

# ANNUAL REPORT 2021



**BALOCHISTAN  
GLASS LIMITED**



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# COMPANY INFORMATION



## BOARD OF DIRECTORS

Mr. Muhammad Tousif Paracha	Chairman
Mr. Mian Nazir Ahmed Paracha	CEO
Mr. Faisal Aftab Ahmad	
Mrs. Tabassum Tousif Paracha	
Mr. Shaffi Uddin Paracha	
Mr. Muhammad Niaz Paracha	
Mr. Sana Ullah Khan Ghory	



## AUDIT COMMITTEE

Mr. Faisal Aftab Ahmad	Chairman
Mr. Muhammad Tousif Paracha	Member
Mr. Muhammad Niaz Paracha	Member

## HR & REMUNERATION COMMITTEE

Mr. Sana Ullah Khan Ghory	Chairman
Mr. Muhammad Tousif Paracha	Member
Mr. Mian Nazir Ahmed 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

12-KM, Sheikhpura Road,  
Kot Abdul Malik, Lahore.  
Tel: 042 37164071  
Web: [www.balochistanglass.com](http://www.balochistanglass.com)  
Email: [info@balochistanglass.com](mailto:info@balochistanglass.com)

## FACTORIES

### UNIT-I

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

### UNIT-II

29-KM, Sheikhpura Road,  
Sheikhpura.

### UNIT-III

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

## SHARE REGISTRAR

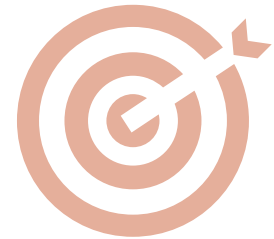
Corplink (Pvt.) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore



## 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 **41st Annual General Meeting of Balochistan Glass Limited** will be held on **October 28, 2021** 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 Annual General Meeting held on October 28, 2020.
2. To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2021 together with Auditor's and Director's report thereon.
3. To appoint Auditors of the Company for the year ending June 30, 2022 and to fix their remuneration.
4. To transact any other business with the permission of chairman.

Date: October 01, 2021  
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, 2021 to October 28, 2021 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, 2021 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. **In light of the COVID-19 situation**, the Company ensures proper safety measures as defined by Securities & Exchange Commission of Pakistan (SECP) through its circular no. 5 dated March 17, 2020 and circular no. 25 dated August 31, 2020. Whereas the shareholders may send their comments & suggestions relating to the agenda items of the AGM at least two working days before the AGM, at the email address [shams@balochistanglass.com](mailto:shams@balochistanglass.com). However, the financial statements of the company for the year ended June 30, 2021 would have been placed on the website of the company [www.balochistanglass.com](http://www.balochistanglass.com)
7. **Circulate Audited Financial Statements along with Notice of AGM through e-mail:**  
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 2020.

## 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(I)/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.



# NOTICE OF ANNUAL GENERAL MEETING



## **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).

## **VIDEO CONFERENCE FACILITY**

Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in other cities and holding at least 10% of the total paid up capital may demand the Company to provide the facility of video link for participation in the meeting. The demand for video-link facility shall be received at Shares Registrar address given hereinabove at least 7 days prior to the date of AGM.

## **Statement Under Rule 4(2) of the Companies (Investment In Associated Companies and Undertakings) Regulations 2012 (Ref: Section 134 (3) & 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. As the project could not be operative because of non-execution of contractual responsibilities by Chinese partner with respect to establishing the project, and changes in market environment. Subsequently, in Extra ordinary general meeting of PHGL held in November 2020, it has been decided that the company shall proceed for voluntary winding up and thereafter distribution of net assets shall be made to all the members in their respective shareholding ratio subject to completion of all statutory requirements.

As per unaudited accounts of PHGL total equity including accumulated profit till June 30, 2021 is 274.172 million, total assets are PKR 285.521 million.



# DIRECTORS' REPORT



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, 2021.

## COMPANY PERFORMANCE

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

	2021	2020
	Rupees in thousands	
Sales - Net	1,252,220	1,494,183
Gross Profit / (Loss)	117,499	(44,449)
Operating Profit / (Loss)	121,773	(333,281)
Depreciation for the year	141,285	144,053
Profit / (Loss) before Tax	46,056	(447,245)
Profit / (Loss) after Tax	25,457	(464,205)
EBITA (Earnings before interest, depreciation & tax)	274,511	(189,228)
Basic and diluted Earning / (Loss) per share Rs.	0.10	(1.77)

By the grace of Almighty Allah, the Company has achieved positive financial results and generated net profit during the year. This performance is mainly attributable to continuous production of tableware glass products at Unit - III (Kot Abdul Malik). Whereas the closure of pharmaceutical glass operations at Unit - I (HUB), has brought down the total company's net-sales.

In tableware glass division; various factors including consistent quality production, better efficiency, consistent profitable operations and good market response have contributed towards achievement of net positive financial results. During the year, EBITA of Rs 274.511 million shows substantially better performance of the company which helped to provide adequate cashflows to manage the expansion of tableware glass project. This expansion shows a better direction of the profitable business activities which has been completed in June 2021. The company has also started its commercial production from second refurbished Furnace (having capacity of 65 metric tons glass per day) and also achieving improved production level steadily in subsequent periods.

Keeping in view the effective tableware glass production at new furnace (Unit -III) with enhanced capacity, management has decided to stop the production from its old furnace which has come to its maximum life in the month of July 2021. This furnace may come into production after necessary repair which would reduce the energy cost with better production efficiency. However, the new furnace is catering the targeted demand in the market so far.

The company has also introduced its another glassware brand "Ultra-Max". Management is fully confident that new marketing strategies with enhanced production capacity would help to reduce the impact of fixed cost as well as to get further better results.

## FUTURE OUTLOOK

The Company is continuously achieving better results at Unit - III in tableware glass division and has also recently enhanced its production capacity. However, the management has ordered another press machine for large tableware glass articles i.e. serving trays, large plates, bowls and jugs which has arrived at factory subsequent to the year-end, that will definitely expand the product range for customers. Management is also focusing on research and new developments for different glassware designs at low weight which would attract the potential customers and further enhance the market share of the company.

Management is intending to procure new machines fully equipped with advanced & modern production technology which can produce high quality, light weighted products at low cost. In order to reduce energy cost, the company has started to conduct energy audit and also looking for solar based system through independent professional service provider. These activities shall reduce the production cost directly or indirectly.

The operations at Unit - I & II are still suspended and management intends to replan the operational strategies at these Units subject to availability of required funds. However, the management is fully committed to resolve all the operational related matters and revive these projects

## 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.

- Favorable and desiring operational results at tableware glass division during the year.
- Increasing market demand in tableware glass products.
- Increase in production capacity of tableware glass at Unit - III.
- Introducing another brand "Ultra-Max" with the aim of increase in market share.
- Planned production of new tableware products i.e. (Printed Jug, Printed tumbler, large articles, and other newly designed products).
- Capacity of the company's tableware glass products for the incremental future prices in line with current inflationary trends resulting into sustainable/improved profit margins.
- Planned inclusion of new press machine in existing production lines.
- Continued financial support of its sponsors and associates.
- Honoring the financial payments as per agreed schedules with financial institutions.
- Extension in the existing short term Running Finance facilities.

We feel that by considering all the above factors, performance of glass industry, present and future demand of glass products in local & export markets 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;





# DIRECTORS' REPORT



- 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
<b>Independent Director</b>	Mr. Faisal Aftab Ahmad Mr. Sana Ullah Khan Ghory
<b>Executive Director</b>	Mr. Shaffi Uddin Paracha Mr. Mian Nazir Ahmed Paracha
<b>Non-Executive Directors</b>	Mr. Muhammad Tousif Paracha Mrs. Tabsum Tousif Paracha Mr. Muhammad Niaz Paracha

3. The Board has formed committees comprising of members given below:
  - a. **Audit Committee**
    - Mr. Faisal Aftab Ahmad
    - Mr. Muhammad Tousif Paracha
    - Mr. Muhammad Niaz Paracha
  - b. **HR & Remuneration Committee**
    - Mr. Sana Ullah Khan Ghory
    - Mr. Muhammad Tousif Paracha
    - Mr. Mian Nazir Ahmed Paracha

## 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:

Number of meetings held	Meetings attended		
	BOD	BAC	HR&R
1. Mr. Muhammad Tousif Paracha	4	4	1
2. Mrs. Tabsum Tousif Paracha	4	-	-
3. Mr. Nazir Ahmad Paracha	4	-	1
4. Mr. Niaz Paracha	4	4	-
5. Mr. Shaffi ud Din Paracha	4	-	-
6. Mr. Faisal Aftab Ahmad	4	4	-
7. Mr. Sana Ullah Khan Ghory	4	-	1

Board was elected on 27-01-2020.

# DIRECTORS' REPORT



## 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

A handwritten signature in black ink, appearing to read 'Muhammad Tousif Paracha', is positioned above the name of the Chairman.

Mr. Muhammad Tousif Paracha  
Chairman / Director

A handwritten signature in black ink, appearing to read 'Mian Nazir Ahmad Paracha', is positioned above the name of the CEO.

Mian Nazir Ahmad Paracha  
CEO

Lahore : 01 October 2021

## ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2021ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ سالانہ رپورٹ از راہ مسرت پیش کرتے ہیں۔

### کمپنی کارکردگی

حالیہ برس کے اہم آپریٹنگ نتائج کا گذشتہ برس کے ساتھ موازنہ حسب ذیل ہے:

2020ء	2021ء	
<b>ہزار روپوں میں</b>		
1,494,183	1,252,220	فروخت - خالص
(44,449)	117,499	مجموعی منافع / (نقصان)
(333,281)	121,773	آپریٹنگ منافع / (نقصان)
144,053	141,285	سال بھر میں تخصیص
(447,245)	46,056	نفع / (نقصان) بمعہ ٹیکس
(464,205)	25,457	نفع / (نقصان) علاوہ ٹیکس
(189,228)	274,511	EBITA (آمدنی بمعہ اسٹسٹ، تخصیص و ٹیکس)
(1.77)	0.10	بنیادی وڈائی لیونڈ آمدنی / (خسارہ) فی حصص (روپے)

اللہ کے فضل و کرم سے کمپنی نے سال بھر میں مثبت مالیاتی نتائج اور خالص منافع حاصل کیا ہے۔ یہ کارکردگی یونٹ - III (کوٹ عبد المالک) میں ٹیبل ویئر گلاس مصنوعات کی متواتر پیداوار سے منسوب کی جاتی ہے۔ جب کہ یونٹ - I (حب) میں فارماسیوٹیکل گلاس آپریٹرز کی بندش کی وجہ سے کمپنی کی کل خالص فروخت متاثر ہوئی ہے۔

ٹیبل ویئر گلاس ڈیویژن میں متعدد عوامل بشمول مسلسل معیاری پیداوار، بہتر کارکردگی، مستقل منافع بخش آپریٹرز اور منڈی کے مثبت ردعمل نے خالص مثبت مالیاتی نتائج کے حصول میں اہم کردار ادا کیا۔ سال بھر میں، 274.511 ملین روپے کا EBITA کمپنی کی نمایاں طور پر بہتر کارکردگی کو ظاہر کرتا ہے جس کی وجہ سے ٹیبل ویئر گلاس پروجیکٹ کی توسیع میں معقول سرمایہ دستیاب ہوگی۔ یہ توسیع منافع بخش کاروباری سرگرمیوں کے انتظام کی بہتر سمت متعین کرتی ہے جو جون 2021ء میں مکمل ہوئی۔ کمپنی نے دوسری فریڈ ہڈ بھٹی کی تجارتی پیداوار کا بھی آغاز کر دیا ہے (جس کی صلاحیت 64 میٹرک ٹن گلاس یومیہ ہے) جس کی بدولت اگلے ادوار میں پیداواری حجم میں بہتری آئی ہے۔

اضافی صلاحیت کی حامل نئی بھٹھی (یونٹ - III) میں ٹیبل ویئر گلاس کی موثر پیداوار کو مد نظر رکھتے ہوئے انتظامیہ نے اپنی پرانی بھٹھی سے پیداواری عمل کو روک دیا ہے جو جولائی 2021ء کو اپنی عمر پوری کر لے گی۔ یہ بھٹھی ضروری مرمت کے بعد پیداواری عمل کا دوبارہ آغاز کر دے گی جس کی وجہ سے بہتر پیداواری کارکردگی کے ساتھ ساتھ توانائی کی لاگت میں بھی کمی واقع ہوگی۔ تاہم، نئی بھٹھی منڈی کی طلب کو پورا کر رہی ہے۔

کمپنی نے اپنی ایک نئی گلاس ویئر برانڈ ”الٹرا میکس“ بھی متعارف کرائی ہے۔ انتظامیہ پر امید ہے کہ پیداواری صلاحیت کے ساتھ نئی تشہیری حکمت عملی مستقل لاگت کی کمزوری کو کم کرنے اور بہتر نتائج حاصل کرنے میں مدد کرے گی۔

### مستقبل کا منظر نامہ

کمپنی یونٹ - III کے ٹیبل ویئر گلاس ڈیویژن میں مسلسل بہتر کارکردگی دکھا رہی ہے اور حال ہی میں اس نے اپنی پیداواری صلاحیت میں اضافہ بھی کیا ہے۔ انتظامیہ نے تاہم سرونک ٹریز، بڑی پلیٹوں، باؤل اور جگ جیسے بڑے ٹیبل ویئر گلاس آرٹیکلز کے لئے پریس مشین کا آرڈر کر دیا ہے جو سال کے اختتام پر فیکٹری میں پہنچ گئی ہے۔ اس طرح صارفین کے لئے پروڈکٹ کی رینج میں یقینی طور پر توسیع ہوگی۔ انتظامیہ کم وزن مختلف گلاس ویئر ڈیزائن پر تحقیق اور جدت پر توجہ دے رہی ہے جس سے ممکنہ صارفین مائل ہوں گے اور کمپنی کا مارکیٹ شیئر بھی بڑھے گا۔

انتظامیہ کم لاگت پر معیاری اور کم وزن مصنوعات کی تیاری کے لئے اضافی اور جدید پیداواری ٹیکنالوجی سے لیس نئی مشینوں کو خریدنے کا ارادہ رکھتی ہے۔ توانائی کی لاگت میں کمی کے لئے کمپنی نے انرجی آڈٹ کا آغاز کر دیا ہے اور خود مختار پیشہ ورانہ خدمات فراہم کنندہ کے ذریعے سولر سسٹم نصب کرنے کا سوچ رہی ہے۔ یہ سرگرمیاں پیداواری لاگت میں بالواسطہ یا بلاواسطہ کمی پیدا کریں گی۔

یونٹ اور II میں آپریشنز بھی معطل ہیں اور انتظامیہ درکار فنڈز کی دستیابی سے مشروط ان یونٹس پر آپریشنل حکمت عملی کی تشکیل نو کرنے کا ارادہ رکھتی ہے۔ تاہم، انتظامیہ آپریشنز سے متعلقہ معاملات کو حل کرنے اور ان پر ڈیجیٹل سولوشن کی بحالی کے لئے پر امید ہے۔

### آڈیٹرز کے مشاہدات/نتائج پر رائے

#### کاروباری جاری رکھنے مفروضات

آڈیٹرز نے کمپنی کی کاروباری جاری رکھنے کی صلاحیت پر تخفظات اٹھائے ہیں۔ کمپنی کی کاروبار جاری رکھنے کی حیثیت کا تعین کرنے کے لئے انتظامیہ نے کاروبار کی آپریشنل کارکردگی، کمپنی کے موجودہ قرضوں کی ڈیٹ ری سٹرکچرنگ پر عمل درآمد کرنے کی صلاحیت اور ڈائریکٹرز اور معاونین کی مالیاتی مدد کی جانب سے مالیاتی مدد کرنے کی حیثیت کا احاطہ کرنے والے متعدد عوامل کا محتاط جائزہ لیا ہے۔

- سال بھر میں ٹیبل ویئر گلاس ڈیویژن کے موافق اور درکار آپریشنل نتائج
  - منڈی میں ٹیبل ویئر گلاس مصنوعات کی طلب میں اضافہ
  - یونٹ - III میں ٹیبل ویئر گلاس کی پیداواری صلاحیت میں اضافہ
  - مارکیٹ شیئر میں اضافہ کی مد میں 'الٹرا میکس' برانڈ کا تعارف
  - پرنٹ شدہ جگ، گمبلر، بڑے آرٹیکلز اور دیگر نئی ڈیزائن شدہ مصنوعات جیسی نئی ٹیبل ویئر مصنوعات کی طے شدہ تیاری۔
  - افراد زر کی حالیہ لہر کو مدنظر رکھتے ہوئے پائیدار اور بہترین منافع حاصل کرنے کے لئے کمپنی کی ٹیبل ویئر گلاس مصنوعات کی تیاری کی صلاحیت میں اضافہ
  - موجودہ پیداواری طریقہ ہائے کار میں نئی پریس مشین کی طے شدہ شمولیت
  - سپانسرز اور ایسوسی ایٹس کے لئے جاری مالیاتی مدد
  - مالیاتی اداروں کے ساتھ طے شدہ شیڈول کے مطابق مالیاتی ادائیگیوں کا احساس
  - موجودہ قلیل مدتی جاری مالیاتی سہولیات میں توسیع
- ہم محسوس کرتے ہیں کہ مذکورہ بالا عوامل، گلاس انڈسٹری کی کارکردگی، مقامی اور برآمدی منڈیوں میں گلاس مصنوعات کی حالیہ اور ممکنہ طلب اور ڈائریکٹرز اور ایسوسی ایٹس کی مسلسل حمایت اور عزم کو مدنظر رکھتے ہوئے کمپنی کی انتظامیہ کاروباری جاری رکھنے کے مفروضات کے ذریعے مالیاتی اسٹیٹمنٹس کا تیاری کی اہل ہے۔

### کاروباری و مالیاتی رپورٹنگ فریم ورک

- کوڈ آف کارپوریٹ گورننس کی تعمیل میں ہم کاروباری و مالیاتی رپورٹنگ فریم ورک پر حسب ذیل بیان دیتے ہیں:
- i. کمپنی کی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس نصف میں تبدیلی، کیش فلو، آپریشنز اور کاروباری امور کی بہترین عکاسی کرتی ہیں۔
  - ii. کمپنی کے کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔
  - iii. مالیاتی اسٹیٹمنٹس کی تیاری میں موافق اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات موزوں فیصلوں کی بنیاد پر لگائے گئے ہیں۔
  - iv. مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈز (IFRS) کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے سقم کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔



- v. داخلی نظم و ضبط ایک مربوط نظام موجود ہے اور اس کو موثر انداز میں لاگو اور مانیٹر کیا جاتا ہے۔
- vi. کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی نمایاں ابہام موجود نہ ہے۔ ہم نے اس رپورٹ میں آڈیٹرز کے تحفظات کا قبل ازیں جواب دے دیا ہے اور تدارک کے عوامل کو بھی تفصیل سے واضح کیا ہے۔
- vii. لسٹنگ ضوابط میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی سقم موجود نہ ہے۔ کمپنی نے آڈٹ کمیٹی اور HR&R کمیٹی تشکیل دی ہے جس کے اراکین کو سالانہ رپورٹ میں واضح کیا گیا ہے۔
- viii. ڈائریکٹرز، CEO، CFO اور کمپنی سیکریٹری اور ان کے اہلیان اور کم سن بچوں کی جانب سے کمپنی کے حصص میں تجارت کی تفصیلات، اگر کوئی ہیں، رپورٹ ہذا کے ساتھ منسلک شیئر ہولڈنگ کی وضع میں فراہم کی گئی ہیں۔
- ix. مالیاتی سال کے اختتام تک مالیاتی اسٹیٹمنٹس اور تاریخ ڈائریکٹرز رپورٹ سے متعلقہ کمپنی کی مالیاتی حالت پر کوئی تبدیلی یا عہدہ اثر انداز نہ ہوا ہے۔
- x. گذشتہ پچھتر برس کے اہم فعالی و مالیاتی اعداد و شمار لف ہذا ہیں۔
- xi. شیئر ہولڈنگ کی وضع لف ہذا ہے۔
- xii. کمپنی نے اپنے اہم قانونی و مالیاتی فرائض ادا کر دیئے ہیں ماسوائے ان معاملات کے جو لیکویڈٹی مسائل کی بنیاد پر مالیاتی اسٹیٹمنٹس کے نوٹ 12 اور 18 میں بیان کئے گئے ہیں۔
- xiii. گذشتہ برس میں خسارہ کی وجہ سے منافع منقسمہ یا بونس حصص کا اعلان نہ کیا گیا ہے۔
- xiv. کمپنی نے اپنے ڈائریکٹرز کے ان ہاؤس ٹریننگ پروگرامز کا انتظام کیا ہے تاہم زیادہ تر ڈائریکٹرز تربیتی پروگرام سے متعلقہ کوڈ آف کارپوریٹ گورننس میں بیان کردہ معیار پر پورا اترتے ہیں۔
- xv. کوڈ آف کارپوریٹ گورننس کی بہترین عمل درآمد کا تعمیلی بیان رپورٹ کے ساتھ لف ہذا ہے۔

### بورڈ آف ڈائریکٹرز کا سالانہ تجزیہ

بورڈ کمپنی کے تین اہم امور سرانجام دیتا ہے۔ یہ کمپنی کی حکمت عملی کی سمت، انتظامیہ کی نگرانی و کنٹرول اور معاونت و مشاورت فراہم کرتا ہے۔ بورڈ نے بورڈ کی کارکردگی کے تعین کا ان ہاؤس طریقہ کار تشکیل دیا ہے جو خصوصی طور پر بورڈ کے ان فرائض اور ذمہ داریوں کا جائزہ لیتا ہے اور بورڈ کی جانب سے ان پر عمل درآمد کا تعین کرتا ہے۔ بورڈ کی کارکردگی کا جائزہ بورڈ کے مندرجہ ذیل پیرامیٹرز پر عمل درآمد کا تعین کرتا ہے:

- (a) بورڈ کا خاکہ: بورڈ اور اس کی کمیٹیوں کی ترکیب، تشکیل اور تغیر اور اراکین کی قابلیت، بورڈ اور کمیٹی کا چارٹر، اجلاس کا تعدد، طریقہ ہائے کار

- (b) بورڈ کے ڈائنامک اور کام: بورڈ کا سالانہ کیلنڈر، معلومات کی دستیابی، CEO اور سینئر ایگزیکٹوز کے ساتھ تعامل و رابطہ سازی، بورڈ کا ایجنڈا، شمولیت اور بورڈ اجلاس میں شرکت کا معیار
- (c) کاروباری حکمت عملی کی کورنس: کمپنی کی حکمت عملی میں بورڈ کا کردار
- (d) مالیاتی رپورٹنگ کا عمل، داخلی آڈٹ اور داخلی نظم و ضبط: متعلقہ فریقین سے مشکوک لین دین سے متعلق مالیات و کنٹرول کی سالمیت و استحکام، مربوط طریقہ کار اور رسک مینجمنٹ
- (e) نگرانی: پالیسیوں کی نگرانی، حکمت عملی کا نفاذ اور نظام؛ اور
- (f) معاون اور مشاورتی کردار

### بورڈ کی ترکیب

1. مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد 7 ہے:

a. مرد: 6

b. خاتون 1

2. کمپنی کے بورڈ آف ڈائریکٹرز مندرجہ ذیل پر مشتمل ہیں:

نام	درجہ
مسٹر فیصل آفتاب احمد مسٹر ثنا اللہ خان غوری	خود مختار ڈائریکٹرز
مسٹر شفیع الدین پراچہ مسٹر میاں نذیر احمد پراچہ	ایگزیکٹو ڈائریکٹرز
مسٹر محمد تو صیف پراچہ مسٹر تبسم تو صیف پراچہ مسٹر محمد نیاز پراچہ	نان-ایگزیکٹو ڈائریکٹرز

3. بورڈ نے مندرجہ ذیل اراکین پر مشتمل کمیٹیاں تشکیل دی ہیں:

a. آڈٹ کمیٹی	
مسٹر فیصل آفتاب احمد	-
مسٹر محمد تو صیف پراچہ	-
مسٹر محمد نیاز پراچہ	-

b. ایچ آر اینڈ ریوژنیشن کمیٹی	
-	مسٹر ثناء اللہ خان غوری
-	مسٹر محمد تو صیف پراچہ
-	مسٹر میاں نذیر احمد پراچہ

### بورڈ، آڈٹ اور HR&R کمیٹی کے اجلاس

بورڈ آف ڈائریکٹرز (BOD)، بورڈ آڈٹ کمیٹی (BAC) اور HR&R کمیٹی اجلاسوں میں ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

اجلاس میں حاضری			منصفہ اجلاس کی تعداد
HR&R	BAC	BOD	
1	4	4	
1	4	4	1. مسٹر محمد تو صیف پراچہ
-	-	4	2. مسٹر تبسم تو صیف پراچہ
1	-	4	3. مسٹر نذیر احمد پراچہ
-	4	4	4. مسر نیاز پراچہ
-	-	4	5. مسٹر شفیع الدین پراچہ
-	4	4	6. مسٹر فیصل آفتاب احمد
1	-	4	7. مسٹر ثناء اللہ خان غوری

27 جنوری 2020ء کو بورڈ کا انتخاب کیا گیا ہے۔


### آڈیٹرز

کمپنی کے آڈیٹرز میسرز پی کے ایف F.R.A.N.T.S چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اگلے سال کے لئے اپنی دوبارہ تقرری کے اہل ہیں۔ آڈٹ کمیٹی نے آئندہ سال کے لئے میسرز پی کے ایف F.R.A.N.T.S چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔

## اعتراف

بورڈ آف ڈائریکٹرز اپنے بینکوں اور مالیاتی اداروں کی معاونت اور تعاون اور کمپنی کے تمام ملازمین اور ٹھیکے داروں کی کاوشوں، جذبہ اور عزم کو قدرک نگاہ سے دیکھتے ہیں۔ بورڈ آف ڈائریکٹرز اپنے ڈسٹری بیوٹرز، ڈیلرز، سپلائرز اور کمپنی کے دیگر سٹیک ہولڈرز کی حمایت کا بھی تہہ دل سے شکر یہ ادا کرتے ہیں۔

  
میاں نذیر احمد پراچہ  
CEO

برائے/مخانب بورڈ  
  
مسٹر محمد تو صیف پراچہ  
چیئر مین/ڈائریکٹر

لاہور: یکم اکتوبر 2021ء

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

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

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

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

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

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

## **3. We Live Our Values**

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

## **4. We Avoid Conflicts of Interest**

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

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

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

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

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

## **7. We Do Not Employ Child or Forced Labor**

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

## **8. We Provide a Safe Workplace**

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





# CODE OF CONDUCT



## 9. We Safeguard Company Property and Business Information

Safeguarding Company assets is the responsibility of all directors, officers and employees and Company representatives. All employees, directors' must use and maintain such assets with care and respect while guarding against waste and abuse. Similarly, all directors, officers and employees and Company representatives are not expected to share any business secrets, inside information or strategies with BGL competitors either directly or indirectly.

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

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

## 11. Our Relationship with Our Customers

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

## 12. We Obey All Laws and Regulations

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

## 13. We Provide Quality Products and Services

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

## 14. We Seek Business Openly and Honestly

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

## 15. We Follow Accurate Billing Procedures

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

## 16. Our Relationship with our Suppliers

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

## 17. We Will Not Be Influenced by Gifts

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

## 18. We Do Not Make Improper Political Contributions

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

## 19. We Protect the Environment

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

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

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

## 21. Supervisory Personnel

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

## 22. Trading in Company's Shares

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

## 23. Smoking & Use Of Alcohol

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



# CORPORATE SOCIAL RESPONSIBILITY



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.

Giving utmost value to human lives in the society, the management has taken multiple steps and adopted various guidelines/SOPs and protocols as advised by NCOC. To avoid/restrict the spread of COVID-19, the company has managed to conduct special arrangement of vaccine for employees, awareness of cleanliness & safe distance at work places, ensuring the availability of face masks and hand sanitizers for all the visitors/ guests.

The Company further takes 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.

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# REVIEW REPORT BY THE CHAIRMAN



I am pleased to present you the Annual Report of the Company for the year ended June 30, 2021.

Pakistan's economy has shown remarkable resilience in overcoming the odds and noted an impressive growth despite being in the midst of COVID-19 pandemic.

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, 2021, 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, 2021. 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. In the end, I assure that your Company is committed to good Corporate Governance. I am pleased to report that the performance of the Board has been par excellence which has helped in effective steering of the Company during the year. The Board acknowledges its responsibility in respect of Corporate & Financial Reporting Framework. The Board is also cognizant of its strategic role in achieving the Company's key objectives and is focused on enriching the returns for its shareholders and other stakeholders and shall continue contributing through sustained supply of premium quality products to its valued Customers.

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.

Muhammad Tousif Paracha  
(Chairman)

Dated: October 01, 2021



# SUMMARY OF FINANCIAL HIGHLIGHTS



	2021	2020	2019	2018	2017	2016
Rupees are in thousands						
<b>Operating Results</b>						
Net Sales	1,252,220	1,494,183	1,121,781	475,518	674,149	1,494,503
Gross profit / (loss)	117,499	(44,449)	(103,908)	(206,682)	(265,232)	(280,014)
Profit /(loss) before Tax	46,056	(447,245)	(144,038)	(289,554)	(488,663)	528,081
Profit /(Loss) after Tax	25,457	(464,205)	(135,622)	(284,034)	(491,751)	524,329
Dividend / bonus	-	-	-	-	-	-
<b>Financial Position</b>						
Property, plant and equipment	2,590,236	1,907,683	1,989,838	2,100,348	1,372,672	1,377,110
Current Assets	390,279	716,321	1,029,331	552,757	775,741	717,844
Current Liabilities	1,502,990	1,594,735	1,686,257	1,256,396	1,664,255	1,861,172
Current portion of Long Term Liabilities	24,218	25,920	83,131	188,251	284,057	222,567
Long Term Loans	5,158	26,927	35,130	119,948	266,415	1,592,116
Director's loan - unsecured	313,235	313,235	313,080	3,153,002	3,143,201	-
Subordinated Loan-unsecured	3,635,082	3,635,082	3,635,082	482,080	482,080	482,080
Share Capital	2,616,000	2,616,000	2,616,000	2,616,000	1,716,000	1,716,000
<b>Financial Ratios</b>						
Gross Profit/(Loss) ratio	9.38%	-2.97%	-9.26%	-43.46%	-39.34%	-18.74%
Profit/(Loss) before tax ratio	3.68%	-29.93%	-12.84%	-60.89%	-72.49%	35.33%
Profit/(Loss) after tax ratio	2.03%	-31.07%	-12.09%	-59.73%	-72.94%	35.08%
Current ratio	0.26	0.45	0.61	0.44	0.47	0.39
Working Capital	(1,112,711)	(878,414)	(656,926)	(703,639)	(888,514)	(1,143,328)



# REPORT OF THE AUDIT COMMITTEE

## ON ADHERENCE TO THE CODE OF CORPORATE GOVERNANCE



The Board Audit Committee has concluded its annual review of the conduct and operations of the company for the year ended 30 June 2021 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 2021, 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 Ordinance, 1984 / Companies Act 2017.
- vi. The financial statements comply with the requirements of the Fourth Schedule to the Companies Ordinance, 1984 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.
- vii. All direct and indirect trading in and holdings of the company's shares by Directors and executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction. All such transactions have been disclosed.

### INTERNAL AUDIT FUNCTION

- viii. The internal control framework was effectively implemented from 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 2021 and shall retire on the conclusion of the 41st Annual General Meeting.
- xiii. The final Management Letter is required to be submitted within 45 days of the date of the Auditors' Report on the financial statements under the listing regulations and shall therefore accordingly be discussed in the next Board Audit Committee meeting.
- xiv. The Audit firm has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.



# REPORT OF THE AUDIT COMMITTEE

## ON ADHERENCE TO THE CODE OF CORPORATE GOVERNANCE



- xv. Being eligible for reappointment under the listing regulations, the Board Audit Committee recommends their reappointment for the financial year ending 30 June 2022 on terms & remuneration as negotiated by the Chief Executive Officer and approved in AGM.

### **ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND CHIEF EXECUTIVE:**

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

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

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

# STATEMENT OF COMPLIANCE

## WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019



Balochistan Glass Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of directors are 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:

*(Board is re-constituted at 27th of January 2020)*

Category	No.	Names
Independent Director	2*	Mr. Faisal Aftab Ahmad Mr. Sana Ullah Khan Ghory
Executive Director	2	Mr. Shaffi Uddin Paracha Mr. Mian Nazir Ahmed Paracha
Non-Executive Directors	2	Mr. Muhammad Tousif Paracha Mr. Muhammad Niaz Paracha
Female / Non-Executive Director	1	Mrs. Tabsum Tousif Paracha

*\* In a Board comprising of 7 directors, one third would equate 2.333 persons. Since the fraction is below half (0.5), accordingly the fraction contained in such one-third is not rounded up as one.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
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 the Regulations. One director has already attended the Director's Training Program in prior years. The Company shall arrange training program of other newly elected directors as provided under Regulations' requirements in future, as due to COVID-19, the Company could not materialize the plans for training during the current year.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising of members given below:



# STATEMENT OF COMPLIANCE



- a. Audit Committee
  - Mr. Faisal Aftab Ahmad (Independent Director)
  - Mr. Muhammad Niaz Paracha
  - Mr. Muhammad Tousif Paracha
- b. HR & Remuneration Committee
  - Mr. Sana Ullah Khan Ghory (Independent Director)
  - Mr. Muhammad Tousif Paracha
  - Mr. Mian Nazir Ahmed 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 Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except 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 regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For and on behalf of Board of Directors

Muhammad Tousif Paracha  
Chairman/ Director

Mian Nazir Ahmad Paracha  
CEO

Dated: October 01, 2021

# 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, 2019



We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Balochistan Glass Limited** for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for 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, 2021.

Lahore: October 01, 2021

**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, 2021, 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, 2021 and of the profit 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 as at 30 June 2021 the Company has accumulated loss of Rs. 5,738.693 million which have resulted in net capital deficiency of Rs. 2,566.496 million and, as of that date, its current liabilities exceeded its current assets by Rs. 1,112.711 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
<p><b>1. Capitalisation of property, plant and equipment</b></p> <p>During the current year, the Company has incurred significant capital expenditure mainly to enhance production capacity, as part of reconstructive activities.</p> <p>There are number of areas where significant management judgement is involved in connection with the above activities. These include:</p> <ul style="list-style-type: none"> <li>Determining which costs meet the criteria for capitalisation as per International Accounting Standard - 16, 'Property, Plant and Equipment';</li> <li>Determining the date on which assets underconstruction is transferred to operating fixed assets and the respective dates from which their depreciation should commence; and</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying supporting documentation and contracts.</li> <li>Assessed whether the costs capitalised met the relevant criteria for capitalization as per the applicable accounting and reporting framework.</li> <li>Evaluated management's estimation of economic useful lives and residual values by considering our knowledge of the business and practices adopted in the local industries.</li> <li>Checked the date of transferring capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis.</li> </ul>



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF BALOCHISTAN GLASS LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS



Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>The estimation of economic useful lives and residual values assigned to property, plant and equipment.</li> </ul> <p>We consider the above as a key audit matter being significant transactions and events for the Company during the year having significant impact on the financial position of the Company.</p>	<ul style="list-style-type: none"> <li>We further assessed the adequacy of financial statement disclosures in accordance with the applicable reporting framework.</li> </ul>

#### 2. Long term investment

The company has owns 49.99% shares in its associated company i.e. Paidar Hong Glass (Pvt.) Limited. As at June 30, 2021, the carrying amount of investment in associated company is Rs. 137.084 million.

We have considered this as a key audit matter because the project is stagnant since 2018 due to the non-execution of contractual responsibility by the joint venture partner.

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 fair value;
- Considered management's process for identifying the existence of impairment indicators, if any, in respect of investment in associated company;
- Obtaining the relevant record and documentations and applying impairment test to identify any impairment in the value of investment;
- Obtaining and evaluating management plan of action and reviewing progress on those plans; and
- Finally, we evaluated the adequacy, appropriateness and completeness of disclosures made in the financial statements pursuant to multiple applicable accounting standards.

#### 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.



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF BALOCHISTAN GLASS LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS



#### 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;



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF BALOCHISTAN GLASS LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS



- 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.

Lahore: October 01, 2021

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



# AUDITED FINANCIAL STATEMENTS 2021

# STATEMENT OF FINANCIAL POSITION

As At June 30, 2021



	Note	2021	2020
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	4	2,666,000	2,666,000
Issued, subscribed and paid-up share capital	5	2,616,000	2,616,000
Discount on shares	6	(514,800)	(514,800)
		2,101,200	2,101,200
<b>Capital reserve</b>			
Revaluation surplus on property, plant and equipment - net of deferred tax	7	1,070,997	616,122
<b>Revenue reserve</b>			
Accumulated loss		(5,738,693)	(5,776,366)
		(2,566,496)	(3,059,044)
Subordinated loans - unsecured	8	3,635,082	3,635,082
Director's loan - unsecured	9	313,235	313,235
		1,381,821	889,273
<b>NON-CURRENT LIABILITIES</b>			
Long term liabilities	10	158,007	197,838
Deferred liabilities	11	74,781	67,789
		232,788	265,627
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	644,544	739,409
Unclaimed dividend		164	164
Mark up accrued	13	124,979	117,184
Short term borrowings	14	709,085	712,058
Current maturity of long term loans	15	24,218	25,920
		1,502,990	1,594,735
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		
<b>TOTAL EQUITY AND LIABILITIES</b>		3,117,599	2,749,635
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	17	2,590,236	1,907,683
Long term investment	18	137,084	125,631
		2,727,320	2,033,314
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	19	78,348	138,924
Stock in trade	20	156,358	249,439
Trade debts	21	50,163	106,181
Loans and advances	22	40,675	38,123
Trade deposits, prepayments and other receivable	23	4,934	7,155
Taxes recoverable	24	12,419	31,015
Cash and bank balances	25	47,382	145,484
		390,279	716,321
<b>TOTAL ASSETS</b>		3,117,599	2,749,635

The annexed notes from 1 to 43 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, 2021



	Note	2021	2020
(Rupees in Thousands)			
Sales - net	26	1,252,220	1,494,183
Cost of sales	27	(1,134,721)	(1,538,632)
<b>Gross profit / (loss)</b>		117,499	(44,449)
Administrative and selling expenses	28	(60,606)	(100,309)
Other expenses	29	(7,515)	(190,342)
Other income	30	72,395	1,819
<b>Operating profit / (loss)</b>		121,773	(333,281)
Finance cost	31	(87,170)	(113,964)
		34,603	(447,245)
Share of profit from an associated company	18	11,453	-
<b>Profit / (loss) before taxation</b>		46,056	(447,245)
Taxation - net	32	(20,599)	(16,960)
<b>Profit / (loss) after taxation</b>		25,457	(464,205)
<b>Earnings / (loss) per share - basic and diluted (Rs.)</b>	33	0.10	(1.77)

The annexed notes from 1 to 43 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, 2021



	Note	2021	2020
(Rupees in Thousands)			
<b>Profit /(loss) after taxation</b>		25,457	(464,205)
Other comprehensive income:			
<b>Items that may be subsequently reclassified to statement of profit or loss:</b>			
Revaluation surplus on property, plant and equipment		477,918	-
Related deferred tax		(10,827)	-
		467,091	-
<b>Total comprehensive income / (loss) for the year</b>		492,548	(464,205)

The annexed notes from 1 to 43 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, 2021



	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)					
<b>Balance as on June 30, 2019</b>	<b>2,616,000</b>	<b>(514,800)</b>	<b>629,597</b>	<b>(5,325,636)</b>	<b>(2,594,839)</b>
Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) - note 7	-	-	(13,475)	13,475	-
<b>Total comprehensive loss for the year</b>					
Loss after taxation for the year	-	-	-	(464,205)	(464,205)
Other comprehensive income for the year -net	-	-	-	-	-
	-	-	(13,475)	(450,730)	(464,205)
<b>Balance as on June 30, 2020</b>	<b>2,616,000</b>	<b>(514,800)</b>	<b>616,122</b>	<b>(5,776,366)</b>	<b>(3,059,044)</b>
Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) - note 7	-	-	(12,216)	12,216	-
<b>Total comprehensive income for the year</b>					
Profit after taxation for the year	-	-	-	25,457	25,457
Other comprehensive income for the year -net	-	-	467,091	-	467,091
	-	-	454,875	37,673	492,548
<b>Balance as on June 30, 2021</b>	<b>2,616,000</b>	<b>(514,800)</b>	<b>1,070,997</b>	<b>(5,738,693)</b>	<b>(2,566,496)</b>

The annexed notes from 1 to 43 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, 2021



	Note	2021	2020
(Rupees in Thousands)			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		46,056	(447,245)
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation	17.2	141,285	144,053
Allowance for doubtful balances	29	4,080	4,496
Provision for balance GIDC	29	-	185,846
Reversal of provision for default surcharge on taxation	30	(28,569)	-
Gain on disposal of operating fixed assets	30	(3,764)	(1,056)
Winding up of discount on GIDC payable -net	30	(39,870)	-
Finance cost	31	87,170	113,964
Share of profit from an associated company		(11,453)	-
Workers' profit participation fund		2,473	-
Workers' welfare fund		940	-
<b>Operating profit before working capital changes</b>		<b>198,348</b>	<b>58</b>
<b>Working capital changes</b>			
<i>(Increase) / Decrease in current assets</i>			
Stores, spare parts and loose tools		(21,480)	(1,015)
Stock in trade		93,081	245,744
Trade debts		54,061	105,631
Loans and advances		(2,552)	1,847
Trade deposits, prepayments and other receivables		98	64,102
<i>Decrease in current liabilities</i>			
Trade and other payables		(20,713)	(61,039)
		<b>102,495</b>	<b>355,270</b>
<b>Cash generated from operations</b>		<b>300,843</b>	<b>355,328</b>
<b>Payments for:</b>			
Finance cost		(63,817)	(104,687)
Taxes		(34,163)	(14,903)
Staff retirement benefits		(14,421)	(1,217)
<b>Net cash inflow from operating activities</b>	A	<b>188,442</b>	<b>234,521</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(264,219)	(62,001)
Proceeds from disposal of operating fixed assets		4,119	1,159
<b>Net cash outflow from investing activities</b>	B	<b>(260,100)</b>	<b>(60,842)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Director's loan - net		-	155
Long term liabilities - net		(23,471)	(65,414)
Short term borrowings - net		(2,973)	27,331
<b>Net cash outflow from financing activities</b>	C	<b>(26,444)</b>	<b>(37,928)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	A+B+C	<b>(98,102)</b>	<b>135,751</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>145,484</b>	<b>9,733</b>
<b>Cash and cash equivalents at end of the year</b>	25	<b>47,382</b>	<b>145,484</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



### 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 17.3 to these financial statements.

### 2 GOING CONCERN ASSUMPTION

During the year, the Company has generated quite satisfactory results comparatively in terms of improved operational efficiencies and profit margins. The Company has reported gross profit of Rs. 117.499 million and positive operating cashflows which is mainly attributable to the continued production of better quality production of tableware glass products with a different product variety of Jugs, water sets, plain & printing tumblers, fruit set etc. The Company has also introduced a new brand “Ultra Max” with the intention to build further customer confidence through its products offerings.

Whereas, the operations at Units I & Unit II are still suspended due to strategic decisions which has reduced the overall net sales during the year. However, management is optimistic to resume the production at Unit – I and is intended to refurbish/ repair its first furnace in upcoming years.

However, the financial statements for the year ended June 30, 2021 are showing profit after taxation amounting to Rs. 25.457 million (2020: loss Rs. 464.205 million) and has accumulated loss of Rs. 5,738.693 million (2020: Rs. 5,776.366 million) at the year-end which resulted in negative equity of Rs. 2,566.496 million (2020: Rs. 3,059.044 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 1,112.711 million (2020: Rs. 878.414 million).

Although the accumulated financial results may raise 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 liability in normal course of business but based on enhanced production capacity, recent improvement in profit margins, revenue figures and 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 on the following rationale:

In line with previous practice, the directors have provided additional financing support to the Company to meet working capital, BMR and other operational requirements.

The Company has successfully completed the refurbishment of its second furnace at Unit-III (Kot Abdul Malik Lahore) resultantly the production capacity has been enhanced by 65 metric tons per day for tableware glass production. The above expansion will result in enhanced quality production, reduced fixed cost and increase in profit margins in future years.

The management is honoring all restructured arrangements with banks and has complied with respective repayment terms towards financial institutions.

Keeping in view the positive growth in profits, bright future prospects of the tableware glass industry and continuously engagement of management in making utmost efforts to explore new possibilities and driving functional excellence to improve the profitability of the Company, the management feels confident that it will be able to handle the Company's liquidity related issues in future.

### 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:

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



- 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 1	Presentation of Financial Statements: Definition of Material - (Amendments)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material - (Amendments)
IAS 39	"Financial Instruments: Recognition and Measurement: Interest Rate Benchmark Reform - (Amendments)
IFRS 3	Business Combinations: Definition of Business - (Amendments)
IFRS 7	Financial Instruments Disclosures: Interest Rate Benchmark Reform - (Amendments)
IFRS 9	Financial Instruments - Interest Rate Benchmark Reform - (Amendments)
IFRS 16	Leases - Amendments to provide practical relief for lessees in accounting for rent concessions (COVID-19 related)

Further, amendments to the Conceptual Framework for Financial Reporting including amendments to references to the Conceptual Framework in IFRS standards are also effective from annual period starting on or after January 1, 2020.

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

#### 3.2.2 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 1	Presentation of Financial Statements - Amendments regarding classification of liabilities as current and non-current	January 1, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income taxes - Amendment regarding to clarify how companies account for deferred tax on leases and decommissioning obligations	January 1, 2023
IAS 16	Property, plant and equipment – Amendments prohibiting a company from deducting from the cost of asset the amounts received from selling items produced while the company is preparing the asset for its intended use	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous	January 1, 2022
IAS 41	Agriculture – Amendments resulting from Annual Improvements to IFRS Standards 2018-2020 (Taxation in fair value measurements)	January 1, 2022
IFRS 3	Business Combinations - Amendments updating reference to the Conceptual Framework	January 1, 2022
IFRS 4	Insurance Contracts - Amendments regarding expiry date of the deferral approach	January 1, 2023
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (Fees in the ‘10 per cent’ test for derecognition of financial liabilities)	January 1, 2022
IFRS 10 / IAS 28	IFRS 10: Consolidated Financial Statements and IAS 28: Investments in Associates and Joint Ventures - Amendments regarding sale or contribution of assets between an investor and its associate or joint venture	Date yet to be determined. Earlier application is permitted.



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



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.

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 17 - Insurance Contracts

### 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 Inland Revenue 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.



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



### 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 17 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 IAS 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.



### **Right of use asset and related liability**

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received and initial direct costs.

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease 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.

Lease liability is initially measured at present value of the lease payments over the period of lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

### **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 weighted 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	Weighted average cost
Work in process	Average material cost only. Conversion costs are not included as these are not significant.
Finished goods	Weighted 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 allowance made for expected credit losses (ECL) based on review of outstanding

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



amounts at the year end. Allowance for ECL 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 ECL is recognized in the statement of profit or loss. When trade debt is uncollectable, it is written off against ECL. 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. Financial 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



### 3.5.16 Impairment of non-financial assets

The carrying amounts of the Company's non-financial 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.

The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and loss, if any, is recognised in profit or loss.

### 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.



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



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 AUTHORIZED SHARE CAPITAL

2021	2020	Note	2021	2020
Numbers of shares			(Rupees in Thousands)	
261,600,000	261,600,000	Ordinary shares of Rs. 10 each Preference shares of Rs. 10 each	2,616,000	2,616,000
5,000,000	5,000,000		50,000	50,000
<b>266,600,000</b>	<b>266,600,000</b>		<b>2,666,000</b>	<b>2,666,000</b>

#### 5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

175,300,000	175,300,000	Ordinary shares of Rs.10 each fully paid in cash	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
<b>261,600,000</b>	<b>261,600,000</b>		<b>2,616,000</b>	<b>2,616,000</b>

5.1 26,067,922 (2020: 27,391,422) ordinary shares of the Company are held by associated company Pak Hy Oils Limited.

#### 6 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.

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

Opening Balance - net of deferred tax	616,122	629,597
Revaluation surplus arisen during the year - net of deferred tax	467,091	-
	1,083,213	629,597
Revaluation surplus transferred to accumulated loss in respect of: - incremental depreciation charged during the year - net of deferred tax	(12,216)	(13,475)
Closing Balance - net of deferred tax	1,070,997	616,122

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, 2021, by M/s Protectors, an independent valuer not connected with the Company.

The revaluation surplus on land and building is a capital reserve and is not available for distribution to the shareholders of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



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	2021	2020
(Rupees in Thousands)			
<b>8 SUBORDINATED LOANS - Unsecured</b>			
Subordinated loans from directors and their associate - unsecured	8.1	482,080	482,080
Subordinated loans - unsecured	8.2	3,153,002	3,153,002
		<u>3,635,082</u>	<u>3,635,082</u>
<b>8.1 Subordinated loans from directors and their associate - unsecured</b>			
From related parties (Directors)			
- Local currency		82,493	82,493
From sponsors and shareholders			
- Foreign currency		399,587	399,587
		<u>482,080</u>	<u>482,080</u>

**8.1.1** The above loans are interest free, unsecured and 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.

**8.1.2** Keeping in view the heavy losses incurred by the Company, foreign currency loans have been frozen with 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.

**8.1.3** 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 Director's Loan") and are measured at their face values as initially recognized.



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	Note	2021	2020
(Rupees in Thousands)			
<b>8.2 Subordinated loans - unsecured</b>			
<b>- Muhammad Tousif Paracha</b>			
- Long term loan	8.2.1	1,793,045	1,793,045
- Deferred mark-up	8.2.2	1,024,821	1,024,821
		2,817,866	2,817,866
<b>- Shaffi Uddin Paracha - Director</b>			
- Long term loan	8.2.1	97,399	97,399
<b>- Mian Nazir Ahmed Paracha - Director</b>			
- Long term loan	8.2.1	100,001	100,001
<b>- Other associate</b>			
- Long term loan	8.2.1	104,670	104,670
- Deferred mark-up	8.2.2	33,066	33,066
		137,736	137,736
		3,153,002	3,153,002

**8.2.1** 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's Loan") issued by the Institute of Chartered Accountants of Pakistan.

**8.2.2** 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. Pursuant to the arrangement between the Company and the directors and their associate, no mark up is to be charged on these balances and outstanding balances of mark up have become payable at the discretion of the Company.

**8.2.3** Subordination of such loans have been made vide Debt Subordination Agreement with Bank of Punjab (note : 14.1)

### 9 DIRECTOR'S LOAN - Unsecured

#### Muhammad Tousif Paracha

Long term loan	9.1	313,235	313,235
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**9.1** During the year, the Company received net funds of Nil (2020: Rs. 0.155 million) from Mr. Muhammad Tausif Paracha (Director) to meet its capital and operational requirements. The loan is interest free and payable at the discretion of the Company, accordingly, the said loan is not measured at amortized cost as per requirements of applicable financial reporting standards, rather treated as equity in accordance with the Technical Release -32 ("Accounting Director's Loan") issued by the Institute of Chartered Accountants of Pakistan.

### 10 LONG TERM LIABILITIES

Long term loans - secured	10.1	5,158	26,927
GIDC payable	10.2	152,849	170,911
		158,007	197,838

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	Note	2021	2020
(Rupees in Thousands)			
<b>10.1 Long term loans - secured</b>			
<b>From banks and financial institutions - Secured</b>			
FBL - Mark up	10.1.1	7,528	21,698
NBP - DF I	10.1.2	11,373	11,373
NBP - DF II (Frozen Markup)	10.1.2	6,725	6,725
AlBaraka - Restructured loan	10.1.3	3,750	13,051
		29,376	52,847
<b>Current and overdue portion presented under current liabilities</b>			
FBL - Deferred markup	10.1.1	(6,438)	(13,080)
FBL - Deferred markup - over due	10.1.1	(1,090)	(2,180)
NBP - DF I	10.1.2	(6,500)	(1,625)
NBP - DF I - overdue	10.1.2	(1,625)	-
NBP - DF II (Frozen Markup)	10.1.2	(3,852)	(963)
NBP - DF II (Frozen Markup) - overdue	10.1.2	(963)	-
AlBaraka - Restructured loan	10.1.3	(3,750)	(8,072)
		(24,218)	(25,920)
		5,158	26,927

**10.1.1** This amount represents the mark up payable relating to the restructuring agreement with the bank. Mark up is payable in equal monthly instalments till December - 2021.

**10.1.2** The Company had entered into an amicable compromised restructuring of its deferred finance facility alongwith 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. 67.000 million each.

During the last year, Company has sought SBP relief under Covid-19 circumstance, for deferment of repayment instalments from December, 2021 to December, 2022.

**10.1.3** The Company had entered into a restructuring arrangement with Al Baraka Bank (Pakistan) Limited in respect of its outstanding credit facility amounting to Rs. 102.500 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 2% 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.

In the past year, Company has sought SBP relief under Covid-19 circumstance, for reduction in repayment instalments amount resulting in enhanced repayment period from August, 2020 to December, 2021.

### 10.2 GIDC payable

GIDC payable		289,085	315,527
Current portion shown under trade and other payables	12	(136,236)	(144,616)
		152,849	170,911



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



Supreme Court of Pakistan (SCP) through its judgment dated August 13, 2020 has declared GIDC Act, 2015 a valid legislation. Under the judgement, all gas consumers were ordered to pay the outstanding GIDC liability as at July 31, 2020 to the Government in 24 equal monthly installments.

While deciding the review petition on November 2, 2020, SCP has disposed off the review petition against the gas consumers and stated that the Government of Pakistan is agreeable to recover the arrears in 48 monthly installments instead of 24 monthly installments.

The Company also filed a Suit with the Lahore High Court and Sindh High Court (the Courts) against collection of GIDC installments, before a factual determination of GIDC pass on is carried out, and the Courts granted a stay against recovery of GIDC payable from the Company till the finalisation of matter by the Courts. The matter is currently pending in the Courts.

Pursuant to the above decisions of the SCP and without prejudice to the suit filed in Sindh High Court, the Company, on prudent basis had re-measured its GIDC liability in 48 monthly installments commencing from August 2020 (2020: 24 installments). This modification in timing of settlement of GIDC reflected substantially different terms from the original amount recognized upto July 2020.

In accordance with the requirements of "Guidance on Accounting of GIDC" issued by the Institute of Chartered Accountants of Pakistan (ICAP) in January 2021, GIDC liability is being subsequently carried in the financial statements at amortized cost. The current and non-current portion of the GIDC liability has been segregated in the statement of financial position as at June 30, 2021 in accordance with the SCP decision on review petition.

		2021	2020
		(Rupees in Thousands)	
<b>11</b>	<b>DEFERRED LIABILITIES</b>		
	Deferred taxation - net	69,608	56,794
	Employees retirements benefits - gratuity	5,173	10,995
		74,781	67,789
<b>11.1</b>	<b>Deferred taxation - net</b>		
	Credit balances arising due to:		
	- Accelerated tax depreciation allowances	152,776	143,034
	Debit balances arising due to:		
	- Staff gratuity	(1,485)	(3,145)
	- Relating to provisions	(50,809)	(49,469)
	- Unused tax losses	(787,667)	(891,422)
	- Available tax credits	(43,013)	(24,425)
	Deferred tax asset	(730,198)	(825,427)
	Deferred tax asset not recognized	730,198	825,427
		-	-
	Deferred tax liability relating to revaluation surplus on property, plant and equipment - opening balance	56,794	62,298
	on property, plant and equipment - arisen during the year	10,827	-
	Incremental depreciation	(4,990)	(5,504)
	Remeasurement gain on GIDC payable - net	6,977	-
		69,608	56,794
	Deferred tax liability - net	69,608	56,794

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	Unused Tax Losses (Rs. '000')	Expiry in Tax Year
<b>11.2 Expiry of business and depreciation losses is as follows:</b>		
<b>Nature</b>		
Business loss for Tax Year 2016	348,047	2022
Business loss for Tax Year 2018	181,093	2024
Business loss for Tax Year 2019	12,036	2025
Business loss for Tax Year 2020	298,453	2026
	839,629	
Depreciation loss	1,876,462	No expiry
	2,716,091	
<b>11.3 Expiry of available tax credits is as follows :</b>		
Minimum tax for Tax year 2017	6,741	2022
Minimum tax for Tax year 2020	17,684	2025
Minimum tax for Tax year 2021	18,588	2026
	43,013	
<b>11.4</b> Deferred tax asset has not been recognized as the future taxable profits may not be available against which the tax losses will be adjusted.		
	<b>Note</b>	<b>2021</b>
		<b>2020</b>
		(Rupees in Thousands)
<b>11.5 Employees retirements benefits</b>		
Staff gratuity:		
Opening balance		12,212
Less: Payments during the year		1,217
		10,995
Charge for the year	11.5.1	-
		5,173
Closing balance	11.5.2	10,995
		5,173
<b>11.5.1 Charge for the year</b>		
Service cost		-
		-
<b>11.5.2 Statement of financial position reconciliation</b>		
Present value of defined benefit obligations		10,995
		5,173
<b>11.5.3</b> 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'.		



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	Note	2021	2021
		(Rupees in Thousands)	
<b>12 TRADE AND OTHER PAYABLES</b>			
Trade creditors		247,296	247,058
Accrued expenses	12.1	139,856	132,038
Advances from customers		58,962	51,101
Employees' provident fund		285	5,922
Sales tax payable		20,183	57,377
Income taxes payable		22,040	63,009
Current portion of GIDC payable	10.2	136,236	144,616
Others		16,273	38,288
Workers' profit participation fund		2,473	-
Workers' welfare fund		940	-
		<u>644,544</u>	<u>739,409</u>
<b>12.1</b>	This includes Rs. 21.780 million (2020: Rs. 21.780 million) against the rent payable to the Director.		
<b>13 MARK UP ACCRUED</b>			
Mark up accrued	13.1	124,979	117,184
<b>13.1</b>	This includes an amount of Rs. 119.068 million (2020: Rs. 107.765 million) payable to associated persons.		
<b>14 SHORT TERM BORROWINGS</b>			
From Bank - Bank of Punjab (secured)			
Short term running finance	14.1	88,610	171,067
From related parties - Unsecured			
Associated company	14.2	587,874	538,390
Directors			
-Mr. Shaffi uddin Paracha		2,601	2,601
-Mr. Nazir Ahmed Paracha		10,000	-
-Mr. Muhammad Tousif Paracha		20,000	-
	14.3	32,601	2,601
		<u>709,085</u>	<u>712,058</u>
<b>14.1</b>	This represents running finance facility limit of Rs. 150.000 million (2020: Rs. 210.000 million) with accepted condition of reduction of exposure by Rs. 5.000 million every month during the currency of limit from Bank of Punjab (BOP) availed by the company 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 58.000 million shares of Gharibwal Cement Limited (associated company) in the name of Directors and personal guarantee of Director and subordination of loans as stated in note 8.2.3. This facility is extended upto May 31, 2022. The unutilized portion of this facility as at year end amounting to Rs. 61.390 million (2020: Rs. 38.933 million)		
<b>14.2</b>	This represents unsecured loan / short term advance facility of Rs. 600.000 million (2020: Rs. 600.000 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 (2020: 3 months KIBOR + 3.5% p.a). This balance also included settlement of payable amount of Rs. 0.508 million (2020 : Rs. 74.533 million) on account of purchase of stores and spares from GCL during the year. The unavailed portion from the above facility amounted to Rs. 12.126 million (2020: Rs. 61.610 million) as at year end.		
<b>14.3</b>	These represent temporary loans obtained from directors for working capital requirements and payable on demand. These loans are unsecured and interest free.		



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	Note	2021	2021
(Rupees in Thousands)			
<b>15</b>	<b>CURRENT MATURITY OF LONG TERM LOANS</b>		
	From banks and financial institutions - Secured		
	FBL - Frozen Markup	10.1.1	7,528
	NBP - DF I	10.1.2	8,125
	NBP - DF II (Frozen Markup)	10.1.2	4,815
	AlBaraka - Restructured loan	10.1.3	3,750
			24,218
			25,920

### 16 CONTINGENCIES AND COMMITMENTS

#### 16.1 Contingencies

**16.1.1** Bank guarantees amounting to Rs. 149.906 million (2020: Rs. 149.906 million) have been given by various banks on behalf of the Company.

**16.1.2** 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 (2020: 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**

**16.1.3** Company was selected for Income Tax Audit for Tax Year 2015 u/s 177 by the Commissioner Inland Revenue, RTO Quetta. The assessment has been finalized vide order dated 30th of March 2017 by making additions of Rs. 1,044.898 million. CIR (A) confirmed the order of DCIR (Audit) vide order no: ITA-39-2018-19 dated 31-10-2018. Appeal has been filed in ITAT on 19-12-2018 Karachi. Rectification application u/s 221 of the ITO, 2001 on the issue of imposition of Minimum Tax of Rs. 15.290 million was also rejected by CIR (A) vide order no: IT/56/2018-19 dated 31-12-2018. Appeal has been filed in ITAT Karachi. Further proceedings are still awaited.

**16.1.4** Assistant Commissioner Inland Revenue, Hub has issued notice for Sales Tax Audit for tax period July 2014 to June 2015 & required records U/s 25 of the Sales tax Act, 1990. The record has been provided as per requirement and reply of show cause notice complied vide letter no: BGL/ACIR/ST AUDIT/2014-2015/ 06 dated 23-08-2019. Further proceedings are still awaited.

**16.1.5** Company was selected for Income Tax Audit for Tax Year 2016 u/s 177 by the Commissioner Inland Revenue, RTO Quetta vide intimation notice no: 100000032556266 dated 25-04-2018. DCIR (RTO), Quetta issued notice for requisition of required information vide notice dated 29-11-2018. Reply to this notice was submitted vide letter no: BGL/I.TAX AUDIT/214C/TY 2016/03 dated 04-01-2019 challenging the selection of Audit. & required information also submitted. Further proceedings are still awaited.

**16.1.6** The Jurisdiction of Income Tax and Sales Tax matters have been transferred from LTO Quetta to LTO Karachi vide FBR F.No. 1 (48) Jurisdiction/2014-132522-R dated 05-08-2020. The Company has challenged the above transfer of jurisdiction in the Honorable High Court of Balochistan. The Court has suspended this notification and granted stay to the Company.

**16.1.7** 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, 2021.



### 16.2 Commitments

Commitments in respect of capital expenditure of Rs. 26.170 million and import of moulds, stores, spares and loose tools amounting to Rs. 23.700 million (2020: Rs. 4.792 million).

	Note	2021	2020
(Rupees in Thousands)			
<b>17 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	17.1	2,559,344	1,880,672
Capital work in progress	17.6	25,045	27,011
Advance against purchase of plant and machinery		5,847	-
		2,590,236	1,907,683

### 17.1 Operating fixed assets

Particulars	2021										
	Cost / Revaluation					Depreciation / Impairment				Book value As at June 30, 2021	Rate % / Method
	Opening July 01, 2020	Additions Transfer	Revaluation surplus	Disposal/ Transfer	Closing June 30, 2021	Opening July 01, 2020	For the year	Disposal / Transfer	Closing June 30, 2021		
----- (Rupees in thousands) -----											
Freehold land	522,243	-	440,582	-	962,825	-	-	-	-	962,825	-
Building on freehold land											
Factory	369,115	48,561	28,601	-	446,277	171,457	20,170	-	191,627	254,650	10
Non factory	85,639	-	8,735	-	94,374	32,642	2,650	-	35,292	59,082	5
Plant and machinery											
Owned	3,034,013	130,758	-	-	3,164,771	2,132,727	99,511	-	2,232,238	932,533	10 & 15
Electric and gas installation	81,208	46,416	-	-	127,624	42,821	4,226	-	47,047	80,577	10
Furniture and fixtures	12,876	-	-	-	12,876	10,466	241	-	10,707	2,169	10
Office equipment	9,436	577	-	-	10,013	6,698	309	-	7,007	3,006	10
Vehicles											
Owned	36,090	3,115	-	(6,259)	32,946	29,295	1,830	(5,904)	25,221	7,725	20
Moulds (note: 17.1.1)	514,713	30,911	-	-	545,624	276,499	12,348	-	288,847	256,777	Units Produced
	4,665,333	260,338	477,918	(6,259)	5,397,330	2,702,605	141,285	(5,904)	2,837,986	2,559,344	

Particulars	2020										
	Cost / Revaluation					Depreciation / Impairment				Book value As at June 30, 2020	Rate % / Method
	Opening July 01, 2019	Additions Transfer	Revaluation surplus	Disposal/ Transfer	Closing June 30, 2020	Opening July 01, 2019	For the year	Disposal / Transfer	Closing June 30, 2020		
----- (Rupees in thousands) -----											
Freehold land	522,243	-	-	-	522,243	-	-	-	-	522,243	-
Building on freehold land											
Factory	369,115	-	-	-	369,115	149,495	21,962	-	171,457	197,658	10
Non factory	85,639	-	-	-	85,639	29,853	2,789	-	32,642	52,997	5
Plant and machinery											
Owned	3,034,013	-	-	-	3,034,013	2,022,455	110,272	-	2,132,727	901,286	10 & 15
Electric and gas installation	81,126	82	-	-	81,208	38,558	4,263	-	42,821	38,387	10
Furniture and fixtures	12,876	-	-	-	12,876	10,198	268	-	10,466	2,410	10
Office equipment	9,436	-	-	-	9,436	6,394	304	-	6,698	2,738	10
Vehicles											
Owned	36,885	1,200	-	(1,995)	36,090	29,558	1,629	(1,892)	29,295	6,795	20
Moulds	238,131	60,719	-	-	298,850	140,126	2,566	-	142,692	156,158	Units Produced
	4,389,464	62,001	-	(1,995)	4,449,470	2,426,637	144,053	(1,892)	2,568,798	1,880,672	

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



17.1.1 Moulds included in opening cost and accumulated depreciation of Rs. 215.863 million and Rs. 133.807 million respectively. (ref : note :19.1)

	Note	2021	2020
(Rupees in Thousands)			
<b>17.2 Depreciation charge for the year has been allocated as follows:</b>			
Cost of sales		138,901	141,622
Administrative and selling expenses		2,384	2,431
		141,285	144,053

17.3 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 - Sheikhpura Road, Sheikhpura	Production Unit II	10.43
3	12 – Km Lahore - Sheikhpura Road near Total Pump, Kot Abdul Mallik, Distt. Sheikhpura	Production Unit III	4.65

17.4 The forced sale value of the revalued freehold land and building on freehold land as on the date of revaluation i.e. June 30, 2021 was determined to be Rs. 770.260 million and Rs. 250.986 million respectively.

17.5 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, 2021	Accumulated Depreciation as at June 30, 2021	Book Value as at June 30, 2021	Book Value as at June 30, 2020
(Rupees in thousands)				
Freehold land	45,167	-	45,167	45,167
Building on freehold land				
Factory	151,127	58,624	92,503	49,274
Non factory	19,353	14,104	5,249	5,525
	215,647	72,728	142,919	99,966

	Note	2021	2020
(Rupees in Thousands)			
<b>17.6 Capital work in progress - Movement</b>			
<b>Opening</b>		27,011	27,011
Add: Additions during the year		223,769	-
Less: Transferred to operating fixed assets			
- Building on freehold land - Factory		(48,561)	-
- Plant and machinery		(130,758)	-
- Electric and gas installation		(46,416)	-
		(225,735)	-
Closing		25,045	27,011
<b>17.7 Capital work in progress - Breakup</b>			
Plant and Machinery		25,045	27,011



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



### 17.8 Details of disposal of operating fixed assets:

Description	Cost	Acc. Dep.	Net Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of purchaser
(Rupees in thousands)							
Vehicles (NBV below Rs. 0.500 million)	6,259	5,904	355	4,119	3,764	Negotiation	Miscellaneous
Total 2020	1,995	1,892	103	1,159	1,055		

17.9 Depreciation for moulds includes impairment loss amounting to Rs. 3.287 million (2020: nil).

	Note	2021	2020
(Rupees in Thousands)			
<b>18 LONG TERM INVESTMENT</b>			
Equity accounted for investment - Paidar Hong Glass (Pvt.) Limited (PHGPL)			
Equity interest held: 49.99% (2020: 49.99%)			
12,563,136 (2020: 12,563,136) fully paid ordinary shares of Rs. 10 each - cost		125,631	125,631
Share of profit of PHGPL		11,453	-
		137,084	125,631

18.1 The summary of financial information of PHGPL based on its un-audited financial statements for the year ended June 30, 2021 is as follows:

#### Summarised statement of financial position

Non-current assets	99,550	-
Current assets	185,971	-
	285,521	-
Non-current liabilities	-	-
Current liabilities	11,349	-
	11,349	-
Net assets	274,172	-
Company's share percentage	49.99%	-
Company's share in net assets of PHGPL	137,084	-
Carrying amount of investment at year-end	137,084	-
<b>Summarised statement of profit or loss and other comprehensive income</b>		
Other income	4,022	-
Profit before taxation	4,008	-
Profit after taxation	2,846	-
Other comprehensive income / (loss)	-	-
<b>Reconciliation of net assets</b>		
Net assets at beginning of the year	271,326	-
Add: Profit during the year	2,846	-
Net assets at end of the year	274,172	-

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



- 18.2** The Company (hereinafter BGL) owns 49.99% shares in Paidar Hong Glass (Private) Limited (hereinafter PHGPL (an associated company and a joint venture between the BGL and Chinese investors) and have joint control with the Chinese investors. The joint venture has its registered office at 12 km Sheikhpura Road, Lahore. The PHGPL was formed with the objective to engage in the business of manufacturing of USP Type-I Borosilicate glass tubes, vials and ampules. During the financial year 2018, some of the machinery items for manufacturing of above mentioned products were imported. However, the machinery could have not been installed because of non-execution of contractual responsibility by Chinese investor with respect to establishing, running and functioning of project.

As a result of the management endeavors to resolve the issue, an extra ordinary general meeting of PHGPL was called for the resolution of matters. PHGPL in its extra ordinary general meeting principally decided to sell tubing furnace material & machineries, to wind up the company and distribution of net assets to its shareholders. Based on the decision of the PHGPL, BGL has accounted for its share of net assets in the PHGPL on the basis of an audited financial statements of PHGPL for June 30, 2021. Management of the BGL is confident that recoverable value of machinery is greater than its carrying amount and there is no impairment in the value of machinery. 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.

Members of the PHGPL also resolved to extend short term loan/advance facility up to of Rs. 250,000 million for a period of one year at borrowing rate of 3 month-Kibor+1% to BGL. BGL can avail this facility till the winding up of the PHGPL.

	Note	2021	2020
(Rupees in Thousands)			
<b>19 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores, spare parts and loose tools		78,348	56,868
Moulds	19.1	-	82,056
		<u>78,348</u>	<u>138,924</u>
<b>19.1</b>	Keeping in view the current operational plan of the Company, moulds have been classified in property, plant and equipments. (ref: note: 17.1.1)		
<b>20 STOCK IN TRADE</b>			
Raw and packing materials		62,901	45,915
Work in process		3,860	837
Finished goods	20.1	89,597	202,687
		<u>156,358</u>	<u>249,439</u>
<b>20.1</b>	Adjustments amounting to Rs. 3.353 million (2020: Rs. 10.972 million) have been made to closing inventory of finished goods to write down stocks to their net realizable value.		
<b>21 TRADE DEBTS</b>			
Unsecured but considered good		50,163	106,181
Unsecured but considered doubtful		65,276	63,319
		<u>115,439</u>	<u>169,500</u>
Allowance for expected credit losses	21.1	(65,276)	(63,319)
		<u>50,163</u>	<u>106,181</u>
<b>21.1 Allowance for expected credit losses</b>			
Balance as at July 01		63,319	58,823
Charge for the year		1,957	4,496
Balance as at June 30	21.2	<u>65,276</u>	<u>63,319</u>



21.2 Description	1-60 days	61-90 days	91-210 days	211-365 days	365-730 days	730 days above	Total
----- (Rupees in Thousands) -----							
<b>As at June 30, 2021</b>							
Expected credit loss rate	0%	0.25%	1%	10%	50%	100%	
Expected total gross carrying amount at default	20,020	1,832	10,761	16,378	5,844	60,604	115,439
Expected credit loss	-	5	107	1,638	2,922	60,604	65,276
<b>As at June 30, 2020</b>							
Expected credit loss rate	0%	0.25%	1%	10%	50%	100%	
Expected total gross carrying amount at default	26,871	13,550	41,686	22,960	7,722	56,711	169,500
Expected credit loss	-	34	417	2,296	3,861	56,711	63,319

22 LOANS AND ADVANCES	Note	2021	2020
(Rupees in Thousands)			
Employees	22.1	1,854	1,928
Suppliers	22.2	94,454	95,117
Against expenses		19,437	16,148
		115,745	113,193
Less: Allowance for expected credit losses:			
- advances to suppliers		(62,361)	(62,361)
- advances to employees and expenses		(12,709)	(12,709)
		(75,070)	(75,070)
		40,675	38,123

22.1 Aggregate amount due from executives of the Company is Rs. 0.606 million (2020: Rs. 0.606 million).

22.2 This includes an advance of Rs. 2.596 million (2020: Rs. 2.596 million) to associated company.

### 23 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

Short term deposits		22,428	22,310
Prepaid insurance		86	301
Other receivable	23.1	19,120	19,120
		41,634	41,731
Less: Allowance for doubtful short term deposits		(18,505)	(16,381)
Allowance for doubtful other receivables		(18,195)	(18,195)
		(36,700)	(34,576)
		4,934	7,155

23.1 This includes receivable from related party amounting to Rs. 0.925 million (2020: Rs. 0.925 million).

### 24 TAXES RECOVERABLE

Advance income tax - net		11,960	5,391
Income tax refundable		459	25,624
		12,419	31,015



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	Note	2021	2020
<b>25 CASH AND BANK BALANCES</b>		(Rupees in Thousands)	
Cash in hand		17	417
Cash at banks			
- Current accounts	25.1	47,270	139,516
- Saving accounts		95	5,551
		47,365	145,067
		47,382	145,484
<b>25.1</b>	These carry mark up at the rate 5.50 % (2020: 5.50 % to 11.25 %) per annum.		
<b>26 SALES - Net</b>			
Local Sales - gross		1,480,869	1,742,928
Export Sales - gross		13,041	20,566
		1,493,910	1,763,494
Less: Sales tax		(234,537)	(269,311)
Trade discount		(7,153)	-
		1,252,220	1,494,183
<b>27 COST OF SALES</b>			
Raw material consumed:			
Opening stock		45,915	57,181
Purchases		358,889	400,367
		404,804	457,548
Closing stock	20	(62,901)	(45,915)
		341,903	411,633
Power, fuel and water		341,709	446,664
Salaries, wages and other benefits	27.1	158,026	197,552
Stores and spares		23,637	47,740
Oil & lubricants		11,642	42,058
Repairs and maintenance		2,441	2,114
Communication		285	385
Traveling and conveyance		1,097	2,336
Legal and professional		893	502
Printing and stationery		233	293
Insurance		2,325	1,973
Entertainment		680	495
Depreciation	17.2	138,901	141,622
Rent, rates and taxes		882	8,787
		1,024,654	1,304,154
<b>Adjustment of work in process:</b>			
Opening Stock		837	3,213
Closing Stock	20	(3,860)	(837)
Cost of Goods Manufactured		1,021,631	1,306,530
<b>Adjustment of finished goods:</b>			
Opening Stock		202,687	434,789
Closing Stock	20	(89,597)	(202,687)
		1,134,721	1,538,632



**27.1** Salaries, wages and other benefits include amount of Rs. 8.001 million (2020: Rs. 0.475 million) relating to staff retirement benefits.

	Note	2021	2020
(Rupees in Thousands)			
<b>28 ADMINISTRATIVE AND SELLING EXPENSES</b>			
Salaries and other benefits	28.1	18,337	14,107
Communication		785	817
Rent, rates and taxes		-	7,096
Traveling and conveyance		9,470	8,668
Legal and professional		6,396	4,012
Advertisement		199	141
Printing and stationery		1,203	994
Power, fuel and water		160	848
Entertainment		760	475
Auditor's remuneration	28.2	1,364	1,312
Depreciation	17.2	2,384	2,431
Repairs and maintenance		85	434
Promotional discounts and incentives		1,851	17,104
Freight, handling and forwarding on local sale		17,532	41,672
Freight, handling and forwarding on export sale		64	27
Charity and donation	28.3	16	171
		60,606	100,309

**28.1** Salaries and other benefits include amount of Rs. 0.917 million (2020: Rs. 1.002 million) relating to staff retirement benefits.

**28.2 Auditor's remuneration:**

Statutory audit fee	819	819
Half yearly review	420	420
Certification related services	105	53
Out of pocket expenses	20	20
	1,364	1,312

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

**29 OTHER EXPENSES**

Allowance for doubtful balances - trade debts	21.1	1,957	4,496
Provision for balance GIDC	10.2	-	185,846
Allowance for doubtful short term deposits	23	2,123	-
Exchange loss on foreign transactions - net		22	-
Workers' profit participation fund	12	2,473	-
Workers' welfare fund	12	940	-
		7,515	190,342

**30 OTHER INCOME**

Income from non financial assets			
Gain on disposal of fixed assets	17.8	3,764	1,056
Reversal of provision for default surcharge on taxation		28,569	-
Income from financial assets			
Profit from bank deposits		192	479
Exchange gain on foreign transactions -net		-	284
Winding up of discount on GIDC payable		39,870	-
		72,395	1,819

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	Note	2021	2020
<b>31 FINANCE COST</b>		(Rupees in Thousands)	
Mark up on			
- Long term loans			
- banks and financial institutions		1,514	5,817
- Short term borrowings			
- banks and financial institutions		6,579	31,845
- related parties		60,280	73,289
Unwinding of GIDC		15,558	-
Bank charges		3,239	3,013
		87,170	113,964
<b>32 TAXATION</b>			
Current		18,718	17,890
Prior		(106)	154
Deferred		1,987	(1,084)
		20,599	16,960
Tax credit available u/s 65B of the Income Tax Ordinance, 2001 amounted to Nil (2020: Rs. 4.420 million) against minimum or final tax.			
For the purpose of current taxation, the tax losses available for carry forward as at June 30, 2021 are estimated at Rs. 2,716.091 million (2020: Rs. 3,073.870 million).			
The Company is not presenting the tax charge reconciliation because the Company has incurred tax loss during the year.			
The current tax expense for the year represents minimum tax at the rate of 1.5% of turnover (2020: 1.5% of turnover) under section 113 of the Income Tax Ordinance, 2001.			
<b>33 EARNINGS / (LOSS) PER SHARE - Basic and diluted</b>			
There is no dilutive effect on the basic loss per share of the Company, which is based on:			
Profit / (Loss) after taxation		25,457	(464,205)
Weighted average ordinary shares in issue during the year	(Number of shares)	261,600,000	261,600,000
Earnings / (Loss) per share - Basic and diluted	(Rupees)	0.10	(1.77)
<b>34 FINANCIAL INSTRUMENTS BY CATEGORY</b>			
<b>FINANCIAL ASSETS</b>			
<b>At amortized cost</b>			
Trade debts - net	21	50,163	106,181
Loans and advances	22	1,854	1,928
Deposits and other receivables - net	23	4,848	6,854
Cash and bank balances	25	47,382	145,484
		104,247	260,447
<b>At fair value through profit or loss</b>			
Long term investment	18	137,084	125,631
		241,331	386,078



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	Note	2021	2020
(Rupees in Thousands)			
<b>FINANCIAL LIABILITIES</b>			
<b>At amortized cost</b>			
Subordinated loans - unsecured	8	3,635,082	3,635,082
Director's loan - unsecured	9	313,235	313,235
Long term loans (including current portion)	10.1	29,376	52,847
Trade and other payables	12	403,710	423,306
Unclaimed dividend		164	164
Markup accrued	13	124,979	117,184
Short term borrowings	14	709,085	712,058
		<u>5,215,631</u>	<u>5,253,876</u>

### 35 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.

#### 35.1 Credit risk

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

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

Trade debts	50,163	106,181
Loans and advances	1,854	1,928
Deposits and other receivables	4,848	6,854
Bank balances	47,365	145,067
	<u>104,230</u>	<u>260,030</u>

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 except as provided in note 21.2 of these financial statements is necessary in respect of trade debts 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, 2021, the Company has 4 customers that owed more than Rs. 5.000 million each (2020: 4 customers that owed more than Rs. 5.000 million each) and accounted for approximately 37% (2020: 31%) of all trade debts.

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

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



Name of Bank	Rating Agency	Rating	
		Short term	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	JCR-VIS	A 1	A+
Faysal Bank Limited	JCR-VIS	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 +	AA -
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.

### 35.2 Liquidity risk

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

	2021				
	Carrying Amount	Contractual Cash Flow	Upto One year	One to Five Years	More Than Five Years
	(Rupees in Thousands)				
<b>Financial Liabilities</b>					
Subordinated loans - unsecured	3,635,082	3,635,082	-	-	3,635,082
Director's loan - unsecured	313,235	313,235	-	-	313,235
Long term loans (including current portion)	29,376	29,376	24,218	5,158	-
Trade and other payables	403,710	403,710	403,710	-	-
Unclaimed dividend	164	164	164	-	-
Markup accrued	124,979	124,979	124,979	-	-
Short term borrowings	709,085	709,085	709,085	-	-
	<b>5,215,631</b>	<b>5,215,631</b>	<b>1,262,156</b>	<b>5,158</b>	<b>3,948,317</b>
	2020				
	Carrying Amount	Contractual Cash Flow	Upto One year	One to Five Years	More Than Five Years
	(Rupees in Thousands)				
<b>Financial Liabilities</b>					
Subordinated loans - unsecured	3,635,082	3,635,082	-	-	3,635,082
Director's loan - unsecured	313,235	313,235	-	-	313,235
Long term loans (including current portion)	52,847	52,847	25,920	26,927	-
Trade and other payables	423,306	423,306	423,306	-	-
Unclaimed dividend	164	164	164	-	-
Markup accrued	117,184	117,184	117,184	-	-
Short term borrowings	712,058	712,058	712,058	-	-
	<b>5,253,876</b>	<b>5,253,876</b>	<b>1,278,632</b>	<b>26,927</b>	<b>3,948,317</b>

All the financial liabilities of the Company are non derivative financial liabilities. The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at June 30. The rates of mark-up have been disclosed in note 10 and 14 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.



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



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, financial institutions and associated entities of the Company.

### 35.3 Market Risk

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

#### 35.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. The Company is not exposed to any material foreign currency risk as at June 30, 2021.

#### 35.3.2 Interest rate risk

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

	2021	2020
	(Rupees in Thousands)	
<b>Variable rate instruments at carrying amounts:</b>		
Financial liabilities		
Long term financing	15,123	24,424
Short term borrowings	676,484	709,457
	691,607	733,881
<b>Financial assets</b>		
Saving accounts	(95)	(5,551)
Net financial liabilities at variable interest rates	691,512	728,330

#### Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial instruments 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:

<b>Effect on loss due to change of 100 BPs</b>		
Increase / (decrease)	6,915	7,283

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

### 35.4 Fair value hierarchy

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:

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



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



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 7 to these financial statements.

### 35.5 Capital risk management

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

The debt-to-adjusted capital ratios at June 30, 2021 and June 30, 2020 were as follows:

	2021	2020
	(Rupees in Thousands)	
Total debt (including directors' interest free loan)	4,686,778	4,713,222
Less: Cash and bank balances	(47,382)	(145,484)
Net debt	4,639,396	4,567,738
Total equity	(2,566,496)	(3,059,044)

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.

### 35.6 Off statement of financial position financial instruments

Off statement of financial position financial instruments are disclosed in note 16 to the financial statements.

### 36. REMUNERATION OF CHEIF EXECUTIVE, DIRECTORS AND EXECUTIES

	Chief Executive		Director		Executives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in Thousands)							
Managerial remuneration	-	-	-	-	8,468	6,299	8,468	6,299
House rent allowance	-	-	-	-	5,084	3,779	5,084	3,779
Utilities	-	-	-	-	2,550	1,890	2,550	1,890
Medical	-	-	-	-	2,542	1,890	2,542	1,890
Conveyance	-	-	-	-	189	140	189	140
Provident fund contribution	-	-	-	-	499	437	499	437
	-	-	-	-	19,332	14,435	19,332	14,435
Number of persons	1	1	1	1	6	6	8	8

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

### 37 TRANSACTIONS WITH RELATED PARTIES

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



# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	% age shareholding	2021	2020
(Rupees in Thousands)			
<b>Associated Entities:</b>			
<b>Gharibwal Cement Limited (Common directorship)</b>			
Short term loan received - net		-	199,865
Purchases		3,012	-
Payment against supplies		2,503	-
Markup charged on the loan		60,280	77,108
Markup paid / adjusted during the period		48,976	66,352
Rent charged during the period		-	5,500
<b>Shahpur Commerce (Pvt.) Limited (Common directorship)</b>			
Purchases		7,961	-
<b>Pak Hy Oils Limited (Shareholding)</b>			
Payment against supplies	9.96%	-	(2,530)
<b>Directors &amp; their associates:</b>			
<b>Mr. Tousif Paracha (Director)</b>			
Loan received- net	67.25%	20,000	155
<b>Mian Nazir Ahmed Paracha (Director/ CEO)</b>			
Loan received / (paid) - net	0.0002%	10,000	(12,500)
<b>Shafi Uddin Paracha (Director)</b>			
Loan received - net	0.0002%	-	2,250
<b>Employees retirement benefit plan:</b>			
<b>BGL Officers' Provident fund</b>			
Contributions by the Company		1,461	1,477

### 38 INFORMATION ABOUT BUSINESS SEGMENTS

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

	2021		
	Glass Containers	Plastic Shells	Total
(Rupees in Thousands)			
<b>Revenue:</b>			
Sales to external customers	1,493,910	-	1,493,910
Gross Revenue	1,493,910	-	1,493,910
Less: Sales tax	(234,537)	-	(234,537)
Trade discount	(7,153)	-	(7,153)
Net Revenue	1,252,220	-	1,252,220
Cost of goods sold	(1,134,721)	-	(1,134,721)
Admin and selling expenses	(60,606)	-	(60,606)
Other expenses	(7,515)	-	(7,515)
Other income	72,395	-	72,395
	(1,130,447)	-	(1,130,447)
Segment result	121,773	-	121,773
Financial charges	(87,170)	-	(87,170)
Share of profit from an associated company	11,453	-	11,453
Taxation	(20,599)	-	(20,599)
Profit for the year	25,457	-	25,457
<b>Other Information:</b>			
Capital expenditure	264,219	-	
Depreciation	141,285	-	

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



	2020		Total
	Glass Containers	Plastic Shells	
	(Rupees in Thousands)		
<b>Revenue:</b>			
Sales to external customers	1,763,494	-	1,763,494
Gross Revenue	1,763,494	-	1,763,494
Less: Sales tax	(269,311)	-	(269,311)
Net Revenue	1,494,183	-	1,494,183
Cost of goods sold	(1,538,632)	-	(1,538,632)
Admin and selling expenses	(100,309)	-	(100,309)
Other expenses	(190,342)	-	(190,342)
Other income	1,819	-	1,819
	(1,827,464)	-	(1,827,464)
Segment result	(333,281)	-	(333,281)
Financial charges	(113,964)	-	(113,964)
Taxation	(16,960)	-	(16,960)
Loss for the year	(464,205)	-	(464,205)
<b>Other Information:</b>			
Capital expenditure - Net	62,001	-	
Depreciation	144,053	-	

### 38.2 GEOGRAPHICAL INFORMATION

Revenue from external customers -net :

	2021	2021
	(Rupees in Thousands)	
Pakistan	1,239,179	1,473,617
Exports (Asia)	11,417	20,566
Africa	1,624	-
	1,252,220	1,494,183

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

All non-current assets of the Company as at 30 June 2021 are located in Pakistan. The detail of segment assets have not been disclosed in these financial statements as these are not reported to the chief operating decision maker on regular basis.



### 39 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2021		
	Long term loans from banks including current portion	Short term borrowings	Accrued/Deferred Mark up
	(Rupees in Thousands)		
Balance as at July 01, 2020	52,847	712,058	117,184
Changes from financing cash flows			
Proceeds from loans	-	79,484	-
Repayments of loans	(23,471)	(82,457)	-
<b>Total Changes from financing activities</b>	<b>(23,471)</b>	<b>(2,973)</b>	<b>-</b>
Other Changes			
Finance cost	-	-	71,612
Finance cost paid	-	-	(63,817)
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>7,795</b>
Balance as at June 30, 2021	-	-	7,795
	<b>29,376</b>	<b>709,085</b>	<b>124,979</b>

	2020			
	Loan from directors and others - Unsecured	Long term loans including current portion	Short term borrowings	Accrued/Deferred Mark up
	(Rupees in Thousands)			
Balance as at July 01, 2019	313,080	118,261	684,727	107,907
Changes from financing cash flows				
Proceeds from loans	155	-	199,865	-
Repayments of loans	-	(65,414)	(172,534)	-
<b>Total Changes from financing activities</b>	<b>155</b>	<b>(65,414)</b>	<b>27,331</b>	<b>-</b>
Other Changes				
Finance cost	-	-	-	113,964
Finance cost paid	-	-	-	(104,687)
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,277</b>
Balance as at June 30, 2020	313,235	52,847	712,058	117,184

### 40 CAPACITY AND PRODUCTION

Particulars	Unit	2021		2020	
		Capacity	Production	Capacity	Production
Based on 360 working days					
Glass containers	Tons	151,200	9,389	127,800	16,473
Plastic shells					
Full depth	Pieces	1,500,000	-	1,500,000	-
Half depth	Pieces	800,000	-	800,000	-
	Pieces	<b>2,300,000</b>	<b>-</b>	<b>2,300,000</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended June 30, 2021



- 40.1** The Company is currently operating its Unit-3 only where capacity has been enhanced by 65 tons per day through a refurbished furnace which started its operations in the end of June 2021. The under utilization of the current capacity is on account of the prevailing lower market share of the Company in table ware market. However, as disclosed in note 2, the company has launched its new quality table ware brand by name of “UltraMax” in the later half of the financial year and anticipates enhanced capacity utilization in view of capturing new market share in the upcoming years.

	2021	2020
	Numbers	
<b>41 NUMBER OF EMPLOYEES</b>		
Number of employees at end of the year	268	283
Average number of employees during the year	255	388

**42 IMPACT OF COVID -19**

In the light of ongoing COVID-19 pandemic and consequently the imposition of lock down at various times by the Federal and Provincial Governments of Pakistan (Authorities) has caused an overall economic slow down and disruption to various businesses. The Company has reviewed its exposure to business risks and has not identified any risks that could adversely affect its business, results of operations, financial condition and the carrying amount of assets and liabilities during the year ended June 30, 2021 and in future period.

**43 GENERAL**

- 43.1** These financial statements are presented in Pak Rupees and figures have been rounded off to the nearest thousand rupees.
- 43.2** Corresponding figures have been re-arranged or reclassified whenever necessary, for better and fair presentation. However, no significant reclassification / re-arrangement has been made in these financial statements.
- 43.3** These financial statements are authorized for issue on October 01, 2021 in accordance with the resolution of the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



# PATTERN OF SHAREHOLDING (JUNE 30, 2021)

## THE COMPANIES ACT, 2017 SECTION 227(2)(F)



2.2 No. of Shareholders	From	To	Total Shares Held
795	1	100	25,335
776	101	500	284,875
626	501	1,000	593,760
1121	1,001	5,000	3,382,580
375	5,001	10,000	3,150,351
107	10,001	15,000	1,396,525
83	15,001	20,000	1,549,001
58	20,001	25,000	1,395,500
48	25,001	30,000	1,396,000
21	30,001	35,000	704,767
16	35,001	40,000	624,500
7	40,001	45,000	305,500
35	45,001	50,000	1,740,000
10	50,001	55,000	527,580
5	55,001	60,000	298,000
5	60,001	65,000	319,000
4	65,001	70,000	275,500
6	70,001	75,000	441,500
3	75,001	80,000	236,000
2	80,001	85,000	166,000
4	85,001	90,000	360,000
2	90,001	95,000	188,000
14	95,001	100,000	1,400,000
2	100,001	105,000	206,500
3	105,001	110,000	323,500
1	110,001	115,000	113,500
3	115,001	120,000	351,039
2	120,001	125,000	250,000
2	125,001	130,000	257,500
2	130,001	135,000	269,000
2	135,001	140,000	278,000
1	140,001	145,000	145,000
1	145,001	150,000	150,000
1	155,001	160,000	160,000
1	160,001	165,000	165,000
2	165,001	170,000	339,000
2	170,001	175,000	345,090
1	175,001	180,000	177,000
1	185,001	190,000	190,000
1	190,001	195,000	195,000
2	195,001	200,000	400,000
1	210,001	215,000	215,000
1	255,001	260,000	260,000
1	265,001	270,000	268,000
1	285,001	290,000	290,000
2	295,001	300,000	600,000
1	320,001	325,000	321,500
1	330,001	335,000	334,000
1	350,001	355,000	353,766
1	395,001	400,000	400,000
1	580,001	585,000	580,500
1	585,001	590,000	590,000
1	625,001	630,000	626,558
1	665,001	670,000	665,500
1	895,001	900,000	900,000
1	985,001	990,000	986,000
1	1,295,001	1,300,000	1,300,000
1	1,995,001	2,000,000	2,000,000
1	2,005,001	2,010,000	2,009,708
1	3,175,001	3,180,000	3,179,635
1	3,990,001	3,995,000	3,995,000
1	14,995,001	15,000,000	15,000,000
1	25,710,001	25,715,000	25,714,156
1	175,935,001	175,940,000	175,935,274
<b>4177</b>			<b>261,600,000</b>



# PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021



<b>2.3 Categories of Shareholders</b>	<b>Shares Held</b>	<b>Percentage</b>
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	175,972,493	67.2678%
2.3.2 Associated Companies, undertakings and related parties.	26,067,922	9.9648%
2.3.3 NIT and ICP	50	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	582	0.0002%
2.3.5 Insurance Companies	172,640	0.0660%
2.3.6 Modarabas and Mutual Funds	3,259,500	1.2460%
2.3.7 Share holders holding 10% or more	175,935,924	67.2538%
2.3.8 General Public		
(Local)	31,335,182	11.9783%
(Foreign)	400,676	0.1532%
2.3.9 Others (to be specified)		
Pension Funds	54,080	0.0207%
Foreign Companies	15,000,000	5.7339%
Joint Stock Companies	9,234,406	3.5300%
Other Companies	102,469	0.0392%



## CATAGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG) AS AT JUNE 30, 2021



Sr. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
1	PAK HY-OILS LIMITED (CDC)	26,067,922	9.9648%
<b>Mutual Funds (Name Wise Detail)</b>			
1	CDC TRUSTEE AKD OPPORTUNITY FUND (CDC)	1,300,000	0.4969%
2	CDC - TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	334,000	0.1277%
3	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	590,000	0.2255%
4	CDC - TRUSTEE ALFALAH GHP STOCK FUND (CDC)	580,500	0.2219%
5	CDC - TRUSTEE ALFALAH GHP VALUE FUND (CDC)	195,000	0.0745%
6	GOLDEN ARROW SELECTED STOCKS FUND LIMITED (CDC)	260,000	0.0994%
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	MR. MUHAMMAD TAUSEEF PARACHA	175,935,924	67.2538%
2	MR. MUHAMMAD NIAZ PARACHA	500	0.0002%
3	MIAN NAZIR AHMED PARACHA (CDC)	1,000	0.0004%
4	MR. SHAFFI UD DIN PARACHA (CDC)	500	0.0002%
5	MRS. TABASSAM TOUSIF PERACHA (CDC)	33,237	0.0127%
6	MR. FAISAL AFTAB AHMAD	500	0.0002%
7	MR. SANA ULLAH KHAN GHORI	832	0.0003%
<b>Executives:</b>		-	-
<b>Public Sector Companies &amp; Corporations:</b>		-	-
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>		227,302	0.0869%
<b>Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)</b>			
1	MR. MUHAMMAD TAUSEEF PARACHA	175,935,924	67.2538%
2	PAK HY-OILS LIMITED. (CDC)	26,067,922	9.9648%
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 /TRANSFER	PURCHASE
1	MRS. TABASSAM TOUSIF PERACHA (CDC) (Gifted to her son)	2,009,708	-

# Standard Request Form for Circulation of Annual Audited Accounts



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 \_\_\_\_\_

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: \_\_\_\_\_



# E-DIVIDEND MANDATE LETTER AS AT JUNE 30, 2021



## 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  
Unit-III, 12 Km, Sheikupura Road,  
Lahore.

I/We ..... of ..... being a member 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 41st Annual General Meeting of the Company to be held on Thursday, October 28, 2021 at 12:00 noon at the registered office of the Company (Balochistan Glass Limited, 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 ..... ,  
2021.

Witness:

Signature .....

Name .....

Address .....

Signature

On Five  
Rupees  
Revenue  
Stamp

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.



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