and employees and Company representatives are not expected to share any business secrets, inside information or strategies with BGL competitors either directly or indirectly.

10. We Maintain Accurate Books and Records and Report Results with Integrity

BGL financial, accounting, and other reports and records will accurately and fairly reflect the transactions and financial condition of the Company in reasonable detail, and in-accordance with generally accepted and Company-approved accounting principles, practices and procedures and applicable government regulations.

11. Our Relationship with Our Customers

BGL serves many industrial, corporate and non-corporate enterprises, dealers and distributors as well as of governmental bodies and individual consumers, for whom we design, develop, manufacture and market quality products.

12. We Obey All Laws and Regulations

Our customer relationships are critical to BGL. In meeting our customers' needs, the Company is committed to doing business with integrity and according to all applicable laws. Products must be designed and produced to internal standards and to comply with external regulations, the standards of the appropriate approval entities, and any applicable contractual obligations.

13. We Provide Quality Products and Services

Committed to being a Six Sigma Company, we strive to provide products and services that meet or exceed our customers' expectations for quality, reliability and value, and to satisfy their requirements with on-time deliveries.

14. We Seek Business Openly and Honestly

Sales are the lifeblood of the organization, and we commit that we will market our products fairly and vigorously based on their proven quality, integrity, reliability, delivery and value to our customer.

15. We Follow Accurate Billing Procedures

It is the Company's policy to reflect accurately on all invoices to customers the sale price and other terms of sales. Every employee has the responsibility to maintain accurate and complete records. No false, misleading or artificial entries may be made in BGL books and records.

16. **Our Relationship with our Suppliers**

BGL suppliers are our partners in Six Sigma Plus. The high caliber of the materials, goods and services they provide is linked directly to the quality, reliability, values and prompt delivery of the Company's products to our customers and, thus, leads to customer's satisfaction.

17. **We Will Not Be Influenced by Gifts**

We will not be influenced by gifts or favors of any kind from our suppliers or potential suppliers. The Company expects each employee to exercise reasonable judgment and discretion in accepting any gratuity or gift offered to the employee in connection with employment at BGL.

18. **We Do Not Make Improper Political Contributions**

Company funds generally can not to be used for political contributions, directly or indirectly, in support of any party or candidate.

19. **We Protect the Environment**

BGL abides by all applicable health, safety and environmental laws and regulations. We will also abide by Company's own standards.

20. **We Comply with Export Control and Import Laws**

BGL will comply with all Export Control and Import laws and regulations that govern the exportation and importation of commodities and technical data, including items that are hand-carried as samples or demonstration units in luggage.

21. **Supervisory Personnel**

Managers and supervisors have key roles in the Integrity and Compliance Program and are expected to demonstrate their personal commitment to the Company's standards of conduct and to lead their employees accordingly.

22. **Trading in Company's Shares**

All executives and directors of the company who purchase company shares must inform the company secretary in writing about their sale and purchase transactions. However, no employee, director or executive of the company is allowed to trade during 'closed period', as intimated prior to the announcement of interim/final results, and business decisions, and all directors, employees and officers are prohibited to take advantage from any price sensitive information which may materially affect the market price of company's securities.

23. **Smoking & Use Of Alcohol**

Employees are prohibited from smoking at restricted places and they are also prohibited to use Alcohol inside organization at any place during working hours.

Review Report by the Chairman

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Balochistan Glass Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2017, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as Satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The nonexecutive and independent directors are equally involved in important decisions.

Mr. Muhammad Mustafa Tousif Paracha
Chairman

Lahore: October 06, 2017

Summary of Last Six Year's Finacial Results

	2017	2016	2015	2014	2013	2012
Operating Results	Rupees in Thousands					
Net sales	674,149	1,494,503	1,605,793	2,203,968	2,714,121	1,960,672
Gross profit/ (loss)	(265,232)	(280,015)	(141,874)	(241,183)	13,989	77,167
Profit/ (loss) before tax	(488,663)	(528,081)	(461,597)	(571,513)	(216,368)	(245,366)
Profit/ (loss) after tax	(491,751)	(524,329)	(459,487)	(568,533)	(226,299)	(260,816)
Dividend/ bonus	-	-	-	-	-	-
Financial Position						
Property, plant and Equipment	1,476,153	1,377,110	1,450,322	1,456,893	1,534,156	1,526,580
Current Assets	879,843	717,844	548,844	648,460	790,840	723,936
Current Liabilities	1,664,255	1,861,172	1,637,102	1,468,158	1,538,323	1,503,026
Current portion of Long term Liabilities	284,057	222,567	231,017	190,404	146,375	176,912
Long Term Loans	266,415	1,592,116	1,101,947	1,179,852	916,411	808,028
Loan from sponsors	3,143,201	-	-	-	-	-
Subordinated Loan-Unsecured	482,080	482,080	482,080	482,080	482,080	482,080
Share Capital	1,716,000	1,716,000	1,716,000	1,716,000	1,716,000	858,000
Financial Ratios						
Gross Profit ratio	-39.34%	-18.74%	-8.84%	-10.40%	0.52%	3.94%
Loss before Tax ratio	-72.49%	-35.33%	-28.75%	-25.93%	-7.97%	-12.51%
Loos after Tax ratio	-72.94%	-35.08%	-28.62%	-25.80%	-8.34%	-13.30%
Current ratio	0.53	0.39:1	0.34:1	0.44:1	0.51:1	0.48:1
Working Capital	(784,412)	(1,143,328)	(1,088,012)	(819,698)	(747,483)	(779,090)

Report of the Audit Committee on adherence to the Code of Corporate Governance

The Board Audit Committee has concluded its annual review of the conduct and operations of the company for the year ended 30th June 2017 and reports that:

i. The company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Code of Corporate Governance, Company's Code of Conduct and Values and the international best practices of governance throughout the year.

ii. The company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the auditors of the company.

iii. Appropriate accounting policies have been consistently applied as disclosed in financial statements. Applicable accounting standards were followed in preparation of the financial statements of the company on a going concern basis for the financial year ended 30 June 2017, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the company for the year under review.

iv. The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the company and the Chairman and Board of Directors Report. They acknowledge their responsibility for true and fair presentation of the financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the company.

v. Accounting estimates are based on reasonable and prudent judgment. Proper, accurate and adequate accounting records have been maintained by the company in accordance with the Companies Ordinance, 1984 / Companies Act 2017.

vi. The financial statements comply with the requirements of the Fourth Schedule to the Companies Ordinance, 1984 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.

vii. All direct and indirect trading in and holdings of the company's shares by Directors and executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction. All such transactions have been disclosed.

INTERNAL AUDIT FUNCTION

viii. The internal control framework was effectively implemented form the last many years. Presently the Company's internal Audit function is being looked after by the Chief Internal Auditor in compliance of the Code of Corporate Governance. The Chief Internal Auditor reports directly to the Chairman of the Board Audit Committee.

ix. The company's system of internal control is sound in design and has been continually evaluated for effectiveness and control.

x. The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the company and the shareholders wealth through effective financial, operational and compliance controls and risk management at all levels within the company.

xi. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

EXTERNAL AUDITORS

xii. The statutory auditors of the company, PKF F.R.A.N.T.S., Chartered Accountants, have completed their audit of the company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 June 2017 and shall retire on the conclusion of the 37th Annual General Meeting.

xiii. The final Management Letter is required to be submitted within 45 days of the date of the Auditors' Report on the financial statements under the listing regulations and shall therefore accordingly be discussed in the next Board Audit Committee meeting.

xiv. The Audit firm has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.

xv. Being eligible for reappointment under the listing regulations, the Board Audit Committee recommends their reappointment for the financial year ending 30 June 2018 on terms & remuneration as negotiated by the Chief Executive Officer and approved in AGM.

Roles and Responsibilities of the Chairman and Chief Executive:

The Chairman and the Chief Executive Officer have separate distinct roles.

The Chairman has all the powers vested under the Code of Corporate Governance and presides over all the Board Meetings and his primary role is to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy at Board level. The Chairman of the Board ensures effective operations of the Board and its Committees in conformity with the highest standards of corporate governance and ensures that all Board committees are properly established, composed and operated. He is also responsible for setting the agenda, style and tone of Board discussions to promote constructive debate and effective decision making. The Chairman also plays an integral role in promoting effective relationships and communications between non-executive directors.

The Company is run by its Board of Directors and its affairs are managed on a day to day basis by the Chief Executive under the direction and control of the Board. The Chief Executive Officer is responsible for day to day operations and execution of the business strategy by devising business plans and monitoring the same and performs his duties under the powers vested by the law and the Board. He is responsible for preparing business strategy, overall control and operation of the company as well as implementing the business plans approved by the Board. In performing his task the Chief Executive is required to protect and improve the shareholders' value and the long-term health of the Company. The Chief Executive is responsible for implementing the Company's long and short term plans.

Statement of Compliance with the Code of Corporate Governance

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

The company has applied the principles contained in the CCG in the following manner:

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

Category	Names
Independent Director	Mr. Muhammad Shamim Anwar
Executive Director	Mr. Muhammad Tousif Paracha
Non-Executive Directors	Mr. Mian Nazir Ahmed Paracha Mrs. Tabsum Tousif Paracha Mr. Mustafa Tousif Ahmed Paracha Mr. Muhammad Niaz Paracha Mr. Shaffi Uddin Parach

Independent director meets the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Casual vacancy on the Board was occurred on 3rd April 2017 which was filed on 29th of August 2017.

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executives and non-executive directors, have been taken by the Board/shareholders.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Three out of seven directors of the Company are exempted from directors training program on the basis of their level of education and length of experience as provided in CCG. One director has already attended the Director's Training Program. The Company will arrange training program of other directors as provided under CCG requirement.

10. There were no new appointment of CFO, Company Secretary and Head of Internal Audit and there were no change in their existing remuneration and terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises four members, of whom three are non-executive directors and one is independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors including the chairman of the committee.

18. The Board has set up an effective internal audit function.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by Company Secretary in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with except those disclosed above.

Muhammad Tousif Paracha
CEO

Lahore: October 06, 2017

Review Report to the Members on the Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Balochistan Glass Limited ('the Company') for the year ended June 30, 2017 to comply with the relevant requirements of Listing Regulations of the Pakistan Stock Exchange, where the Company is listed.

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

As a part of our audit of 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's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for the review and approvals its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justifications for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2017.

Further, we highlight the matter in relation to the requirement of the Code that the Board has filled up the casual vacancy of the director in 147 days rather than requirement of filling the casual vacancy in 90 days of occurrence of casual vacancy on the Board.

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

Multan: October 06, 2017

Auditors' Report to the Members

We have audited the annexed balance sheet of Balochistan Glass Limited as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

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

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

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

  (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2017 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Without qualifying our report, we draw attention of the members towards note 2 of the financial statements, which indicates that the Company incurred net loss amounting to Rs. 491.751 million during the year ended June 30, 2017 and as of that date its accumulated loss of Rs. 4,928.657 million have resulted in net capital deficiency of Rs. 3,727.457 million and its current liabilities exceeded its current assets by Rs. 784.412 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 the Company's ability to continue as a going concern.

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

Multan: October 06, 2017

Balance Sheet
as at June 30, 2017

	Notes	2017	2016
		(Rupees in thousands)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	4	2,666,000	1,766,000
Issued, subscribed and paid-up capital	5	1,716,000	1,716,000
Discount on shares	6	(514,800)	(514,800)
Accumulated loss		(4,928,657)	(4,445,553)
		(3,727,457)	(3,244,353)
Subordinated loans - Unsecured	7	482,080	482,080
Loan from sponsors - Unsecured	8	3,143,201	-
Surplus on revaluation of property, plant and equipment	9	288,999	297,646
		186,823	(2,464,627)
NON-CURRENT LIABILITIES			
Long term loans	10	266,415	1,592,116
Liabilities against assets subject to finance lease	11	-	-
Deferred liabilities	12	238,503	1,106,293
		504,918	2,698,409
CURRENT LIABILITIES			
Trade and other payables	13	878,789	1,042,484
Markup accrued	14	133,688	184,559
Short term borrowings	15	367,721	411,562
Current maturity of non current liabilities	16	284,057	222,567
		1,664,255	1,861,172
CONTINGENCIES AND COMMITMENTS	17		
		2,355,996	**2,094,954**
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	18	1,268,570	1,377,110
Advance against purchase of plant and machinery		81,952	-
Long term investment	19	125,631	-
		1,476,153	1,377,110
CURRENT ASSETS			
Stores, spares and loose tools	20	228,054	232,542
Stock in trade	21	163,374	234,760
Trade debts	22	127,292	69,858
Loans and advances	23	43,030	47,305
Trade deposits, prepayments and other receivable	24	56,942	47,622
Taxes recoverable due from Govt.	25	68,558	65,951
Cash and bank balances	26	192,593	19,806
		879,843	717,844
		2,355,996	**2,094,954**

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

Profit & Loss Account

For The Year Ended June 30, 2017

	Notes	2017	2016
		(Rupees in thousands)	
Sales - Net	27	674,149	1,494,503
Cost of sales	28	939,381	1,774,518
Gross loss		(265,232)	(280,015)
Administrative and selling expenses	29	31,734	43,296
Other expenses	30	8,428	8,577
		40,162	51,873
Other income	31	26,243	9,599
Operating loss		(279,151)	(322,289)
Financial charges	32	209,512	205,792
Loss before taxation		(488,663)	(528,081)
Taxation	33	3,088	(3,752)
Loss after taxation		**(491,751)**	**(524,329)**
Loss per share - Basic and diluted (Rs.)	34	(2.87)	(3.06)

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Statement of Comprehensive Income

For The Year Ended June 30, 2017

	Note	2017	2016
		(Rupees in thousands)	
Loss for the year		(491,751)	(524,329)
Other comprehensive income:			
Items that will not be reclassified to profit and loss account:			
Acturial gain / (loss) on gratuity re-measurement		-	(4,215)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment		12,300	13,564
Related deferred tax		(3,653)	(4,069)
	9	8,647	9,495
Total comprehensive loss for the year		(483,104)	(519,049)

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Cash Flow Statement

For The Year Ended June 30, 2017

	Notes	2017	2016
		(Rupees in thousands)	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(488,663)	(528,081)
Adjustments for non-cash charges and other items:			
Depreciation		123,020	132,482
Provision for stores and spares	20.1	2,450	-
Provision for doubtful balances	23.2	5,978	5,210
Provision for gratuity	12.3.1	7,082	13,251
Loss/(Gain) on disposal of fixed assets	31	(659)	3,367
Financial charges	32	209,512	205,792
Liabilities and mark up written back on settlement with financial institutions	31	(25,518)	(9,529)
		(166,798)	(177,508)
Working capital changes			
(Increase)/Decrease in current assets			
Stores, spares and loose tools		2,038	11,232
Stock in trade		71,386	(169,757)
Trade debts		(57,434)	10,609
Loans and advances		(1,703)	(2,214)
Trade deposits, prepayments and other receivables		(9,320)	7,894
Increase/(Decrease) in current liabilities			
Trade and other payables		(78,417)	221,420
		(73,450)	79,184
Cash used in operations		(240,248)	(98,324)
Payments for:			
Financial charges		(46,659)	(20,230)
Taxes		(9,418)	(39,783)
Gratuity		(24,251)	(30,738)
Net cash outflow from operating activities	A	(320,576)	(189,075)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(14,546)	(63,287)
Advance against purchase of plant and machinery		(81,952)	-
Proceeds from disposal of fixed asset		725	650
Long term investment		(125,631)	-
Net cash outflow from investing activities	B	(221,404)	(62,637)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from sponsors - Net		896,181	-
Long term loans - Net		(187,570)	135,244
Lease rentals paid		-	(15,993)
Short term borrowings - Net		6,156	141,552
Net cash inflow from financing activities	C	714,767	260,803
Net increase in cash and cash equivalents	A+B+C	172,787	9,091
Cash and cash equivalents as at 1st July		19,806	10,715
Cash and cash equivalents as at 30th June	**26**	**192,593**	**19,806**

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Statement of Changes in Equity

For The Year Ended June 30, 2017

	Issued, subscribed and paid-up capital	Discount on shares	Accumulated Loss	Total
	(Rupees in thousand)			
Balance as on July 01, 2015	**1,716,000**	**(514,800)**	**(3,926,504)**	**(2,725,304)**
Total comprehensive (loss) for the year				
Loss after taxation	-	-	(524,329)	(524,329)
Other comprehensive income:				
Actuarial loss on gratuity re-measurement	-	-	(4,215)	(4,215)
Transfer from surplus on revaluation of property, plant and equipment - Net of deferred tax	-	-	9,495	9,495
Total comprehensive loss for the year	-	-	(519,049)	(519,049)
Balance as on June 30, 2016	**1,716,000**	**(514,800)**	**(4,445,553)**	**(3,244,353)**
Total comprehensive (loss) for the year				
Loss after taxation	-	-	(491,751)	(491,751)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of deferred tax	-	-	8,647	8,647
Total comprehensive loss for the year	-	-	(483,104)	(483,104)
Balance as on June 30, 2017	**1,716,000**	**(514,800)**	**(4,928,657)**	**(3,727,457)**

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

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. Manufacturing facilities of the Companies are situated at Hub, Balochistan, Kot Abdul Malik, Lahore and Sheikhupura. 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 statements for the year ended June 30, 2017 are showing loss after taxation amounting to Rs. 491.751 million (2016: loss Rs. 524.329 million) and has accumulated loss of Rs. 4,928.657 million (2016: Rs. 4,445.553 million) at the yearend which resulted in negative equity of Rs. 3,727.457 million (2016: Rs. 3,244.353 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 784.412 million (2016: Rs. 1,143.328 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 has decreased significantly as compared to corresponding period, because of the market competition and quality related issues of its certain products. 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 year. 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, maximumutilization of its available resources and improve the efficiency along with the modernization of its production facilities. Unit-III was closed during the first quarter of financial year 2015-16, due to refurbishing/rehabilitation of its furnaces and relocation of certain production facilities from Unit I to Unit III. Unit III has started its production of tableware products since October 2016 in respect of which the Company is fetching satisfactory results regarding product market and margin thereon. The Company has also entered into agreement for the acquisition of modernized machinery for its Balancing, Modernization and Replacement (BMR) for which letter of credits has been established as at the reporting date. Production from new machinery will start from the last quarter of the financial year 2017-18 that will fetch better results in terms of quality and price hence profitability of the Company.

Due to the management strategic decision of modernization of its production facilities, Unit I & II were closed for significant period of time, resultantly Company were to lay off the substantial number of employees. Management is confident that once the BMR is 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 has also entered into an agreement with two of its lending financial institution for the restructuring of its overdue credit facilities. The Company is committed to honoring its existing restructuring agreements 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 the adamant financial support from its directors and associates.

During the year, Company has made the arrangements with two of its major sponsoring directors pursuant to which loans and mark up payable thereon till the reporting date amounting to Rs. 2,563 million has become payable at the option of the Company and the directors have agreed to not to charge the mark up on their loans for the future periods. Furthermore, additional loan of Rs. 580.184 million has been arranged by the Company for meeting the financing requirements of the Company for its BMR expenditure and operational requirements. The Board of Directors have decided to raise equity against the loan amounts (note no. 8) by way of further issue of capital without right offer subject to approval of shareholders and the Securities and Exchange Commission of Pakistan.

Based on continuing support from directors and associates along with future prospects of industry and other steps taken by the 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.

3 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

3.1 **Statement of compliance**

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

3.1.1 New standards, amendments or interpretations which became effective during the year:

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)
- Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations (Amendment)
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative (Amendment)
- Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization (Amendment)
- Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants
- Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements (Amendment)

Annual improvements to IFRSs 2012-2014 Cycle

- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 - Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
- IAS 19 - Employee Benefits - Discount rate: regional market issue
- IAS 34 - Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

3.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the companies having accounting periods beginning on or after July 01, 2016 but are considered not to be relevant or to have any significant effect on the Company’s operations and are, therefore, not detailed in these financial statements.

3.1.3 Promulgation of New Companies Act, 2017.

The Companies Act, 2017 which is not effective on these financial statements, has added some additional disclosure requirements which will be applicable from next financial year.

3.2 Basis of preparation

These financial statements have been prepared under the historical cost convention except otherwise stated in the respective notes and policies. The Company's significant accounting policies are stated in note 3.3.

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 Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgments, complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

3.2.1 Income taxes

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment and appellate stages and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.2.2 Property, plant and equipment

The Company reviews the appropriateness of rate of depreciation, useful lives and residual value of property, plant and equipment on regular basis. The estimates of revalued amount of land and buildings are based on valuation carried out by a professional valuer. Further where applicable, an estimate of recoverable amount of an asset is made for possible impairment on annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3.2.3 Provision for doubtful receivables

The Company reviews its doubtful trade debts and other receivables at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

3.2.5 Inventories

The Company reviews the net realizable value of inventories, including stock-in-trade, stores, spare parts and loose tools, to assess any diminution in their respective carrying values. Any change in the estimates in future years might affect the carrying amounts of inventories with a corresponding effect on related cost and impairment.

3.2.6 Contingencies

The Company discloses its contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisor for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognised at the balance sheet date

3.3 SIGNIFICANT ACCOUNTING POLICIES

3.3.1 Staff retirement benefits

The Company operated unfunded gratuity scheme covering all employees eligible to the benefit. Provisions were based on actuarial recommendations. Actuarial valuations was carried out using the projected unit credit method as required by International Accounting Standard 19 “Employee Benefits”. However Company has decided to change it staff retirement benefits from Defined Benefit Plan (Gratuity) to Defined Contribution Plan (i.e Provident Fund) as mentioned in Note 12.3 of these financial statements. The Company shall operate a recognised provident fund scheme for all permanent employees. Equal monthly contribution shall be made both by the Company and employees to the fund at the rate of 10% of the basic salary.

3.3.2 Taxation

Current

Provision for current taxation is based on current rates of tax after taking into account tax credits and rebates available, if any.

Deferred

Deferred tax is recognized on all timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- when receivables and payables are stated with the amount including sales tax;
- when the sales tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in that case sales tax is recognised as part of the cost of acquisition of asset or as part of the expense item, as applicable.

Net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.3.3 Property, plant and equipment and depreciation

Owned

Operating fixed assets are stated at cost less accumulated depreciation and impairment loss, if any except for freehold land & building which is stated at revalued amount less accumulated depreciation. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress at cost less any recongnised impairment loss. Borrowing costs pertaining to erection / construction of qualifying assets are capitalized as part of the historical cost as stated in note 3.3.10 These are transferred to specific assets as and when these assets are available for use.

Increase in the carrying amount arising on revaluation of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment. Decrease in the previous increase of the same assets is charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit/accumulated loss.

Depreciation charge is based on the reducing balance method at the rates specified in note 18 to the financial statements.

Depreciation on additions is charged from the month in which the asset is available for use and on disposals no depreciation is charged in the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred; major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets are taken to profit and loss account.

Leased

Assets subject to finance lease are initially recorded at lower of the present value of minimum lease payments under the lease agreements and the fair value of leased assets. The related obligation under the lease less financial charges allocated to future period are shown as a liability. These financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged to income by applying reducing balance method to write-off the depreciable amounts of the assets over their estimated useful life in view of certainty of ownership of the assets at the end of lease period.

3.3.4 Stores and spares

These are valued at lower of average cost and net realizable value except for those in transit, which are valued at cost. Provision is made for slow moving and obsolete stores and spares.

3.3.5 Stock in trade

These are stated at the lower of cost and net realizable value. The cost is determined as follows:

Raw and packing materials	Average cost
Work in process	Average material cost only. Conversion costs are not included as these are not significant.
Finished goods	Average cost which includes prime cost and appropriate portion of production overheads.
Items in transit	Cost comprising invoice values plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred to make the sale.

3.3.6 Trade debts and other receivables

Trade debts are carried at original invoice amount, which approximates fair value and subsequently measured at amortized cost, less an estimate made for doubtful receivable balances based on review of outstanding amounts at the year end. A provision for doubtful debt is created when there is an objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivable. The provision is recognised in the profit and loss account. When trade debt is un collectable, it is written off against provision. Subsequent recoveries of amounts previously written off are credited to profit and loss account.

3.3.7 Foreign currency translation

Transactions in foreign currencies are recorded using the rates of exchanges ruling at the date of transaction.

Assets and liabilities in foreign currencies are translated into Rupees at exchanges rates approximating those prevailing at the balance sheet date except where forward exchange contracts have been entered into, in which case the rates contracted for are used.

All other exchanges differences are taken into profit and loss account.

3.3.8 Transaction with related parties

Transactions with related parties are based on the policy that all the transactions between the Company and related parties are carried out at arm's length. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

3.3.9 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably. Revenue is measured at fair value of consideration received or receivable on the following basis :

Sales are recorded on dispatch of goods to customers. Profits / mark-up on deposits and investments are accounted for when it becomes receivable.

3.3.10 Borrowings and borrowing costs

Borrowings are recognised initially at fair value and are subsequently carried at amortized cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

3.3.11 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.3.12 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised at the time when the Company substantially transfers all the risks and rewards of ownership of the financial asset. Financial liabilities are derecognised at the time when the obligation specified in the contract is discharged, cancelled or expired.

3.3.13 Trade and other payables

Short term liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company

3.3.14 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment loss. Any impairment loss arising is recognized as expense in the profit and loss account.

3.3.15 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash at bank which are subject to an insignificant risk of change in value.

3.3.16 Loans, advances and deposits

These are initially recognised at cost, which is the fair value of consideration given. Subsequent to the initial recognition assessment is made at each balance sheet date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.3.17 Investment in equity instruments of associated company

Investments in an associated company is accounted for by using equity basis of accounting, under which the investments in associated company is initially recognised at cost and the carrying amounts are increased or decreased to recognise the company's share of profit or loss of the associated company after the date of acquisition. The company's share of profit or loss of the associated company is recognised in the Company's profit or loss. Distributions received from the associated company reduce the carrying amount of investment. Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the associated company arising from changes in the associated company's equity that have not been recognized in the associated company's profit or loss. The Company's share of those changes is recognized directly in equity of the company.

3.3.18 Off setting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.3.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the Company that makes strategic decisions.

3.3.20 Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentational currency.

3.3.21 Earnings per share

Basic Earnings Per Share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into and post tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares.

		2017	2016
4	**AUTHORIZED CAPITAL**	**(Rupees in thousands)**	
	261,600,000 (June 30, 2016: 171,600,000) Ordinary shares of Rs. 10 each	2,616,000	1,716,000
	5,000,000 (June 30, 2016: 5,000,000) Preference shares of Rs. 10 each	50,000	50,000
		2,666,000	1,766,000

			2017	2016
5	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**			
	85,300,000	Ordinary shares of Rs.10 each fully paid in cash (2016: 85,300,000 of Rs.10 each)	853,000	853,000
	85,800,000	Ordinary shares of Rs.10 issued on 60% discount each fully paid in cash (2016: 85,800,000)	858,000	858,000
	500,000	Ordinary shares of Rs.10 each issued as fully paid Bonus Shares (2016: 500,000 shares of Rs.10 each)	5,000	5,000
	171,600,000		1,716,000	1,716,000

5.1 34,403,422 (2016: 42,235,422) ordinary shares of the Company are held by associated company.

6 DISCOUNT ON SHARE

In September 2012, the Company had issued 85.800 million ordinary shares to Mr. Muhammad Tousif Paracha at 60% discount against the outstanding share deposit money of Rs. 343.200 million and recorded Rs. 514.800 million as discount on shares

7 SUBORDINATED LOANS - Unsecured

	Notes	2017	2016
		(Rupees in thousands)	
From related parties (Directors)			
- Local currency		82,493	82,493
From sponsors and shareholders			
- Foreign currency		399,587	399,587
		482,080	482,080

7.1 The above loans are interest free, unsecured and were repayable in respective currencies. These loans shall be treated as subordinated to the principal amounts of the debts owing to the banks and financial institutions and accordingly may only be repaid by the Company in whole or in part provided that upon such repayment, the Company shall comply with the debt to equity ratio requirements of the Prudential Regulations of State Bank of Pakistan as applicable to the Company for the time being.

7.2 Keeping in view the heavy losses incurred by the Company in recent years, foreign currency loans have been frozen by the mutual consent of the directors / sponsors of the Company at exchange rates prevailing at June 30, 2007. The loans will be payable in foreign currencies equivalent to the rupee amounts reflected as on June 30, 2007, thereby eliminating the effect of foreign currency translation loss to the Company.

7.3 In the absence of identifiable repayment period due to peculiarity of Company's circumstances and unconditional right held by the Company to delay the payment till the availability of ample resources for its repayment, these loans are not measured at amortized cost using effective interest rate method as per requirement of IAS 39 rather these loans are classified in accordance with the guidance provided by the Institute of Chartered Accountants of Pakistan through Technical Release (TR-32 "Accounting Directors' Loan") and are measured at their fair values as initially recognized.

8 LOAN FROM SPONSORS - Unsecured

	Notes	2017	2016
Long Term Loan - Reclassified			
Muhammad Tousif Paracha	8.1 & 8.5	1,470,108	-
Tariq Siddiq Paracha	8.1	94,215	-
Deferred Mark Up - Reclassified			
Muhammad Tousif Paracha	8.2	903,953	-
Tariq Siddiq Paracha	8.2	94,741	-
Long Term Loan - Interest free			
Muhammad Tousif Paracha	8.3 & 8.5	580,184	-
		3,143,201	**-**

8.1 This represents the long term loans provided by the directors of the Company, previously classified as long term loans under the mark up arrangement. Pursuant to the new arrangements between the Company and the sponsoring directors, the balances of loans outstanding as at the reporting date 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.

8.2 This represents the amount of mark up charged, on long term loans from directors, till the reporting date, previously classified as deferred mark up (related parties). Pursuant to the new arrangements between the Company and the sponsoring directors, no mark up is to be charged on 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. Therefore, these markup 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")

8.3 During the year, the Company received funds from its Chief Executive for the purpose of necessary BMR and to meet operational requirements. This loan is interest free and payable at the discretion of the Company. This loan is not measured at amortized cost as per requirements of 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.

8.4 Mr. Muhammad Tousif Paracha has offered and consented to the Board of Directors regarding the acceptance of shares against his outstanding loan amounts (reclassified and interest free) to the extent of Rs. 900 million, that might be issued to him otherwise than right share subject to necessary approvals.

8.5 The Board of Directors has decided, subject to compliance with the provisions of all applicable laws and requisite regulatory approvals and sanctions, including the approval from Securities and Exchange Commission of Pakistan and shareholders, to increase the share capital of the Company by Rs. 900 millionby issuance of additional 90 million ordinary shares of face value of Rs. 10 each by way of otherwise than right shares at a price of Rs. 10 each to Mr. Muhammad Tousif Paracha against his outstanding loan towards the Company.

		Notes	2017	2016
			(Rupees in thousands)	
9	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**			
	Opening Balance - net of deferred tax		297,646	307,141
	Transfer to accumulated loss in respect of incremental depreciation charged during the year - Net of deferred tax		(8,647)	(9,495)
			288,999	297,646
10	**LONG TERM LOANS**			
	Banks and financial institutions	10 A	247,364	324,739
	Related party - Director	10 B	19,051	1,267,377
			266,415	**1,592,116**
10 A	**From banks and financial institutions - Secured**			
	BOP - Demand finance I	10.1 , 10.3 & 10.4	-	119,500
	BOP - Demand finance II (Frozen Markup)	10.2 , 10.3 & 10.4	345,416	342,449
	BOP - Deferred mark up	10.3	(99,087)	(99,087)
			246,329	362,862
	Bank Al falah - Loan	10.5	8,203	19,303
	Bank Al falah - Markup	10.5	3,225	6,767
	FBL - Restructured loan	10.6	95,171	102,671
	FBL - Mark up	10.6	62,107	52,517
	FBL - Deferred mark up	10.6	(62,107)	(52,517)
	NBP - DF I	10.7	30,873	-
	NBP - DF II (Frozen Markup)	10.7	18,290	-
	AlBaraka - Restructured loan	10.8	73,627	-
			475,718	**491,603**
	Current and overdue portion presented under current liabilities			
	BOP - Demand finance I	10.1 , 10.3 & 10.4	-	(109,500)
	BOP - Demand Finance II	10.2	(146,978)	(24,000)
	BOP - Demand Finance II - overdue	10.2	(23,500)	-
	Bank Al falah - Loan	10.5	(8,203)	(12,000)
	Bank Al falah - Markup	10.5	(3,225)	(3,864)
	FBL - Restructured loan	10.6	(13,500)	(7,500)
	BOP - Demand finance I - over due	10.1 , 10.3 & 10.4	-	(10,000)
	NBP - DF I	10.7	(1,149)	-
	NBP - DF II (Frozen Markup)	10.7	(962)	-
	NBP - DF I - overdue	10.7	(5,815)	-
	NBP - DF II (Frozen Markup) - overdue	10.7	(3,851)	-
	AlBaraka - Restructured loan	10.8	(21,171)	-
			(228,354)	**(166,864)**
			247,364	**324,739**

		Notes	2017	2016
			(Rupees in thousands)	
10 B	**From related party (director) - Unsecured**			
	Muhammad Tousif Paracha	8.1 & 8.5	-	1,154,111
	Tariq Siddiq Paracha	8.1	-	94,215
	Javaid Aziz Paracha	10.9	19,051	19,051
			19,051	**1,267,377**

10.1 The Demand Finance I facility was been obtained from The Bank of Punjab (BOP) initially for the purpose of swap of debts from other banks. During the year 2010, the Bank re-structured / re-scheduled facility for the purpose of conversion of outstanding principal amounting to Rs.463.664 Million.

During the year 2012, the Company again entered into a settlement agreement with BOP for re-structuring/ rescheduling of loan with an upfront payment of Rs. 63 Million. The loan was payable in 58 monthly stepped up installments and carried mark up @ 3 months KIBOR with floor of bank's cost of funds.

The principal amount of the loan has been fully paid by the Company during the year.

10.2 This Demand Finance II facility has been restructured/rescheduled by BOP against unserviceable markup of Rs. 240.444 million as on June 30, 2012. It includes frozen markup on DF-I amounting Rs. 99.087 million which will be waived at the tail end subject to no defaults in repayment agreed under the revised restructuring arrangements. The balance amount of Rs. 141.357 million is payable in 8 monthly stepped up installments till October 2018.

10.3 According to the agreement, the principal was to be repaid in variable monthly installments till April 30, 2017 started from July 31, 2012. Markup amounting to Rs. 105 million accrued till April 30, 2017 will be payable in unequal monthly installments till March 31, 2018 starting from May 31, 2017. No mark up is chargeable on the balances of frozen or deferred mark up.

10.4 These facilities are secured against ranking charge of Rs. 833.334 million through equitable and registered mortgages over the present and future fixed assets of the Company and personal guarantee of sponsor directors.

10.5 The Company had entered into an amicable compromised restructuring of its running finance facility along with markup with Bank Alfalah Limited. The loan along with markup is payable in monthly installments upto March 31, 2018. It carries markup rate of 8.5 % chargeable on the outstanding value of the finance only. It is secured against 1st pari passu charge for Rs. 94 million over the Company's fixed assets, ranking charge of Rs. 67 million on current assets of the Company and personal guarantees of sponsor directors of the Company.

10.6 The Company had entered into an amicable restructuring of its running finance facility, overdue amount of letter of credit along with mark up thereon with Faysal Bank Limited. Through restructuring agreement, amount of loan amounting to Rs. 104.17 million after the adjustment of upfront payment of Rs. 14.686 million was repayable in 65 monthly stepped up installments upto August-2021. It carries mark up @ 3 month KIBOR plus 0% payable on the outstanding value of the finance only. Previous and future mark up will be payable in 19 monthly equal installments after the adjustment of the principal liability till March 2023. This facility is secured against the first pari passu hypothecation charge over current assets of the Company amounting to Rs. 34 million, pari passu charge over plant and machinery of the Company amounting to Rs. 234 Million and personal guarantees of the sponsor directors of the Company.

10.7 During the year, the Company has entered into an amicable compromised restructuring of its running finance facility along with markup with National Bank of Pakistan. Through this arrangement, balance of running finance facility amounting to Rs. 32.498 million after making the upfront payment of Rs. 17.499 million is repayable in 5 years in 20 quarterly installments @ 3 months KIBOR plus 1% . The Bank has also restructured the mark up amounting to Rs. 19.253 million after the upfront payment of Rs. 10.367 million, that is repayable in 20 equal quarterly installments over 5 years. The facility is secured against first pari passu hypothecation charge on plant and machinery and equitable mortgage charge over the land of the Company amounting to Rs. 67 million each.

10.8 During the year, the Company has entered into a restructuring arrangement with Al Baraka Bank (Pakistan) Limited in respect of its outstanding credit facility amounting to Rs. 102.5 million. Through this arrangement balance of credit facility amounting to Rs. 89.688 million after the upfront payment of Rs. 12.812 million is payable in 48 equal monthly installments. It carried mark up @ matching KIBOR plus 1.50% per annum. This facility is secured against the hypothecation charge over stock and receivables, charge over fixed assets and equitable mortgage charge over the fixed assets and post dated cheques of the Company. Personal guarantees of directors including pledge of listed securities held by director in associated Company and corporate guarantee of unlisted associated company are also the part of securities.

10.9 These unsecured loans have been obtained from directors and carried the mark up @ 10% p.a (2016: 10%).

11 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - Secured

	2017		2016	
	Lease Payments		Lease Payments	
	Minimum	Present Value	Minimum	Present Value
	(Rupees in thousands)		(Rupees in thousands)	
Not later than one year	55,703	55,703	55,703	55,703
Later than one year but not later than five years	-	-	-	-
Total	55,703	55,703	55,703	55,703
Less: Finance charge allocated to future periods	-	-	-	-
Present value of minimum lease payments	55,703	55,703	55,703	55,703
Less: Current portion- under current liabilities	-	-	-	-
Over due portion-under current liabilities	55,703	55,703	55,703	55,703
	-	-	-	-

11.1 Overdue amount includes Rs. 6.895 million (2016: Rs 6.895 million) which is to be adjusted with related lease deposit money. However, these amounts could not be adjusted as at balance sheet date due to non availability of title/ no-objection certificate from leasing companies.

11.2 The rentals under these lease agreements were payable on monthly and quarterly basis. Mark up rates ranging from 8.50% to 22% per annum (2016: 8.50% to 22% per annum) have been used as discounting factors. The cost of operating and maintaining the leased assets is borne by the Company. Facility is secured against the hypothecation charge over the plant and machinery and movable assets of the Company. The Company intends to exercise its option to purchase the leased assets upon settlement of lease liabilities.

12 DEFERRED LIABILITIES

	Notes	2017	2016
		(Rupees in thousands)	
Deferred taxation	12.1	38,428	42,081
Employees retirements benefits	12.3	14,654	31,823
Deferred mark up (related parties)	10.9	24,227	880,785
Deferred mark up (financial institution)	10.3 & 10.6	161,194	151,604
		238,503	1,106,293

12.1 Deferred taxation

	2017	2016
Credit balances arising due to:		
- Accelerated tax depreciation allowances	130,774	141,386
- Relating to finance lease	13,042	16,296
Debit balances arising due to:		
- Staff gratuity	(4,309)	(9,344)
- relating to provisions	(60,279)	(57,721)
- Unused tax losses	(981,836)	(1,005,089)
- Available tax credits	(38,537)	(31,930)
Deferred tax asset	(941,145)	(946,402)
Deferred tax asset not recognized	941,145	946,402
	-	-
Deferred tax liability relating to surplus on revaluation of property, plant and equipment - opening balance	42,081	46,150
Incremental depreciation	(3,653)	(4,069)
	38,428	42,081

12.2 Deferred tax asset has not been recognized as the future taxable profits may not be available against which the tax losses will be adjusted.

12.3 Employees retirements benefits

Staff gratuity:

	Notes	2017	2016
		(Rupees in thousands)	
Movement in balance			
Opening balance		31,823	45,095
Payments during the year		24,251	30,738
		7,572	14,357
Charge for the year	12.3.1	7,082	13,251
Actuarial (gain) / loss chargeable to OCI during the year		-	4,215
	12.3.2	14,654	31,823

12.3.1 Charge for the year

	2017	2016
Service cost	7,082	10,427
Interest cost	-	2,824
	7,082	13,251

12.3.2 Balance sheet reconciliation

	2017	2016
Present value of defined benefit obligations	14,654	31,823

The Company has decided to change its employees' retirement benefit plan from defined benefit plan (Gratuity) to defined contribution plan (Provident Fund) from the next year. Liabilities of the employees as at the reporting date has been computed on the assumption that liability is payable as at the year end. These balances shall be frozen till the employees leave the Company. Previously defined benefits were valued in accordance with the requirements of IAS-19 " Employee benefits" and actuarial valuation was carried out at June 30, 2016 using the 'projected unit credit method'. Detail of significant assumptions used for the valuation and disclosures in respect of above mentioned scheme at June 30, 2016 were given as follows:

12.3.3 Principal actuarial assumption

	2017	2016
Expected rate of increase in salaries	-	6.25 % p.a.
Discount factor used	-	7.25 % p.a.
Average expected remaining		
working life time of employees	-	9 years
duration of liability	-	9 years

13 TRADE AND OTHER PAYABLES

	Notes	2017	2016
Bills payable		-	101,227
Trade creditors	13.1	216,039	242,819
Accrued expenses	13.2	370,900	368,275
Advances from customers		50,421	78,436
Unclaimed dividend		164	164
Sales tax payable		32,617	36,399
Income taxes payable		131,471	124,061
Others		77,177	91,103
		878,789	1,042,484

13.1 This includes amount of Rs. 14.729 million (2016: Rs. 17.581 million) payable to M/S Pak Hy Oils Limited (associated company).

13.2 Included herein a sum of Rs. 250.063million(2016: Rs. 206.393million)outstanding on account of sui gas bills which includes the amount of Gas Infrastructure & Development Cess (GIDC) charged to the Company, payment of which is subject to court decision. This also includes Rs. 21.780million (2016:Rs. 21.780million) against the rent payable to the CEO.

		Notes	2017	2016
			(Rupees in thousands)	
14	**MARK UP ACCRUED**			
	This includes amount of Rs. 111.901 million (2016: 108.369 million) payable to associated persons.			
15	**SHORT TERM BORROWINGS**			
	From banks and financial institutions - Secured			
	Short term running finance	15.1	-	49,997
	From related parties - Unsecured			
	Associated company	15.2	252,945	243,277
	Other associates	15.3	112,194	112,194
	Others - Unsecured, interest free			
	Temporary bank overdraft		2,582	6,094
			367,721	411,562

15.1 The Company has entered into an amicable restructuring agreement with National Bank of Pakistan during the year in respect of running finance amounting to Rs. 49.997 million . This amount is being classified in note 10.7 of these financial statements in accordance with the terms of restructuring agreement

15.2 The unsecured loan/short term advance facility has been obtained from associated companies for working capital requirements which carries the mark up ranging from 8.55% to 9.62 % (2016: 8.55% to 17%) per annum.

15.3 The Company has obtained the loan from other associate for meeting the working capital requirements which carries mark up @ 10% (2016:10% per annum)

		Notes	2017	2016
16	**CURRENT MATURITY OF NON CURRENT LIABILITIES**			
	BOP - Demand Finance I	10.2	-	119,500
	BOP - Demand Finance II	10.2	170,478	24,000
	Bank Al falah - Loan	10.5	8,203	12,000
	Bank Al falah - Markup	10.5	3,225	3,864
	FBL - Restructured loan	10.6	13,500	7,500
	NBP - DF I	10.7	6,964	-
	NBP - DF II (Frozen Markup)	10.7	4,813	-
	AlBaraka - Restructured loan	10.8	21,171	-
	Lease Liabilities	11	55,703	55,703
			284,057	222,567

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Bank guarantees amounting to Rs. 149.906 million (2016: Rs. 149.906 million) have been given by various banks on behalf of the Company.

17.1.2 Company is defendant in various legal proceedings initiated by various ex-employees, suppliers and contractors in various labor / civil / high courts. The aggregate of suit amounts is Rs. 25.643 million. The Company expects decisions in its favor based on grounds of cases, therefore, the Company has not made provision of amounts referred above.

17.1.3 Audit proceedings under the Income Tax Ordinance, 2001 against the Company in respect of tax year 2009 and under the Sales Tax Act, 1990 in respect of tax year 2012 are underway while assessment in respect of tax year 2014 has been finalized by the Additional Commissioner Inland Revenue Officer who has raised the demand of Rs. 5.63 million. Company has filed an appeal before the CIR (appeals) against the said matter.

Assessment under Section 161 of the Income Tax Ordinance, 2001 for tax year 2014, has been finalized and order by DCIR has been issued without affording proper opportunity of being heard. The Order has been set aside by the Commissioner. Subsequently DCIR has issued notice for re-assessment for the tax year 2014 for which the proceeding are underway.

Assessment under Section 161 of the Income Tax Ordinance, 2001 for tax year 2015, has been finalized. Officer Inland Revenue has raised the demand of Rs. 45.970 million. The Company has filed appeal in this regard.

Assessment under Section 177 of the Income Tax Ordinance, 2001, in respect of tax year 2015 has been finalized during the year. Assistant/Deputy Commissioner Inland Revenue has made total additions of Rs. 1,044.89million to income in his order. The Company has filed an appeal before CIR (appeals) against this order.

Keeping in view the nature of proceedings and availability of tax losses and tax related provisions, management is of considered opinion that Company may not be liable for any major liability in addition to what has already been recorded in the books as on June 30, 2017.

17.2 Commitments

Letters of credit for capital expenditures amounting to Rs. 270.835 million (2016: Nil).

18 PROPERTY, PLANT AND EQUIPMENT	**Notes**	**2017**	**2016**
		(Rupees in thousands)	
Operating fixed assets	18.1	1,266,287	1,374,827
Capital work in progress	18.5	2,283	2,283
		1,268,570	1,377,110

18.1 Operating Fixed Assets

Particulars	------ 2 0 1 7 ------									
	Cost / Revaluation				Depreciation				Book value	
	Opening July 01, 2016	Additions / Transfer	Disposal / Transfer	Closing June 30, 2017	Opening July 01, 2016	For the year	Disposal / Transfer	Closing June 30, 2017	As at June 30, 2017	Rate %
	(Rupees in thousand)									
Freehold land	244,500	-	-	244,500	-	-	-	-	244,500	--
Building on freehold land										
Factory	221,261	1,909	-	223,170	103,788	11,891	-	115,679	107,491	10
Non factory	64,343	-	-	64,343	22,873	2,074	-	24,947	39,396	5
Plant and machinery										
Owned	2,324,431	7,657	-	2,332,088	1,527,047	89,935	-	1,616,982	715,106	10 & 15
Leased	296,009	-		296,009	185,040	11,097	-	196,137	99,872	10
Electric and gas installation	72,268	-	-	72,268	24,919	4,735	-	29,654	42,614	10
Furniture and fixtures	11,819	934	-	12,753	9,298	278	-	9,576	3,177	10
Office equipment	8,383	106	-	8,489	5,511	296	-	5,807	2,682	10
Vehicles										
Owned	30,043	3,940	(975)	33,008	19,986	2,668	(909)	21,745	11,263	20
Leased	3,877	-	-	3,877	3,645	46	-	3,691	186	20
	3,276,934	14,546	(975)	3,290,505	1,902,107	123,020	(909)	2,024,218	1,266,287	

Particulars	------ 2 0 1 6 ------									
	Cost / Revaluation				Depreciation				Book value	
	As at July 01, 2015	Additions / Transfer	Disposal / Transfer	As at June 30, 2016	As at July 01, 2015	For the year ended June 30, 2016	Disposal / Transfer	As at June 30, 2016	As at June 30, 2016	Rate %
	(Rupees in thousand)									
Freehold land	244,500	-	-	244,500	-	-	-	-	244,500	--
Building on freehold land										
Factory	219,967	1,294	-	221,261	90,819	12,969	-	103,788	117,473	10
Non factory	64,343	-	-	64,343	20,690	2,183	-	22,873	41,470	5
Plant and machinery										
Owned	2,246,668	91,092	(13,329)	2,324,431	1,399,715	97,144	30,188	1,527,047	797,384	10 & 15
Leased	343,679	(47,670)		296,009	211,302	13,238	(39,500)	185,040	110,969	10
Electric and gas installation	59,380	12,888	-	72,268	20,510	4,409	-	24,919	47,349	10
Furniture and fixtures	11,809	10	-	11,819	9,019	279	-	9,298	2,521	10
Office equipment	8,211	172	-	8,383	5,196	315	-	5,511	2,872	10
Vehicles										
Owned	17,502	12,541	-	30,043	11,974	1,718	6,294	19,986	10,057	20
Leased	10,845	(6,968)	-	3,877	9,712	227	(6,294)	3,645	232	20
	3,226,904	63,359	(13,329)	3,276,934	1,778,937	132,482	(9,312)	1,902,107	1,374,827	

18.2 The detail of fixed assets disposed off/sold are as follows:

Description	Cost	Acc. Dep.	Net Book Value	Sale Proceed	Mode of Disposal	Particulars of purchaser
	(Rupees in thousands)					
Vehicles	975	909	66	725	Negotiation	Imran Ahmed - Unrelated party

		Notes	2017	2016
			(Rupees in thousands)	
18.3	Depreciation charge for the year has been allocated as follows:			
	Cost of sales		120,833	130,124
	Administrative and selling		2,187	2,358
			123,020	132,482

18.4 Land and building of the Company have been revalued as at June 22, 2015, by an independent valuer not connected with the Company. Land has been valued on the basis of present market values for similar sized plots in the vicinity and value of building is determined through a computation of remaining useful life of the assets with the present market value.

Had there been no revaluation, the cost, accumulated depreciation and book value of revalued assets would have been as under:

	Cost as at June 30, 2017	Accumulated Depreciation as at June 30, 2017	Book Value as at June 30, 2017	Book Value as at June 30, 2016
	(Rupees in thousands)			
Freehold land	45,167	-	45,167	45,167
Building on freehold land				
Factory	54,148	41,839	12,309	11,715
Non factory	19,353	12,909	6,444	6,783
	118,668	**54,748**	**63,920**	**63,665**

18.5 Capital work in progress - Plant and Machinery

	2017	2016
Opening	2,283	2,355
Additions	-	2,286
Less: Transferred to operating fixed assets	-	(2,358)
Closing	2,283	2,283

19 LONG TERM INVESTMENT

The Company passed a special resolution in Annual General Meeting held on October 31, 2016 regarding making equity investment upto Rs. 150 million with in the period of 12 months by way of acquisition/allotment of 15 million ordinary shares of Paidar Hong Glass (Pvt.) Limited (investee company) which is a joint venture between the Company and Chinese investors. The investee company is registered on September 06, 2016 as limited by shares under the Companies Ordinance, 1984 having the registered office at 12 KM Sheikhupura Road, Lahore, with the objective to engage in the business of manufacturing of USP Type-I Borosilicate Glass Tubes, Vials & ampules. The Company holds the 49.99% shares in the investee company and possess the joint control with the Chinese investor. The Company has also resolved in the AGM to lease its surplus land measuring up to 20 Kanals for a period of 15 years to its investee company on mutually agreed terms and rentals. 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. Till the reporting date 12,563,136 shares against the stated investment has been issued to the Company representing the 49.99% of the total number of shares of investee company. The investee company has yet to start its operations while it has established letter of credit for import of machinery against which partial shipment has also arrived.

20 STORES, SPARES AND LOOSE TOOLS

	Notes	2017	2016
Stores		65,950	65,336
Spares and loose tools *(incl. moulds)*		213,307	215,959
		279,257	281,295
Provision for slow moving and obsolete items	20.1	(51,203)	(48,753)
		228,054	232,542

20.1 Provision for slow moving and obsolete items

	Notes	2017	2016
Balance as at July 01		48,753	48,753
Provision for the year	30	2,450	-
		51,203	48,753

		Notes	2017	2016
21	**STOCK IN TRADE**		**(Rupees in thousands)**	
	Raw and packing materials		38,516	48,547
	Work in process		705	2,966
	Finished goods	21.1	124,153	183,247
			163,374	234,760

21.1 Adjustments amounting to Rs. 10.705million(2016:Rs. 11.221million)have been made to closing inventory to write down stocks to their net realizable value.

		Notes	2017	2016
22	**TRADE DEBTS**			
	Trade Debts - Unsecured- considered good		127,292	69,858
	Trade Debts - Unsecured and considered doubtful		51,553	51,553
			178,845	121,411
	Less: Provision for doubtful debts	22.1	(51,553)	(51,553)
			127,292	69,858
22.1	**Provision for doubtful debts**			
	Balance as at July 01		51,553	59,357
	Provision for the year	30	-	-
	Bad debts written off		-	(7,804)
			51,553	51,553
23	**LOANS AND ADVANCES**			
	Employees	23.1	1,652	2,364
	Suppliers		95,231	97,235
	Against expenses		13,821	9,402
			110,704	109,001
	Less: provision for doubtful balances			
	Provision for Suppliers		(56,597)	(51,992)
	Provision against advance to employees and expenses		(11,077)	(9,704)
		23.2	(67,674)	(61,696)
			43,030	47,305

23.1 Aggregate amount due from executives of the Company is Rs. 0.606 million (2016: Rs. 1.040 million).

		Notes	2017	2016
23.2	**Provision for doubtful loans and advances**			
	Balance as at July 01		61,696	59,616
	Provision for the year	30	5,978	2,080
			67,674	61,696
24	**TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE**			
	Short term deposits	24.1	71,410	63,471
	Margin deposit on letter of credit		-	532
	Other receivable	24.2	20,108	18,195
			91,518	82,198
	Less Provision for Short term Deposits		(16,381)	(16,381)
	Provision for Other Receivables		(18,195)	(18,195)
		24.3	(34,576)	(34,576)
			56,942	47,622

24.1 This includes a sum of Rs. 31.379 million (2016: 31.379 million) relating to assets subject to finance lease.

24.2 This includes receivable from related party amounting to Rs. 1.913 million (2016: Nil)

		Notes	2017	2016
24.3	**Provision for doubtful short term deposits and other receivables**		**(Rupees in thousands)**	
	Balance as at July 01		34,576	31,446
	Provision for the year (short term deposits)	30	-	3,130
			34,576	34,576
25	**TAXES RECOVERABLE DUE FROM GOVT.**			
	Taxes recoverable		68,558	65,951
26	**CASH AND BANK BALANCES**			
	Cash in hand		1,085	271
	Cash at banks - Current accounts	26.1	146,413	19,367
	- Short term deposit	26.1 & 26.2	45,000	-
	- Saving accounts	26.2	95	168
			192,593	19,806

26.1 This includes amount of Rs. 189.6 million deposited with banks as cash margin against the balance payment of Letter of Credit for plant and machinery.

26.2 It carries mark up ranging form 3.75 % to 4.50% (2016: 3.75% to 4.50%) per annum.

		Notes	2017	2016
27	**SALES - Net**			
	Gross Sales			
	Local		779,866	1,728,369
	Export		13,408	31,740
			793,274	1,760,109
	Less: Sales tax		(119,125)	(265,606)
			674,149	1,494,503
28	**COST OF SALES**			
	Raw material consumed			
	Opening stock		48,547	26,269
	Purchases		180,345	625,315
			228,892	651,584
	Closing stock		(38,516)	(48,547)
			190,376	603,037
	Power, fuel and water		305,265	543,070
	Salaries, wages and other benefits	28.1	151,445	348,621
	Stores and spares		38,389	102,174
	Oil & lubricants		45,324	150,414
	Repairs and maintenance		6,957	10,040
	Communication		1,560	1,796
	Traveling and conveyance		3,491	5,374
	Legal and professional		1,035	12,672
	Stationery, fees and subscription		1,647	960
	Insurance		2,828	1,810
	Entertainment		1,555	938
	Depreciation	18.3	120,833	130,124
	Rent, rates and taxes		4,799	4,873
	Others		2,522	6,094
			878,026	1,921,997
	Adjustment of work in process:			
	Opening Stock		2,966	6,148
	Closing Stock		(705)	(2,966)
	Cost of Goods Manufactured		880,287	1,925,179
	Adjustment of finished goods:			
	Opening Stock		183,247	32,586
	Closing Stock		(124,153)	(183,247)
			939,381	1,774,518

28.1 Salaries, wages and other benefits include amount of Rs. 6.50 million(2016: Rs. 9.276 million)relating to staff retirement benefits.

		Notes	2017	2016
			(Rupees in thousands)	
29	**ADMINISTRATIVE AND SELLING EXPENSES**			
	Salaries and other benefits	29.1	1,444	6,489
	Communication		1,373	1,281
	Rent, rates and taxes		706	-
	Traveling and conveyance		9,469	11,202
	Legal and professional		5,063	6,477
	Advertisement		276	528
	Stationery, fees and subscription		306	294
	Power, fuel and water		537	420
	Entertainment		309	316
	Auditors' remuneration	29.2	1,200	1,200
	Depreciation	18.3	2,187	2,358
	Repairs and maintenance		382	205
	Freight, handling and forwarding on local sale		6,233	10,398
	Freight, handling and forwarding on export sale		617	445
	Charity and donation	29.3	1,283	1,261
	Miscellaneous		349	422
			31,734	43,296

29.1 Salaries and other benefits include amount of Rs. 0.582 million (2016: Rs. 3.975 million) relating to staff retirement benefits.

		2017	2016
29.2	Statutory audit fee	780	780
	Half yearly review	400	400
	Out of pocket expenses	20	20
		1,200	1,200

29.3 Recipients of donation do not include any donee in whom a director or his spouse had any interest.

				2017	2016
30	**OTHER EXPENSES**				
	Provision for:	- advances		5,978	2,080
		- deposits		-	3,130
		- store and spares		2,450	-
	Loss on sale of fixed assets			-	3,367
				8,428	8,577
31	**OTHER INCOME**				
	Income from non financial assets				
	Gain on disposal of fixed assets			659	-
	Income from financial assets				
	Liabilities and mark up written back on settlement with financial institutions			25,518	9,529
	Bank profit			66	70
				26,243	9,599
32	**FINANCIAL CHARGES**				
	Mark up on				
	- Long term loans				
	- banks and financial institutions			18,769	57,138
	- related parties (directors)		10.9	142,169	106,747
	- Short term borrowings				
	- banks and financial institutions			1,045	5,011
	- related parties			35,602	30,048
	Provision for default surcharge on taxation			6,860	624
	Bank charges			5,067	6,224
				209,512	205,792

33 TAXATION

	2017	2016
	(Rupees in thousands)	
Current	6,741	317
Deferred	(3,653)	(4,069)
	3,088	(3,752)

The current tax provision represents the final tax chargeable under section 154 and minimumtax under section 113 of the Income Tax Ordinance, 2001. (2016: Minimum tax was not applicable due to gross loss before depreciation).

For the purpose of current taxation, the tax losses available for carry forward as at June 30, 2017 are estimated at Rs. 3,272.787 million (2016: Rs. 3,350.296 million).

The company is not presenting the tax charge reconciliation because the company has incurred tax loss during the year.

34 LOSS PER SHARE - Basic and diluted

There is no dilutive effect on the basic loss per share of the Company, which is based on:

		2017	2016
Loss after taxation		(491,751)	(524,329)
		Number of shares	
Weighted average ordinary shares in issue during the year		171,600,000	171,600,000
Loss per share - Basic and diluted	(Rupees)	(2.87)	(3.06)

35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The board of directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

35.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company's credit risk is primary attributable to its receivables and balances with banks.

The carrying amounts of financial assets represent the maximumcredit exposure. The maximumexposure to credit risk at the reporting date is:

	2017	2016
Trade debts	127,292	69,858
Loans and advances	1,652	2,364
Deposits and other receivables	25,563	15,711
Bank balances	191,508	19,535
	346,015	107,468

For trade debts, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors. Individual risk limits are set based on internal or external credit worthiness ratings in accordance with limits set by the management.

The aging of trade debts at the reporting date was:	2017	2016
	(Rupees in thousands)	
Not past due	55,336	15,920
Past due 0-30 days	25,381	28,481
Past due 30-150 days	44,657	18,148
Past due 150 days	1,918	7,309
	127,292	69,858

Based on the past experience, management believes that no impairment allowance is necessary in respect of trade debts past due as management believes that the same will be recovered in short course of time. The credit quality of the Company's receivable can be assessed with their past performance. At June 30, 2017, the Company has 3 customers that owed more than Rs. 10 million each (2016: 4 customers that owed more than Rs. 7 million each) and accounted for approximately 44% (2016: 84%) of all trade debts.

The credit quality of some of the Company's banks can be assessed by their external credit ratings:

Name of Bank	Rating Agency	Rating	
		Short term	Long term
United Bank Limited	PACRA	A 1+	AA+
MCB Bank Limited	PACRA	A 1+	AAA
Meezan Bank Limited	JCR-VIS	A 1+	AA
Bank Alfalah Limited	PACRA	A 1+	AA
Al-Baraka Bank (Pakistan) Limited	JCR-VIS	A 1	A
Faysal Bank Limited	PACRA	A 1+	AA
The Bank of Punjab	PACRA	A 1+	AA-
National Bank of Pakistan	PACRA	A 1+	AAA
J S Bank Limited	PACRA	A 1 +	A A -
Bank Islami Pakistan	PACRA	A 1	A +

Due to Company's long standing relationship with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal

35.2 Liquidity risk

Liquidity risk reflects an company's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. The following are the contractual maturities of the financial liabilities, including estimated markups:

	2017				
	Carrying Amount	Contractual Cash Flow	Upto One year	One to Five Years	More Than Five Years
Financial Liabilities	(Rupees in thousands)				
Long term loans (including sponsors' loan)	4,120,050	4,120,050	228,354	247,364	3,644,332
Liabilities against assets subject to finance lease	55,703	55,703	55,703	-	-
Trade and other payables	828,368	828,368	828,368	-	-
Deferrred Markup	185,421	185,421	-	151,009	34,412
Markup accrued	133,688	133,688	133,688	-	-
Short term borrowings	367,721	367,721	367,721	-	-
	5,690,951	5,690,951	1,613,834	398,373	3,678,744

	2016				
	Carrying Amount	Contractual Cash Flow	Upto One year	One to Five Years	More Than Five Years
Financial Liabilities	(Rupees in thousands)				
Long term loans (including sponsors' loan)	2,241,060	2,241,060	166,864	324,739	1,749,457
Liabilities against assets subject to finance lease	55,703	55,703	55,703	-	-
Trade and other payables	964,048	964,048	1,042,484	-	-
Deferred markup	1,032,389	1,032,389	-	99,087	933,302
Markup accrued	184,559	184,559	184,559	-	-
Short term borrowings	411,562	411,562	411,562	-	-
	4,889,321	4,889,321	1,861,172	423,826	2,682,759

All the financial liabilities of the Company are non derivative financial liabilities. The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at June 30. The rates of mark-up have been disclosed in note 10, 11 and15 to these financial statements.

Liquidity risk management

The Company’s approach of managing the liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity for meeting its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. The Company manages the liquidity risk through finance from the sponsor directors of the Company.

Company has approached its lenders for the restructuring of its lease liabilities which is under active consideration by them. Short term borrowings from some of the financial institutions have been renewed/ restructured.

35.3 Market Risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of financial instruments. The Company is exposed to currency risk and interest rate risk only.

35.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. The financial instruments of the Company exposed to currency risk were as follow:

	2017	2016
Financial Liabilities:	(Rupees in thousands)	
Foreign creditors	4,906	5,222
	4,906	5,222
Net Exposure	4,906	5,222

The following significant exchange rate has been applied:

	2017	2016
USD to PKR (Reporting date rate in Rupees)	104.70	104.70
USD to PKR (Average rate in Rupees)	104.70	103.20

Sensitivity analysis

At reporting date, if PKR had strengthened by 10% against the US Dollar with all other variables held constant loss / profit for the year would have been lower / higher by the amounts shown below, mainly as a result of foreign exchange gain on translation of foreign currency liabilities.

	2017	2016
Effect on (loss) / profit	(491)	(522)

The 10% weakening of the PKR against US Dollar would have had an equal but opposite impact on the loss / profit for the year on the basis that all other variables remain constant.

35.3.2 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the following:

Fixed rate instruments at carrying amounts:

Long Term financing	19,051	1,267,377
Short Term Financing	112,194	112,194

Variable rate instruments at carrying amounts:	2017	2016
	(Rupees in thousands)	
Financial liabilities		
Long term financing	207,873	241,474
Lease liabilities	55,703	55,703
Short term borrowings	252,945	293,274
	516,521	590,451

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased / decreased loss/profit for the year by the amounts shown below:

	2017	2016
Effect on loss due to change of 100 BPs		
Increase / (decrease)	5,165	21,080

The effective interest / mark up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

35.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of financial instruments reflected in these financial statements approximate their fair values.

35.5 Capital risk management

The Company's prime objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The debt to adjusted capital ratios at June 30, 2017 and June 30, 2016 were as follows:

	2017	2016
Total debt (including directors' interest free loan)	4,728,896	3,740,714
Less: Cash and bank balances	(192,593)	(19,806)
Net debt	4,536,303	3,720,908
Total equity	(3,727,457)	(3,244,353)

The equity of the Company is negative and the Company is being financially supported by its directors and associates as mentioned in Note No. 2 of these financial statements.

35.6 Off balance sheet financial instruments

Off balance sheet financial liabilities are disclosed in note 17.2 to the financial statements.

36 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in thousands)							
Managerial remuneration	-	-	-	1,620	10,106	23,301	10,106	24,921
House rent allowance	-	-	-	729	4,547	10,487	4,547	11,216
Utilities	-	-	-	162	1,011	2,331	1,011	2,493
Medical	-	-	-	27	168	393	168	420
Conveyance	-	-	-	162	1,011	2,331	1,011	2,493
	-	-	-	2,700	16,843	38,843	16,843	41,543
Number of persons	1	1	1	1	27	50	29	52

Two directors and some executives have been provided with Company maintained cars. No payment is made to directors for attending the meeting of board of directors.

37 TRANSACTIONS WITH RELATED PARTIES

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

	2017	2016
	(Rupees in thousands)	
Associated Entities		
Short term loan received - net	9,668	240,758
Purchases	-	16,021
Payment against supplies	2,851	9,704
Markup charged on loan	24,383	8,931
Investment in associate	125,631	-
Payments on behalf of associate	1,913	-
Other Associates		
Short term loan received	-	67,605
Repayment of short term loan	-	139,909
Markup charged on loan	11,219	21,117
Directors		
Loan received	896,181	322,025
Repayment of loan	-	20,000
Markup charged on loan	142,169	106,747

38 INFORMATION ABOUT BUSINESS SEGMENTS

38.1 For management purposes, the activities of the Company are organized into business units based on their products 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:

	2017		
	Glass Containers	Plastic Shells	Total
	(Rupees in thousands)		
Revenue:			
Sales to external customers	793,274	-	793,274
Less: Sales tax	(119,125)	-	(119,125)
Net Revenue	674,149	-	674,149
Cost of goods sold	(939,381)	-	(939,381)
Admin and selling expenses	(31,734)	-	(31,734)
Other charges	(8,428)	-	(8,428)
Other income	26,243	-	26,243
	(953,300)	-	(953,300)
Segment result	**(279,151)**	**-**	**(279,151)**
Financial charges	(209,512)	-	(209,512)
Taxation			(3,088)
Loss for the year			**(491,751)**
Other Information:			
Capital expenditure	14,546	-	
Depreciation	123,020	-	

	2016		
	Glass Containers	Plastic Shells	Total
	(Rupees in thousands)		
Revenue:			
Sales	1,737,425	22,684	1,760,109
Less: Sales tax	(262,310)	(3,296)	(265,606)
	1,475,115	19,388	1,494,503
Cost of goods sold	(1,754,441)	(20,077)	(1,774,518)
Admin and selling expenses	(42,734)	(562)	(43,296)
Other charges	(8,577)	-	(8,577)
Financial charges	(203,122)	(2,670)	(205,792)
Other income	9,599	-	9,599
	(1,999,275)	(23,309)	(2,022,584)
Segment result	**(524,160)**	**(3,921)**	**(528,081)**
Taxation			3,752
Loss for the year			**(524,329)**
Other Information:			
Capital expenditure - Net	63,287	-	
Depreciation	130,775	1,707	

38.2 GEOGRAPHICAL INFORMATION

	2017	2016
	(Rupees in thousands)	
Revenue from external customers :		
Pakistan	660,741	1,462,763
Asia other than Pakistan	4,436	16,784
Africa	2,629	8,251
Europe	6,343	6,705
	674,149	**1,494,503**

The revenue information above is based on the location of customers.

All non-current assets of the Company as at 30 June 2017 are located in Pakistan. The detail of segment assets have not been disclosed in these financial statements as these are not reported to the chief operating decision maker on regular basis.

39 CAPACITY AND PRODUCTION

	Unit	2017 Capacity	2017 Production	2016 Capacity	2016 Production
Based on 360 working days					
Glass containers	Tons	120,400	13,972	120,400	35,142
Plastic shells					
Full depth	Pieces	1,500,000		1,500,000	49,113
Half depth	Pieces	800,000	-	800,000	-
	Pieces	2,300,000	-	2,300,000	49,113

39.1 Shortfall between the plant capacity and actual production is due to closure of two units during the substantial period of the year for the purpose of refurbishing of the production facilities.

40 NUMBER OF EMPLOYEES

	Numbers	
Number of employees at end of the year	112	148
Average number of employees during the year	135	413

41 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.

42 GENERAL

42.1 These financial statements are presented in rupees and figures have been rounded off to the nearest thousand rupees.

42.2 These financial statements are authorised for issue on **October 06, 2017** in accordance with the resolution of the Board of Directors of the Company.

CHIEF EXECUTIVE

DIRECTOR

THE COMPANIES ORDINANCE 1984

(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

Pattern of holding of the shares held by the shareholders as at **30-06-2017**

4. No. of Shareholders	------Shareholding------ From	To	Total Shares Held
809	1	100	25,461
630	101	500	206,751
389	501	1,000	354,730
796	1,001	5,000	2,381,540
212	5,001	10,000	1,784,929
88	10,001	15,000	1,173,203
45	15,001	20,000	846,500
42	20,001	25,000	1,011,500
26	25,001	30,000	757,000
17	30,001	35,000	570,767
10	35,001	40,000	388,500
4	40,001	45,000	176,000
23	45,001	50,000	1,147,500
1	50,001	55,000	54,080
1	55,001	60,000	55,500
4	60,001	65,000	254,000
1	70,001	75,000	72,000
3	75,001	80,000	238,313
1	85,001	90,000	90,000
3	90,001	95,000	285,000
7	95,001	100,000	700,000
3	105,001	110,000	330,000
3	115,001	120,000	351,039
2	120,001	125,000	250,000
1	125,001	130,000	128,500
1	130,001	135,000	135,000
1	135,001	140,000	140,000
1	150,001	155,000	152,500
3	170,001	175,000	518,590
1	180,001	185,000	184,000
1	190,001	195,000	195,000
4	195,001	200,000	797,000
1	220,001	225,000	224,000
2	245,001	250,000	497,500
1	285,001	290,000	290,000
1	355,001	360,000	356,000
1	385,001	390,000	388,000
1	425,001	430,000	429,000
1	435,001	440,000	435,500
1	470,001	475,000	475,000
2	495,001	500,000	1,000,000
1	625,001	630,000	626,558
1	645,001	650,000	649,000
1	1,295,001	1,300,000	1,300,000
1	1,395,001	1,400,000	1,398,500
1	1,870,001	1,875,000	1,875,000
1	2,005,001	2,010,000	2,009,708
1	3,990,001	3,995,000	3,995,000
1	4,555,001	4,560,000	4,557,635
1	14,995,001	15,000,000	15,000,000
1	25,710,001	34,405,000	34,403,422
1	85,935,001	85,940,000	85,935,274
3,155			**171,600,000**

5. Categories of shareholders	Share held	Percentage
5.1 Directors, Chief Executive Officer and their Spouse and Minor Children:	87,980,869	51.2709%
5.2 Associated Companies, Undertakings and Related Parties:	34,403,422	20.0486%
5.3 NIT and ICP	50	0.0000%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	3,995,582	2.3284%
5.5 Insurance Companies	172,640	0.1006%
5.6 Modarabas and Mutual Funds	1,410,000	0.8217%
5.7 Share holders holding 10% or more	120,339,346	70.1278%
5.8 General Public		
(Local)	24,189,596	14.0965%
(Foreign)	35,137	0.0205%
5.9 Others (to be specified)		
Pension Funds	54,080	0.0315%
Joint Stock Companies	18,902,116	11.0152%
Other Companies	456,508	0.2660%

BGL

BALOSHISTAN GLASS LIMITED
Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2017

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	PAK HY-OILS LIMITED. (CDC)	34,403,422	20.0486%
Mutual Funds (Name Wise Detail)			
1	CDC TRUSTEE AKD OPPORTUNITY FUND (CDC)	1,300,000	0.7576%
2	GOLDEN ARROW SELECTED STOCKS FUND LIMITED (CDC)	110,000	0.0641%
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. MUHAMMAD TAUSIF PARACHA	85,935,924	50.0792%
2	MR. MUHAMMAD NIAZ PARACHA	500	0.0003%
3	MIAN NAZIR AHMED PARACHA	500	0.0003%
4	MRS. TABUSSAM TAUSIF PARACHA (CDC)	2,042,945	1.1905%
5	MR. MUSTAFA TAUSEEF PARACHA	500	0.0000%
6	MR. SHAMIM ANWAR	500	0.0000%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Foreign Companies		351,039	0.2046%
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		4,222,302	2.4605%
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	MR. MUHAMMAD TAUSIF PARACHA	85,935,924	50.0792%
2	PAK HY-OILS LIMITED. (CDC)	34,403,422	20.0486%
3	GLOBALINK GLASS TECHNOLOGY AND EQUIPMENT COMPANY LTD (CDC)	15,000,000	8.7413%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
1	MR. MUHAMMAD TAUSIF PARACHA (CDC)	1,000,000	-

Consent Required From Shareholder(s)

For Annual Reports in Printed Copy instead of on CD/DVD/USB

Dear Shareholder(s)

The Securities and Exchange Commission of Pakistan by their SRO No. 470(I)/2016 dated May 31, 2016 allowed to transmit annual audited financial statements, auditor's report and directors report etc. to the Company's shareholders/members at their registered addresses in the form of soft copies in CD/DVD/USB instead of transmitting the annual audited accounts in printed copy, provided consent of shareholders has been obtained in a general meeting and an option of hard copy of the same information is offered to any interested shareholder.

To proceed towards paperless environment and to fulfill the responsibility towards environment, Company has already passed resolution with the consent of its shareholder in last **Annual General Meeting held on October 31, 2016,** therefore, accounts are circulated in soft copies instead of hard copy (i.e. printed book).

I/We/Messrs.,____, being a/the shareholder(s) of Balochistan Glass Limited (the "Company"), hereby, request to provide us hard copy of annual audited accounts instead of soft copy on CD/DVD/USB.

CNIC/NTN/PASSPORT COPY:_________________________________(Please attach copy)

FOLIO/CDS ACCOUNT # _____________________________________

Please send this form to our share registrar or company Secretary at below given addresses:

____

SIGNATURE OF SHAREHOLDER

Share Registrar:
Corplink (Pvt.) Limited
Share Registrars & Corporate Consultants
Wings Arcade, 1-K Commercial, Model Town, Lahore.
Tel: 042-35839182, 35916714, 5916719
Fax: 042-35869037 Email: corplink786@gmail.com

Balochistan Glass Limited:
Company Secretary
Dime Center, B.C. 4, 3rd Floor, Block, 09, Clifton Karachi.

Consent Required From Shareholder(s)

For Annual Reports through e-mail

Dear Shareholder(s)

The securities & Exchange Commission of Pakistan (SECP) through its Notification (SRO 787(I) 2014) dated 8 September 2014 has allowed the circulation of Company's annual balance sheet and profit and loss account, auditor's report and directors' report etc. (Audited Annual Financial Statements) to shareholders along with notice of Annual General Meeting (AGM) through e-mail.

Therefore, if you wish to receive company's (Audited Annual Financial Statements) along with notice of (AGM) via - email, you are requested to provide this letter duly filled and signed to us or our Share Registrar (M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore) at their below address:

E - MAIL ADDRESS: ____

NAME: ____

CNIC/NTN/PASSPORT COPY: ___________________________________ (Please attach copy)

FOLIO/CDS ACCOUNT # ______________________________________

____

SIGNATURE OF SHAREHOLDER

Share Registrar:
Corplink (Pvt.) Limited
Share Registrars & Corporate Consultants
Wings Arcade, 1-K Commercial, Model Town, Lahore.
Tel: 042-35839182, 35916714, 5916719
Fax: 042-35869037 Email: corplink786@gmail.com

Balochistan Glass Limited:
Company Secretary
Dime Center, B.C. 4, 3rd Floor, Block, 09, Clifton Karachi.

E-Dividend Mandate Letter

Mandatory Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/We/Messrs.,____, being a/the shareholder(s) of Balochistan Glass Limited (the "Company"), hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

Shareholder's Details	
Name of the Shareholder(s)	
Folio No. CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy) – Mandatory	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
Zakat Status (Payable or not payable) *(submit declaration as per Zakat & Ushr Ordinance 1980, if zakat not payable)*	

Shareholder's Bank Account Details	
Title of Bank Account	
IBAN **	
Bank's Name	
Branch Name	
Branch Code No	
Branch Address	

** Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours truly,

____

Signature of Shareholder (Please affix company stamp in case of corporate entity)

Note:

This letter must be sent by shareholders to his Stock broker or to CDC in case of Investor Account with CDC which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.

In case of physical shares, please send directly to our share registrar (M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore).

Form of Proxy

37th Annual General Meeting

The Company Secretary
Balochistan Glass Limited
Dime Centre, B.C. 4, 3rd Floor,
Block 09, Clifton, Karachi.

Dear Sir,

I/We --------------------------------------- of (full address) --- being a member(s) of Balochistan Glass Limited holding --------------------- Ordinary Shares as per Registered Folio No. / CDC A/c No -------------------------------- hereby appoint Mr./ Mrs./ Miss --- -----of (full address) --- or failing him / her Mr./ Mrs./ Miss ---of (full address) ------------------ ---being member of the Company as my/our Proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on 28th October 2017

Signed this ------------------------------------- day of --2017

Witnesses:

Signature ________________________________ ________________

Name ________________________________ ________________

Address ________________________________ ________________

CNIC No./ Passport Number ________________ ________________

Five Rupees
Revenue
Stamp

Signature should be agreed with the Specimen Signatures with the Company

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him/her.**
2. **The instrument appointing a proxy shall be in writing under the hand of the appointer or his constituted attorney or if such appointer is a corporation or company under the common seal of such corporation or company.**
3. **In case of individual, the account holder or sub-account holder and / or the person whose securities are in group account shall submit the Proxy form along with following documents:**
   a. **The Proxy form shall be witnessed by the two persons whose names, addresses and CNIC number shall be mentioned on the form.**
   b. **Attested copies of CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy form.**
   c. **The Proxy shall produce his / her original CNIC or original passport at the time of the meeting.**
   d. **In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature shall be submitted along with Proxy form to the company.**
4. **The Proxy Form, duly completed, must be deposited with the Company Secretary of Balochistan Galss Limited., Dime Centre, B.C. 4, 3rd Floor, Block 09, Clifton, Karachi. not less than 48 hours before the time for holding the meeting.**

BGL

ISO 9001:2008
BUREAU VERITAS
Certification

Marimax®
GLASSWARE

Quality Shines With Style