BALOCHISTAN GLASS LIMITED

2018
ANNUAL REPORT

BGL

ISO 9001 : 2008 CERTIFIED COMPANY

CONTENTS

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. Shams Ul Islam, ACA

AUDIT COMMITTEE

Mr. Shamim Anwar	Chairman
Mr. Mian Nazir Ahmed Paracha	Member
Mr. Mustafa Tousif Ahmed Paracha	Member
Mr. Muhammad Niaz Paracha	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
Pace Tower, 1st Floor, 27-H,
College Road, Gullberg - II, Lahore.
Tel: 042 35253514
Web: www.balochistanglass.com
Email:info@balochistanglass.com

KARACHI OFFICE
B 68/2, Ghulshan -e- Faysal, Corner of
Street # 13, Block # 7 Bath Island Clinton,
Karachi. Tel:

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

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

Mission

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 38th Annual General Meeting of Balochistan Glass Limited will be held on October 27, 2018 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 read and confirm the minutes of last Annual General Meeting held on October 28, 2017.
2. To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2018 together with Auditor's and Directors' report thereon.
3. To appoint Auditors of the Company for the year ending June 30, 2019 and to fix their remuneration.
4. To transact any other business with the permission of chairman

Date: October 03, 2018
Place: Lahore

By Order of the Board

Shams Ul Islam, ACA
Company Secretary

Notes:

1. The share transfer books will remain closed from October 20, 2018 to October 27, 2018 both days inclusive. Transfer received by the share registrar of the company Corplink (Pvt) Ltd, 1-k commercial, Model Town, Lahore up to October 19, 2018 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 30,2018 have been placed on the website of the company www.balochistanglass.com

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

7. 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 2018.

CNIC of Members/Shareholders & Dividend Payment

8. 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.

9. **Declaration as per Zakat & Usher Ordinance 1980**
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 already, now 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 Under Rule 4(2) of the Companies (Investment In Associated Companies and Undertakings) Regulations 2012 (Ref: Section 199 Of Companies Act, 2017)
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)" out of which PKR 125.63 Millionhave been invested in equity of PHGL at par value of Rs 10/ per share.

Since the Company owns 49.99% shares in Paidar Hong Glass (Private) Limited (a joint venture between the Company and Chinese investors) and have a joint control with the Chinese investors having object to engage in the business of manufacturing of USP Type-I Borosilicate glass tubes, vials and ampules. Some of the machinery items for manufacturing of above mentioned products have reached in the Company premises which are not been installed yet. The partners are reevaluating the project with regard to the prevailing energy situation and economic environment. The project management is expecting to realign its business plan in the new economic scenario in Pakistan and is expecting to complete the project.

As per unaudited accounts of PHGL total equity including accumulated profit till June 30, 2018 is 257 million, total assets is PKR 260 Million including bank of PKR 160.360 million.

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, 2018.

COMPANY PERFORMANCE

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

	2018	2017
	Rupees in thousands	
Sales - Net	**475,518**	674,149
Gross (Loss)	**(200,585)**	(265,232)
Operating (Loss)	**(235,934)**	(279,151)
Depreciation for the year	**110,832**	123,020
(Loss) before Tax	**(289,554)**	(488,663)
(Loss) after Tax	**(284,034)**	(491,751)
Basic and diluted (Loss) per share	**(1.64)**	(2.87)

As the Units (I & II) were remained closed during the current year, with the intentions to re-operate on sustainable and profitable basis while the Company managed the production facilities of Pharma Glass Products at Unit III (Kot Abdul Malik) which were temporarily transferred from Unit I (Hub). The production of Pharma Glass Products at Unit III (Kot Abdul Malik, Lahore) were based on the intentions to remain in the market despite of the increasing energy cost due to supply of Regasified Liquefied Natural Gas (RLNG) and under capacity utilization. Closure of the larger Units and allocation of fixed costs resulted into the negative financial performance but the company achieved its target to retain its presence in Pharma glass market during the year.

Keeping in view the above situation, management had previously decided to operate Unit I (Hub) after necessary BMR to modernize the whole operational activities in order to achieve the production efficiency to compete effectively in the market. The Company has successfully implemented the BMR plan of Unit I and its Plant and machinery have become fully operative from July 17, 2018 which was originally planned to be operative from June 2018.

The Company has achieved the competitive cost efficiency with the use of new machinery and reduced Sui Gas tariff in south region. Moreover, the Company is also in a more favorable position to attract the Pharma market of Sindh which is major portion of this sector. Furthermore, there is great potential to export pharma and other container products from Unit-I to earn valuable foreign exchange for the country. Therefore, we are highly confident that these decisions shall support the company to achieve operational efficiency in more sustainable manner as compared to company's performance in the last three years.

FUTURE OUTLOOK

The management has also started progressive activities to re-operate its remaining Plants, Unit -II (Sheikhupura) & Unit III (Kot Abdul Malik).

Necessary BMR has been started to convert one furnace at Unit III (Kot Abdul Malik) from Pharma into improved quality tableware production facility to produce quality Tableware Glass Products and regain its segment's market share lost due to company's operational limitations in the last couple of years whereas in respect of second furnace at Unit-III company is planning to convert it on to container glass after increase in its capacity. Company is very hopeful that Unit III will become operative on tableware glass in the month of October 2018. Furthermore, the management has also planned for Unit-II re-operation and committed to expand tableware production facility at Unit-II after successful operations of Unit-III.

During the year, directors and their associates have provided extensive financial support to the Company by extending mark-up free loans which are payable at discretion of the Company with an objective to support BMR and related activities. In addition, the company has issued shares against loan of Chief Executive with the approval of SECP to support the equity position of the Company. The company has been able to succeed the approval of Running finance facility of Rs. 250 Million for working capital requirements from Bank of Punjab to run its operations more smoothly. However, the Company has started utilizing the finance facility from August, 2018 after completing the related formalities. Similarly, Gharibwal Cement Ltd (associated company) had also proposed to renew and enhance their working capital facilities to company which will further help in working capital management.

As the Company had made investment in Paidar Hong Glass (Private) Limited in 2017 and the project is still under the machinery procurement stage where part of the plant and machinery reached Pakistan during the year. However, due to increasing trend of energy cost, geographical economic environment and other changes in economic factors forced the Board of Directors of Investee Company to adjust its original business plan to coup up with the emerging challenges and opportunities of Pakistani markets. The project management is expecting to realign its business plan in the new economic scenario in Pakistan and is expecting to complete the project.

Based on analysis of these, 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.

- Arrangements with the directors and their associates regarding waiver of markup on their loans for future period.
- Achieving cost efficiency through Modernization and up gradation of the Plant & Machineries
- More favorably attracting South region Pharma market which is major portion of pharma industry by operating at Hub with low cost of energy and handling.
- Continuous efforts by the management to increase the market share.
- Continued financial support of its sponsors and associates.
- Improvement in Liquidity position as compare to previous year.
- Operational unit of the company is meeting its operational liabilities.
- Settlement of major loan facilities with financial institutions and outstanding Utilities.
- Potential market of the Company's 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 12 &18) 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.

Composition of the Board:

1. The total number of directors are 7 as per the following:
   a. Male: 6
   b. Female: 1

2. Board of Directors of the Company Comprises:

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

3. The Board has formed committees comprising of members given below:

a. Audit Committee
- Mr. Shamim Anwar
- Mr Mian Muhammad Nazir Paracha
- Mr. Mustafa Tousif Ahmed Paracha
- Mr. Muhammad Niaz Paracha

b. HR & Remuneration Committee
- Mr. Mustafa Tousif Ahmed Paracha
- Mr. Mian Nazir Ahmed Paracha
- Mr. Muhammad Niaz Parach

BOARD & AUDIT COMMITTEE MEETINGS

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

	Meetings attended		
	BOD	**BAC**	**HR&R**
Number of meetings held	**4**	**4**	**1**
1. Mr. Muhammad Tousif Paracha	4	-	-
2. Mrs. Tabsum Tousif Paracha	3	-	-
3. Mr. Nazir Ahmad Paracha	4	4	1
4. Mr. Niaz Paracha	4	4	1
5. Mr. Shaffi ud Din Paracha (29-8-2017)	4	-	-
6. Mr. Muhammad Mustafa Tousif Paracha	4	4	1
7. Mr. Shamim Anwer	4	4	-

Board was elected on 27-01-2017.

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 and on behalf of the Board

Mustafa Tousif Ahmed Paracha
Chairman

Muhammad Tousif Paracha
CEO

Lahore : 03th October 2018

کمپنی ڈائریکٹرز نے 30 جون، 2018 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:

2018	2017	
روپے (ہزاروں میں)		
475,518	674,149	سیلز۔ نیٹ
(200,585)	(265,232)	مجموعی (نقصان)
(235,934)	(279,151)	آپریٹنگ (نقصان)
110,832	123,020	سالانہ ڈیپریسیئشن
(289,554)	(488,663)	(نقصان) ٹیکس سے پہلے
(284,034)	(491,751)	(نقصان) ٹیکس کے بعد
(1.64)	(2.87)	**Basic** اور **Diluted** (نقصان) فی شیئر

چونکہ موجودہ سال کے دوران یونٹس (I-II) بند رہے تھے، پائیدار اور منافع بخش بنیادوں پر دوبارہ کام کرنے کے ارادے کے ساتھ، کمپنی نے یونٹ III (کوٹ عبدالمالک) میں فارما شیشے کی مصنوعات کی پیداوار کی سہولیات کو منظم کیا، جو عارضی طور پر یونٹ I (حب) منتقل کیا گیا تھا۔ یونٹ III میں فارما شیشے کی مصنوعات کی پیداوار (کوٹ عبدالمالک، لاہور)، سوئی گیس (آر ایل این جی) کی فراہمی کی وجہ سے بڑھتی ہوئی توانائی کی لاگت اور صلاحیت سے کم پیداوار کے باوجود مارکیٹ میں رہنے کے ارادے پر مبنی تھی۔ بڑے یونٹس کی بندش اور مقررہ لاگت کی تخصیص کے نتیجے میں منفی مالیاتی کارکردگی سامنے آئی لیکن کمپنی نے سال کے دوران فارما گلاس مارکیٹ میں اس کی موجودگی کو برقرار رکھنے کے لیے اپنا ہدف حاصل کیا۔

مندرجہ بالا حالات کے پیشِ نظر، مارکیٹ میں موثر طریقے سے مقابلہ کرنے کے لیے اور زیادہ سے زیادہ پیداوار کی کارکردگی کو حاصل کرنے کے لیے مینجمنٹ نے ضروری BMR کے بعد یونٹ I (حب) کو چلانے کا فیصلہ کیا تھا۔ کمپنی نے کامیابی سے BMR کا منصوبہ عمل درآمد کیا اور

مشینری 17 جولائی، 2018 سے مکمل طور پر آپریٹنگ ب گئے ہیں جو اصل میں جون 2018 سے آپریٹنگ ہونے کی منصوبہ بندی کی گئی تھی۔

کمپنی نے نئی مشینری کے استعمال اور جنوبی علاقے میں سوئی گیس ٹیرف کم ہونے کے ساتھ مسابقتی لاگت کی کارکردگی حاصل کی ہے۔اس کے علاوہ کمپنی سندھ کے فارما گاہک کو اپنی طرف متوجہ کرنے کے لیے ایک قابل اطمینان مقام سے جو اس شعبے کا ایک بڑا حصہ ہے۔مزید برآں، یونٹ کے لیے فارما اور دیگر کنٹینرز کی مصنوعات برآمد کرنے کی بہت بڑی صلاحیت ہے جو ملک کے لیے قابل قدر غیر ملکی کرنسی حاصل کرتی ہے۔ لہذا، ہم اس بات پر یقین رکھتے ہیں کہ یہ کارکردگی کو حاصل کرنے کے لیے تعاون کریں گے۔

مستقبل کے تناظر میں:

انتظامیہ نے اپنی باقی فیکٹریوں یونٹ۔II (شیخوپورہ) اور یونٹ III (کوٹ عبدالالک) کو دوبارہ بحال کرنے کے لیے ترقیاتی سرگرمیوں کو بھی شروع کیا ہے۔

یونٹ III کی ایک بھٹی کو فارما سے بہتر معیار کی ٹیبل ویئر کی پیداوار میں تبدیل کرنے کے لیے ضروری BMR سرگرمیاں شروع کر دی گئی ہیں، تاکہ مارکیٹ کا حصول دوبارہ حاصل کریں۔جبکہ یونٹ III کی کمپنی میں دوسری فرنس کے سلسلے میں اس کی صلاحیت میں اضافے کے بعد کنٹینر گلاس میں تبدیل کرنے کی منصوبہ بندی ہے کمپنی بہت پر امید ہے کہ یونٹ III اکتوبر 2018 کے مہینے میں ٹیبل ویئر کی پیداوار کے لیے آپریشنل بن جائے گا۔اس کے علاوہ، مینجمنٹ نے یونٹ II کے دوبارہ آپریشن کے لیے بھی منصوبہ بندی کی ہے اور یونٹ III کے کامیاب آپریشن کے بعد یونٹ II میں ٹیبل ویئر کی پیداوار کی سہولیات کو بڑھانے کے لیے پرعزم ہے۔

سال کے دوران ڈائریکٹروں اور ان کے ساتھیوں نے BMR اور متعلقہ سرگرمیوں کی حمایت کرنے کے مقصد کے ساتھ مفت قرضوں کو بڑھانے کے ذریعے کمپنی کو وسیع مالی مدد فراہم کی ہے۔اس کے علاوہ، کمپنی کے مساوات کی حیثیت کو مضبوط بنانے کے لیے SECP منظوری کے ساتھ چیف ایگزیکٹو کے فرض کے خلاف حصص جاری کیے ہیں۔اس کی وجہ سے سال کے اختتام کے بعد کمپنی نے بینک آف پنجاب سے آپریشنل ضروریات کے لیے 250 ملین روپے فنانس سہولت بھی حاصل کی ہے تاکہ آپریشن کو زیادہ آسان طریقے سے چلایا جائے۔تاہم کمپنی نے متعلقہ سہولت بھی حاصل کرنے کے بعد اگست 2018 سے فنانس سہولت کا استعمال شروع کر دی ہے اسی طرح غریب وال سیمنٹ لمیٹڈ (منسلک کمپنی) نے بھی ان کی کارپوریٹ سرمایہ کاری کی سہولیات کو کمپنی کے لیے بڑھانے کی تجویز کی تھی جس میں آپریشنل ضروریات کی مینجمنٹ میں مزید مدد ملے گی۔

جیسا کہ کمپنی نے 2017 میں پائیدار ہانگ گلاس (نجی) لمیٹڈ میں سرمایہ کاری کی ہے اور یہ منصوبہ اب بھی مشینری کریداری کے مرحلے میں ہے جہاں سال کے دوران جزوی طور پر مشینری پاکستان پہنچ گئی۔تاہم توانائی کی لاگت کی بڑھتی ہوئی رجحان کی وجہ سے جغرافیائی اقتصادی ماحول

اور اقتصادی عوامل میں دیگر تبدیلیوں نے اپنی اصل کاروباری منصوبہ کو ایڈجسٹ کرنے کے لیے پاکستانی مارکیٹوں کی ابھرتی ہوئی چیلنجوں اور مواقع کے ساتھ حل کرنے کے لیے بورڈ آف ڈائیریکٹرز کو مجبور کیا۔ پرجیکٹ مینجمنٹ اس کی کاروباری منصوبہ بندی کو دوبارہ تبدیل کرنے کی توقع رکھتے ہیں، اور پاکستان میں نئی اقتصادی صورت حال میں اس منصوبے کو پورا کرنے کی توقع ہے۔

محدود منافع اور توانائی کی قیمت میں اضافہ کو مدنظر رکھتے ہوئے انتظامیہ نے پچھلے سال یونٹ I کو BMR کے ساتھ ضروری تبدیلی کر کے چلانے کا فیصلہ کیا۔ کمپنی نے یونٹ I کے BMR کو کامیابی سے مکمل کیا ہے اور 17 جولائی 2018 سے یونٹ I پروڈکشن میں آچکا ہے۔ کم لاگت اور بہتر مشینری کے استعمال کی وجہ سے کمپنی سندھ کی فارما مارکیٹ (جو کہ فارما مارکیٹ کا بڑا حصہ ہے) کو اپنی طرف متوجہ کرنے کیلیئے اچھی پوزیشن میں ہے۔ لہذا ہم یقین رکھتے ہیں یہ فیصلہ کمپنی کو لمبے عرصہ تک مقابلہ میں رکھنے میں مددگار ثابت 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 پر قابو 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 اور ڈائریکٹرز اور ان کے ساتھیوں کی مالی امداد جاری رکھنے کی صلاحیت کا بھی اندازہ لگایا ہے۔ اس تجزیے، اور اہم 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 ہوجائے گی۔

☆ سپانسرز کی جانب سے فریش فنڈز کا اضافہ۔
☆ اسپانسرز کے قرضوں پر مارک اپ کا نہ چارج کرنا۔
☆ جنوبی صوبے میں منافع بخش کسٹمرز کا ہونا اور کم لاگت کا ہونا۔
☆ 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 کر کے، 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 اور اس 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 اور ان کے اہل و اعیال 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 وعدوے 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 اور ان 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 وشنید اور مواصلات، بورڈ کا ایجنڈا، بورڈ کے اجلاس میں میل جول اور شرکت کے معیار۔

پ) کاروباری حکمت 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 سالمیت، متحرک طریقہ کار اور خطرات سے نپٹنا۔

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

ث) امدادی اور مشاورتی کردار۔

بورڈ کی ساخت

کل ڈائیریکٹرز کی تعداد سات ہے۔

ا۔ مرد 6 ب۔ خاتون 1

بورڈ آف ڈائیریکٹرز مشتمل ہے

آزاد ڈائیریکٹر جناب شمیم انور

ایگزیکٹو ڈائیریکٹر جناب محمد توصیف پراچہ

نان ایگزیکٹو ڈائیریکٹرز	مسز تبسم توصیف پراچہ
	جناب میاں نذیر احمد پراچہ
	جناب نیاز احمد پراچہ
	جناب شفیع الدین پراچہ
	جناب محمد مصطفیٰ توصیف پراچہ

بورڈ کی مندرجہ ذیل کمیٹیاں مشتمل ہیں۔

اڈیٹ کمیٹی	ایچ آر۔آر کمیٹی
جناب شمیم انور	جناب میاں نذیر احمد پراچہ
جناب میاں نذیر احمد پراچہ	جناب نیاز احمد پراچہ
جناب نیاز احمد پراچہ	جناب محمد مصطفیٰ توصیف پراچہ
جناب محمد مصطفیٰ توصیف پراچہ	

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

	HR&R	BAC	BOD
منعقد ملاقاتوں کی تعداد	1	4	4
1-جناب محمد توصیف پراچہ	-	-	4
2-مسز تبسم توصیف پراچہ	-	-	3
3-جناب میاں نذیر احمد پراچہ	1	4	4
4-جناب نیاز احمد پراچہ	1	4	4
5-جناب شفیع الدین پراچہ	-	-	4
6-جناب محمد مصطفیٰ توصیف پراچہ	1	4	4
7-جناب شمیم انور	-	4	4

آڈیٹرز

کمپنی کے آڈیٹر ریٹائرڈ ہوئے اور اگلے سال دوبارہ تعیناتی کے لئے اہل ہیں۔ آڈٹ کمیٹی نے M/s PKF F.R.A.N.T.S 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

لاہور۔ اکتوبر 2018,03

مصطفیٰ توصیف احمد پراچہ
چیئرمین

جناب محمد توصیف پراچہ
سی-ای-او

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.

BGLprovides 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 workrelated skills, and values diversity and different perspectives and ideas.

3. **We Live OurValues**
   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 an y 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 orForced 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. **OurRelationship with OurCustomers**
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 BGLbooks and records.

16. **OurRelationship with ourSuppliers**
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 ImproperPolitical 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**
BGLwill 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.

CORPORATE SOCIAL RESPONSIBILITY

Balochistan Glass Limited is fully committed to play its role as a responsible corporate citizen and fulfills its responsibility through energy conservation, environment protection and occupational safety and health through restricting unnecessary usage of artificial lighting, implementing tobacco control law and “No Smoking Zone”, and providing a safe and healthy work environment. During the year the company supported community by distributing the poor people sadaqa on regular basis. The company is running/ maintaining a Masjid for the convenience of the people living & working near our all factory premises.

REVIEW REPORT BY THE CHAIRMAN

I present to you the Annual Report of the performance of the company for the year ended June 30, 2018.

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, 2018, 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. All Directors, including Independent Director, fully participated in and made contributions to the decision making process of the Board.

As the SECP is continuously implementing regulatory changes to further regulate the industry. The management is also committed to focus on corporate compliances, which will give overall positive impact.

I would like to thank company's valued customers, suppliers and shareholders for their continued trust and appreciate the efforts of all employees for working in difficult conditions.

Mr. Muhammad Mustafa Tousif Paracha
Chairman

Dated: October 03, 2018

	2018	2017	2016	2015	2014	2013
			Rupees are in thousands			
Operating results						
Net sales	**475,518**	674,149	1,494,503	1,605,793	2,203,968	1,960,672
Gross profit / (loss)	**(200,585)**	(265,232)	(280,014)	(141,874)	(229,183)	13,989
Profit /(loss) befor tax	**(289,554)**	(488,663)	528,081	(461,597)	(571,513)	216,368
Profit /(loss) after tax	**(284,034)**	(491,751)	524,329	(459,487)	(568,533)	226,299
Dividend / bonus	**-**	-	-	-	-	-
Financial position						
Property, plant and equipment	**2,002,343**	1,476,153	1,377,110	1,450,322	1,456,893	1,534,156
Current assets	**650,762**	879,843	717,844	548,844	648,460	790,840
Current liabilities	**1,256,396**	1,664,255	1,861,172	1,637,102	1,468,158	1,538,343
Current portion of long term liabilities	**188,251**	284,057	222,567	231,017	190,404	146,375
Long term loans	**119,948**	266,415	1,592,116	1,101,947	1,179,852	916,411
Loan from directors and their associate	**3,153,002**	3,143,201	-	-	-	-
Subordinated loan-unsecured	**482,080**	482,080	482,080	482,080	482,080	482,080
Share capital	**2,616,000**	1,716,000	1,716,000	1,716,000	1,716,000	1,716,000
Financial ratios						
Gross profit/(loss) ratio	**-42.18%**	-39.34%	-18.74%	-8.84%	-10.40%	0.71%
Profit/(loss) before tax ratio	**-60.89%**	-72.49%	35.33%	-28.75%	-25.93%	11.04%
Profit/(loss) after tax ratio	**-59.73%**	-72.94%	35.08%	-28.61%	-25.80%	11.54%
Current ratio	**0.52**	0.53	0.39	0.34	0.44	0.51
Working capital	**(605,634)**	(784,412)	(1,143,328)	(1,088,258)	(819,698)	(747,503)

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 30 June 2018 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 except those 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 2018, which present fairly the state of affairs, results of operations, loss, 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 Act 2017.

vi. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act 2017 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 2018 and shall retire on the conclusion of the 38th 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 2019 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 LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Balochistan Glass Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") in the following manner:

1. The total number of directors are seven as per the following:
   a. Male: Six
   b. Female: One

2. 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 Peracha
Non-Executive Directors	Mr. Mian Nazir Ahmed Paracha Mrs. Tabsum Tousif Paracha Mr. Mustafa Tousif Ahmed Paracha Mr. Muhammad Niaz Paracha Mr. Shaffi Uddin Paracha

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

4. 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.

5. 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.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.

8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board remained fully compliant with the provision with regard to their directors' training program. 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. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

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

12. The Board has formed committees comprising of members given below:

a. **Audit Committee**
- Mr. Shamim Anwar
- Mr Mian Muhammad Nazir Paracha
- Mr. Mustafa Tousif Ahmed Paracha
- Mr. Muhammad Niaz Paracha

b. **HR & Remuneration Committee**
- Mr. Mustafa Tousif Ahmed Paracha
- Mr. Mian Nazir Ahmed Paracha
- Mr. Muhammad Niaz Paracha

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the aforesaid committees were as per following:

a. Audit Committee: Four quarterly meetings during the financial year ended June 30, 2018
b. HR and Remuneration Committee: One meeting during the financial year ended June 30, 2018.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

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

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

18. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of Board of Directors

Mr. Muhammad Mustafa Tousif Paracha
Chairman

Dated: October 03, 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF BALOCHISTAN GLASS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Balochistan Glass Limited for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

PKF Frants.

Multan: October 03, 2018

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Balochistan Glass Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty relating to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of Rs. 284.034 million during the year ended June 30, 2018 and, as of that date, its accumulated loss of Rs. 5,204.881 million have resulted in net capital deficiency of Rs. 2,459.216 million and its current liabilities exceeded its current assets by Rs. 605.634 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty relating to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
1. New requirements under the Companies Act, 2017	
As referred to in Note 4.2.1 to the accompanying financial statements, the Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. In case of the Company, a summary of key additional disclosures and changes to the existing disclosures have been stated in Note 4.2.1 to the accompanying financial statements. Further, the Company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in Note 5 to the accompanying financial statements. The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.	Our audit procedures included amongst others, the following: * Considering the management's process to identify the necessary amendments required in the Company's financial statements; * Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Act and our understanding of the Company's operations and business; * Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the annexed financial statements based on the new requirements; and * Assessed relevant underlying supports for additional disclosures for their appropriateness as sufficient audit evidence.
2. Loan from directors and their associate	
As at the year end, the Company had outstanding loan from directors and their associate amounting to Rs. 3,153.002 million, as disclosed in Note 11 to the accompanying financial statements. In the current year, the Company received an additional amount of Rs. 726.886 million from directors whereas Rs. 26.127 million and Rs. 137.736 million have been reclassified under long term loan from directors and their associate which were previously classified under deferred liabilities and current liabilities respectively. We have considered this area to be a key audit matter due to its materiality, significance in terms of relevance to the preparation of financial statements on going concern assumption and judgment involved regarding classification of these loans in accordance with the Technical Release -32 (Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan.	Our audit procedures included amongst others, the following: * Obtaining all minutes of the general meeting of the shareholders and the board of directors to confirm that all decisions with regard to loans and their respective terms and conditions were duly approved; * Obtaining and reading the signed loan agreements and other relevant documentations to understand and confirm the disclosed terms and conditions relating to loans from directors and their associate; * Performing test of details on additional loans obtained during the year; * Obtaining direct confirmations from directors and their associate to verify the outstanding amounts and terms and conditions for these loans; and * Finally, we assessed the adequacy of the related disclosures in this regard.

Key Audit Matter	How the matter was addressed in our audit
3. Net Realizable Value (NRV) of Stock in trade and provision for obsolescence for stores, spare parts and loose tools	
As at the year end, the Company held stock in trade amounting to Rs. 131.459 million, after write down of Rs. 31.350 million to Net Realizable Value (NRV), as disclosed in note 23 to the accompanying financial statements. The stock in trade obsolescence is calculated by considering the NRV of related stock in trade while mainly keeping in view the estimated selling price, cost necessary to be incurred to make the sale and forecasted sale volumes. As at the year end, the Company also held stores, spare parts and loose tools amounting to Rs. 209.039 million, after considering provision for slow moving and obsolete items amounting to Rs. 57.300 million as disclosed in note 22 to the accompanying financial statements. The provision for stores, spare parts and loose tools is calculated by considering the physical condition, its future usage for economic benefits and NRV. We have considered these areas to be a key audit matter due to their materiality and significance in terms of judgements involved in estimating the NRV of underlying stock in trade and usefulness of stores, spare parts and loose tools.	Our audit procedures included, amongst others, reviewing the management's procedure for writing down of stock in trade and provisioning of stores, spare parts and loose tools. Our audit procedures for evaluating the appropriateness of writing down of stock in trade to its NRV included: * Observing physical inventory counts to ascertain the condition and existence of stock in trade; * Performing testing on a sample of items to assess the NRV of the stock in trade held; * Evaluating the adequacy of calculation of NRV as at the year-end; * Evaluating the historical accuracy of writing down of stock in trade to its NRV assessed by management by comparing the actual loss to historical written down value of stock in trade recognized, on a sample basis; * Testing cost of goods with underlying invoices and expenses incurred in accordance with stock valuation method; and * Testing the NRV of the stock held by preforming a review of sales close to and subsequent to the year-end. For determination of provision for stores, spare parts and loose tools, our audit procedures included * Analyzing relevance and utility of the items with regard to the production processes; * Reviewed the basis of the provisions and their respective application in a consistent manner; * Assessed on sample basis that items were categorized appropriately in the relevant utilization bracket and assessing the reasonableness of the estimates applied; and * Assessed the appropriateness of the provisions by considering the historical accuracy of provisions by obtaining an understanding of the process of making specific provisions for items and the historical utilization rates.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key Audit Matter	How the matter was addressed in our audit
4. Provision for doubtful trade debts and advances to suppliers	
As at the year end, the outstanding trade debts and advances to suppliers of the Company amounted to Rs. 123.433 million and Rs. 35.149 million respectively, after considering provision for doubtful debt amounting to Rs. 54.606 million and Rs. 62.361 million respectively as disclosed in note 24 and 25 respectively to the accompanying financial statements. A provision for doubtful debt or advances to suppliers is created when there is an objective evidence that the Company will not be able to collect all the amounts due, or unable to obtain the supplies receivable according to the original terms of receivable. We identified this as key audit matter because of the significant judgements involved in the collectability/adjustability of the Company's receivables and the amount of provisions.	To evaluate the provision for doubtful trade receivables, our audit procedures, amongst others, included: * Obtaining an understanding of and assessing the design and implementation of management's key internal controls regarding trade debtors and advances to suppliers; * Obtaining the understanding of management's basis for determination of the doubtful receivables & advances to suppliers and basis of determination of the provisions required at the year-end; * Assessing the judgments made by the management in relation to the credit worthiness of the trade receivables and recoverability of advances to suppliers; * Testing the accuracy and relevance of the data on sample basis extracted from the Company's accounting system which is used to calculate the aging of trade receivables and advance to suppliers; and * Assessing the historical accuracy of provisions for doubtful receivables and advances to suppliers recorded by examining the utilization or release of previously recorded provisions.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

* Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

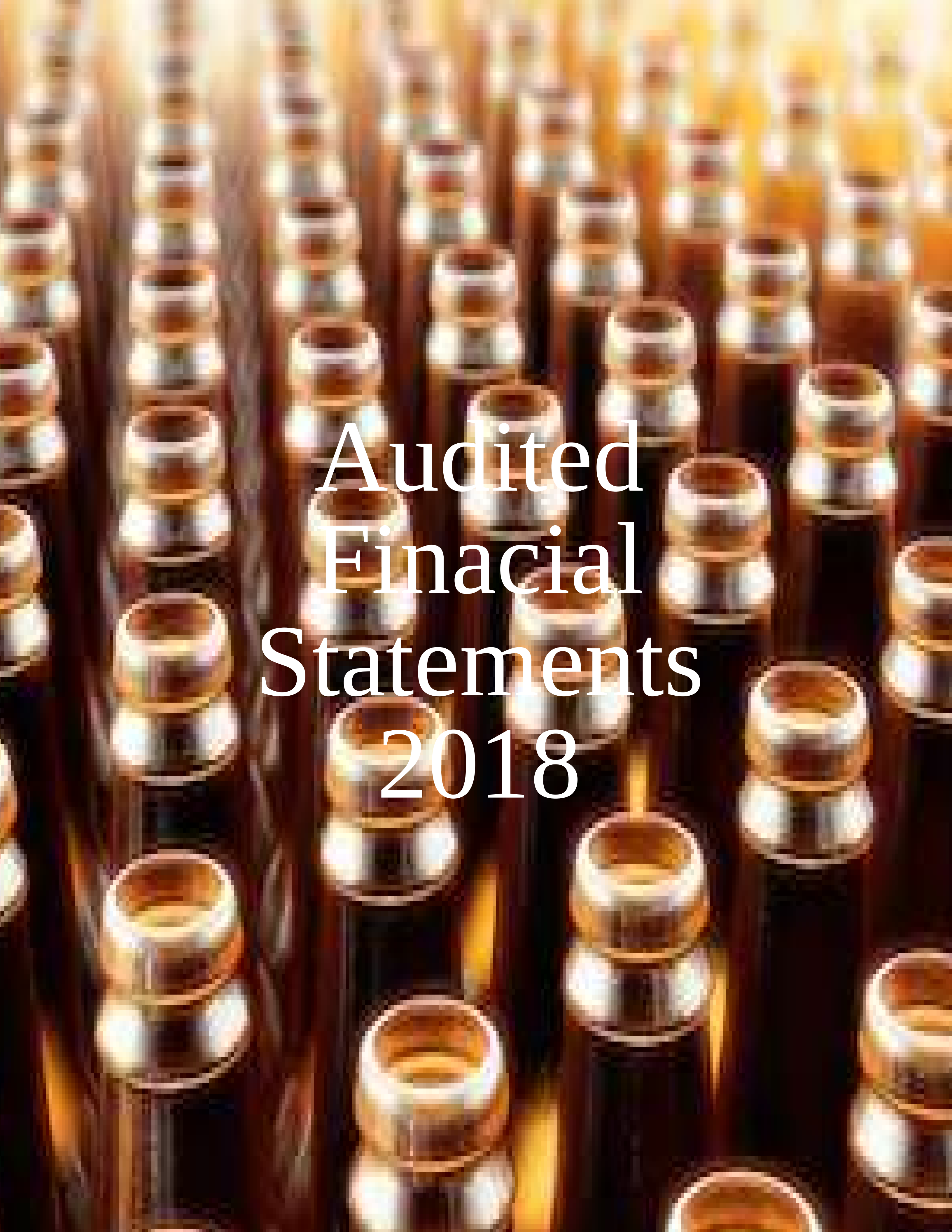
a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b) the statement of financial position, the statement of profit or loss and statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Talib.

PKF Frants

Multan: October 03, 2018

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



Audited Finacial Statements 2018

STATEMENT OF FINANCIAL POSITION

As At June 30, 2018

	Note	2018	Restated 2017	Restated 2016
			(Rupees in Thousands)	
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital	6	**2,666,000**	2,666,000	1,766,000
Issued, subscribed and paid-up share capital	7	**2,616,000**	1,716,000	1,716,000
Discount on shares	8	**(514,800)**	(514,800)	(514,800)
		2,101,200	1,201,200	1,201,200
Capital reserve:				
Revaluation surplus on property, plant and equipment - net of deferred tax	9	**644,465**	288,999	297,646
Revenue reserve:				
Accumulated loss		**(5,204,881)**	(4,928,657)	(4,445,553)
		(2,459,216)	(3,438,458)	(2,946,707)
Subordinated loans - Unsecured	10	**482,080**	482,080	482,080
Loan from directors and their associate - Unsecured	11	**3,153,002**	3,143,201	-
		1,175,866	186,823	(2,464,627)
NON-CURRENT LIABILITIES				
Long term loans	12	**119,948**	266,415	1,592,116
Liabilities against assets subject to finance lease	13	**-**	-	-
Deferred liabilities	14	**234,991**	238,503	1,106,293
		354,939	504,918	2,698,409
CURRENT LIABILITIES				
Trade and other payables	15	**703,275**	878,625	1,042,320
Unclaimed dividend		**164**	164	164
Markup accrued	16	**114,720**	133,688	184,559
Short term borrowings	17	**249,986**	367,721	411,562
Current maturity of non current liabilities	18	**188,251**	284,057	222,567
		1,256,396	1,664,255	1,861,172
CONTINGENCIES AND COMMITMENTS	19			
TOTAL EQUITY AND LIABILITIES		**2,787,201**	2,355,996	2,094,954
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	20	**2,002,343**	1,268,570	1,377,110
Advance against purchase of plant and machinery		**8,465**	81,952	-
Long term investment	21	**125,631**	125,631	-
		2,136,439	1,476,153	1,377,110
CURRENT ASSETS				
Stores, spare parts and loose tools	22	**209,039**	228,054	232,542
Stock in trade	23	**131,459**	163,374	234,760
Trade debts	24	**123,433**	127,292	69,858
Loans and advances	25	**38,230**	43,030	47,305
Trade deposits, prepayments and other receivable	26	**56,075**	56,942	47,622
Taxes recoverable	27	**87,697**	68,558	65,951
Cash and bank balances	28	**4,829**	192,593	19,806
		650,762	879,843	717,844
TOTAL ASSETS		**2,787,201**	2,355,996	2,094,954

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

STATEMENT OF PROFIT OR LOSS

For The Year Ended June 30, 2018

	Note	2018	2017
		(Rupees in Thousands)	
Sales - net	29	**475,518**	674,149
Cost of sales	30	**(676,103)**	(939,381)
Gross loss		**(200,585)**	(265,232)
Administrative and selling expenses	31	**(39,614)**	(31,734)
Other expenses	32	**(16,546)**	(8,428
		(56,160)	(40,162)
Other income	33	**20,811**	26,243
Operating loss		**(235,934)**	(279,151)
Finance cost	34	**(53,620)**	(209,512)
Loss before taxation		**(289,554)**	(488,663)
Taxation	35	**5,520**	(3,088)
Loss after taxation		**(284,034)**	(491,751)
Loss per share - Basic and diluted (Rs.)	36	**(1.64)**	(2.87)

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF OTHER COMPREHENSIVE INCOME

For The Year Ended June 30, 2018

	2018	2017
	(Rupees in Thousands)	
Loss after taxation	**(284,034)**	(491,751)
Other comprehensive income:		
Items that may be subsequently reclassified to statement of profit or loss:		
Revaluation surplus on property, plant and equipment	**396,566**	-
Related deferred tax	**(34,459)**	-
	362,107	-
Total comprehensive income / (loss) for the year	**78,073**	(491,751)

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

For The Year Ended June 30, 2018

	Issued, Subscribed and Paid up Share Capital	Discount on shares	Capital reserve Revaluation surplus on property, plant and equipment	Revenue reserve Accumulated Loss	Total Equity
	(Rupees in thousands)				
Balance as on June 30, 2016 - as previously reported	1,716,000	(514,800)	-	(4,445,553)	(3,244,353)
Change in accounting policy - note 5	-	-	297,646	-	297,646
Balance as on June 30, 2016 - as restated	1,716,000	(514,800)	297,646	(4,445,553)	(2,946,707)
Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) - note 9		-	(8,647)	8,647	-
Total comprehensive loss for the year					
Loss after taxation for the year	-	-	-	(491,751)	(491,751)
Other comprehensive income for the year	-	-	-	-	-
	-	-	-	(491,751)	(491,751)
Balance as on June 30, 2017 - as restated	**1,716,000**	**(514,800)**	**288,999**	**(4,928,657)**	**(3,438,458)**
Issuance of further shares otherwise than right fully paid in cash	900,000	-	-	-	900,000
Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) - note 9	-	-	(7,810)	7,810	-
Revaluation surplus on property, plant & equipment - effect of change in tax rate-note 9	-	-	1,169	-	1,169
Total comprehensive income for the year					
Loss after taxation for the year	-	-	-	(284,034)	(284,034)
Other comprehensive income for the year	-	-	362,107	-	362,107
	-	-	362,107	(284,034)	78,073
Balance as on June 30, 2018	**2,616,000**	**(514,800)**	**644,465**	**(5,204,881)**	**(2,459,216)**

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

	Note	2018	2017
		(Rupees in Thousands)	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		**(289,554)**	(488,663)
Adjustments for non-cash charges and other items:			
Depreciation	20.2	**110,832**	123,020
Provision for stores, spare parts and loose tools	22.1	**6,097**	2,450
Provision for doubtful balances	32	**10,449**	5,978
Provision for gratuity		**-**	7,082
Gain on disposal of fixed assets		**-**	(659)
Reversal of provision for default surcharge on taxation	33	**(7,910)**	-
Liabilities and mark up written back on settlement with financial institutions	33	**(10,581)**	(25,518)
Finance cost	34	**53,620**	209,512
Operating cash flows before working capital changes		**(127,047)**	(166,798)
Working capital changes			
(Increase)/Decrease in current assets			
Stores, spare parts and loose tools		**12,918**	2,038
Stock in trade		**31,915**	71,386
Trade debts		**3,859**	(57,434)
Loans and advances		**(5,649)**	(1,703)
Trade deposits, prepayments and other receivables		**867**	(9,320)
(Decrease) in current liabilities			
Trade and other payables		**(156,555)**	(78,417)
		(112,645)	(73,450)
Cash used in operations		**(239,692)**	**(240,248)**
Payments for:			
Finance cost		**(30,102)**	(46,659)
Taxes		**(27,173)**	(9,418)
Gratuity		**(2,132)**	(24,251)
Net cash outflow from operating activities	A	**(299,099)**	(320,576)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditures		**(366,087)**	(14,546)
Advance against purchase of plant and machinery		**(8,465)**	(81,952)
Proceeds from disposal of fixed asset		**-**	725
Long term investment		**-**	(125,631)
Net cash outflow from investing activities	B	**(374,552)**	(221,404)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from directors and theirs associate - Net		**726,887**	896,181
Long term loans - Net		**(227,935)**	(187,570)
Short term borrowings - Net		**(13,065)**	6,156
Net cash inflow from financing activities	C	**485,887**	714,767
Net (decrease) / increase in cash and cash equivalents	A+B+C	**(187,764)**	172,787
Cash and cash equivalents at beginning of the year		**192,593**	19,806
Cash and cash equivalents at end of the year	28	**4,829**	192,593

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

1 STATUS AND NATURE OF BUSINESS

Balochistan Glass Limited (the Company) was incorporated in Pakistan as a public limited company in 1980 under the repealed Companies Act, 1913 (now the Companies Act, 2017). Its shares are listed on the Pakistan Stock Exchange. The Company is engaged in manufacturing and sale of glass containers, glass table wares and plastic shells.

The registered office of the Company is situated at Plot no. 8, Block – M, Hub Industrial Trading Estate, Distt. Lasbella Hub, Balochistan whereas head office of the Company is situated at Pace Tower, 1st Floor, 27-H, College Road, Gullberg - II, Lahore.

Locations and addresses of all the manufacturing facilities of the Company are disclosed in note 20.3.

2 GOING CONCERN ASSUMPTION

The financial statements for the year ended June 30, 2018 are showing loss after taxation amounting to Rs. 284.034 million (2017: loss Rs. 491.751 million) and has accumulated loss of Rs. 5,204.881 million (2017: Rs. 4,928.657 million) at the year-end which resulted in negative equity of Rs. 2,459.216 million (2017 (Restated): Rs. 3,438.458 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 605.634 million (2017: Rs. 784.412 million)

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

Sales revenue of the Company has decreased significantly as compared to corresponding period due to closure of Unit II in previous year resulting in no production of tableware during the year and consequently significant decline in sale of tabelware. 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. Unit I was closed in June 2016 with a strategy to relocate its certain production facilities to Unit III for better management of production, reduction in fixed cost, maximum utilization of its available resources and improve the efficiency along with the modernization of its production facilities. During the year, Unit III continued its production of pharma products. However Unit III was closed in July 2018 to install the machinery for production of tableware. The Company plans to start its production of tableware from Unit III in October 2018. The Company has made additional capital expenditure of Rs. 344.864 million (2017: Nil) on account of BMR activities at Unit I resulting in enhanced capacity. The modernization and restructuring of Unit I has been completed and the Company has fired the furnace of Unit I in July 2018. The new machinery at Unit I has started production from the first quarter of the financial year 2018-19 that will fetch better results in terms of quality and quantity at lower cost on sustainable basis.

During the year, the Company has obtained new running finance facility of Rs. 250.000 million from Bank of Punjab (BOP) to meet the working capital requirements. The Company is committed to honoring its restructured agreements and has complied 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, the Company has made the arrangements with two of its directors pursuant to which the Company has received interest free loan amounting to Rs. 197.400 million payable at the discretion of the Company. Further, Company has made the arrangements with one of its other lender pursuant to which loans and mark up payable thereon till the reporting date amounting to Rs. 137.736 million has become payable at the discretion of the Company and the lender has agreed not to charge mark up on his loans for the future periods. Furthermore, additional loan of Rs. 539.486 million has been arranged by the Company from the Chief Executive Officer for meeting the financing requirements of the Company for its BMR expenditure and operational requirements.

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 TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

3.1 The Company has issued 90 million ordinary shares otherwise than right at par value of Rs. 10 per share to Mr. Muhammad Tousif Paracha (CEO) against his outstanding loan with the approval of Securities and Exchange Commission of Pakistan vide its letter bearing reference EMD/CI/88/2008-1259-61 dated May 15, 2018.

3.2 Due to applicability of the Companies Act, 2017 to the financial statements of the Company, amounts reported for the previous period have been restated. For detailed information please refer to note 5 and note 9; and

3.3 For a detailed discussion about the Company's performance please refer to the Directors' report and note 2 to the financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4.2 New and revised laws, standards and interpretations

4.2.1 The Companies Act, 2017

The fourth schedule to the Companies Act, 2017 (the Act) became applicable to the Company for the first time for the preparation of these financial statements. The Act (including its fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst other, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

"The Act has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes, amongst others, included change in respect of presentation and measurement of revaluation surplus on property plant and equipment as fully explained in note 5 of these financial statements and change in nomenclature of primary statements. Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in elimination of disclosures duplicative with the IFRS disclosure requirements; and incorporation of additional amended disclosures including but not limited to the following:

- separate presentation of unclaimed dividend on the face of statement of financial position;
- summary of significant transactions and events (note 3);
- particulars of immovable assets of the Company (note 20.3);
- forced sales value of revalued assets (note 20.4);
- disclosure of sales tax as separate line items as deduction from sales (note 29);
- management's assessment of sufficiency of tax provision in the financial statements (note 35);
- additional disclosure requirements for related parties (note 40);
- change in threshold for identification of executives (note 39); and
- additional disclosure for number of employees (note 44)."

4.2.2 Standards, amendments and Interpretations adopted during the year

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any significant impact on the financial statements, except some additional disclosures.

4.2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company as on the reporting date

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standards or interpretations		**Effective date (reporting period beginning on or after)**
IAS 19	Employee benefits (Amendments); Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
IAS 28	Investment in Associates and Joint Ventures (Amendments); Amendments regarding long term interests in associates and joint ventures.	January 01, 2019
IAS 40	Investment property (Amendments); Amendments on transfers of property to or from investment property.	January 01, 2018
IFRS 2	Share-based Payment (Amendments); Clarification on the classification and measurement of share-based payment transactions.	January 01, 2018
IFRS 4	Insurance contracts (Amendments); the interaction of IFRS 4 and IFRS 9.	January 01, 2018
IFRS 9	Financial Instruments; This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date	July 01, 2018
IFRS 9	Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 15	Revenue from Contracts with Customers; This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
IFRS 16	Leases; This standard will supersede IAS 17 - 'Leases' upon its effective date.	January 01, 2019
IFRIC 22	Foreign Currency Transactions and Advance Consideration; Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018
IFRIC 23	Uncertainty Over Income Tax; Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 15 and 16 on its financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards and interpretations have been issued by the IASB, which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 17 - Insurance Contracts

The following interpretations issued by the IASB have been waived off by SECP:

- IFRIC 4 - Determining whether an arrangement contains lease
- IFRIC 12 - Service concession arrangements

4.3 Basis of preparation

These financial statements have been prepared under the historical cost convention except otherwise stated in the respective notes and policies. In these financial statements, except for the amounts reflected in statement of cash flows, all transactions have been accounted for on accrual basis. The Company's significant accounting policies are stated in note 4.5.

4.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the 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 or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

4.4.1 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.

4.4.2 Property, plant and equipment

The Company reviews the appropriateness of rate of depreciation, useful lives and residual value ofproperty, 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.

4.4.3 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 statement of profit or loss. 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.

4.4.4 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.

4.4.5 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 recognized at the statement of financial position date.

4.5 SIGNIFICANT ACCOUNTING POLICIES

4.5.1 Staff retirement benefits

The Company operates a contributory provident fund for all its permanent employees to which equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic salary. The Company's contributions are recognised as staff retirement benefit expense when they are due.

4.5.2 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 provided using the statement of financial position liability method for all temporary differences at the statement of financial position date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all major taxable temporary differences. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime are also considered in accordance with the requirement of Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Sales tax
Expenses and assets are recognized 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 recognized 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 statement of financial position.

4.5.3 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 recognized impairment loss. Borrowing costs pertaining to erection / construction of qualifying assets are capitalized as part of the historical cost as stated in note 4.5.10. These are transferred to specific assets as and when these assets are available for use.

Depreciation charge is based on the reducing balance method at the rates specified in note 20 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 statement of profit or loss.

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.

Revaluation

Revaluation of land and building is carried out with sufficient regularity to ensure that carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of land and building is recognized, net of deferred tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognized in statement of profit or loss, in which case the increase is first recognized in statement of profit or loss to the extent of decrease previously charged. Any decreases that reverse previous increases of same asset are first recognized in other comprehensive income to the extent of remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss.

The revaluation reserve is not available for distribution to the Company's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of deferred tax, is reclassified from revaluation surplus to unappropriated profit / accumulated loss.

During the year, due to adoption of the Companies Act, 2017, the Company changed its accounting policy regarding revaluation surplus of assets, as detailed in note 5.

Advance against purchase of fixed assets
Advance payments for the purchase of fixed assets are classified under the non-current assets.

4.5.4 Stores, spare parts and loose tools

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, if required.

Moulds used in the production process are classified as store inventory and their consumption is charged to statement of profit or loss on the basis of units produced.

4.5.5 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.

4.5.6 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 recognized in the statement of profit or loss. When trade debt is un collectable, it is written off against provision. Subsequent recoveries of amounts previously written off are credited to statement of profit or loss.

4.5.7 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 statement of financial position date except where forward exchange contracts have been entered into, in which case the rates contracted for are used.

All other exchange differences are taken into statement of profit or loss.

4.5.8 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.

4.5.9 Revenue recognition

Revenue is recognized 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.

4.5.10 Borrowings and borrowing costs

Borrowings are recognized 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.

4.5.11 Provisions

A provision is recognized in the statement of financial position 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 statement of financial position date and adjusted to reflect the current best estimate.

4.5.12 Financial instruments

Financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognized when obligation specific in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liability is recognized in the statement of profit or loss of the current period.

4.5.13 Classification of financial assets

The Company classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the statement of financial position date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents in the statement of financial position.

- Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose off the investments within twelve months from the statement of financial position date.

4.5.14 Financial liabilities

Financial liabilities include long term loan, liabilities against assets subject to finance lease, deferred mark-up, trade and other payables, unclaimed dividend, short term borrowings and mark-up accrued on bank borrowings and are initially recognized at the time when the Company becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at the fair value plus directly attributable transactions cost, if any, and subsequently measured at amortized cost using effective interest rate method, where applicable. The Company derecognizes the financial liabilities when they are extinguished, that is, when the obligation referred in the contract is discharged, cancelled or have expired. Gain or loss on derecognition is recognized in the statement of profit or loss.

4.5.15 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.

4.5.16 Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is an indication of impairment loss. Any impairment loss arising is recognized as expense in the statement of profit or loss.

4.5.17 Cash and cash equivalents

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

4.5.18 Loans, advances and deposits

These are initially recognized at cost, which is the fair value of consideration given. Subsequent to the initial recognition assessment is made at each statement of financial position 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 recognized for the difference between the recoverable amount and the carrying value. Loans, advances and deposits paid by the Company are included in current assets, except for maturities greater than twelve months after the statement of financial position date, which are classified as non-current assets.

4.5.19 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 recognized at cost and the carrying amounts are increased or decreased to recognize 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 recognized 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.

4.5.20 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.

4.5.21 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.

4.5.22 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.

4.5.23 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.

5 CHANGE IN ACCOUNTING POLICY

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the revaluation surplus on property, plant and equipment has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the revaluation surplus on property, plant and equipment, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, revaluation surplus on property, plant and equipment would now be presented under equity.

Following the application of IAS 16, the Company's accounting policy for revaluation surplus on property, plant and equipment stands amended as follows:

Increases in the carrying amounts arising on revaluation of land and buildings are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to accumulated loss.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarized below:

	As at June 30, 2017			As at June 30, 2016		
	As previously reported	Adjustment increase / (decrease)	As re-stated	As previously reported	Adjustment increase / (decrease)	As re-stated
	Rupees in thousands					
Effect on statement of financial position						
Revaluation surplus on property, plant and equipment (below equity)	288,999	(288,999)	-	297,646	(297,646)	-
Revaluation surplus on property, plant and equipment (within equity)	-	288,999	288,999	-	297,646	297,646
Effect on statement of changes in equity						
Capital reserve - Revaluation surplus on property, plant and equipment	-	288,999	288,999	-	297,646	297,646

There was no change in the reported amount of statement of profit or loss and statement of other comprehensive income. There was no cash flow impact as a result of the retrospective application of change in accounting policy and no impact on basic and diluted loss per share for the year ended June 30, 2017 and June 30, 2018.

6 AUTHORIZED SHARE CAPITAL

2018	2017		Note	2018	2017
Numbers of shares				(Rupees in Thousands)	
261,600,000	261,600,000	Ordinary shares of Rs. 10 each		**2,616,000**	2,616,000
5,000,000	5,000,000	Preference shares of Rs. 10 each		**50,000**	50,000
266,600,000	266,600,000			**2,666,000**	2,666,000

7 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2018	2017		Note	2018	2017
175,300,000	85,300,000	Ordinary shares of Rs.10 each fully paid in cash	7.1	**1,753,000**	853,000
85,800,000	85,800,000	Ordinary shares of Rs.10 issued on 60% discount each fully paid in cash		**858,000**	858,000
500,000	500,000	Ordinary shares of Rs.10 each issued as fully paid Bonus Shares		**5,000**	5,000
261,600,000	171,600,000			**2,616,000**	1,716,000

7.1 Reconciliation of ordinary shares

2018	2017		2018	2017
85,300,000	85,300,000	Opening balance	**853,000**	853,000
90,000,000	-	Ordinary shares issued during the year other than right fully paid in cash	**900,000**	-
175,300,000	85,300,000	Closing balance	**1,753,000**	853,000

During the year, pursuant to the Board of Directors meeting held on October 6, 2017, approval of the members in Annual General Meeting held on October 28, 2017 and subject to approval of SECP vide its letter bearing reference EMD/CI/88/2008-1259-61 dated May 15, 2018, the Company has issued additional 90 million ordinary shares of face value of Rs. 10 each by way of otherwise than right shares having total face value of Rs. 900.000 million to Mr. Muhammad Tousif Paracha (CEO) against his outstanding loan towards the Company.

7.2 33,177,922 (2017: 34,403,422) ordinary shares of the Company are held by associated company Pak Hy Oils Limited.

8 DISCOUNT ON SHARES

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

9 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - net of deferred tax

	2018	2017
Opening Balance - net of deferred tax	**288,999**	297,646
Revaluation surplus arisen during the year - net of deferred tax	**362,107**	-
Revaluation surplus transferred to accumulated loss in respect of:		
- incremental depreciation charged during the year - net of deferred tax	**(7,810)**	(8,647)
- effect of change in tax rate	**1,169**	-
Closing Balance - net of deferred tax	**644,465**	288,999

This represents surplus arisen on revaluation of freehold land and building on freehold land (factory & non-factory). The latest valuation of freehold land and building on freehold land (factory and non-factory) was carried out on June 30, 2018, by M/s Hamid Mukhtar & Co. (Pvt) Limited, an independent valuer not connected with the Company.

The fair valuation of the revalued assets are considered to represent a level 2 valuation of fair value hierarchy based on significant observable inputs. The fair values are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the observable inputs. The basis of revaluation for items of these fixed assets were as follows:

Freehold land:
Revalued amount of freehold land has been determined by reference to local market values of land taking into account prevailing fair market prices under the position and circumstances present on the date of revaluation and current market scenario for properties of similar nature in the immediate neighborhood and adjoining areas.

Building on freehold land:
Revalued amount of building on freehold land has been determined by reference to present depreciated replacement values after taking into consideration covered area and type of construction, age of civil and ancillary structures, physical condition and level of preventive maintenance carried out by the Company.

	2018	2017
10 SUBORDINATED LOANS - Unsecured	(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

10.1 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.

10.2 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.

10.3 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.

11 LOAN FROM DIRECTORS AND THEIR ASSOCIATE - Unsecured

	Note	2018	2017
		(Rupees in Thousands)	
Muhammad Tousif Paracha			
Long term loan	11.1	**570,108**	1,470,108
Deferred markup	11.2	**903,953**	903,953
Long term loan	11.3	**1,119,671**	580,184
Long term loan taken over	11.4	**103,266**	-
Deferred markup taken over	11.5	**120,868**	-
		2,817,866	2,954,245
Tariq Siddiq Paracha (ex director)			
Long term loan - reclassified	11.4	**-**	94,215
Deferred markup - reclassified	11.5	**-**	94,741
		-	188,956
Shaffi Uddin Paracha			
Long term loan	11.6	**94,899**	-
Mian Nazir Ahmed Paracha			
Long term loan	11.6	**102,501**	-
Other			
Long term loan - reclassified	11.7	**104,670**	-
Markup accrued - reclassified	11.7	**33,066**	-
	11.8	**3,153,002**	3,143,201

11.1 This loan is interest free and payable at the discretion of the Company provided by the Chief Executive Officer of the Company. Therefore, this loan is not measured at amortized cost as per requirements of IAS-39, rather this is treated as equity in accordance with the Technical Release - 32 "Accounting Directors' Loan" (TR-32) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

The Board of Directors had 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 million by 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. During the year, the Company after compliance with the provisions of all applicable laws and obtaining necessary approvals, has issued 90 million ordinary shares of Rs. 10 each through other than right issue on 25th of June 2018 under section 83 (1) (b) of the Companies Act, 2017.

11.2 This represents the amount of mark up charged on Long Term Loans from directors, till 30th June 2017, previously classified as deferred mark up (related parties). The Company and the sponsoring directors have decided on June 30, 2017 that no mark up is to be charged on loans in the subsequent periods. All outstanding balances of these mark-up are interest free and payable at the discretion of the Company. Therefore, these mark-up are not measured at amortized cost as per requirements of IAS-39, rather these are treated as equity in accordance with the TR-32 issued by ICAP.

11.3 During the year, the Company received funds of Rs. 539.487 million (2017: Rs. 580.184 million) from its Chief Executive Officer 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 treated as equity in accordance with the TR-32 issued by ICAP.

11.4 This represents loan of Rs. 84.215 million (2017: Rs. 94.215 million) and Rs. 19.051 million (2017: Rs. 19.051 million) previously outstanding towards Mr. Tariq Siddiq Paracha and Mr. Jawaid Aziz Paracha. Both of these parties have agreed and settled their loans with Mr. Muhammad Tousif Paracha, in his personal capacity, under the separate agreement in current financial year. Now the Company has obligation to pay these liabilities to Mr. Muhammad Tousif Paracha. 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 TR-32 issued by ICAP.

11.5 This represents the deferred mark-up of Rs. 94.741 million (2017: Rs. 94.741 million) previously outstanding towards Mr. Tariq Siddiq Paracha and Rs. 26.127 million (2017: Rs. 24.227 million) previously outstanding towards Mr. Jawaid Aziz Paracha (previously classified under deferred liabilities). As on June 30, 2018, both of these parties have agreed and settled their outstanding mark-up with Mr. Tousif Paracha, in his personal capacity, under a separate agreement. Now the Company has obligation to pay these mark-up to Mr. Muhammad Tousif Paracha. This balance is interest free and payable at the discretion of the Company. This loan is not measured at amortized cost as per requirements of IAS-39, rather these are treated as equity in accordance with the TR-32 issued by ICAP.

11.6 During the year, the Company received funds from its directors for the purpose of necessary BMR and to meet operational requirements. This loan is interest free and payable at the discretion of the Company. Hence this loan is not measured at amortized cost as per requirements of IAS-39, rather these are treated as equity in accordance with the TR-32 issued by ICAP.

11.7 Pursuant to the new arrangements between the Company and other directors' associate, the balance of outstanding loan previously classified in Short Term Borrowing and deferred mark-up previously classified in Mark-up Accrued amounting to Rs. 104.670 million (2017: Rs. 112.194 million) and Rs. 33.066 million (2017: Rs. 22.061 million) respectively as at the reporting date have become interest free and payable at the discretion of the Company. Therefore, the said loan and markup are not measured at amortized cost as per requirements of IAS-39, rather these are treated as equity in accordance with the TR-32 issued by ICAP.

11.8 During the year, the Company has obtained new running finance facility of Rs. 250.000 million from Bank of Punjab (BOP) to meet the working capital requirements, under the condition that these loans and markups will be fully subordinated till repayment of the loan to the bank. The subordination of these loans has been made subsequent to the year-end.

	Note	2018	2017
		(Rupees in Thousands)	
12 LONG TERM LOANS			
Banks and financial institutions - secured	12 A	**119,948**	247,364
Related party - Ex Director - unsecured	12 B	**-**	19,051
		119,948	266,415
12 A From banks and financial institutions - Secured			
BOP - Demand finance II (Frozen Markup)	12.1 , 12.2 & 12.3	**175,416**	345,416
BOP - Deferred mark up	12.1	**(99,087)**	**(99,087)**
		76,329	246,329
Bank Al falah - Loan	12.4	**-**	8,203
Bank Al falah - Markup	12.4	**-**	3,225
FBL - Restructured loan	12.5	**83,023**	95,171
FBL - Mark up	12.5	**57,185**	62,107
FBL - Deferred mark up	12.5	**(57,185)**	(62,107)
NBP - DF I	12.6	**24,373**	30,873
NBP - DF II (Frozen Markup)	12.6	**14,429**	18,290
AlBaraka - Restructured loan	12.7	**54,342**	73,627
		252,496	475,718

	Note	2018	2017
		(Rupees in Thousands)	
Current and overdue portion presented under current liabilities			
BOP - Demand Finance II	12.1	**(75,876)**	(146,978)
BOP - Demand Finance II - overdue	12.1	**(453)**	(23,500)
Bank Al falah - Loan	12.4	**-**	(8,203)
Bank Al falah - Markup	12.4	**-**	(3,225)
FBL - Restructured loan	12.5	**(19,500)**	(13,500)
FBL - Restructured loan - over due	12.5	**(1,353)**	-
NBP - DF I	12.6	**(6,500)**	(5,815)
NBP - DF II (Frozen Markup)	12.6	**(3,852)**	(3,851)
NBP - DF I - overdue	12.6	**(1,625)**	(1,149)
NBP - DF II (Frozen Markup) - overdue	12.6	**(963)**	(962)
AlBaraka - Restructured loan	12.7	**(22,426)**	(21,171)
		(132,548)	(228,354)
		119,948	247,364
12 B From related party (Ex director) - Unsecured			
Jawaid Aziz Paracha	12.8	**-**	19,051

12.1 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-II 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. 76.329 million is payable in 4 monthly installments till October 2018. Subsequent to the year end the Company has paid all the outstanding balance and the bank has reveresed frozen markup.

12.2 According to the agreement, the principal amount of DF-I was to be repaid in variable monthly installments till April 30, 2017 starting from July 31, 2012. The Company has repaid all the liabilities related to principal amount of DF-I as at June 30, 2017. Markup on DF-I amounting to Rs. 104.997 million accrued till April 30, 2017 was payable in unequal monthly installments till March 31, 2018 starting from May 31, 2017. The Company has paid this mark-up before stipulated time limit. No mark up is chargeable on balances of frozen or deferred mark up.

12.3 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.

12.4 During the year, the Company has settled its liabilities towards Bank Alfalah Limited by paying off all installments under the rescheduled financing arrangement. Subsequently the Company has also obtained the no-objection certificate and registered the vacation of charge on the relevant Company's assets after the reporting date.

12.5 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 in March 2016. 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 directors of the Company.

12.6 The Company had entered into an amicable compromised restructuring of its running finance facility along with markup with National Bank of Pakistan in November 2016. 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.

12.7 The Company had entered into a restructuring arrangement with Al Baraka Bank (Pakistan) Limited in respect of its outstanding credit facility amounting to Rs. 102.5 million in September 2016. 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 carries 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 associated company are also the part of securities.

12.8 These unsecured loans were obtained from ex-director under mark up arrangement of 10% p.a (2017: 10%), however during the current year, Company has made new arrangement under which ex-director has agreed and settled his loans including frozen markup with Mr. Muhammad Tousif Paracha, in his personal capacity. Now, Company has obligation to pay these liabilities to Mr. Muhammad Tousif Paracha.

13 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - Secured

	2018		2017	
	Lease Payments		Lease Payments	
	Minimum	**Present Value**	Minimum	Present Value
	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
	-	-	-	-

13.1 Overdue amount includes Rs. 6.895 million (2017: Rs 6.895 million) which is to be adjusted with related lease deposit money. However, these amounts could not be adjusted as at statement of financial position date due to non availability of title/ no-objection certificate from leasing companies.

13.2 "The rentals under these lease agreements were payable on monthly and quarterly basis. 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. Since the lease liabilities have become overdue, the Company has entered into negotiation with one of its major lessor for settlement of lease liability under favorable terms to the Company.

14 DEFERRED LIABILITIES

	Note	2018	2017
		(Rupees in Thousands)	
Deferred taxation	14.1	**66,197**	38,428
Employees retirements benefits - gratuity	14.5	**12,522**	14,654
Deferred mark up (related parties)	12.8	**-**	24,227
Deferred mark up (financial institution)	12.2 & 12.5	**156,272**	161,194
		234,991	238,503

		Note	2018	2017
			(Rupees in Thousands)	
14.1	**Deferred taxation**			
	Credit balances arising due to:			
	- Accelerated tax depreciation allowances		**148,120**	130,774
	- Relating to finance lease		**9,865**	13,042
	Debit balances arising due to:			
	- Staff gratuity		**(3,598)**	(4,309)
	- relating to provisions		**(63,662)**	(60,279)
	- Unused tax losses	14.2	**(668,607)**	(981,836)
	- Available tax credits	14.3	**(6,741)**	(38,537)
	Deferred tax asset		**(584,623)**	(941,145)
	Deferred tax asset not recognized	14.4	**584,623**	941,145
			-	-
	Deferred tax asset on tax credits u/s 65D (reversible)		**(2,174)**	-
	Deferred tax liability relating to revaluation surplus			
	on property, plant and equipment - opening balance		**38,428**	42,081
	on property, plant and equipment - arisen during the year		**34,459**	-
	Incremental depreciation		**(3,347)**	(3,653)
	Effect of change in tax rate		**(1,169)**	-
			66,197	38,428

		Unused Tax Losses (Rs. '000')	Expiry in Tax Year
14.2	**Expiry of business and depreciation losses is as follows:**		
	Business loss for Tax Year 2014	243,299	2020
	Business loss for Tax Year 2015	-	-
	Business loss for Tax Year 2016	427,152	2022
	Business loss for Tax Year 2017	-	-
	Business loss for Tax Year 2018	172,701	2024
		843,152	
	Depreciation loss	1,462,389	No expiry
		2,305,541	

14.3 This represents available tax credits pertaining to Tax Year 2017 which will expire in Tax Year 2022.

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

	Note	2018	2017
		(Rupees in Thousands)	
14.5 Employees retirements benefits			
Staff gratuity:			
Movement in balance			
Opening balance		**14,654**	31,823
Less: Payments during the year		**2,132**	24,251
		12,522	7,572
Charge for the year	14.5.1	**-**	7,082
Closing balance	14.5.2	**12,522**	14,654
14.5.1 Charge for the year			
Service cost		**-**	7,082
14.5.2 Statement of financial position reconciliation			
Present value of defined benefit obligations		**12,522**	14,654

14.5.3 The Company had decided to change its employees' retirement benefit plan from defined benefit plan (Gratuity) to defined contribution plan (Provident Fund) from June 30, 2017. Liabilities of the employees as at June 30, 2017 had been computed on the assumption that liability was payable as at June 30, 2017. 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 last actuarial valuation was carried out on June 30, 2016 using the 'projected unit credit method'.

15 TRADE AND OTHER PAYABLES

	Note	2018	2017
Trade creditors	15.1	**231,227**	216,039
Accrued expenses	15.2	**274,763**	370,900
Advances from customers		**48,838**	50,421
Employees' provident fund	15.3	**1,386**	-
Sales tax payable		**-**	32,617
Income taxes payable		**78,725**	131,471
Others		**68,336**	77,177
		703,275	878,625

15.1 This includes amount of Rs. 2.373 million (2017: Nil) and Nil (2017: Rs. 14.729 million) payable to Gharibwal Cement Limited and Pak Hy Oils Limited (associated companies) respectively.

15.2 Included herein a sum of Rs. 161.010 million (2017: Rs. 250.063 million) outstanding on account of sui gas bills which includes the amount of Gas Infrastructure & Development Cess (GIDC) payment of which is subject to court decision. This also includes Rs. 21.780 million (2017: Rs. 21.780 million) against the rent payable to the CEO and Rs. 1.192 million (2017: Nil) payable to Gharibwal Cement Limited.

15.3 During the year, the Company has initiated the employee contribution plan (provident fund) and discontinued defined benefit plan (gratuity) for the employees as disclosed in note 14.5.3 to the financial statements. The Company is in the process of registration of Workers' Provident Fund Trust as at the statement of financial position date.

16 MARK UP ACCRUED

	2018	2017
Markup accrued	**114,720**	133,688

This includes amount of Rs. 94.191 million (2017: Rs. 111.901 million) payable to associated persons. Markup of Rs 33.066 million payable to other associate has been reclassified as referred in Note 11.7.

	Note	2018	2017
		(Rupees in Thousands)	
17 SHORT TERM BORROWINGS			
From related parties - Unsecured			
Associated company	17.1	**249,986**	252,945
Other associate	11.7	**-**	112,194
Others - Unsecured, interest free			
Temporary bank overdraft		**-**	2,582
		249,986	367,721

17.1 The unsecured loan/short term advance facility has been obtained from associated company for working capital requirements which carries the mark up ranging from 9.50% to 9.92% (2017: 8.55% to 9.62%) per annum. Subsequent to the reporting date, this amount is subordinated to Bank of Punjab for one year under new financing arrangement.

17.2 During the year, the Company has obtained new running finance facility of Rs. 250 million from Bank of Punjab (BOP) to meet the working capital requirements. The facility is secured against ranking charge of Rs. 834 million over present and future fixed assets, ranking charge of Rs. 334 million over current assets, pledge of 58 million shares of Gharibwal Cement Limited in the name of CEO and personal guarantee of CEO. However, the said facility was not availed till statement of financial position date.

18 CURRENT MATURITY OF NON CURRENT LIABILITIES	Note	2018	2017
BOP - Demand Finance II	12.1	**76,329**	170,478
Bank Al falah - Loan	12.4	**-**	8,203
Bank Al falah - Markup	12.4	**-**	3,225
FBL - Restructured loan	12.5	**20,853**	13,500
NBP - DF I	12.6	**8,125**	6,964
NBP - DF II (Frozen Markup)	12.6	**4,815**	4,813
AlBaraka - Restructured loan	12.7	**22,426**	21,171
Lease Liabilities	13	**55,703**	55,703
		188,251	284,057

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 Bank guarantees amounting to Rs. 149.906 million (2017: Rs. 149.906 million) have been given by various banks on behalf of the Company.

19.1.2 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 (2017: 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.

Tax related contingencies

19.1.3 The Company was selected for sales tax audit for tax year 2012 through random computer balloting. Assistant Commissioner Inland Revenue, RTO Quetta has issued a notice no. ACIR/z-01/U-01/RTO/QTA/20R/2013-14 dated 31-10-2013 for provision of certain information in this regard. The Company has submitted all the required information to the concerned person, for which proceedings are under way.

19.1.4 Company was selected for Sales Tax Audit for Tax Year 2014 through random computerized balloting. Assessment was finalized by Inland Revenue Officer vide O-N-O 01/2017 dated 20-03-2017. The total demand for sales tax and penalty was Rs. 186.347 million. Appeal was filed by the company against the order before Commissioner Inland Revenue against the said matter vide Ref. # 317/ 2016. The CIR Appeal has set aside/ cancelled this order. The re-assessment has also been made by the Assistant Commissioner Inland Revenue vide O-N-O 17/2108 dated 25-06-2018. The sales tax and penalty as per this order was Rs. 10.089 million. However, the company has filed appeal against this demand order before Commissioner Inland Revenue Appeals, Quetta.

19.1.5 Assistant Commissioner Inland Revenue, Hub has issued a notice for sale tax audit and required records u/s 25 of the Sales Tax Act, 1990 for the tax year 2014-15. The record has been provided as per requirement and the assessment will be completed in due course of time.

19.1.6 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. 1,044.89 million to income in her order which has resulted in taxable income for the tax year 2015 amounting to Rs. 738.47 million which has been adjusted against available tax losses. The Company has filed an appeal before CIR (Appeals) against this order vide reference # 344/2016.

19.1.7 Assistant Commissioner Inland Revenue RTO, Quetta has issued a notice u/s 161/ 205 of the Income Tax Ordinance 2001 for the tax year 2017 vide notice # ACIR/WHT-I/RTO/QTA/TENDER/2017-18 dated 5-06-2018. The Company has provided all the required documents and assessment will be finalized in due course of time.

19.1.8 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, 2018.

19.2 Commitments

Letters of credit for capital expenditures amounting to Nil (2017: Rs. 270.835 million).

20 PROPERTY, PLANT AND EQUIPMENT

	Note	2018	2017
		(Rupees in Thousands)	
Operating fixed assets	20.1	**1,656,396**	1,266,287
Capital work in progress	20.6	**345,947**	2,283
		2,002,343	1,268,570

20.1 Operating fixed assets

Particulars	2018										
	Cost / Revaluation					Depreciation					
	Opening July 01, 2017	Additions / Transfer	Revaluation surplus	Disposal / Transfer	Closing June 30, 2018	Opening July 01, 2017	For the year	Disposal / Transfer	Closing June 30, 2018	Book value As at June 30, 2018	Rate %
	(Rupees in thousands)										
Freehold land	244,500	-	277,743	-	522,243	-	-	-	-	522,243	-
Building on freehold land											
Factory	223,170	17,414	97,527	-	338,111	115,679	10,894	-	126,573	211,538	10
Non factory	64,343	-	21,296	-	85,639	24,947	1,970	-	26,917	58,722	5
Plant and machinery											
Owned	2,332,088	81,075	-	-	2,413,163	1,616,982	80,786	-	1,697,768	715,395	10 & 15
Leased	296,009	-	-		296,009	196,137	9,987	-	206,124	89,885	10
Electric and gas installation	72,268	5,431	-	-	77,699	29,654	4,306	-	33,960	43,739	10
Furniture and fixtures	12,753	104	-	-	12,857	9,576	325	-	9,901	2,956	10
Office equipment	8,489	351	-	-	8,840	5,807	274	-	6,081	2,759	10
Vehicles											
Owned	33,008	-	-	-	33,008	21,745	2,253	-	23,998	9,010	20
Leased	3,877	-	-	-	3,877	3,691	37	-	3,728	149	20
	3,290,505	104,375	396,566	-	3,791,446	2,024,218	110,832	-	2,135,050	1,656,396	

Particulars	2017									
	Cost / Revaluation				Depreciation					
	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	Book value As at June 30, 2017	Rate %
	(Rupees in thousands)									
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	

20.2 Depreciation charge for the year has been allocated as follows:

	Note	2018	2017
		(Rupees in Thousands)	
Cost of sales		**108,859**	120,833
Administrative and selling expenses		**1,973**	2,187
		110,832	123,020

20.3 Particulars of immovable fixed assets (i.e. freehold land and building on freehold land) of the Company are as follows:

Sr.	Location	Purpose	Total area (acre)
1	Plot no. 8, Block – M, Hub Industrial Trading Estate, Distt. Lasbella Hub, Balochistan	Production unit I	21.95
2	29 – Km Lahore - Sheikhupura Road,Sheikhupura	Production unit II	10.431
3	12 – Km Lahore - Sheikhupura Road near Total Pump, Kot Abdul Mallik, Distt. Sheikhupura	Production unit III	4.65

20.4 The forced sale value of the revalued freehold land and building on freehold land as on the date of revaluation i.e. June 30, 2018 was determined to be Rs. 417.790 million and Rs. 216.208 million respectively.

20.5 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, 2018	Accumulated Depreciation as at June 30, 2018	Book Value as at June 30, 2018	Book Value as at June 30, 2017
	(Rupees in thousands)			
Freehold land	45,167	-	45,167	45,167
Building on freehold land				
Factory	71,562	43,215	28,347	12,309
Non factory	19,353	13,231	6,122	6,444
	136,082	56,446	79,636	63,920

	2018	2017
	(Rupees in Thousands)	
20.6 Capital work in progress - Movement		
Opening	**2,283**	2,283
Add: Additions during the year	**344,864**	-
Less: Transferred to operating fixed assets	**(1,200)**	-
Closing	**345,947**	2,283
20.7 Capital work in progress - Breakup		
Plant and Machinery	**344,034**	2,283
Civil work	**1,913**	-
	345,947	2,283

21 LONG TERM INVESTMENT

	2018	2017
Investment in associated company	**125,631**	125,631

The Company owns 49.99% shares in Paidar Hong Glass (Private) Limited (an associated company which is a joint venture between the Company and Chinese investors) and has a joint control with the Chinese investors. The joint venture has its registered office at 12 km Sheikhupura Road, Lahore. The object of this joint venture is to engage in the business of manufacturing of USP Type-I Borosilicate glass tubes, vials and ampules. Some of the machinery items for manufacturing of above mentioned products have reached in the Company premises. However, the machinery has not been installed yet. The partners are reevaluating the project with regard to the prevalent energy situation and economic environment. The project management is expecting to realign its business plan in the new economic scenario in Pakistan. However, impairment on this investment is not required because the recoverable value of machinery is greater than carrying amount of the machinery. Moreover, majority of the funds are still available in banks. 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.

As per unaudited financial statements of Paidar Hong Glass (Private) Limited, total equity including accumulated profit till June 30, 2018 amounts to Rs. 257.429 million, total assets amount to Rs. 260.979 million including bank balance of Rs. 160.361 million.

The investments in Paidar Hong Glass (Private) Limited have been made in accordance with the requirements under Companies Act, 2017.

		Note	2018	2017
			(Rupees in Thousands)	
22	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores		**43,020**	65,950
	Spare parts and loose tools (incl. moulds)		**223,319**	213,307
			266,339	279,257
	Provision for slow moving and obsolete items	22.1	**(57,300)**	(51,203)
			209,039	228,054
	22.1 Provision for slow moving and obsolete items			
	Balance as at July 01		**51,203**	48,753
	Provision for the year	32	**6,097**	2,450
	Balance as at June 30		**57,300**	51,203
23	**STOCK IN TRADE**			
	Raw and packing materials		**38,529**	38,516
	Work in process		**811**	705
	Finished goods	23.1	**92,119**	124,153
			131,459	163,374

23.1 Adjustments amounting to Rs. 31.35 million (2017: Rs. 10.705 million) have been made to closing inventory of finished goods to write down stocks to their net realizable value.

		Note	2018	2017
24	**TRADE DEBTS**			
	Trade Debts - Unsecured- considered good		**123,433**	127,292
	Trade Debts - Unsecured and considered doubtful		**54,606**	51,553
			178,039	178,845
	Less: Provision for doubtful debts	4.1	**(54,606)**	(51,553)
			123,433	127,292
	24.1 Provision for doubtful debts			
	Balance as at July 01		**51,553**	51,553
	Provision for the year	32	**3,053**	-
	Balance as at June 30		**54,606**	51,553
25	**LOANS AND ADVANCES**			
	Employees	25.1	**1,642**	1,652
	Suppliers		**97,510**	95,231
	Against expenses		**14,148**	13,821
			113,300	110,704
	Less: provision for doubtful balances			
	Provision for Suppliers		**(62,361)**	(56,597)
	Provision against advance to employees and expenses		**(12,709)**	(11,077)
		25.2	**(75,070)**	(67,674)
			38,230	43,030

25.1 Aggregate amount due from executives of the Company is Rs. 0.606 million (2017: Rs. 0.606 million).

		2018	2017
		(Rupees in Thousands)	
25.2 Provision for doubtful loans and advances			
Balance as at July 01		**67,674**	61,696
Provision for the year (against advances to employees and expenses)	32	**1,632**	-
Provision for the year (against supplies)	32	**5,764**	5,978
Balance as at June 30		**75,070**	67,674

26 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

		2018	2017
Short term deposits	26.1	**71,492**	71,410
Prepaid insurance		**318**	-
Other receivable	26.2	**18,841**	20,108
		90,651	91,518
Less: Provision for Short term Deposits		**(16,381)**	(16,381)
Provision for Other Receivables		**(18,195)**	(18,195)
	26.3	**(34,576)**	(34,576)
		56,075	56,942

26.1 This includes a sum of Rs. 31.379 million (2017: Rs. 31.379 million) relating to assets subject to finance lease.

26.2 This includes receivable from related party amounting to Rs. 0.737 million (2017: Rs. 1.913 million).

26.3 Provision for doubtful short term deposits and other receivables

	2018	2017
Balance as at July 01	**34,576**	34,576
Provision for the year	**-**	-
Balance as at June 30	**34,576**	34,576

27 TAXES RECOVERABLE

	2018	2017
Sales tax refundable	**15,290**	-
Advance income tax - Net	**16,250**	-
Income tax refundable	**56,157**	68,558
Taxes Recoverable	**87,697**	68,558

28 CASH AND BANK BALANCES

		2018	2017
Cash in hand		**182**	1,085
Cash at banks - Current accounts	28.1	**4,558**	146,413
-Short term deposit		**-**	45,000
- Saving accounts	28.2	**89**	95
		4,829	192,593

28.1 This includes amount of Nil (2017: Rs. 189.6 million) deposited with banks as cash margin against the balance payment of Letter of Credit for plant and machinery.

28.2 These carry mark up at the rates ranging from 2.75 % to 3.75 % (2017: 3.75% to 4.50 %) per annum.

		Note	2018	2017
			(Rupees in Thousands)	
29	**SALES - Net**			
	Local Sales - Gross		**553,043**	779,866
	Export Sales - Gross		**4,352**	13,408
			557,395	793,274
	Less: Sales tax		**(81,877)**	(119,125)
			475,518	674,149
30	**COST OF SALES**			
	Raw material consumed			
	Opening stock		**38,516**	48,547
	Purchases		**117,083**	180,345
			155,599	228,892
	Closing stock		**(38,529)**	(38,516)
			117,070	190,376
	Power, fuel and water		**231,976**	305,265
	Salaries, wages and other benefits	30.1	**126,429**	151,445
	Stores and spares		**35,046**	38,389
	Oil & lubricants		**9,855**	45,324
	Repairs and maintenance		**7,445**	6,957
	Communication		**994**	1,560
	Traveling and conveyance		**2,141**	3,491
	Legal and professional		**277**	1,035
	Stationery, fees and subscription		**934**	1,647
	Insurance		**865**	2,828
	Entertainment		**1,112**	1,555
	Depreciation	20.2	**108,859**	120,833
	Rent, rates and taxes		**1,114**	4,799
	Others		**58**	2,522
			644,175	878,026
	Adjustment of work in process:			
	Opening Stock		**705**	2,966
	Closing Stock	23	**(811)**	(705)
	Cost of Goods Manufactured		**644,069**	880,287
	Adjustment of finished goods:			
	Opening Stock		**124,153**	183,247
	Closing Stock	23	**(92,119)**	(124,153)
			676,103	939,381

30.1 Salaries, wages and other benefits include amount of Rs. 0.584 million (2017: Rs. 6.50 million) relating to staff retirement benefits.

	Note	2018	2017
		(Rupees in Thousands)	
31 ADMINISTRATIVE AND SELLING EXPENSES			
Salaries and other benefits	31.1	**1,033**	1,444
Communication		**628**	1,373
Rent, rates and taxes		**4,184**	706
Traveling and conveyance		**8,222**	9,469
Legal and professional		**5,092**	5,063
Advertisement		**360**	276
Stationery, fees and subscription		**524**	306
Power, fuel and water		**441**	537
Entertainment		**506**	309
Auditor's remuneration	31.2	**1,338**	1,200
Depreciation	20.2	**1,973**	2,187
Repairs and maintenance		**569**	382
Freight, handling and forwarding on local sale		**13,616**	6,233
Freight, handling and forwarding on export sale		**8**	617
Charity and donation	31.3	**1,064**	1,283
Miscellaneous		**56**	349
		39,614	31,734

31.1 Salaries and other benefits include amount of Rs. 0.139 million (2017: Rs. 0.582 million) relating to staff retirement benefits.

31.2 Auditor's remuneration:

	2018	2017
Statutory audit fee	**819**	780
Half yearly review	**420**	400
Certification related services	**79**	-
Out of pocket expenses	**20**	20
	1,338	1,200

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

32 OTHER EXPENSES

		2018	2017
Provision for	- trade debts	**3,053**	-
	- advances to suppliers	**5,764**	5,978
	- advance against expenses and employees	**1,632**	-
	- stores, spare parts and loose tools	**6,097**	2,450
		16,546	8,428

33 OTHER INCOME

	2018	2017
Income from non financial assets		
Gain on disposal of fixed assets	**-**	659
Reversal of provision for default surcharge on taxation	**7,910**	-
Income from financial assets		
Liabilities and mark up written back on settlement with financial institutions	**10,581**	25,518
Profit from bank deposits	**2,320**	66
	20,811	26,243

34 FINANCE COST

	Note	2018	2017
		(Rupees in Thousands)	
Mark up on			
- Long term loans			
Banks and financial institutions		**13,039**	18,769
Ex-Director	12.8	**1,900**	142,169
- Short term borrowings			
Banks and financial institutions		**-**	1,045
Related parties		**35,321**	35,602
Provision for default surcharge on taxation		**-**	6,860
Bank charges		**3,360**	5,067
		53,620	209,512

35 TAXATION

	2018	2017
Current	**-**	6,741
Deferred	**(5,520)**	(3,653)
	(5,520)	3,088

The current tax provision represents the final tax chargeable under section 154 and minimum tax under section 113 of the Income Tax Ordinance, 2001 (2017: final tax under section 154 and minimum tax under section 113).

For the purpose of current taxation, the tax losses available for carry forward as at June 30, 2018 are estimated at Rs. 2,305.541 million (2017: Rs. 3,272.787 million).

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

According to management, the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

	2017	2016	2015
	(Rupees in Thousands)		
Income tax provision for the year - accounts	6,741	317	768
Income tax as per tax assessment	6,741	317	768
Reassessment by DCIR	-	-	7,811

36 LOSS PER SHARE - Basic and diluted

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

		2018	2017
		(Rupees in Thousands)	
Loss after taxation		**(284,034)**	(491,751)
		Number of Shares	
Weighted average ordinary shares in issue during the year		**172,832,877**	171,600,000
Loss per share - Basic and diluted	(Rupees)	**(1.64)**	(2.87)

37 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2018	2017
		(Rupees in Thousands)	
FINANCIAL ASSETS			
Loans and receivables at amortized cost			
Trade debts	24	**123,433**	127,292
Loans and advances	25	**1,642**	1,652
Deposits and other receivables	26	**24,377**	25,563
Cash and bank balances	28	**4,829**	192,593
		154,281	347,100
Available for sale financial assets			
Long term investments	21	**125,631**	125,631
		279,912	472,731
FINANCIAL LIABILITIES			
Financial liabilities at amortized cost			
Long term loans	12	**119,948**	266,415
Liabilities against assets subject to finance lease	13	**55,703**	55,703
Deferred Markup	14	**156,272**	185,421
Trade and other payables	15	**654,437**	828,368
Unclaimed dividend		**164**	164
Markup accrued	16	**114,720**	133,688
Short term borrowings	17	**249,986**	367,721
		1,351,230	1,837,480

38 FINANCIAL RISK MANAGEMENT

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.

38.1 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 maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2018	2017
Trade debts	**123,433**	127,292
Loans and advances	**1,642**	1,652
Deposits and other receivables	**24,377**	25,563
Bank balances	**4,647**	191,508
	154,099	346,015

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 ageing of trade debts at the reporting date was:	2018	2017
	(Rupees in Thousands)	
Not past due	**33,261**	55,336
Past due 0-30 days	**34,424**	25,381
Past due 30-150 days	**55,748**	44,657
Past due 150 days	**-**	1,918
	123,433	127,292

Based on the past experience, management believes that no additional 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, 2018, the Company has 4 customers that owed more than Rs. 5 million each (2017: 3 customers that owed more than Rs. 10 million each) and accounted for approximately 17% (2017: 44%) 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	Rating Long term
United Bank Limited	JCR-VIS	A 1+	AAA+
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	PACRA	A 1	A
Faysal Bank Limited	PACRA	A 1+	AA
The Bank of Punjab	PACRA	A 1+	AA
National Bank of Pakistan	JCR-VIS	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.

38.2 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:

	2018				
	Carrying Amount	**Contractual Cash Flow**	**Upto One year**	**One to Five Years**	**More Than Five Years**
	(Rupees in Thousands)				
Financial Liabilities					
Long term loans (including sponsors' loan)	**3,405,498**	**3,405,498**	**132,548**	**119,948**	**3,153,002**
Liabilities against assets subject to finance lease	**55,703**	**55,703**	**55,703**	**-**	**-**
Trade and other payables	**654,437**	**654,437**	**654,437**	**-**	**-**
Deferred Markup	**156,272**	**156,272**	**99,087**	**57,185**	**-**
Markup accrued	**114,720**	**114,720**	**114,720**	**-**	**-**
Short term borrowings	**249,986**	**249,986**	**249,986**	**-**	**-**
	4,636,616	**4,636,616**	**1,306,481**	**177,133**	**3,153,002**

	2017				
	Carrying Amount	Contractual Cash Flow	Upto One year	One to Five Years	More Than Five Years
	(Rupees in Thousands)				
Financial Liabilities					
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	-	-
Deferred 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

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 12 and 17 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.

38.3 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.

38.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. The Company is not exposed to any material foreign currency risk as at June 30, 2018.

38.3.2 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:

	2018	**2017**
	(Rupees in Thousands)	
Fixed rate instruments at carrying amounts:		
Long Term financing	-	19,051
Short Term Financing	-	112,194
Variable rate instruments at carrying amounts:		
Financial liabilities		
Long term financing	**161,738**	207,873
Lease liabilities	**55,703**	55,703
Short term borrowings	**249,986**	252,945
	467,427	516,521

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:

	2018	2017
	(Rupees in Thousands)	
Effect on loss due to change of 100 BPs		
Increase / (decrease)	**4,674**	5,165

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

38.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. The fair value measurement assumes that the asset or liability is exchanged in an orderly transactions between market participants to sell the asset or transfer the liability at measurement date under current market conditions.

The fair value measurement assumes that the transactions to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability; or
b) In the absence of a principal market, in the most advantageous market for the asset of liability.

The different levels for fair value estimation used by the Company have been explained as follows:

i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There are no material level 1,2, or 3 assets or liabilities during the current or preceding year, other than those which have already been disclosed in note 9 to these financial statements.

38.5 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, 2018 and June 30, 2017 were as follows:

	2018	2017
Total debt (including directors' interest free loan)	**4,349,539**	4,728,896
Less: Cash and bank balances	**(4,829)**	(192,593)
Net debt	**4,344,710**	4,536,303
Total equity	**(2,459,216)**	(3,438,458)

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. As detailed in note 5, the Company changed its accounting policy to present revaluation surplus on property, plant and equipment as a part of capital reserves. Accordingly, debt-to-adjusted capital ratio for comparative year has been recalculated.

38.6 Off statement of financial position financial instruments

Off statement of financial position financial liabilities are disclosed in note 19.2 to the financial statements.

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	(Rupees in Thousands)							
Managerial remuneration	-	-	-	-	4,680	10,106	4,680	10,106
House rent allowance	-	-	-	-	2,106	4,547	2,106	4,547
Utilities	-	-	-	-	468	1,011	468	1,011
Medical	-	-	-	-	78	168	78	168
Conveyance	-	-	-	-	468	1,011	468	1,011
	-	-	-	-	7,800	16,843	7,800	16,843
Number of persons	1	1	1	1	3	27	5	29

In the current year, the number of executives and their remuneration are disclosed according to the definition of Executives as per Companies Act, 2017 . However the comparatives number of executives and their respective remuneration were disclosed according to the definition of Executives as per Companies Ordinance, 1984.

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.

40 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: -

	2018	2017
	(Rupees in Thousands)	
Associated Entities		
Gharibwal Cement Limited		
Short term loan received - net	**-**	9,668
Purchases	**2,655**	-
Payment against supplies	**282**	2,851
Markup charged on loan	**24,316**	24,383
Paidar Hong Glass (Private) Limited		
Investment in associate	**-**	125,631
Payment on behalf of associate	**-**	1,913
Expenses reimbursed	**(1,267)**	-
Directors		
Mr. Tousif Paracha		
Loan received- net	**539,487**	896,181
Markup charged on loan	**-**	130,873
Mr. Tariq Siddiq Paracha (Ex-Director)		
Loan repaid - net	**(10,000)**	-
Markup charged on loan	**-**	9.396
Mian Nazir Ahmed Paracha		
Loan received - net	**102,501**	-
Shafi Uddin Paracha		
Loan received - net	**94,899**	-
Jawaid Aziz Paracha (Ex-Director)		
Markup charged on loan	**1,900**	1,900

41 INFORMATION ABOUT BUSINESS SEGMENTS

41.1 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:

	2018		
	Glass Containers	**Plastic Shells**	**Total**
	(Rupees in Thousands)		
Revenue:			
Sales to external customers	557,395	-	557,395
Inter-segment sales	-	-	-
Gross Revenue	557,395	-	557,395
Less: Sales tax	(81,877)	-	(81,877)
Discount on sales	-	-	-
Net Revenue	475,518	-	475,518
Cost of goods sold	(676,103)	-	(676,103)
Admin and selling expenses	(39,614)	-	(39,614)
Other charges	(16,546)	-	(16,546)
Other income	20,811	-	20,811
	(711,452)	-	(711,452)
Segment result	(235,934)	-	(235,934)
Financial charges	(53,620)	-	(53,620)
Taxation			5,520
Loss for the year			(284,034)
Other Information:			
Capital expenditure	374,552	-	
Depreciation	110,832	-	

	2017		
	Glass Containers	Plastic Shells	Total
	(Rupees in Thousands)		
Revenue:			
Sales	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 - Net	14,546	-	
Depreciation	123,020	-	

41.2 Geographical Information

	2018	2017
	(Rupees in Thousands)	
Revenue from external customers:		
Pakistan	**471,165**	660,741
Asia other than Pakistan	**4,353**	4,436
Africa	-	2,629
Europe	-	6,343
	475,518	674,149

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

All non-current assets of the Company as at 30 June 2018 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.

42 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Subordinated loans - Unsecured	Loan from directors and others - Unsecured	Long term loans	Short term borrowings	Accrued/ Deferred Mark up	Share capital
	(Rupees in Thousands)					
Balance as at July 01, 2017	482,080	3,143,201	494,769	367,721	319,109	1,716,000
Changes from financing cash flows						
Proceeds from loans	-	726,887	-	-	-	-
Repayment of loans	-	-	(223,223)	-	-	-
Changes in short term borrowings	-	-	-	(13,065)	-	-
Total Changes from financing activities	-	726,887	(223,223)	(13,065)	-	-
Other Changes						
Issuance of shares against loan		(900,000)				900,000
Finance cost					53,596	
Finance cost paid					(30,078)	
Conversion of accrued markup to loan		59,193			(59,193)	
Conversion of Short term borrowing to long term loan		104,670		(104,670)		
Liability related to loan written back					(10,581)	
Conversion of long term loan to director loan		19,051	(19,051)			
Settlement of related party markup					(1,862)	
Total liability related other changes	-	(717,086)	(19,051)	(104,670)	(48,118)	900,000
Balance as at June 30, 2018	**482,080**	**3,153,002**	**252,495**	**249,986**	**270,992**	**2,616,000**

43 CAPACITY AND PRODUCTION

		2018		2017	
Based on 360 working days	Unit	Capacity	Production	Capacity	Production
Glass containers	Tons	**120,400**	**10,110**	120,400	13,972
Plastic shells					
Full depth	Pieces	**1,500,000**	-	1,500,000	-
Half depth	Pieces	**800,000**	-	800,000	-
	Pieces	**2,300,000**	-	2,300,000	-

43.1 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.

44 NUMBER OF EMPLOYEES

	2018	**2017**
	Numbers	
Number of employees at end of the year	**348**	112
Average number of employees during the year	**252**	35
Number of employees at factory at year end	**283**	91
Average number of employees at factory during the year	**191**	102

45 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 except as follows:

Reclassification from	Reclassification to	Amount (Rs.'000')
Unclaimed dividend - Trade and other payables	Unclaimed dividend - on face of statement of financial position	164

46 GENERAL

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

46.2 These financial statements are authorized for issue on October 03, 2018 in accordance with the resolution of the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

2.2 No. of Shareholders	From	To	Total Shares Held
807	1	100	19,521
674	101	500	229,292
446	501	1,000	412,529
939	1,001	5,000	2,780,328
300	5,001	10,000	2,502,185
105	10,001	15,000	1,406,609
48	15,001	20,000	908,000
40	20,001	25,000	964,000
39	25,001	30,000	1,131,000
20	30,001	35,000	674,767
16	35,001	40,000	625,500
4	40,001	45,000	176,000
24	45,001	50,000	1,196,613
7	50,001	55,000	372,580
7	55,001	60,000	413,500
5	60,001	65,000	315,000
3	65,001	70,000	206,000
3	70,001	75,000	222,000
1	75,001	80,000	75,500
3	80,001	85,000	253,500
1	85,001	90,000	90,000
3	90,001	95,000	280,700
11	95,001	100,000	1,100,000
1	100,001	105,000	104,000
4	105,001	110,000	434,000
2	110,001	115,000	226,000
5	115,001	120,000	591,039
1	120,001	125,000	125,000
2	125,001	130,000	256,500
2	130,001	135,000	268,500
1	135,001	140,000	137,500
1	145,001	150,000	147,500
1	150,001	155,000	154,500
1	155,001	160,000	160,000
1	160,001	165,000	163,000
1	170,001	175,000	172,590
1	180,001	185,000	181,500
4	195,001	200,000	800,000
1	200,001	205,000	202,500
1	210,001	215,000	211,500
2	295,001	300,000	600,000
1	385,001	390,000	388,000
1	435,001	440,000	437,500
1	445,001	450,000	450,000
1	495,001	500,000	500,000
1	625,001	630,000	626,558
1	880,001	885,000	885,000
1	1,045,001	1,050,000	1,046,000
1	1,295,001	1,300,000	1,300,000
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	33,200,000	33,177,922
1	175,935,001	175,940,000	175,935,924
3552			**261,600,000**

2.3	**Categories of shareholders**	**Share held**	**Percentage**
2.3.1	Directors, Chief Executive Officers, and their spouse and minor children	177,981,369	68.0357%
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	33,177,922	12.6827%
2.3.3	NIT and ICP	50	0.0000%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	3,995,582	1.5274%
2.3.5	Insurance Companies	172,640	0.0660%
2.3.6	Modarabas and Mutual Funds	1,410,000	0.5390%
2.3.7	Share holders holding 10% or more	209,113,846	79.9365%
2.3.8	General Public		
	(Local)	26,083,196	9.9706%
	(Foreign)	78,637	0.0301%
2.3.9	Others (to be specified)		
	Pension Funds	54,080	0.0207%
	Foreign Companies	15,351,039	5.8681%
	Joint Stock Companies	3,202,516	1.2242%
	Other Companies	92,969	0.0355%

CATAGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG)

AS AT JUNE 30, 2018

Sr. No.	Name	No. of Shares Held	Percentage
	Associated Companies, Undertakings and Related Parties (Name Wise Detail):		
1	PAK HY-OILS LIMITED.	33,177,922	12.6827%
	Mutual Funds (Name Wise Detail)		
1	CDC TRUSTEE AKD OPPORTUNITY FUND	1,300,000	0.4969%
2	GOLDEN ARROW SELECTED STOCKS FUND LIMITED	110,000	0.0420%
	Directors and their Spouse and Minor Children (Name Wise Detail):		
1	MR. MUHAMMAD TAUSEEF PARACHA	175,935,924	67.2538%
2	MR. MUHAMMAD NIAZ PARACHA	500	0.0002%
3	MIAN NAZIR AHMED PARACHA	500	0.0002%
4	MR. MUSTAFA TAUSEEF PARACHA	500	0.0002%
5	MR. SHAMIM ANWAR	500	0.0002%
6	MR. SHAFFI UDDIN PARACHA	500	0.0002%
7	MRS. TABUSSAM TOUSIF PARACHA	2,042,945	0.7809%
	Executives:	-	-
	Public Sector Companies & Corporations:	-	-
	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	4,222,302	1.6140%
	Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)		
1	MR. MUHAMMAD TAUSEEF PARACHA	175,935,924	67.2538%
2	PAK HY-OILS LIMITED.	33,177,922	12.6827%
3	GLOBALINK GLASS TECHNOLOGY & EQUIPMENT COMPANY LTD	15,000,000	5.7339%

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	ALLOTMENT
1	MR. MUHAMMAD TAUSIF PARACHA (Issuance of Shares otherwise than right U/S 83 of Companies Act, 2017 after SECP approval).	-	90,000,000

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
H 27, 1st Floor, Pace Tower, Gulburg II, Lahore

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).

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
Pace Tower, 1st Floor, 27-H,
College Road, Gulberg-II Lahore.

PROXY FORM

The Secretary
Balochistan Glass Limited
Pace Tower, 1st Floor, 27-H,
College Road, Gulberg II, Lahore.
LAHORE

I/We .... of .... being a membe of

Balochistan Glass Limited, and holder of .... Ordinary Shares as per Shares Register

Folio No. .... hereby appoint Mr./Mrs./Ms. ....

of ....

Folio No. .... who is also a member of Balochistan Glass Limited as my/our proxy to attend and vote for and on my / our behalf at the 38th Annual General Meeting of the Company to be held on Saturday, October 27, 2018 at 12:00 noon at the registeraed office of the Company (Balochistan GLass Limitedm, M-8 H.I.T.E. Hub industrial Estate Lasbela Balochistan and at any adjournment thereof.

As witnessed given under my / our hand (s) .... day of .... ,

2018.

Signature

On Five
Rupees
Revenue
Stamp

Witness:

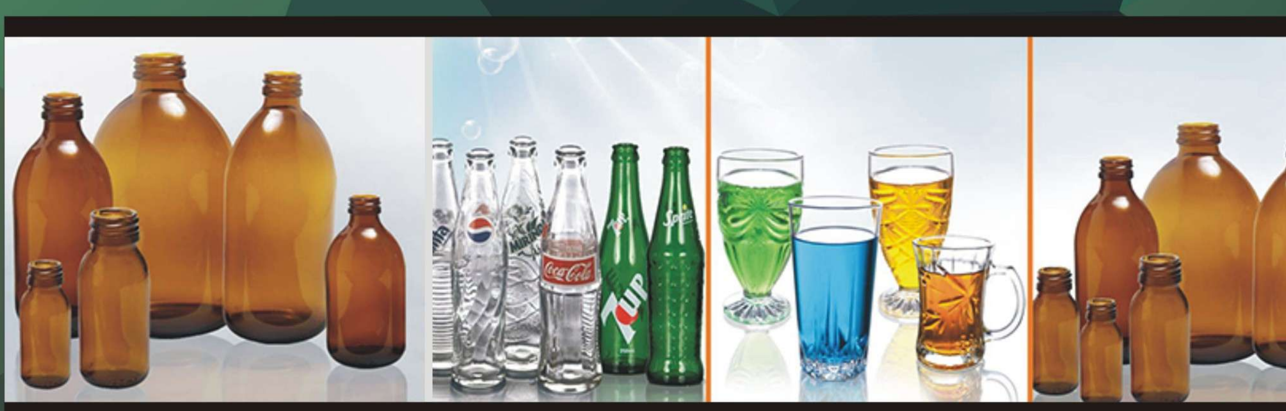
Signature ....

Name ....

Address ....

Note:

1. The Proxy in order to be valid must be signed across a Five Rupees Revenue Stamp and should be deposited in the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he is a member of the Company.
3. Signature should agree with the specimen signature registered with the Company.


Coca-Cola
7UP