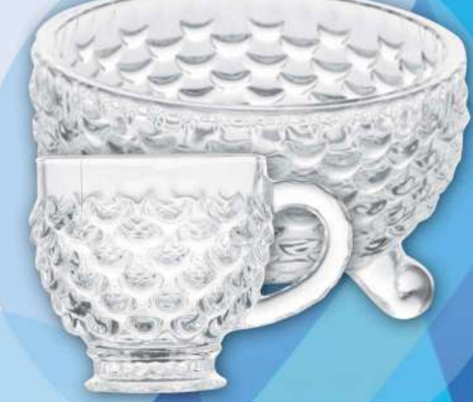
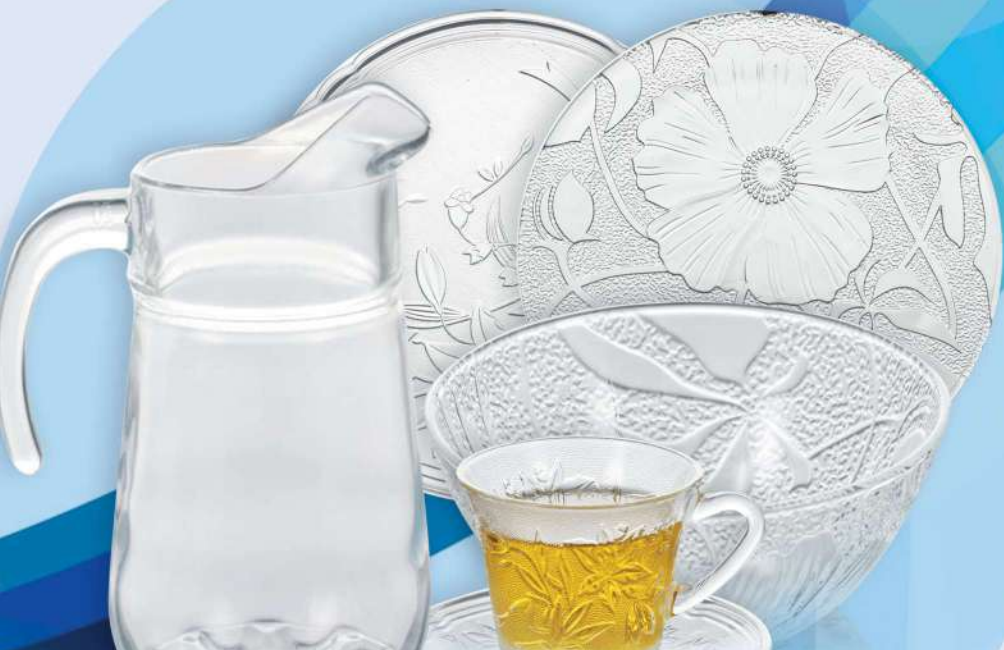
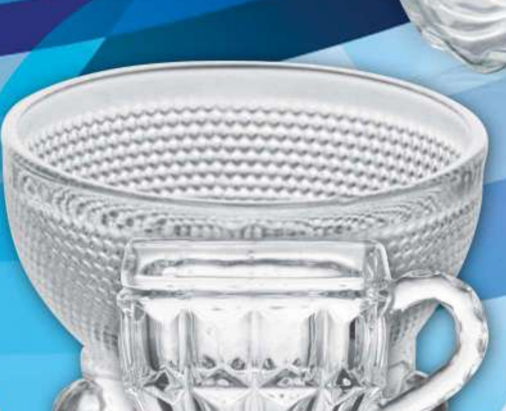
BALOCHISTAN GLASS LIMITED







ANNUAL REPORT 2019

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AUDITED FINACIAL STATEMENTS 2019

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	

AUDIT COMMITTEE

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

HR & REMUNIRATION COMMITTEE

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

COMPANY SECRETARY

Mr. Shams Ul Islam, ACA

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 39th Annual General Meeting of Balochistan Glass Limited will be held on October 28, 2019 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 27, 2018.
2. To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2019 together with Auditor's and Director's report thereon.
3. To appoint Auditors of the Company for the year ending June 30, 2020 and to fix their remuneration.
4. To transact any other business with the permission of chairman

Date: October 04, 2019
Place: Lahore

By Order of the Board

Shams Ul Islam, ACA
Company Secretary

Notes:

1. The share transfer books will remain closed from October 21, 2019 to October 28, 2019 both days inclusive. Transfer received by the share registrar of the company Corplink (Pvt) Ltd, 1-k commercial, Model Town, Lahore up to October 20, 2019 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 30,2019 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 2019.

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.

Declaration as per Zakat &Usher Ordinance 1980

9. 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 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 Million have 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. However, the project could not be operative because of non-execution of contractual responsibilities by Chinese partner with respect to establishing the project; but the management is addressing this issue and is confident the matter shall be resolved in due course of time.

As per unaudited accounts of PHGL total equity including accumulated profit till June 30, 2019 is 263.907 million, total assets is PKR 270.759 Million including bank of PKR 169.163 million.

The Directors of your company are pleased to present the Annual Report along with the Audited Financial Statements of your company for the year ended June 30, 2019.

COMPANY PERFORMANCE

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

	2019	2018
	Rupees in thousands	
Sales - Net	**1,121,781**	475,518
Gross (Loss)	**(103,908)**	(206,682)
Operating (Loss)	**(61,273)**	(235,934)
Depreciation for the year	**151,461**	116,929
(Loss) before Tax	**(144,039)**	(289,554)
(Loss) after Tax	**(135,623)**	(284,034)
Basic and diluted (Loss) per share Rs.	**(0.52)**	(1.64)

During current year, sales revenue of the Company has been raised up significantly as compared to previous year; this increase in revenue is mainly because of start of pharmaceutical operations at Unit - I located at HUB, which was re-operated in the month of August 2018 after completion of necessary Balancing Modernization & Replacement (BMR). Initially the management faced startup issues of production including machinery alignment which suffered the production efficiency and could not achieve the agreed targets. Later on the Company claimed the performance guarantee issued by the supplier as per purchase agreement.

However the machineries are working at better efficiency and achieving targeted results steadily over the period. The company has also worked harder to enhance the market share in pharmaceutical glass industry.

Further, the Company has also re-started the production of Tableware glass products at Unit - III successfully, which is located at Kot-Abdul Malik Lahore, using one furnace in the month of October 2018. Despite of the expensive energy cost in Punjab region and energy consumption on furnace, management is satisfied with the initial operational results derived at Unit - III during the period. The Company reached at reasonable market share in tableware glass industry after sorting out the product quality related issues and finding the new customers. Meanwhile the Company has also launched a new glassware brand "Mari-Crystal" during the year, based on the appropriate market response.

At Unit - I (HUB), the management decided to produce Flint glass products in the last quarter of the current financial year, to meet the rising demand of beverage glass products and aligning the industry customers. This short term conversion may result to produce variety of glass products which would help to enhance customer base, revenue and increase profit margin.

FUTURE OUTLOOK

Since the Company has successfully started the operations at Unit - I (HUB), but initially the utilized capacity is below installed capacity of the Furnace, the management intends to increase the production utilization in coming days. The Company also intends to develop the foreign market share and increase the export sales for Pharmaceutical products in different countries, for which the management has started to evaluate different options and discussion with potential different buyers. This may boost the overall revenue of the pharmaceutical products and may enhance the profit margin.

Further the management aims to enhance the product variety in the category of tableware glass to grab the more local share in the industry. In addition to this, the management is also willing to refurbish the second furnace at Unit - III (Kot Abdul Malik) which may result in double of the overall production of tableware glass.

Refer to the current financial statements, the directors and their associates have provided financial support to the Company during the year, by extending interest free loans which are payable at discretion of the Company with an objective to support BMR and related operational activities.

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 has been reached Pakistan in last year. However, due to non-execution of contractual responsibility by Chinese partner with respect to establishing the project, the work on this project has been stopped at this moment. However, management is committed to resolve all the matters and revive this project.

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 facts, and key management efforts and decisions as mentioned above, and considering the factors given below, management is comfortable that the Company will be able to continue as a going concern in the foreseeable future.

- 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. In addition the company is evaluating options to tap export market for its pharma products to enhance revenues and achieve maximum efficiency and reduce per unit costs.
- Continuous efforts by the management to increase the market share. New tableware products have been added to the company's portfolio which has received good response from the market.
- Prices have also been increased for pharma products in the subsequent period which would reduce the impact of cost inflation.
- Continued financial support of its sponsors and associates.
- Settlement and honoring of long term loans as per agreed schedules with financial institutions.
- Operational units of the company are meeting their maximum operational liabilities.
- Extension in the existing Short Term Running Finance facility.
- Potential market of the pharmaceutical, tableware and container products.

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. Shamim Anwar
Executive Director	Mr. Muhammad Tousif Peracha Mr. Mian Nazir Ahmed Paracha
Non-Executive Directors	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. Mustafa Tousif Ahmed Paracha
- Mr. Muhammad Niaz Paracha

b. HR & Remuneration Committee

- Mr. Shamim Anwar
- 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	3	1
4. Mr. Niaz Paracha	4	4	1
5. Mr. Shaffi Uddin Paracha	4	-	-
6. Mr. Muhammad Mustafa Tousif Paracha	4	4	1
7. Mr. Shamim Anwar	4	4	1

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 : 04th October 2019

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز نے ۳۰ جون ۲۰۱۹ء کوختم ہونے والے مالی سال کے لئے، کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ مالیاتی رپورٹ پیش کررہے ہیں۔

کمپنی کی کارکردگی

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

2018	2019	
روپے (ہزاروں میں)		
475,518	**1,121,781**	سیلز۔نیٹ
(206,682)	**(103,908)**	مجموعی (نقصان)
(235,934)	**(61,273)**	آپریٹنگ (نقصان)
116,929	**151,461**	سالانہ ڈپریسیشن
(289,554)	**(144,039)**	(نقصان) قبل از ٹیکس
(284,034)	**(135,623)**	(نقصان) بعد از ٹیکس
(1.64)	**(0.52)**	Basic اور Diluted (نقصان) فی شیئر

موجودہ سال کے دوران کمپنی کا سیلز ریونیو گزشتہ سال کے مقابلے میں نمایاں حد تک بڑھا۔ ریونیو میں یہ اضافہ حب میں واقع یونٹ-I میں فارماسیوٹیکل آپریشنز کے آغاز کے سبب ہوا جو اگست ۲۰۱۸ء میں ضروری بیلنسنگ ماڈرآئزیشن اور ری پلیسمنٹ (بی ایم آر) کی تکمیل کے بعد دوبارہ آپریٹ کیا گیا تھا۔ ابتدائی طور پر انتظامیہ کو پروڈکشن بشمول مشینری الائمنٹ کے ابتدائی مسائل کا سامنا کرنا پڑا جس سے پروڈکشن کی کارکردگی متاثر ہوئی اور طے شدہ اہداف حاصل نہ کئے جاسکے۔ بعدازاں کمپنی نے پرچیز ایگریمنٹ کے مطابق سپلائر کی جانب سے جاری کردہ پرفارمنس گارنٹی کے مطابق کارکردگی کا مظاہرہ کیا۔

جبکہ مشینریز گزرتے وقت کے ساتھ بتدریج بہتر کارکردگی کا مظاہرہ کرنے کے ساتھ طے کردہ اہداف اور نتائج کے حصول میں کامیاب رہیں۔ کمپنی نے فارماسیوٹیکل گلاس انڈسٹری میں بھی اپنا مارکیٹ شیئر بڑھانے کیلئے سخت جدوجہد کی۔

مزید براں کمپنی نے یونٹ-III میں ٹیبل ویئر گلاس پروڈکٹس کی تیاری کا دوبارہ آغاز بھی کامیابی کے ساتھ کیا جو کوٹ عبدالمالک، لاہور میں واقع ہے اور اس کے لئے اکتوبر ۲۰۱۸ء کے ماہ میں ایک فرنیس کا استعمال کیا گیا۔ پنجاب ریجن میں توانائی کے اخراجات بڑھ جانے اور فرنیس پر توانائی کی کھپت میں اضافے کے باوجود انتظامیہ اس مدت کے دوران یونٹ-III میں حاصل کردہ ابتدائی آپریشنل نتائج

سے مطمئن ہے۔ کمپنی پروڈکٹ کے معیار سے متعلق مسائل اور نئے صارفین کو تلاش کرنے جیسے معاملات سے نمٹنے کے بعد ٹیبل ویئر گلاس انڈسٹری میں قابل قدر مارکیٹ شیئر حاصل کرنے میں کامیاب رہی۔ اسی دوران کمپنی نے ایک نیا گلاس ویئر برانڈ ''میری۔کرسٹل'' سال کے دوران متعارف کرایا جو مناسب مارکیٹ گنجائش کا حامل تھا۔

یونٹ-I (حب) میں انتظامیہ نے رواں مالی سال کی آخری سہ ماہی میں بیوریج گلاس پروڈکٹس کی طلب کو پورا کرنے اور صنعتی صارفین کے ہم پلہ ہونے کی غرض سے فلنٹ گلاس پروڈکٹس تیار کرنے کا فیصلہ کیا۔ اس مختصر مدتی منتقلی کے نتیجے میں گلاس پروڈکٹس کی ورائٹی تیار کی جاسکی جو صارفین کا دائرہ کار وسیع کرنے، ریونیو اور شرح منافع بڑھانے میں معاون ثابت ہوگی۔

مستقبل پر ایک نظر

چونکہ کمپنی نے یونٹ-I (حب) میں آپریشن کا آغاز کامیابی کے ساتھ کیا تاہم ابتدائی طور پر استعمال کردہ گنجائش فرنیس کی نصب شدہ صلاحیت سے کم تھی لہٰذا انتظامیہ آنے والے دنوں میں پروڈکشن کے بہتر استعمال اور اس میں اضافے کا ارادہ رکھتی ہے۔ کمپنی غیر ملکی مارکیٹ شیئر کے فروغ اور مختلف ممالک میں فارماسیوٹیکلز پروڈکٹس کیلئے برآمدی سیلز میں بھی اضافے کا اردہ رکھتی ہے جس کیلئے انتظامیہ نے مختلف آپشنز کا جائزہ لینے کے ساتھ کئی مستحکم خریداروں کے ساتھ روابط کا آغاز بھی کردیا ہے۔ اس سے فارماسیوٹیکلز پروڈکٹس کے مجموعی ریونیو کو فروغ اور شرح منافع میں بہتری آئے گی۔

مزید براں انتظامیہ ٹیبل ویئر گلاس کی کیٹگری میں پروڈکٹ کی ورائٹی میں توسیع کا ارادہ بھی رکھتی ہے تاکہ انڈسٹری میں مزید مقامی شیئر حاصل کئے جاسکیں۔ اس کے علاوہ انتظامیہ یونٹ-III (کوٹ عبدالمالک) میں دوسری فرنیس کی تجدیدِ نو کی بھی خواہاں ہے جس سے ٹیبل ویئر گلاس کی مجموعی پیداوارد گنی کی جاسکے گی۔

رواں مالیاتی سال کے حوالے سے ڈائریکٹرز اور ان کے معاونین نے سال کے دوران کمپنی کیلئے مالیاتی معاونت بلاسود قرضوں کی توسیع کے ذریعے فراہم کی جو کمپنی کی صوابدید پر بی ایم آر کی سپورٹ اور متعلقہ آپریشنل سرگرمیوں کے مقاصد کے ساتھ قابل ادائی ہیں۔

جیسا کہ کہ کمپنی نے پائیدار ہانگ گلاس (پرائیویٹ) لمیٹڈ میں ۲۰۱۷ء میں سرمایہ کاری کی تھی اور پروجیکٹ ابھی تک مشینری کے حصول کے مرحلے میں ہے جبکہ پلانٹ اور مشینری کے پارٹس گزشتہ سال ہی پاکستان پہنچ چکے ہیں تاہم چینی شراکت کار کی جانب سے پروجیکٹ کے قیام کے سلسلے میں اپنی معاہدتی ذمہ داری پوری نہ کئے جانے کے باعث اس پروجیکٹ پر کام اس حوالے سے اس وقت رُکا ہوا ہے۔ تاہم انتظامیہ ان تمام معاملات اور امور کو نمٹانے کے ساتھ پروجیکٹ کی بحالی کیلئے مصروف عمل ہے۔

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 ری اسٹرکچرنگ اور ڈائریکٹرز اور

ان کے ساتھیوں کی مالی امداد جاری رکھنے کی صلاحیت کا بھی اندازہ لگایا ہے۔

ان حقائق کا جائزہ لینے اور کلیدی انتظامیہ کی کوششوں اور فیصلوں، جیسا کہ اوپر بیان کیا گیا ہے، پر مبنی اور نیچے درج عناصر پر غور وخوض کے باعث انتظامیہ مطمئن ہے کہ کمپنی آنے والے سالوں میں اپنی کامیابی کا سفر جاری رکھنے کی مکمل صلاحیت رکھتی ہے۔

☆ جدت طرازی اور پلانٹ ومشینریز کی اپ گریڈیشن کے ذریعے پیداوار کو با کفایت بنانے کا حصول۔

☆ انتہائی موزوں و پُرکشش جنوبی ریجن کی فارما مارکیٹ جو حب میں آپریٹنگ کے ذریعے فارما کی صنعت کا نمایاں حصہ ہونے کے ساتھ انرجی کی کم قیمت اور ہینڈلنگ کی حامل بھی ہے۔ کمپنی اس کے علاوہ اپنی فارما پروڈکٹس کیلئے برآمدی مارکیٹ حاصل کرنے کا جائزہ لے رہی ہے تاکہ ریونیو میں اضافہ اور فی یونٹ اخراجات میں کمی کے ساتھ زیادہ سے زیادہ پیداواری کارکردگی حاصل کی جا سکے۔

☆ مارکیٹ شیئر میں اضافے کے لئے انتظامیہ کی جانب سے مستقل کوششیں۔ کمپنی کے یونٹ فولیو میں نئی ٹیبل ویئر پروڈکٹس کا اضافہ کیا گیا جس کا مارکیٹ میں انتہائی مثبت ردعمل حاصل ہوا۔

☆ باقیماندہ مدت میں فارما مصنوعات کیلئے نرخوں میں اضافہ کیا گیا جس سے مہنگائی اور افراطِ زر کے اثرات میں کمی آئے گی۔

☆ مسلسل اس کی اسپانسرز اور ساتھیوں کی مالی امداد۔

☆ طویل مدتی قرضہ جات کا سیٹلمنٹ اور ان کی ادائیگی جیسا کہ مالیاتی اداروں کے ساتھ شیڈول طے کئے گئے ہوں۔

☆ کمپنی کے آپریشنل یونٹس ان کے زیادہ سے زیادہ آپریشنل مالی فرائض کو پورا کر رہے ہیں۔

☆ موجودہ شارٹ ٹرم رننگ فنانس کی سہولت میں توسیع۔

☆ فارماسیوٹیکل، ٹیبل ویئر اور کنٹینر پروڈکٹس کی مستحکم مارکیٹ۔

ہم سب متفق ہیں کہ مندرجہ بالا عوامل پر عمل کر کے، گلاس صنعت کی کارکردگی، مقامی اور برآمدی منڈی میں شیشہ 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 کے حق بجانب ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

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

۱۔ 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۔

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

۳۔ مالی بیانات اور اکاؤنٹنگ اندازوں کی تیاری مناسب اکاؤنٹنگ پالیسیوں کو لاگو کیا گیا ہے، اور یہ پالیسیاں مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

۴۔ پاکستان میں قابل بین الاقوامی اکاؤنٹنگ کے معیارات کی مالی بیانات کی تیاری میں پیروی کی گئی ہے اوران پالیسیوں سے انحراف بھی ظاہر کردیا گیا ہے۔

۵۔ اندرونی کنٹرول کے نظام کی موثر طریقے سے عملدرآمدگی اورنگرانی کی گئی ہے۔

۶۔ مینجمنٹ کومحسوس ہوتا ہے کہ 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 کرادیئے ہیں۔

۷۔ لسٹنگ کے ضابطے میں کارپوریٹ گورنینس کے بہترین طریقوں میں کوئی واضح انحراف موجودنہیں، سے تفصیلی طور پر، اضافہ ہورہا ہے۔کمپنی نے آڈٹ کمیٹی اور HR & R کمیٹی تشکیل دی ہےاوراس کےاراکین کے نام سالانہ رپورٹ میں ظاہر ہیں۔

۸۔ کمپنی کے حصص میں ٹریڈنگ کی تفصیل، اگر کوئی ہےتو، ڈائریکٹرز، چیف ایگزیکٹوآفیسر، چیف فنانشل آفیسراور کمپنی سیکریٹری اوران کے اہل واعیال کی تفصیل شیئر ہولڈنگ رپورٹ میں پیٹرن کے مطابق فراہم کی جا چکی ہے۔

۹۔ اس مالی سال کے آخراوراُس مالی سال کے درمیان، جس سے یہ مالی بیانات اورڈائریکٹرز کی رپوٹ تعلق رکھتے ہیں، کمپنی کی مالی پوزیشن کومتاثر کرنے والی کوئی خاطرخواہ تبدیلیاں اوروعدے واقع نہیں ہوئے۔

۱۰۔ اہم آپریٹنگ اورگزشتہ ۶ سال کا مالیاتی ڈیٹا اِن ریکارڈ ہے۔

۱۱۔ شیئر ہولڈنگ کا پیٹرن بھی اِن ریکارڈ ہے۔

۱۲۔ کمپنی نے اہم قانونی اور مالی ذمہ داریوں کو پورا کیا ہے سوائے ان کے، کہ جولیکویڈیٹی مسائل کی وجہ سے مالیاتی بیانات (حوالہ جات ۱۲،۱۱اور ۱۸) میں واضح ہوئے۔

۱۳۔ رواں مالی سال خسارے کے باعث، کوئی منافع منقسمہ یا بونس شیئرز جاری نہیں ہوئے۔

۱۴۔ کمپنی نے ڈائریکٹرز کیلئے" مرتب کئے ہیں، تاہم اکثر ڈائریکٹرزاس ٹریننگ کے معاملے میں کارپوریٹ گورنینس کے معیار پر پورااُترتے ہیں۔

۱۵۔ کارپوریٹ گورنینس کے کوڈ کے بہترین طریقوں کے ساتھ تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

بورڈآف ڈائریکٹرز کی سالانہ تشخیص

بورڈ کمپنی میں ۱۳اہم امور سرانجام دیتا ہے۔ یہ سمت فراہم کرتا ہے۔ (یعنی کمپنی کی اسٹریٹجک سمت کی تعین کرتا ہے)۔ یہ کنٹرول کرتا ہے (یعنی انتظام پر نظر رکھتا ہے) اور یہ مدد اور مشورہ فراہم کرتا ہے۔ بورڈ نے ایک اندرونی کارکردگی کی تشخیص کا طریقہ کار وضع کیا ہے جو عام طور پر ان کرداروں اوران کے نتیجے میں آنے والی لازمی ذمہ داریوں کا جائزہ لیتا ہے اورنظر رکھتا ہے کہ کتنے موثر طریقے سے ان ذمہ داریوں کوادا کیا گیا ہے۔ بورڈ کی کارکردگی کے جائزے میں بنیادی طور پر یہ دیکھا جات ہے کہ درج ذیل امور کو کیسے سرانجام دیا ہے:

الف۔ 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 کیلینڈر، 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 حکمت عملی میں بورڈ کا کردار۔

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

ٹ۔ نگرانی کا کردار: پالیسیوں، حکمت عملی کا نفاذ اور نگرانی۔

ث۔ امدادی اور مشاورتی کردار۔

بورڈ کی ساخت

۱۔ ٹوٹل ڈائریکٹرز کی تعداد ے ہے۔

الف۔ مرد: ٦

ب۔ خاتون ١

۲۔ بورڈ آف ڈائریکٹرز ان پر مشتمل ہیں:

کیٹگری	نام
انڈیپینڈنٹ ڈائریکٹر	جناب محمد شمیم انور
ایگزیکٹو ڈائریکٹرز	جناب محمد توصیف پراچہ جناب میاں نذیر احمد پراچہ
نان۔ایگزیکٹو ڈائریکٹرز	محترمہ تبسم توصیف پراچہ جناب مصطفیٰ توصیف احمد پراچہ جناب محمد نیاز پراچہ جناب شفیع الدین پراچہ

۲۔ بورڈ مندرجہ ذیل کمیٹیوں پر مشتمل ہیں:

الف۔آڈٹ کمیٹی
۔جناب شمیم انور
۔جناب مصطفیٰ توصیف احمد پراچہ
۔جناب محمد نیاز پراچہ

ب۔ایچ آر اینڈ ری میونریشن کمیٹی
۔جناب شمیم انور
۔جناب مصطفیٰ توصیف احمد پراچہ
۔جناب میاں نذیر احمد پراچہ
۔جناب محمد نیاز پراچہ

بورڈ اور آڈٹ کمیٹیوں کے اجلاس

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

	اجلاسوں میں حاضری		
	BOD	BAC	HR&R
منعقدہ اجلاسوں کی تعداد	**4**	**4**	**1**
ا۔ جناب محمد توصیف پراچہ	4	-	-
۲۔ محترمہ تبسم توصیف پراچہ	3	-	-
۳۔ جناب نذیر احمد پراچہ	4	3	1
۴۔ جناب نیاز پراچہ	4	4	1
۵۔ جناب شفیع الدین پراچہ	4	-	-
٦۔ جناب محمد مصطفیٰ توصیف پراچہ	4	4	1
۷۔ جناب شمیم انور	4	4	1

بورڈ مورخہ ۲۷ جنوری ۲۰۱۷ء کو منتخب ہوا تھا۔

آڈیٹرز

کمپنی کے آڈیٹرز میسرز .PKF F.R.A.N.T.S، چارٹرڈ اکاؤنٹینٹس ریٹائرڈ ہورہے ہیں اور آئندہ سال دوبارہ تعیناتی کیلئے اہل ہیں۔ آڈٹ کمیٹی میسرز .PKF F.R.A.N.T.S، چارٹرڈ اکاؤنٹینٹس کی آئندہ سال کیلئے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی ہے۔

اعتراف

بورڈ آف ڈائریکٹرز بینکوں اور مالیاتی اداروں کی امداد وتعاون 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۔

حسب الحکم بورڈ

لاہور:	**مصطفیٰ توصیف احمد پراچہ**	**محمد توصیف پراچہ**
۴ اکتوبر ۲۰۱۹ء	چیئرمین	چیف ایگزیکٹو آفیسر

CODE OF CONDUCT

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

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 any situation that may create or appear to create a conflict between our personal interests and the interests of the Company.

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

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

7. We Do Not Employ Child 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.

Balochistan Glass Limited (the Company) is fully committed to perform its role as a responsible corporate citizen and fulfills its responsibilities 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. Since many years, the company supported community by distributing the poor people Sadqa on regular basis. The company is also running/ maintaining a Masjid for the convenience of the people living & working near our all factory premises.

The Company further takes the corporate social responsibilities (CSR) seriously and is fully committed to developing the policies and systems across the company to address and monitor all aspects of CSR that are relevant to the business. The Board further takes ultimate responsibility for CSR and is committed to developing and implementing appropriate policies while adhering to a fundamental commitment to create and sustain long term value for shareholders and all stakeholders.

REVIEW REPORT BY THE CHAIRMAN

I am pleased to present you the Annual Report on the performance of the Company for the year ended June 30, 2019.

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. Areas where improvements are required are duly considered and action plans are framed.

For the financial year ended June 30, 2019, 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.

Further, the board carried out its annual self-evaluation for the year ended 30, 2019. The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The Board also identified areas of improvement in line with the global best practices.

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. The Audit Committee and Human Resources & Remuneration committee met regularly to strengthen the functions 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.

Looking ahead, with improved regulatory environment the company will continue to strengthen its position in the market. 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 04, 2019

SUMMARY OF FINANCIAL HIGHLIGHTS

	2019	2018	2017	2016	2015	2014
			Rupees are in thousands			
Operating Results						
Net Sales	**1,121,781**	475,518	674,149	1,494,503	1,605,793	2,203,968
Gross profit / (loss)	**(103,908)**	(206,682)	(265,232)	(280,014)	(141,874)	(229,183)
Profit /(loss) befor Tax	**(144,039)**	(289,554)	(488,663)	528,081	(461,597)	(571,513)
Profit /(Loss) after Tax	**(135,623)**	(284,034)	(491,751)	524,329	(459,487)	(568,533)
Dividend / bonus	**-**	-	-	-	-	-
Financial Position						
Property, plant and equipment	**1,989,838**	2,100,348	1,372,672	1,377,110	1,450,322	1,456,893
Current Assets	**1,029,331**	552,757	775,741	717,844	548,844	648,460
Current Liabilities	**1,686,257**	1,256,396	1,664,255	1,861,172	1,637,102	1,468,158
Current portion of Long Term Liabilities	**83,131**	188,251	284,057	222,567	231,017	190,404
Long Term Loans	**35,130**	119,948	266,415	1,592,116	1,101,947	1,179,852
Loan from sponsors	**313,080**	3,153,002	3,143,201	-	-	-
Subordinated Loan-Unsecured	**3,635,082**	482,080	482,080	482,080	482,080	482,080
Share Capital	**2,616,000**	2,616,000	1,716,000	1,716,000	1,716,000	1,716,000
Financial Ratios						
Gross Profit/(Loss) ratio	**-9.26%**	-43.46%	-39.34%	-18.74%	-8.84%	-10.40%
Profit/(Loss) before tax ratio	**-12.84%**	-60.89%	-72.49%	35.33%	-28.75%	-25.93%
Profit/(Loss) after tax ratio	**-12.09%**	-59.73%	-72.94%	35.08%	-28.61%	-25.80%
Current ratio	**0.61**	0.44	0.47	0.39	0.34	0.44
Working Capital	**(656.926)**	(703,639)	(888,514)	(1,143,328)	(1,088,258)	(819,698)

The Board Audit Committee has concluded its annual review of the conduct and operations of the company for the year ended 30 June 2019 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 2019, 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 2019 and shall retire on the conclusion of the 39th 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 firm is also registered with Audit Oversight Board. 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 2020 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.

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 Mr. Mian Nazir Ahmed Paracha
Non-Executive Directors	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 Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.

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

9. The 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. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

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

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

b. HR & Remuneration Committee
- Mr. Shamim Anwar
- 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: Quarterly
b. HR and Remuneration Committee: Yearly

15. The Board has set up an effective internal audit function, comprising of personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company. The internal audit function is involved in Internal Audit on full time basis relating to the business and other affairs 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 requirements of the Regulations have been complied with.

For and on behalf of Board of Directors

Mr. Muhammad Mustafa Tousif Paracha
Chairman

Dated: October 04, 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF BALOCHISTAN GLASS LIMITED
Review Report on the Statement of Compliance contained in 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, 2019 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 the 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, 2019.

Lahore: October 04, 2019

PKF Frants.

PKF F.R.A.N.T.S
Chartered Accountants
Engagement Partner : Nouman Razaq Khan

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALOCHISTAN GLASS LIMITED
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, 2019 and the statement of profit or loss and 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 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, 2019 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. 135.623 million during the year ended June 30, 2019 and, as of that date, its accumulated loss of Rs. 5,325.636 million have resulted in net capital deficiency of Rs. 2,594.839 million and its current liabilities exceeded its current assets by Rs. 656.926 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. Loan from directors and their associate	
As at the year end, the Company has outstanding loan from directors and their associate amounting to Rs. 313.080 million, as disclosed in Note 10 to the accompanying financial statements. In the current year, the loan amounting to Rs. 3,153.002 million has been subordinated and reclassified under the subordinated loans. 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 the following: • Obtaining the Debt Subordination Agreement with Bank of Punjab (BOP) along with other relevant documentations to understand and confirm the disclosed terms and conditions relating to subordination of respective loans; • 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; • Performing test of details on additional loans during the year;

Key Audit Matter	How the matter was addressed in our audit
	• Obtaining direct confirmations from directors and their associate to verify the outstanding amounts and terms and conditions for these loans and their consent for subordination of loan; and • Finally, we assessed the adequacy of the related disclosures in this regard.
2. Stock in trade	
As at the year end, the Company held stock in trade amounting to Rs. 495.183 million, after write down of Rs. 24.261 million to Net Realizable Value (NRV), as disclosed in note 22 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. We have considered this area to be a key audit matter due to significant increase in the balance as compared to the last year and judgements involved in estimating the NRV of underlying stock in trade as well as the management judgment in determining an appropriate costing basis and assessing its valuation.	Our audit procedures included the following: • observing physical inventory counts to ascertain the condition and existence of stock in trade, • understanding and evaluating the appropriateness of the basis of identification of the obsolete stock, • 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, • performing tests on 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, • testing cost of goods with underlying invoices and expenses incurred in accordance with stock valuation method, • reviewing the minutes of the relevant meetings at the management and Board level to identify any indicators of obsolescence and • testing the NRV of the stock held by preforming a review of sales close to and subsequent to the year-end and compared with the cost for a sample of products. • We further assessed the adequacy of financial statement disclosures in accordance with the applicable financial reporting framework
3. Long term investment	
The company owns 49.99% shares in its associated company i.e. Paidar Hong Glass (Pvt.) Limited. As at June 30, 2019, the carrying amount of investment in associated company is Rs. 125.631 million.	Our audit procedures in relation to assessment of carrying value of investment in associated company included: • Assessed the appropriateness of management's evaluation of investment in the associated company, its accounting and determination of fairvalue.

Key Audit Matter	How the matter was addressed in our audit
We have considered this as a key audit matter because the project is stagnant from last year due to the non-execution of contractual responsibility by the joint venture partner.	• Considered management's process for identifying the existence of impairment indicators, if any, in respect of investment in associated company. • Evaluated the independent external valuer's competence, capabilities and objectivity. • Obtaining the relevant record and documentations and applying impairment test to identify any impairment in the value of investment • Obtaining management plan of action relating to functioning of project. • Finally, we assessed the adequacy of the related disclosures in this regard.

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).

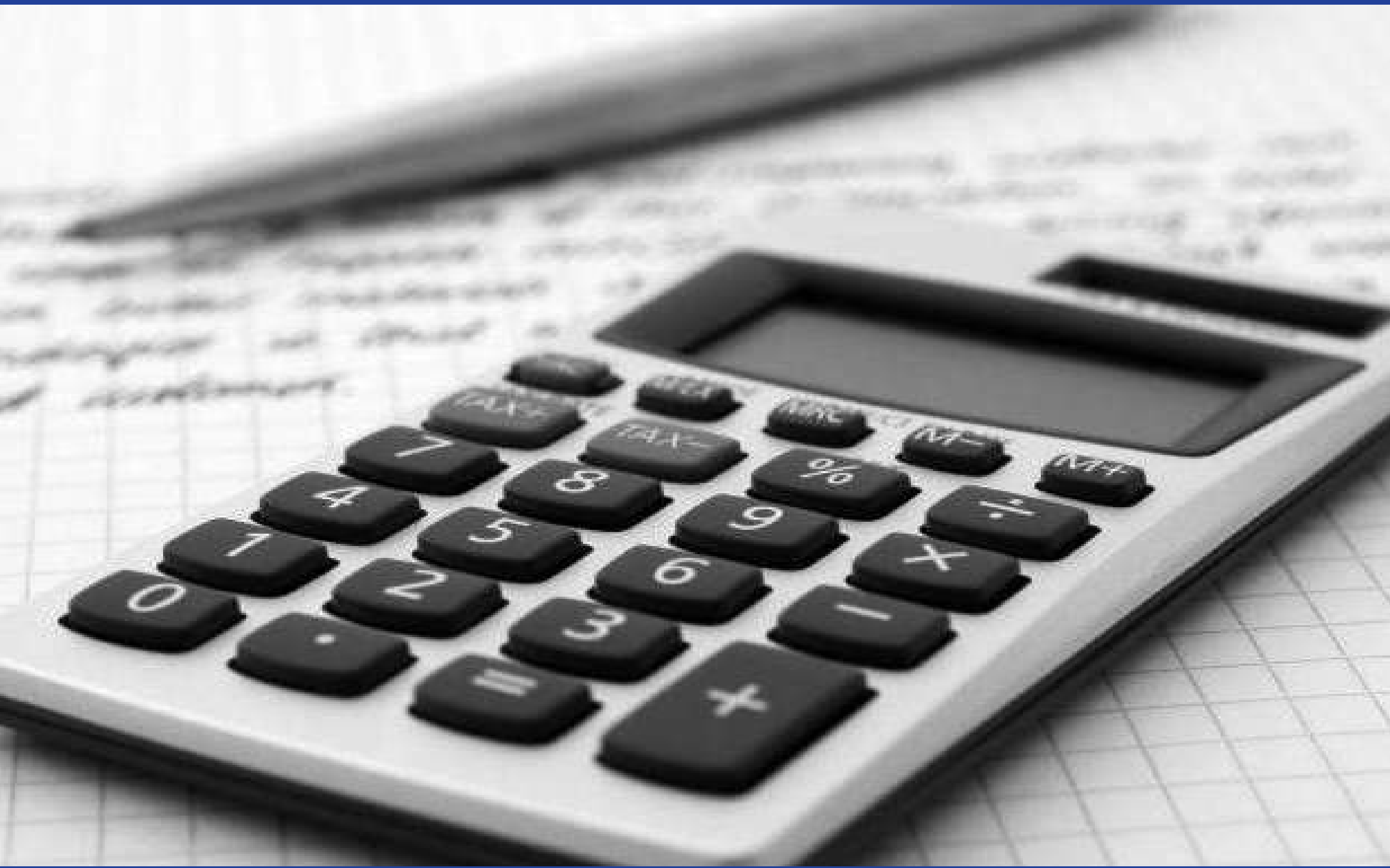
The engagement partner on the audit resulting in this independent auditor's report is Mr. Nouman Razaq Khan.

PKF Frants.

Lahore: October 04, 2019

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

AUDITED FINACIAL STATEMENTS 2019



STATEMENT OF FINANCIAL POSITION

As At June 30, 2019

	Note	2019	Restated 2018	Restated 2017
		(Rupees in Thousands)		
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital	5	**2,666,000**	2,666,000	2,666,000
Issued, subscribed and paid-up share capital	6	**2,616,000**	2,616,000	1,716,000
Discount on shares	7	**(514,800)**	(514,800)	(514,800)
		2,101,200	2,101,200	1,201,200
Capital reserve				
Revaluation surplus on property, plant and equipment - net of deferred tax	8	**629,597**	644,465	288,999
Revenue reserve				
Accumulated loss		**(5,325,636)**	(5,204,881)	(4,928,657)
		(2,594,839)	(2,459,216)	(3,438,458)
Subordinated loans -Unsecured	9	**3,635,082**	482,080	482,080
Loan from directors and their associate - Unsecured	10	**313,080**	3,153,002	3,143,201
		1,353,323	1,175,866	186,823
NON-CURRENT LIABILITIES				
Long term loans	11	**35,130**	119,948	266,415
Liabilities against assets subject to finance lease	12	**-**	-	-
Deferred liabilities	13	**70,090**	234,991	238,503
		105,220	354,939	504,918
CURRENT LIABILITIES				
Trade and other payables	14	**810,328**	703,275	878,625
Unclaimed dividend		**164**	164	164
Markup accrued	15	**107,907**	114,720	133,688
Short term borrowings	16	**684,727**	249,986	367,721
Current maturity of non current liabilities	17	**83,131**	188,251	284,057
		1,686,257	1,256,396	1,664,255
CONTINGENCIES AND COMMITMENTS	18			
TOTAL EQUITY AND LIABILITIES		**3,144,800**	2,787,201	2,355,996
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	19	**1,989,838**	2,100,348	1,372,672
Advance against purchase of plant and machinery		**-**	8,465	81,952
Long term investment	20	**125,631**	125,631	125,631
		2,115,469	2,234,444	1,580,255
CURRENT ASSETS				
Stores, spare parts and loose tools	21	**137,909**	111,034	123,952
Stock in trade	22	**495,183**	131,459	163,374
Trade debts	23	**216,308**	123,433	127,292
Loans and advances	24	**39,970**	38,230	43,030
Trade deposits, prepayments and other receivable	25	**71,257**	56,075	56,942
Taxes recoverable	26	**58,971**	87,697	68,558
Cash and bank balances	27	**9,733**	4,829	192,593
		1,029,331	552,757	775,741
TOTAL ASSETS		**3,144,800**	2,787,201	2,355,996

The annexed notes from 1 to 44 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, 2019

	Note	2019	Restated 2018
		(Rupees in Thousands)	
Sales - net	28	**1,121,781**	475,518
Cost of sales	29	**(1,225,689)**	(682,200)
Gross loss		**(103,908)**	(206,682)
Administrative and selling expenses	30	**(84,880)**	(39,614)
Other expenses	31	**(4,217)**	(10,449)
		(89,097)	(50,063)
Other income	32	**131,732**	20,811
Operating loss		**(61,273)**	(235,934)
Finance cost	33	**(82,766)**	(53,620)
Loss before taxation		**(144,039)**	(289,554)
Taxation - net	34	**8,416**	5,520
Loss after taxation		**(135,623)**	(284,034)
Loss per share - basic and diluted (Rs.)	35	**(0.52)**	(1.64)

The annexed notes from 1 to 44 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, 2019

	2019	2018
	(Rupees in Thousands)	
Loss after taxation	**(135,623)**	(284,034)
Other comprehensive (loss) / 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 (loss) / income for the year	**(135,623)**	78,073

The annexed notes from 1 to 44 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, 2019

	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, 2017 - as previously reported	1,716,000	(514,800)	288,999	(4,928,657)	(3,438,458)
Effect of restatement (note 4)	-	-	-	-	-
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 8	-	-	(7,810)	7,810	-
Revaluation surplus on property, plant and equipment - effect of change in tax rate - note 8	-	-	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 - as restated	**2,616,000**	**(514,800)**	**644,465**	**(5,204,881)**	**(2,459,216)**
Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) - note 8	-	-	(14,868)	14,868	-
Total comprehensive loss for the year					
Loss after taxation for the year	-	-	-	(135,623)	(135,623)
Other comprehensive loss for the year	-	-	-	-	-
	-	-	-	(135,623)	(135,623)
Balance as on June 30, 2019	**2,616,000**	**(514,800)**	**629,597**	**(5,325,636)**	**(2,594,839)**

The annexed notes from 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF CASH FLOWS

For The Year Ended June 30, 2019

	Note	2019	Restated 2018
		(Rupees in Thousands)	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		**(144,039)**	(289,554)
Adjustments for non-cash charges and other items:			
Depreciation	19.2	**151,461**	116,929
Provision for doubtful balances	31	**4,217**	10,449
Reversal of provision for default surcharge on taxation	32	**(11,109)**	(7,910)
Liability and markup reversed / written back on settlement with financial institutions	32	**(120,518)**	(10,581)
Finance cost	33	**82,766**	53,620
Operating cash flows before working capital changes		**(37,222)**	(127,047)
Working capital changes			
(Increase) / Decrease in current assets			
Stores, spare parts and loose tools		**(26,875)**	12,918
Stock in trade		**(363,724)**	31,915
Trade debts		**(97,092)**	3,859
Loans and advances		**(1,740)**	(5,649)
Trade deposits, prepayments and other receivables		**(6,184)**	867
Increase / (Decrease) in current liabilities			
Trade and other payables		**158,905**	(156,555)
		(336,710)	(112,645)
Cash used in operations		**(373,932)**	(239,692)
Payments for:			
Finance cost		**(69,978)**	(30,102)
Taxes		**(11,919)**	(27,173)
Gratuity		**(310)**	(2,132)
Net cash outflow from operating activities	A	**(456,139)**	(299,099)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditures		**(63,484)**	(366,087)
Advance against purchase of plant and machinery		**-**	(8,465)
Net cash outflow from investing activities	B	**(63,484)**	(374,552)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from directors and their associates - net		**313,080**	726,887
Long term loans - net		**(191,420)**	(227,935)
Lease liabilities paid		**(31,874)**	-
Short term borrowings - net		**434,741**	(13,065)
Net cash inflow from financing activities		**524,527**	485,887
Net increase / (decrease) in cash and cash equivalents	A+B+C	**4,904**	(187,764)
Cash and cash equivalents at beginning of the year		**4,829**	192,593
Cash and cash equivalents at end of the year	27	**9,733**	4,829

The annexed notes from 1 to 44 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 27-H Pace Tower, 1st floor, College Road, MM Alam Extension, Gulberg II, Lahore.

Locations and addresses of all the manufacturing facilities of the Company are disclosed in note 19.3 to these financial statements.

2 GOING CONCERN ASSUMPTION

The financial statements for the year ended June 30, 2019 are showing loss after taxation amounting to Rs. 135.623 million (2018: loss Rs. 284.034 million) and has accumulated loss of Rs. 5,325.636 million (2018: Rs. 5,204.881 million) at the year-end which resulted in negative equity of Rs. 2,594.839 million (2018 : Rs. 2,459.216 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 656.926 million (2018: Rs. 703.639 million - restated).

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 increased significantly as compared to corresponding period. This increase in net sales is mainly attributable to re-commencement of production of pharma products at Unit I (Hub) from August 2018, which had been closed since June 2016, after successful completion of balancing modernization and replacement (BMR) activities. This modernization has resulted in an increased efficiency and improved product quality, which is reflected in lower cost of production as compared to previous years. Unit III (Kot Abdul Malik) was temporarily closed for installation of machinery for tableware production and later started the production in October 2018 and is currently producing quality tableware products which have got good response from the market and significantly contributed in increasing sales of the company. The management of the company foresees that its current effort will fetch better results on sustainable basis. Unit II (Shekhupura) remained closed during the period since November 2016 for the purpose of modernization of its production facilities.

During the year, the Company has repaid the long term finance facility of Bank of Punjab (BOP) and has been able to avail the waiver of frozen markup amounting Rs. 99.087 million as per restructured arrangements with the bank. Further, the Company has managed a new short term running finance facility limit of Rs. 250.000 million from BOP to meet its working capital requirements. The Company also reached a settlement arrangement with Saudi Pak Leasing Company (SPLC), after which the Company has paid a lump sum amount of Rs. 23.438 million to SPLC and secured a reversal of accrued markup amounting Rs. 19.601 million.

The management has also shown its firm commitment to honor all other restructured arrangements with banks and has complied with respective repayment terms and feels confident that it will be able to handle the Company’s liquidity related issues in future with continuous and adamant support from its directors and associates. Director’s support is evident through the fact that during the period, the directors have provided additional financing support to the Company to meet its financing requirements, BMR expenditure and other operational requirements and also allowed subordination of their loans existed at the time of disbursement of new short term financing facility of Rs. 250.000 million from BOP.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements have been prepared in accordance with the 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.

3.2 New and revised laws, standards and interpretations

3.2.1 Standards, amendments and Interpretations adopted during the year

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

IAS 28	Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by investment choice.
IAS 40	Investment property (Amendments); Amendments on transfers of property to or from investment property.
IFRS 2	Share-based Payment (Amendments); Clarification on the classification and measurement of share-based payment transactions.
IFRS 4	Insurance contracts (Amendments); the interaction of IFRS 4 and IFRS 9.
IFRS 9	Financial Instruments; This standard superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.
IFRS 15	Revenue from Contracts with Customers; This standard superseded IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31.
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.

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

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 new/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
IFRS 9	Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019
IFRS 16	Leases; This standard will supersede IAS 17 - 'Leases' upon its effective date.	January 01, 2019
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
IFRS 3	Business Combinations (Amendments); Amendments regarding previously held Interests in a joint operation.	January 01, 2019
IFRS 3	Business Combinations (Amendments); Clarify the definition of business.	January 01, 2020
IFRS 11	Joint Arrangements (Amendments); Re-measurement of previously held Interests in a joint operation	January 01, 2019
IAS 12	Income Taxes (Amendments); Amendments regarding income tax consequences of payments on financial instruments classified as equity.	January 01, 2019
IAS 23	Borrowing Costs (Amendments); Borrowing costs eligible for capitalisation	January 01, 2019
IAS 1	Presentation of Financial Statements (Amendments); Amendments regarding the definition of concept of material	January 01, 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments); Amendments regarding the definition of concept of material	January 01, 2020

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.

International Accounting Standards Board (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 January 01, 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

3.3 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 3.5.

3.4 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:

3.4.1 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.

3.4.2 Property, plant and equipment

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

3.4.3 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.

3.4.4 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.

3.4.5 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.

3.5 SIGNIFICANT ACCOUNTING POLICIES

3.5.1 Staff retirement benefits - provident fund

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 recognized as staff retirement benefit expense when they are due.

3.5.2 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.

3.5.3 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 3.5.10. 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 19 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.

The moulds whose entire output capacity is expected to be utilized in one year are classified as store inventory as per IAS 2 - Inventories. The moulds whose entire output capacity is expected to be utilized in more than one year are recognized in property, plant and equipment as per lAS 16 - Property, Plant & Equipment. Depreciation / consumption on moulds is charged to statement of profit or loss on the basis of units produced.

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.

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

3.5.4 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.

3.5.5 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.

3.5.6 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.

3.5.7 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 exchanges differences are taken into statement of profit or loss.

3.5.8 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.

3.5.9 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:

- Revenue from local sale of goods is recognized at a point in time when a performance obligation is satisfied by transferring control of promised goods to a customer which coincides with the dispatch of goods to the customer.
- Revenue from export sale of goods is recognized on shipment basis.
- Profit on bank deposits is recognized on a time proportion basis at the rate applicable.
- All other income is accounted for on an accrual basis.

3.5.10 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.

3.5.11 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.

3.5.12 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.

3.5.13 Classification of financial assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. A ?nancial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. These financial assets are subsequently remeasured to fair value, amortized cost or cost as the case may be. Management determines the classification of its financial assets at the time of initial recognition.

- **Financial assets at amortized cost**

  Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

- **Financial assets at fair value through other comprehensive income**

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

- **Financial assets at fair value through profit or loss**

  Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognized in the statement of profit or loss.

3.5.14 Financial liabilities

All financial liabilities are initially recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss. Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

3.5.15 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.

3.5.16 Impairment of non-financial assets

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.

3.5.17 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.

3.5.18 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.

3.5.19 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.

3.5.20 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.

3.5.21 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.

3.5.22 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.

3.5.23 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.

4 RESTATEMENT RATIONALE

Previously the Company has been applying the following accounting policy in respect of 'moulds':

- moulds were being classified as store inventory under 'Stores, spare parts and loose tools'.
- Consumption was being charged thereon on the basis of number of units produced in the cost of sales as stores and spares consumed.
- Provision on obsolete items was being charged to other expenses.

During the year, the Company has changed its accounting policy with respect to classification of moulds on the basis of opinion from the Institute of Chartered Accountants of Pakistan. Revised classification of the moulds in accordance with the guidance provided by the Institute shall result in improved financial reporting, presentation and classification.

Revised accounting policy, in accordance with the above guidance, for the classification of moulds is as follows:

- Moulds whose entire output capacity is expected to be utilized in one year are recognized as inventory in accordance with IAS-2.
- Moulds whose entire output capacity is expected to be utilized in more than one year are recognized as property plant and equipment in accordance with IAS 16.
- Depreciation / consumption is charged on Unit of Production method basis.

The above change 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 as follows:

	As at June 30, 2018			As at June 30, 2017		
	As previously reported	Effect of restatement	As re-stated	As previously reported	Effect of restatement	As re-stated
	Rupees in thousands					
Effect on statement of financial position						
Moulds included in 'Spare parts and loose tools' (note 21)	216,105	(155,305)	**60,800**	205,447	(155,305)	**50,142**
Provision for slow moving and obsolete moulds (note 21)	(57,300)	57,300	-	(51,203)	51,203	-
Net effect	158,805	(98,005)	**60,800**	154,244	(104,102)	**50,142**
Property, plant and equipment - cost (note 19)	3,791,446	238,131	**4,029,577**	3,290,505	238,131	**3,528,636**
Accumulated depreciation/ impairment / consumption (note 19)	(2,135,050)	(140,126)	**(2,275,176)**	(2,024,218)	(134,029)	**(2,158,247)**
Net effect	1,656,396	98,005	**1,754,401**	1,266,287	104,102	**1,370,389**
Effect on statement of profit or loss						
Cost of sales (note 29)	676,103	(6,097)	**682,200**	939,381	(2,450)	**936,931**
Other expenses (note 31)	16,546	6,097	**10,449**	8,428	2,450	**10,878**
	692,649	-	**692,649**	947,809	-	**947,809**

There was no change in the reported amount of statement of changes in equity. There was no cash flow impact as a result of retrospective restatement and no impact on basic and diluted loss per share for the year ended June 30, 2017 and June 30, 2018.

5 AUTHORIZED SHARE CAPITAL

2019	2018		Note	2019	2018
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

6 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2019	2018		Note	2019	2018
175,300,000	175,300,000	Ordinary shares of Rs.10 each fully paid in cash	6.1	**1,753,000**	1,753,000
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	261,600,000			**2,616,000**	2,616,000

6.1 Reconciliation of ordinary shares

2019	2018		2019	2018
175,300,000	85,300,000	**Opening balance**	**1,753,000**	853,000
-	90,000,000	Ordinary shares issued during the year other than right fully paid in cash	**-**	900,000
175,300,000	175,300,000	**Closing balance**	**1,753,000**	1,753,000

During the previous 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.

6.2 27,791,422 (2018: 33,177,922) ordinary shares of the Company are held by associated company Pak Hy Oils Limited.

7 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.

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

	2019	2018
Opening Balance - net of deferred tax	**644,465**	288,999
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	**(14,868)**	(7,810)
- effect of change in tax rate	**-**	1,169
Closing Balance - net of deferred tax	**629,597**	644,465

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.

	Note	2019	2018
		(Rupees in Thousands)	
9 SUBORDINATED LOANS - Unsecured			
Subordinated loans from directors and their associate - unsecured	9.1	**482,080**	482,080
Subordinated loans - unsecured	9.2	**3,153,002**	-
		3,635,082	482,080
9.1 Subordinated loans from directors and their associate - unsecured			
From related parties (Directors)			
- Local currency		**82,493**	82,493
From sponsors and shareholders			
- Foreign currency		**399,587**	399,587
		482,080	482,080

9.1.1 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.

9.1.2 Keeping in view the heavy losses incurred by the Company, 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.

9.1.3 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 financial reporting standards 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 face values as initially recognized.

	Note	2019	2018
		(Rupees in Thousands)	
9.2 Subordinated loans - unsecured			
- Muhammad Tausif Paracha			
- Long term loan	9.2.1	1,793,045	-
- Deferred mark-up	9.2.2	1,024,821	-
		2,817,866	-
- Shaffi Uddin Paracha			
- Long term loan	9.2.1	94,899	-
- Mian Nazir Ahmed Paracha			
- Long term loan	9.2.1	102,501	-
- Other associate			
- Long term loan	9.2.1	104,670	-
- Deferred mark-up	9.2.2	33,066	-
		137,736	-
	9.2.3	3,153,002	-

9.2.1 These represent the long term loans provided by the directors / director's associate which were previously classified as long term loans under the mark up arrangement. Pursuant to the arrangements between the Company and the directors and their associate, these have become interest free and payable at the discretion of the Company. Therefore, these loans are not measured at amortized cost as per requirements of financial reporting standards, rather these are treated as equity in accordance with the Technical Release -32 ("Accounting Director' Loan") issued by the Institute of Chartered Accountants of Pakistan.

9.2.2 These represent the amount of mark up charged, on long term loans from directors and their associate, which was previously classified as deferred mark up in previous years. Pursuant to the arrangement between the Company and the directors and their associate, no mark up is to be charged on the loans in the subsequent periods and outstanding balances of mark up have become payable at the discretion of the Company.

9.2.3 During the financial year, the Company utilised a running finance facility of Rs. 250.000 million from Bank of Punjab (BOP) to meet its working capital requirements, under the condition that these loans would be fully subordinated till repayment of the loan to the bank. During the current financial year, subordination of such loans have been made vide Debt Subordination Agreement and accordingly these loans are reclassified from 'Loans from directors and their associate' (note 10) to Subordinated Loans.

10 LOAN FROM DIRECTORS AND THEIR ASSOCIATE - Unsecured

	Note	2019	2018
Muhammad Tousif Paracha			
Long term loan - reclassified	10.1	-	570,108
Deferred markup - reclassified	10.2	-	903,953
Long term loan	10.3	313,080	1,119,671
Long term loan taken over	10.4	-	103,266
Deferred markup taken over	10.5	-	120,868
		313,080	2,817,866
Shaffi Uddin Paracha			
Long term loan	10.6	-	94,899
Mian Nazir Ahmed Paracha			
Long term loan	10.6	-	102,501
Other Associate			
Long term loan	10.7	-	104,670
Deferred mark-up	10.7	-	33,066
	9.2.3	313,080	3,153,002

10.1 This loan is interest free and payable at the discretion of the Company provided by the Chief Executive Officer of the Company.

10.2 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

10.3 During the year, the Company received net funds of Rs. 313.080 million (2018: Rs. 539.487 million) from its Chief Executive Officer for the purpose of necessary BMR and to meet operational requirements. The said loan is interest free and payable at the discretion of the Company.

10.4 This represents loan of Rs. nil (2018: Rs. 84.215 million) and Rs. nil (2018: 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 previous 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.

10.5 This represents the deferred mark-up of Rs. nil (2018: Rs. 94.741 million) previously outstanding towards Mr. Tariq Siddiq Paracha and Rs. nil (2018: Rs. 26.127 million) previously outstanding towards Mr. Jawaid Aziz Paracha 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.

10.6 During the previous 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.

10.7 Pursuant to the new arrangements between the Company and other associate during the previous financial year, the balance of outstanding loan amounting to Rs. nil (2018: Rs. 104.670 million) and Rs. nil (2018: Rs. 33.066 million) respectively have become interest free and payable at the discretion of the Company.

10.8 Since all the above balances are interest free and payable at the discretion of the Company, these are not measured at amortized cost using effective interest rate method as per requirements of financial reporting standards 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 face values as initially recognized.

	Note	2019	2018
		(Rupees in Thousands)	
11 LONG TERM LOANS			
From banks and financial institutions - Secured			
BOP - Demand finance II (Frozen Markup)	11.1 & 11.2	-	175,416
BOP - Deferred mark up	11.1	-	(99,087)
		-	76,329
FBL - Restructured loan	11.3	-	83,023
FBL - Mark up	11.3	**52,154**	57,185
FBL - Deferred mark up	11.3	-	(57,185)
NBP - DF I	11.4	**17,873**	24,373
NBP - DF II (Frozen Markup)	11.4	**10,577**	14,429
AlBaraka - Restructured loan	11.5	**37,657**	54,342
		118,261	252,496

	Note	2019	2018
		(Rupees in Thousands)	
Current and overdue portion presented under current liabilities			
BOP - Demand Finance II	11.1	-	(75,876)
BOP - Demand Finance II - overdue	11.1	-	(453)
FBL - Restructured loan	11.3	-	(19,500)
FBL - Deferred markup	11.3	**(39,144)**	-
FBL - Restructured loan - over due	11.3	-	(1,353)
NBP - DF I	11.4	**(6,500)**	(6,500)
NBP - DF I - overdue	11.4	**(1,625)**	(1,625)
NBP - DF II (Frozen Markup)	11.4	**(3,852)**	(3,852)
NBP - DF II (Frozen Markup) - overdue	11.4	**(963)**	(963)
AlBaraka - Restructured loan	11.5	**(23,245)**	(22,426)
AlBaraka - Restructured loan- overdue	11.5	**(7,802)**	-
		(83,131)	(132,548)
		35,130	119,948

11.1 This Demand Finance II facility had been restructured/rescheduled by BOP against unserviceable markup of Rs. 240.444 million as on June 30, 2012. It included frozen markup on DF-II amounting Rs. 99.087 million which was to 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 was payable in 4 monthly installments till October 2018. However, the Company has repaid all the liabilities before the stipulated time limit i.e. till July 30, 2018, resultantly the above said frozen markup i.e. Rs. 99.087 million has been waived by BOP.

11.2 These facilities was 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.

11.3 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. However, the company has repaid the principal amount of Rs. 83.023 million during the current period.

11.4 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.

11.5 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 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - Secured

	2019 Lease Payments Minimum	2019 Lease Payments Present Value	2018 Lease Payments Minimum	2018 Lease Payments Present Value
	Rupees in thousands			
Not later than one year	-	-	55,703	55,703
Later than one year but not later than five years	-	-	-	-
Total	-	-	55,703	55,703
Less: Finance charge allocated to future periods	-	-	-	-
Present value of minimum lease payments	-	-	55,703	55,703
Less: Current portion- under current liabilities	-	-	-	-
Over due portion-under current liabilities	-	-	55,703	55,703
	-	-	-	-

12.1 During the year, the Company has settled its lease liabilities by paying off the balance amount in lump sum and offset the amount of lease liability outstanding against the lease deposits.

13 DEFERRED LIABILITIES

	Note	2019	2018
		(Rupees in Thousands)	
Deferred taxation - net	13.1	**57,878**	66,197
Employees retirements benefits - gratuity	13.5	**12,212**	12,522
Deferred mark up (financial institution)	11.1 & 11.3	-	156,272
		70,090	234,991

13.1 Deferred taxation - net

	Note	2019	2018
Credit balances arising due to:			
- Accelerated tax depreciation allowances		**182,423**	148,120
- Relating to finance lease		-	9,865
Debit balances arising due to:			
- Staff gratuity		**(3,508)**	(3,598)
- relating to provisions		**(48,395)**	(63,662)
- Unused tax losses	13.2	**(728,893)**	(668,607)
- Available tax credits	13.3	**(6,741)**	(6,741)
Deferred tax asset		**(605,114)**	(584,623)
Deferred tax asset not recognized	13.4	**605,114**	584,623
		-	-
Deferred tax asset on tax credits u/s 65B (reversible)		**(4,420)**	(2,174)
Deferred tax liability relating to revaluation surplus			
on property, plant and equipment - opening balance		**68,371**	38,428
on property, plant and equipment - arisen during the year		-	34,459
Incremental depreciation		**(6,073)**	(3,347)
Effect of change in tax rate		-	(1,169)
		62,298	68,371
Deferred tax liability - net		**57,878**	66,197

13.2 Expiry of business and depreciation losses is as follows:

Nature	Unused Tax Losses (Rs. in '000')	Expiry in Tax Year
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	**181,094**	2024
Business loss for Tax Year 2019	**10,223**	2025
	861,768	
Depreciation loss	**1,651,657**	No expiry
	2,513,425	

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

13.4 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	2019	2018
		(Rupees in Thousands)	
13.5 Employees retirements benefits			
Staff gratuity:			
Movement in balance			
Opening balance		**12,522**	14,654
Payments during the year		**310**	2,132
		12,212	12,522
Charge for the year	13.5.1	**-**	-
Closing balance	13.5.2	**12,212**	12,522
13.5.1 Charge for the year			
Service cost		**-**	-
13.5.2 Statement of financial position reconciliation			
Present value of defined benefit obligations		**12,212**	12,522

13.5.3 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'.

14 TRADE AND OTHER PAYABLES

	Note	2019	2018
Trade creditors	14.1	**310,065**	231,227
Accrued expenses	14.2	**312,049**	274,763
Advances from customers		**59,733**	48,838
Employees' Provident Fund	14.3	**3,387**	1,386
Income taxes payable		**61,582**	78,725
Others		**63,512**	68,336
		810,328	703,275

14.1 This includes amount of Rs. nil (2018: Rs. 2.373 million) payable to Gharibwal Cement Limited, an associated company.

14.2 This includes a sum of Rs. 192.431 million (2018: Rs. 161.010 million) outstanding on account of sui gas bills which includes the amount of Gas Infrastructure & Development Cess (GIDC) amounting to 129.680 million (2018: Rs. 129.680 million) charged to the Company, payment of which is subject to court decision. This also includes Rs. 21.780 million (2018: Rs. 21.780 million) against the rent payable to the CEO and Rs. nil (2018: Rs. 1.192 million) payable to Gharibwal Cement Limited, an associated company.

14.3 During the previous year, the Company initiated the employee contribution plan (provident fund) and discontinued defined benefit plan (gratuity) for the employees as disclosed in note 13.5.3 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. Contributions collected from the employees and contributed by the Company have not been deposited in a remunerative bank account being separately maintained for the provident fund.

	Note	2019	2018
		(Rupees in Thousands)	
15 MARK UP ACCRUED			
Markup accrued		**107,907**	114,720
This includes amount of Rs. 97.009 million (2018: Rs. 94.191 million) payable to associated persons.			
16 SHORT TERM BORROWINGS			
From banks and financial institutions - Secured			
Short term running finance	16.1	**240,788**	-
From related parties - Unsecured			
Associated company	16.2	**338,525**	249,986
Directors			
- Mr. Shaffi uddin Paracha		**2,851**	-
-Mr. Nazir Ahmed Paracha		**10,000**	-
	16.3	**12,851**	-
Others - Unsecured, interest free			
Temporary bank overdraft	16.4	**92,563**	-
		684,727	249,986

16.1 During the period, the Company has availed running finance facility of Rs. 250.000 million from Bank of Punjab (BOP) to meet the working capital requirements. The facility is secured against ranking charge of Rs. 833.334 million over present and future fixed assets, ranking charge of Rs. 334.000 million over current assets, pledge of 58 million shares of Gharibwal Cement Limited in the name of CEO and personal guarantee of CEO. This facility is extended upto December 31, 2019.

16.2 This represents unsecured loan / short term advance facility of Rs. 350.000 million obtained from the associated company, Gharibwal Cement Limited (GCL), to meet the working capital requirements of the Company and carries mark up at 3 months KIBOR + 3.5% p.a. This balance also included settlement of payable amount of Rs. 77.441 million (2018: Rs. nil) on account of purchase of stores and spares from GCL during the year.

16.3 During the period the company has obtained temporary loan from its directors for working capital requirements. The loan is unsecured and interest free.

16.4 This includes cheques issued of Rs. 63.000 million to sponsoring director of the Company on account of temporary repayment of working capital support provided by sponsoring director.

	Note	2019	2018
		(Rupees in Thousands)	
17 CURRENT MATURITY OF NON CURRENT LIABILITIES			
BOP - Demand Finance II	11.1	**-**	76,329
FBL - Frozen Markup	11.3	**39,144**	-
FBL - Restructured loan	11.3	**-**	20,853
NBP - DF I	11.4	**8,125**	8,125
NBP - DF II (Frozen Markup)	11.4	**4,815**	4,815
AlBaraka - Restructured loan	11.5	**23,245**	22,426
AlBaraka - Restructured loan- overdue	11.5	**7,802**	-
Lease Liabilities	12	**-**	55,703
		83,131	188,251

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 Bank guarantees amounting to Rs. 149.906 million (2018: Rs. 149.906 million) have been given by various banks on behalf of the Company.

18.1.2 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 (2018: 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

18.1.3 The Company was selected for sales tax audit for year 2011-12 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 still under way.

18.1.4 Company was selected for Sales Tax Audit for year 2013-14 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 and the hearing of the same is still awaited.

18.1.5 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 year 2014-15. The record has been provided as per requirements and the assessment proceedings are still not completed.

18.1.6 Assessment under Section 177 of the Income Tax Ordinance, 2001, in respect of tax year 2015 has been finalized during the previous 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. However, the Company has filed an appeal before CIR (Appeals) against this order which is still pending for the hearing.

18.1.7 During the year, assessment under Section 161 / 205 of the Income Tax Ordinance, 2001, in respect of tax year 2016 to 2018 was finalized vide order 24/02 & 25/02 dated March 15, 2019 through which total tax demand of Rs. 42.007 million was raised. Out of above said demand, Rs. 28.255 million was adjusted against available tax refunds. The Company has filed an appeal against total amount of Rs. 19.776 million before CIR (Appeals) which is pending for hearing.

18.1.8 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, 2019.

18.2 Commitments

Commitments in respect of letters of credit for import of stores, spares and loose tools amounting to Rs. 2.867 million (2018: Rs. nil).

19 PROPERTY, PLANT AND EQUIPMENT

	Note	2019	2018
		(Rupees in Thousands)	
Operating fixed assets	19.1	**1,962,827**	1,754,401
Capital work in progress	19.6	**27,011**	345,947
		1,989,838	2,100,348

19.1 Operating fixed assets

Particulars	2019										
	Cost / Revaluation					Depreciation / Impairment					
	Opening July 01, 2018	Additions / Transfer	Revaluation surplus	Disposal / Transfer	Closing June 30, 2019	Opening July 01, 2018	For the year	Disposal / Transfer	Closing June 30, 2019	Book value As at June 30, 2019	Rate % / Method
	(Rupees in thousands)										
Freehold land	522,243	-	-	-	522,243	-	-	-	-	522,243	-
Building on freehold land											
Factory	338,111	31,004	-	-	369,115	126,573	22,922	-	149,495	219,620	10
Non factory	85,639	-	-	-	85,639	26,917	2,936	-	29,853	55,786	5
Plant and machinery											
Owned	2,413,163	324,841	-	296,009	3,034,013	1,697,768	110,289	214,398	2,022,455	1,011,558	10 & 15
Leased	296,009	-	-	(296,009)	-	206,124	8,274	(214,398)	-	-	10
Electric and gas installation	77,699	3,427	-	-	81,126	33,960	4,598	-	38,558	42,568	10
Furniture and fixtures	12,857	19	-	-	12,876	9,901	297	-	10,198	2,678	10
Office equipment	8,840	596	-	-	9,436	6,081	313	-	6,394	3,042	10
Vehicles											
Owned	33,008	-	-	3,877	36,885	23,998	1,802	3,758	29,558	7,327	20
Leased	3,877	-	-	(3,877)	-	3,728	30	(3,758)	-	-	20
Moulds (restated - note 4)	238,131	-	-	-	238,131	140,126	-	-	140,126	98,005	Units Produced
	4,029,577	**359,887**	**-**	**-**	**4,389,464**	**2,275,176**	**151,461**	**-**	**2,426,637**	**1,962,827**	

Particulars	2 0 1 8 - restated (for Comparison only)										
	Cost / Revaluation					Depreciation / Impairment					
	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 % / Method
	(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
Moulds (restated - note 4)	238,131	-			238,131	134,029	6,097	-	140,126	98,005	Units Produced
	3,528,636	104,375	396,566	-	4,029,577	2,158,247	116,929	-	2,275,176	1,754,401	

	Note	2019	2018
		(Rupees in Thousands)	
19.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales		**148,905**	114,956
Administrative and selling expenses		**2,556**	1,973
		151,461	116,929

19.3 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	10.43
3	12 – Km Lahore - Sheikhupura Road near Total Pump, Kot Abdul Mallik, Distt. Sheikhupura	Production unit III	4.65

19.4 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.

19.5 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, 2019	Accumulated Depreciation as at June 30, 2019	Book Value as at June 30, 2019	Book Value as at June 30, 2018
	(Rupees in thousands)			
Freehold land	45,167	-	45,167	45,167
Building on freehold land				
Factory	102,566	47,817	54,749	28,347
Non factory	19,353	13,537	5,816	6,122
	167,086	**61,354**	**105,732**	**79,636**

	Note	2019	2018
		(Rupees in Thousands)	
19.6 Capital work in progress - Movement			
Opening		**345,947**	2,283
Add: Additions during the year		**18,032**	344,864
Less: Transferred to operating fixed assets		**(305,970)**	(1,200)
Adjustment of claim receivable - machinery	25.3	**(30,998)**	-
		(336,968)	(1,200)
Closing		**27,011**	345,947
19.7 Capital work in progress - Breakup			
Plant and Machinery		**27,011**	344,034
Civil work		**-**	1,913
		27,011	345,947

19.8 Depreciation for moulds includes impairment loss amounting to Rs. nil (2018: Rs. 6.097 million)

		Note	2019	2018
			(Rupees in Thousands)	
20	**LONG TERM INVESTMENT**			
	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 objective of this joint venture is to engage in the business of manufacturing of USP Type-I Borosilicate glass tubes, vials and ampules. During the last year, 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 as the project is stagnant from last years till reporting date because of non execution of contractual responsibility by Chinese investors with respect to establishing, running and functioning of project. In view of this, the expected fair value of the investment does not materially differ from the carrying amount of the investment at year-end and therefore, the Company has not accounted for its share of profit from the associated company.

Management is addressing the issue and is confident that matter shall be resolved in due course of time. 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 bank accounts of the investee company. 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 for the year ended June 30, 2019, the paid up capital of the investee company is Rs.251.263 million (2018: Rs.251.263 million), its total equity including accumulated profit till June 30, 2019 amounts to Rs. 263.907 million (2018: Rs. 257.429 million), total assets amount to Rs. 270.759 million (2018: Rs. 260.979 million) including bank balance of Rs. 169.163 million (2018: Rs. 160.361 million).

		Note	2019	2018
21	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores, spare parts and loose tools		**51,952**	50,234
	Moulds (please refer to note 4)		**85,957**	60,800
			137,909	111,034
22	**STOCK IN TRADE**			
	Raw and packing materials		**57,181**	38,529
	Work in process		**3,213**	811
	Finished goods	22.1	**434,789**	92,119
			495,183	131,459

22.1 Adjustments amounting to Rs. 24.261 million (2018: Rs. 31.350 million) have been made to closing inventory of finished goods to write down stocks to their net realizable value.

		Note	2019	2018
23	**TRADE DEBTS**			
	Unsecured but considered good		**216,308**	123,433
	Unsecured but considered doubtful		**58,823**	54,606
			275,131	178,039
	Allowance for expected credit losses / provision for doubtful debts	23.1	**(58,823)**	(54,606)
			216,308	123,433

		Note	2019	2018
			(Rupees in Thousands)	
23.1	**Allowance for expected credit losses / provision for doubtful debts**			
	Balance as at July 01		**54,606**	51,553
	Charge for the year		**4,217**	3,053
	Balance as at June 30	23.2	**58,823**	54,606

23.2	**Description**	**1-60 days**	**61-90 days**	**91-210 days**	**211-365 days**	**365-730 days**	**730 days above**	**Total**
			- - - - - - - -	(Rupees in Thousands)	- - - - - - - -			
	As at June 30, 2019							
	Expected credit loss rate	**0%**	**0.25%**	**1%**	**10%**	**50%**	**100%**	
	Expected total gross carrying amount at default	**119,500**	**54,643**	**36,858**	**2,625**	**6,899**	**54,606**	**275,131**
	Expected credit loss	**-**	**136**	**368**	**263**	**3,450**	**54,606**	**58,823**
	As at June 30, 2018							
	Expected credit loss rate	0%	0%	0%	0%	0%	100%	
	Expected total gross carrying amount at default	33,261	34,424	55,748	-	-	54,606	178,039
	Expected credit loss	-	-	-	-	-	54,606	54,606

		Note	2019	2018
24	**LOANS AND ADVANCES**		(Rupees in Thousands)	
	Employees	24.1	**1,742**	1,642
	Suppliers		**98,074**	97,510
	Against expenses		**15,224**	14,148
			115,040	113,300
	Less: Allowance for expected credit losses:			
	- advances to suppliers		**(62,361)**	(62,361)
	- advances to employees and expenses		**(12,709)**	(12,709)
		24.2	**(75,070)**	(75,070)
			39,970	38,230

24.1 Aggregate amount due from executives of the Company is Rs. 0.606 million (2018: Rs. 0.606 million).

		Note	2019	2018
24.2	**Allowance for doubtful loans and advances**			
	Balance as at July 01		**75,070**	67,674
	Allowance for the year (against advances to employees and expenses)	31	**-**	1,632
	Allowance for the year (against supplies)	31	**-**	5,764
	Balance as at June 30		**75,070**	75,070
25	**TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE**			
	Short term deposits	25.1	**55,295**	71,492
	Prepaid insurance		**420**	318
	Other receivable	25.2	**19,120**	18,841
	Claim receivable - machinery	25.3	**30,998**	-
			105,833	90,651
Less:	Allowance for doubtful short term deposits		**(16,381)**	(16,381)
	Allowance for doubtful other receivables		**(18,195)**	(18,195)
		25.4	**(34,576)**	(34,576)
			71,257	56,075

25.1 This includes a sum of Rs. nil (2018: Rs. 31.379 million) relating to assets subject to finance lease.

25.2 This includes receivable from related party amounting to Rs. 0.925 million (2018: Rs. 0.737 million)

25.3 This represents warranty claim receivable against the IS machine, which has been received subsequent to year end on July 10, 2019.

		Note	2019	2018
			(Rupees in Thousands)	
25.4	**Allowance for doubtful short term deposits and other receivables**			
	Balance as at July 01		**34,576**	34,576
	Charge for the year		**-**	-
	Balance as at June 30		**34,576**	34,576
26	**TAXES RECOVERABLE**			
	Sales tax refundable		**3,692**	15,290
	Advance income tax - net		**5,007**	16,250
	Income tax refundable		**50,272**	56,157
			58,971	87,697
27	**CASH AND BANK BALANCES**			
	Cash in hand		**172**	182
	Cash at banks			
	- Current accounts		**9,544**	4,558
	- Saving accounts	27.1	**17**	89
			9,561	4,647
			9,733	4,829

27.1 These carry mark up at the rates ranging from 5.50 % to 8.83 % (2018: 2.75% to 3.75 %) per annum.

		Note	2019	2018
28	**SALES - Net**			
	Local Sales - gross		**1,312,907**	553,043
	Export Sales - gross		**10,586**	4,352
			1,323,493	557,395
	Less: Sales tax		**(201,712)**	(81,877)
			1,121,781	475,518
29	**COST OF SALES**			
	Raw material consumed:			
	Opening stock		**38,529**	38,516
	Purchases		**522,866**	117,083
			561,395	155,599
	Closing stock	22	**(57,181)**	(38,529)
			504,214	117,070

	Note	2019	2018
		(Rupees in Thousands)	
Power, fuel and water		**521,578**	231,976
Salaries, wages and other benefits	29.1	**272,965**	126,429
Stores and spares		**78,627**	35,046
Oil & lubricants		**24,533**	9,855
Repairs and maintenance		**6,254**	7,445
Communication		**779**	994
Traveling and conveyance		**5,664**	2,141
Legal and professional		**253**	277
Stationery, fees and subscription		**661**	934
Insurance		**2,242**	865
Entertainment		**784**	1,112
Depreciation	19.2	**148,905**	114,956
Rent, rates and taxes		**3,302**	1,114
Others		**-**	58
		1,570,761	650,272
Adjustment of work in process:			
Opening Stock		**811**	705
Closing Stock	22	**(3,213)**	(811)
Cost of Goods Manufactured		**1,568,359**	650,166
Adjustment of finished goods:			
Opening Stock		**92,119**	124,153
Closing Stock	22	**(434,789)**	(92,119)
		1,225,689	682,200

29.1 Salaries, wages and other benefits include amount of Rs. 0.337 million (2018: Rs. 0.584 million) relating to staff retirement benefits.

30 ADMINISTRATIVE AND SELLING EXPENSES

	Note	2019	2018
Salaries and other benefits	30.1	**9,250**	1,033
Communication		**1,556**	628
Rent, rates and taxes		**6,486**	4,184
Traveling and conveyance		**12,711**	8,222
Legal and professional		**3,325**	5,092
Advertisement		**291**	360
Stationery, fees and subscription		**378**	524
Power, fuel and water		**724**	441
Entertainment		**728**	506
Auditor's remuneration	30.2	**1,364**	1,338
Depreciation	19.2	**2,556**	1,973
Repairs and maintenance		**263**	569
Freight, handling and forwarding on local sale		**45,120**	13,616
Freight, handling and forwarding on export sale		**50**	8
Charity and donation	30.3	**78**	1,064
Miscellaneous		**-**	56
		84,880	39,614

30.1 Salaries and other benefits include amount of Rs. 0.664 million (2018: Rs. 0.139 million) relating to staff retirement benefits.

		Note	2019	2018
			(Rupees in Thousands)	
30.2	**Auditor's remuneration:**			
	Statutory audit fee		**819**	819
	Half yearly review		**420**	420
	Certification related services		**105**	79
	Out of pocket expenses		**20**	20
			1,364	1,338

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

31 OTHER EXPENSES

	Note	2019	2018
Allowance for doubtful balances:			
- trade debts	23.1	**4,217**	3,053
- advances to suppliers	24.2	**-**	5,764
- advance against expenses and employees	24.2	**-**	1,632
		4,217	10,449

32 OTHER INCOME

	2019	2018
Income from non financial assets		
Reversal of provision for default surcharge on taxation	**11,109**	7,910
Income from financial assets		
Liabilities and mark up written back on settlement with financial institutions	**120,518**	10,581
Profit from bank deposits	**1**	2,320
Exchange gain on foreign transactions	**104**	-
	131,732	20,811

33 FINANCE COST

	2019	2018
Mark up on		
- Long term loans		
- banks and financial institutions	**11,898**	13,039
- Ex-Director	**-**	1,900
- Short term borrowings		
- banks and financial institutions	**23,709**	-
- related parties	**37,734**	35,321
Bank charges	**9,425**	3,360
	82,766	53,620

34 TAXATION

	2019	2018
Current	**-**	-
Prior	**(97)**	-
Deferred	**(8,319)**	(5,520)
	(8,416)	(5,520)

The company is not subject to minimum or final tax owing to available tax credit u/s 65B of the Income tax ordinance, 2001.

For the purpose of current taxation, the tax losses available for carry forward as at June 30, 2019 are estimated at Rs. 2,513.425 million (2018: Rs. 2,305.541 million).

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

35 LOSS PER SHARE - Basic and diluted

	Note	2019	2018
		(Rupees in Thousands)	
There is no dilutive effect on the basic loss per share of the Company, which is based on:			
Loss after taxation		**(135,623)**	(284,034)
Weighted average ordinary shares in issue during the year	Number of shares	**261,600,000**	172,832,877
Loss per share - Basic and diluted	(Rupees)	**(0.52)**	(1.64)

36 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2019	2018
FINANCIAL ASSETS			
At amortized cost			
Trade debts	23	**216,308**	123,433
Loans and advances	24	**1,742**	1,642
Deposits and other receivables	25	**70,837**	24,377
Cash and bank balances	27	**9,733**	4,829
		298,620	154,281
At fair value through profit or loss			
Long term investments	20	**125,631**	125,631
		424,251	279,912
FINANCIAL LIABILITIES			
At amortized cost			
Loan from directors and their associate	10	**313,080**	3,153,002
Long term loans (including current portion)	11	**118,261**	252,496
Liabilities against assets subject to finance lease	12	**-**	55,703
Deferred Markup	13	**-**	156,272
Trade and other payables	14	**750,595**	654,437
Unclaimed dividend		**164**	164
Markup accrued	15	**107,907**	114,720
Short term borrowings	16	**684,727**	249,986
		1,974,734	4,636,780

37 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.

37.1 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:

	Note	2019	2018
		(Rupees in Thousands)	
Trade debts		**216,308**	123,433
Loans and advances		**1,742**	1,642
Deposits and other receivables		**70,837**	24,377
Bank balances		**9,561**	4,647
		298,448	154,099

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.

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, 2019, the Company has 13 customers that owed more than Rs. 5 million each (2018: 4 customers that owed more than Rs. 5 million each) and accounted for approximately 49% (2018: 17%) 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 +
Askari Bank Limited	PACRA	A 1+	AA+

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.

37.2 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:

	2019				
	Carrying Amount	**Contractual Cash Flow**	**Upto One year**	**One to Five Years**	**More Than Five Years**
			(Rupees in Thousands)		
Financial Liabilities					
Loan from directors and their associate	**313,080**	**313,080**	**-**	**-**	**313,080**
Long term loans (including current portion)	**118,261**	**118,261**	**83,131**	**35,130**	**-**
Trade and other payables	**750,595**	**750,595**	**750,595**	**-**	**-**
Unclaimed dividend	**164**	**164**	**164**	**-**	**-**
Markup accrued	**107,907**	**107,907**	**107,907**	**-**	**-**
Short term borrowings	**684,727**	**684,727**	**684,727**	**-**	**-**
	1,974,734	**1,974,734**	**1,626,524**	**35,130**	**313,080**

	2018				
	Carrying Amount	Contractual Cash Flow	Upto One year	One to Five Years	More Than Five Years
	(Rupees in Thousands)				
Financial Liabilities					
Loan from directors and their associate	3,153,002	3,153,002	-	-	3,153,002
Long term loans (including current portion)	252,496	252,496	132,548	119,948	-
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	-
Unclaimed dividend	164	164	164	-	-
Markup accrued	114,720	114,720	114,720	-	-
Short term borrowings	249,986	249,986	249,986	-	-
	4,636,780	4,636,780	1,306,645	177,133	3,153,002

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 11 and 16 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.

37.3 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.

37.3.1 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, 2019.

37.3.2 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:

	2019	2018
	(Rupees in Thousands)	
Variable rate instruments at carrying amounts:		
Financial liabilities		
Long term financing	**55,530**	161,738
Lease liabilities	**-**	55,703
Short term borrowings	**579,313**	249,986
	634,843	467,427

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:

	2019	2018
	(Rupees in Thousands)	
Effect on loss due to change of 100 BPs		
Increase / (decrease)	**6,348**	4,674

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

37.4 Fair value heirarchy

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 8 to these financial statements.

37.5 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, 2019 and June 30, 2018 were as follows:

	2019	2018
Total debt (including directors' interest free loan)	**4,751,150**	4,349,539
Less: Cash and bank balances	**(9,733)**	(4,829)
Net debt	**4,741,417**	4,344,710
Total equity	**(2,594,839)**	(2,459,216)

The equity of the Company is negative and the Company is being financially supported by its directors and associates as mentioned in note 2 of these financial statements.

37.6 Off statement of financial position financial instruments

Off statement of financial position financial liabilities are disclosed in note 18.2 to the financial statements.

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	(Rupees in Thousands)							
Managerial remuneration	**-**	-	**-**	-	**7,335**	4,680	**7,335**	4,680
House rent allowance	**-**	-	**-**	-	**3,301**	2,106	**3,301**	2,106
Utilities	**-**	-	**-**	-	**734**	468	**734**	468
Medical	**-**	-	**-**	-	**122**	78	**122**	78
Conveyance	**-**	-	**-**	-	**734**	468	**734**	468
	-	-	**-**	-	**12,226**	7,800	**12,226**	7,800
Number of persons	**1**	1	**2**	1	**5**	3	**7**	5

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.

39 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: -

	% age shareholding	2019	2018
		(Rupees in Thousands)	
Associated Entities:			
Gharibwal Cement Limited (Common directorship)			
Short term loan received - net		**86,166**	-
Purchases		**-**	2,655
Payment against supplies		**-**	282
Markup charged on the loan		**37,734**	24,316
Markup paid during the period		**(7,670)**	-
Rent charged during the period		**4,844**	-
Paidar Hong Glass (Private) Limited (Common directorship)			
Expenses reimbursed		**(113)**	(1,267)
Expenses paid on behalf of associated company		**392**	-
Pak Hy Oils Limited (Shareholding)	**10.62%**		
Purchases		**871**	-
Payment against supplies		**(923)**	-
Directors & their associates:			
Mr. Tousif Paracha (Director / CEO)	**67.25%**		
Loan received- net		**313,080**	539,487
Mr. Tariq Siddiq Paracha (Directors' accociate)			
Loan repaid - net		**-**	(10,000)
Mian Nazir Ahmed Paracha (Director)	**0.0002%**		
Loan received - net		**10,000**	102,501
Shafi Uddin Paracha (Director)	**0.0002%**		
Loan received - net		**2,851**	94,899
Javaid Aziz Paracha (Directors' accociate)			
Markup charged on loan		**-**	1,900

40 INFORMATION ABOUT BUSINESS SEGMENTS

40.1 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:

	2019		
	Glass Containers	Plastic Shells	Total
	(Rupees in Thousands)		
Revenue:			
Sales to external customers	1,323,493	-	1,323,493
Inter-segment sales	-	-	-
Gross Revenue	1,323,493	-	1,323,493
Less: Sales tax	(201,712)	-	(201,712)
Discount on sales	-	-	-
Net Revenue	1,121,781	-	1,121,781
Cost of goods sold	(1,225,689)	-	(1,225,689)
Admin and selling expenses	(84,880)	-	(84,880)
Other expenses	(4,217)	-	(4,217)
Other income	131,732	-	131,732
	(1,183,054)	-	(1,183,054)
Segment result	(61,273)	-	(61,273)
Financial charges	(82,766)	-	(82,766)
Taxation			8,416
Loss for the year			(135,623)
Other Information:			
Capital expenditure	63,484	-	
Depreciation	151,461	-	

	2018		
	Glass Containers	Plastic Shells	Total
	(Rupees in Thousands)		
Revenue:			
Sales	557,395	-	557,395
Inter-segment sales	-	-	-
Net Revenue	557,395	-	557,395
Less: Sales tax	(81,877)		(81,877)
Discount on sales	-		-
	475,518	-	475,518
Cost of goods sold - restated	(682,200)	-	(682,200)
Admin and selling expenses	(39,614)	-	(39,614)
Other expenses - restated	(10,449)	-	(10,449)
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 - Net	374,552	-	
Depreciation	116,929	-	

40.2 GEOGRAPHICAL INFORMATION

	2019	2018
	(Rupees in Thousands)	
Revenue from external customers:		
Pakistan	**1,111,195**	471,165
Exports (Asia)	**10,586**	4,353
	1,121,781	475,518

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

All non-current assets of the Company as at 30 June 2019 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.

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

	Subordinated loans - Unsecured	Loan from directors and others - Unsecured	Long term loans	Lease Liabilities	Short term borrowings	Accrued/ Deferred Mark up
	(Rupees in Thousands)					
Balance as at July 01, 2018	482,080	3,153,002	252,496	55,703	249,986	270,992
Changes from financing cash flows						
Proceeds from loans	-	313,080	-	-	-	-
Repayment of loans	-	-	(191,420)	-	-	-
Lease liabilities paid	-	-	-	(31,874)		
Changes in short term borrowings	-	-	-	-	434,741	-
Total Changes from financing activities	**-**	**313,080**	**(191,420)**	**(31,874)**	**434,741**	**-**
Other Changes						
Finance cost	-	-	-	-	-	82,766
Finance cost paid	-	-	-	-	-	(69,978)
Markup paid on lease liabilities	-	-	-	-	-	(19,602)
Conversion of deferred markup on FBL to long term loan	-	-	57,185	-	-	(57,185)
Liabilities and mark up written back on settlement	-	-	-	-	-	(99,087)
Conversion of director loan to subordinated loan	3,153,002	(3,153,002)	-	-	-	-
Settlement of lease liability	-	-	-	(23,829)	-	-
Total liability related other changes	**3,153,002**	**(3,153,002)**	**57,185**	**(23,829)**	**-**	**(163,085)**
Balance as at June 30, 2019	**3,635,082**	**313,080**	**118,261**	**-**	**684,727**	**107,907**

42 CAPACITY AND PRODUCTION

Particulars	Unit	**2019**		2018	
		Capacity	**Production**	Capacity	Production
Based on 360 working days					
Glass containers	Tons	**127,800**	**27,157**	120,400	10,110
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	-

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

43 NUMBER OF EMPLOYEES

	2019	**2018**
	Numbers	
Number of employees at end of the year	**597**	348
Average number of employees during the year	**410**	252

44 GENERAL

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

44.2 Corresponding figures have been re-arranged or reclassified whenever necessary, for better and fair presentation. However, no significant reclassification / re-arrangement has been made (refer to note 4 for effect of restatement).

44.3 These financial statements are authorized for issue on **October 04, 2019** 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
791	1	100	25,098
667	101	500	225,945
488	501	1,000	455,851
939	1,001	5,000	2,742,371
323	5,001	10,000	2,645,496
137	10,001	15,000	1,794,921
71	15,001	20,000	1,325,000
47	20,001	25,000	1,128,500
38	25,001	30,000	1,098,500
28	30,001	35,000	931,267
23	35,001	40,000	892,500
7	40,001	45,000	303,000
25	45,001	50,000	1,236,000
9	50,001	55,000	485,080
3	55,001	60,000	179,000
7	60,001	65,000	433,500
5	65,001	70,000	346,000
5	70,001	75,000	365,000
2	80,001	85,000	167,500
9	95,001	100,000	898,000
1	100,001	105,000	104,000
4	105,001	110,000	432,000
2	110,001	115,000	224,500
5	115,001	120,000	591,039
1	125,001	130,000	127,500
2	130,001	135,000	268,500
1	135,001	140,000	136,500
4	145,001	150,000	598,500
1	150,001	155,000	153,500
1	165,001	170,000	166,000
1	170,001	175,000	172,590
3	180,001	185,000	546,500
2	195,001	200,000	400,000
1	205,001	210,000	210,000
1	215,001	220,000	218,000
1	225,001	230,000	228,500
1	230,001	235,000	234,000
1	235,001	240,000	239,500
1	280,001	285,000	282,244
1	305,001	310,000	306,001
1	370,001	375,000	371,000
1	375,001	380,000	380,000
1	395,001	400,000	400,000
1	530,001	535,000	533,500
1	585,001	590,000	589,000
1	625,001	630,000	626,558
1	995,001	1,000,000	1,000,000
1	1,295,001	1,300,000	1,300,000
1	1,625,001	1,630,000	1,626,500
1	2,005,001	2,010,000	2,009,708
1	2,075,001	2,080,000	2,077,266
1	2,165,001	2,170,000	2,166,500
1	3,990,001	3,995,000	3,995,000
1	4,555,001	4,560,000	4,557,635
1	10,995,001	11,000,000	11,000,000
1	14,995,001	15,000,000	15,000,000
1	25,710,001	25,715,000	25,714,156
1	164,935,001	164,940,000	164,935,274
3677			**261,600,000**

2.3	Categories of shareholders	Share held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children	177,981,369	68.0357%
2.3.2	Associated Companies, undertakings and related parties	27,791,422	10.6236%
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	203,727,346	77.8774%
2.3.8	General Public		
	(Local)	29,855,696	11.4127%
	(Foreign)	34,137	0.0130%
2.3.9	Others (to be specified)		
	Pension Funds	54,080	0.0207%
	Foreign Companies	15,351,039	5.8681%
	Joint Stock Companies	4,806,016	1.8372%
	Other Companies	147,969	0.0566%

CATAGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG) AS AT JUNE 30, 2019

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	PAK HY-OILS LIMITED (CDC)	27,791,422	10.6236%
Mutual Funds (Name Wise Detail)			
1	CDC TRUSTEE AKD OPPORTUNITY FUND (CDC)	1,300,000	0.4969%
2	GOLDEN ARROW SELECTED STOCKS FUND LIMITED (CDC)	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. SHAFFI UD DIN PARACHA	500	0.0002%
5	MR. MUSTAFA TAUSEEF PARACHA	500	0.0002%
6	MR. SHAMIM ANWAR	500	0.0002%
7	MRS. TABUSSAM TOUSIF PARACHA (CDC)	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. (CDC)	27,791,422	10.6236%
3	GLOBALINK GLASS TECHNOLOGY AND EQUIPMENT COMPANY LIMITED (CDC)	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	PURCHASE
	-	Nil	Nil

BGL

The Share Registrar,
Corplink (Pvt) Limited,
Wings Arcade, 1-K Commercial,
Model Town, Lahore.
Tel: 0423 591 6714;
Email: corplink786@gmail.com

Subject: Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Any Other Electronic Media

The Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated 08-09-2014 and SRO 470(1)/2016 dated 31-05-2016, allowed the companies to circulate their annual audited accounts (i.e. Annual Statement of Financial Position, Statement of Profit or Loss, Statements of Comprehensive Income, Statement of Cash Flows, Notes to the Financial Statements, Auditor's and Director's Report) along with notice of general meeting to its members in the form of soft copy through email/DVD/CD/USB.

Balochistan Glass Limited has already passed resolution with the consent of its shareholders in Annual General Meeting held on October 31, 2016 to circulate its Annual Reports and notice of AGM through CD/DVD.

Shareholders who wish to receive the softcopy through email OR hardcopy of Annual Report shall have to fill the below form and send us to Company's address.

I/We wish and hereby consent to receive Annual Report along with notice of AGM as per below selected options instead of delivery these to me through CD/DVD:

Option 1: via email at email address ______________________________ ; OR

Option 2: hard copy at mailing address ______________________________

____

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I/We hereby confirm that the information provided in this form is correct and in case of any change therein, I/we will immediately intimate to the Company's Shares Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Act, 2017.

____
Shareholder's signature
Name of the Members/ Shareholders: ______________________________

CNIC /NTN/Passport #: ______________________________

Folio / CDC Account Number: ______________________________

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).

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 39th Annual General Meeting of the Company to be held on Monday, October 28, 2019 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 .... ,

2019.

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.

www.balochistanglass.com

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 Email:info@balochistanglass.com