



**BALOCHISTAN
GLASS LIMITED**



**ANNUAL
REPORT
2022**

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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 & REMUNIRATION COMMITTEE

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



BANKERS

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



AUDITORS

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

LEGAL ADVISOR

Masood Khan Ghory
 (Advocate & Legal Consultant)



REGISTERED OFFICE

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

HEAD OFFICE

12-KM, Sheikhpura Road,
 Kot Abdul Malik, Lahore.
 Tel: 042 37164071
 Web: www.balochistanglass.com
 Email: 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



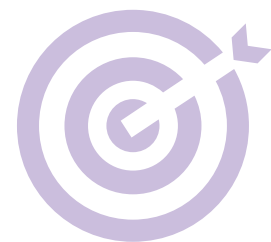
VISION & MISSION STATEMENTS



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 **42nd Annual General Meeting of Balochistan Glass Limited** will be held on **October 28, 2022** 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, 2021.
2. To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2022 together with Auditor's and Director's report thereon.
3. To appoint Auditors of the Company for the year ending June 30, 2023 and to fix their remuneration.
4. To transact any other business with the permission of chairman.

Date: October 05, 2022
Place: Lahore

By Order of the Board

Acting Company Secretary

Notes:

1. The share transfer books will remain closed from October 21, 2022 to October 28, 2022 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, 2022 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 furquan.habib@balochistanglass.com. However, the financial statements of the company for the year ended June 30, 2022 would have been placed on the website of the company www.balochistanglass.com

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

7. The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. However, if shareholder, in addition, request for hard copy of Audited Financial Statements the same shall be provided free of cost within seven (7) days of receipt of such request.

In order to avail this facility a Standard Request Form is available at the Company's website and in previous annual reports.

CNIC of Members/Shareholders & Dividend Payment

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

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

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.

As a result of the management endeavors to resolve the issue, subsequent to the year end, the Board of Directors at its meeting held on September 30, 2022, has principally agreed and approved the divestment of entire shareholding in the aforementioned associated company at its current book value to Mr. M. Tousif Paracha (Director) to settle his loan account balance provided to support financial / working capital requirements of the entity subject to execution of share purchase agreement. The Director has also expressed his willingness in the aforementioned transaction.

This is based on the facts that the original cost of investment valuing Rs 125.631 million was fully funded by the same director, while the company has already taken its share of profit on this investment by Rs 13.783 million. till the year end. Whereas in 36th Annual General Meeting, members have already approved and passed a special resolution that the Chief Executive Officer and/or Company Secretary, singly any one, of the Company be and are hereby authorized to dispose-off through any mode, a part or all of equity investments made by the Company from time to time as and when deemed appropriate and necessary in the best interest of the Company and its shareholders.

As per unaudited accounts of PHGL total equity including accumulated profit till June 30, 2022 is 278.833 million, total assets are PKR 292.085 million.

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ بلوچستان گلاس لمیٹڈ کا بتالیسواں (42واں) سالانہ اجلاس عام مورخہ 28 اکتوبر 2022 بوقت 12:00 بجے دن پلاٹ نمبر HITE, M-8 حب، حب انڈسٹریل اسٹیٹ لسبیلہ بلوچستان میں مندرجہ ذیل امور پر بحث کیلئے منعقد ہوگا:
عمومی امور

1. 28 اکتوبر 2021 کو منعقدہ سالانہ اجلاس عام کی روئید کو پڑھنا اور اس کی توثیق کرنا
2. 30 جون 2022 کو اختتام پذیر سال کیلئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس بمع ایڈیٹرز اور ڈائریکٹرز رپورٹ کو وصول کرنا، انہیں زیر غور لانا اور اپنانا
3. 30 جون 2023 کو اختتام پذیر سال کیلئے کمپنی کے آڈیٹرز کی تقرری کرنا اور ان کا مشاہرہ طے کرنا
4. چیئرمین کی اجازت سے دیگر امور بروئے کار لانا

بحکم آف بورڈ
ایگننگ کمپنی سیکریٹری

مورخہ 15 اکتوبر 2022
مقام: لاہور
نوٹس

1. شیئر ٹرانسفر Books مورخہ 21 اکتوبر 2022 تا 28 اکتوبر 2022 بشمول دونوں ایام بند رہیں گی۔ کمپنی کے شیئر رجسٹرار کارپ لنک (پرائیویٹ لمیٹڈ-1 کمرشل، ماڈل ٹاؤن، لاہور کو 20 اکتوبر 2022 کو کاروبار بند ہونے تک موصول ٹرانسفرز کو AGM میں شرکت کیلئے بروقت شمار کیا جائیگا۔
2. AGM میں ووٹ اور شرکت کرنے کا اہل رکن کسی دوسرے رکن کو اپنی جگہ اجلاس میں شرکت اور ووٹ کیلئے اپنا پراسی مقرر کر سکتا ہے پراسی فارم کو موثر کرنے کی غرض سے باقاعدہ پراور دستخط شدہ فارم اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار آفس میں موصول ہو جانا چاہیے۔
3. سنٹرل ڈیپازٹری کمپن میں جمع حصص کے حامل شیئر ہولڈرز کو تصدیق کیلئے CDC کاؤنٹ کے ہمراہ اپنا شناختی کارڈ ساتھ لانے کی درخواست کی جاتی ہے۔ کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اگر پہلے جمع نہ کرایا گیا ہو) اجلاس کے موقع پر پیش کرنا ہوگا۔
4. اجلاس میں شرکت اور پراسی کے تقرر کی غرض سے CDC کاؤنٹ ہولڈرز کو SECP کے مورخہ 26 جنوری، 2000 کے مراسلہ نمبر 01 میں بیان کردہ ہدایات پر عمل کرنا ہوگا۔
5. ریکارڈ میں تجدید کی غرض سے اراکین کو اپنے پتے میں تبدیلی سے متعلق کمپنی کے شیئر رجسٹرار کو فوری آگاہ کرنے اور شناختی کارڈ کی نقل فراہم کرنے کی درخواست کی جاتی ہے۔

6. کرونا وائرس کی حالیہ صورت حال کی روشنی میں، کمپنی SECP کے مورخہ 17 مارچ 2020 اور مورخہ 31 اگست 2020 کے با ترتیب مراسلہ نمبر 5 اور 25 میں طے شدہ حفاظتی اقدامات پر عمل درآمد کی یقین دہانی کراتی ہے جبکہ شیئر ہولڈرز AGM کے ایجنڈا آنمٹز سے متعلق رائے اور تجاویز AGM کے انعقاد سے کم از کم 2 یوم قبل ای میل ایڈریس furquan.habib@balochistanglass.com پر ارسال کر سکتے ہیں تاہم 30 جون 2022 کو اختتام پذیر سال کیلئے کمپنی کی مالیاتی اسٹیٹمنٹس کمپنی ویب سائٹ www.balochistanglass.com پر شائع کر دی جائیگی۔

پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ نوٹس AGM بذریعہ ای میل ترسیل

7. سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اپنے مراسلہ نمبر 787(1)/2014 SRO مورخہ 8 ستمبر 2014 کے تحت کمپنیوں کو پڑتال شدہ مالیاتی اسٹیٹمنٹس اور سالانہ اجلاس عام کے نوٹس کی اپنے اراکین کو بذریعہ ای میل ترسیل کی اجازت دیتا ہے۔ لہذا پڑتال شدہ مالیاتی اسٹیٹمنٹس اور نوٹس کی بذریعہ ای میل وصولی کیلئے اراکین کو اپنا اقرار نامہ اور ای میل ایڈریس سے متعلق آگاہ کرنے کی درخواست کی جاتی ہے تاہم پڑتال شدہ مالیاتی اسٹیٹمنٹس کی کاغذی صورت میں وصولی کے خواہشمند شیئر ہولڈرز کو درخواست موصول ہونے کے سات (7) یوم کے اندر انہیں بالکل مفت فراہم کی جائیگی۔

اس سہولت کو حاصل کرنے کیلئے کمپنی کی ویب سائٹ اور پچھلی سالانہ رپورٹ میں معیاری درخواست فارم دستیاب ہے۔

اراکین / شیئر ہولڈرز کا شناختی کارڈ اور منافع منقسمہ کی ادائیگی

8. قبل ازیں آگاہ کیا جا چکا ہے کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) مورخہ 31 مارچ 2016، 10 جنوری 2014 اور 5 جولائی 2012 کے با ترتیب مراسلہ نمبر 247(1)/2016 SRO (1)/19 اور

2012 SRO 831(1) کے تحت منافع منقسمہ کے وارنٹ کے ساتھ رجسٹرڈ شیئر ہولڈرز یا مجاز شخص کا کمپیوٹرائزڈ شناختی کارڈ نمبر ماسوائے نابالغان اور کاروباری شیئر ہولڈرز کے لازمی قرار دیا گیا ہے۔ لہذا منافع منقسمہ کے وارنٹ کا اجراء شیئر ہولڈرز کے شناختی کارڈ (افراد) NTN/نمبر (کاروباری ادارہ) سے مشروط ہوگا۔

اراکین سے درخواست کی جاتی ہے کہ وہ اپنے کمپیوٹرائزڈ شناختی کارڈ کی نقل ریکارڈ کی تجدید کیلئے جمع کرائیں بصورت دیگر تمام ممکنہ منافع منقسمہ کے وارنٹ ملتوی کر دیئے جائیں گے۔

زکوٰۃ و عشر آرزو نینس 1980 کے تحت حلف نامہ

9. زکوٰۃ سے استثنیٰ کی غرض سے تمام اراکین کو زکوٰۃ و عشر آرزو نینس 1989 کے تحت حلف نامہ جمع کرانے کی درخواست کی جاتی ہے

سالانہ پڑتال شدہ کھاتوں کی پرنٹ شدہ نقل کی بجائے بذریعہ USB/DVD/CD تقسیم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 31 مئی 2016 کے مراسلہ نمبر SRO470(1)/2016 کے تحت کمپنیوں کو سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس، آڈیٹرز اور ڈائریکٹرز کی رپورٹ وغیرہ کی اپنے شیئر ہولڈرز/اراکین کو ان کے رجسٹرڈ پتے پر پرنٹ شدہ نقل کی بجائے بذریعہ USB/DVD/CD تقسیم کی اجازت ہے بشرط کہ اجلاس عام میں شیئر ہولڈرز کی رضامندی حاصل ہو اور خواہشمند شیئر ہولڈرز کو کاغذی نقل کی فراہمی کا انتخاب کرنے کی پیشکش کی گئی ہو۔ غیر کاغذی ماحول کو پروان چڑھانے اور ماحولیاتی ذمہ داری ادا کرنے کی غرض سے کمپنی نے 31 اکتوبر 2016 کو منعقدہ سالانہ اجلاس عام میں اپنے شیئر ہولڈرز کی رضامندی سے کھاتوں کی تفصیل پرنٹ شدہ نقل کی بجائے سافٹ کاپی میں تقسیم کرنے کی قرارداد منظور کی ہے۔ کاغذی نقول حاصل کرنے کے خواہشمند شیئر ہولڈرز ہماری ویب سائٹ پر دستیاب فارم پر کر کے اپنی رضامندی سے آگاہ کریں تاکہ کمپنی انہیں کاغذی نقول فراہم کر سکے۔

برقی۔ منافع منقسمہ

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت پبلک لسٹڈ کمپنی کی صورت میں واجب الادا نقد منافع منقسمہ اہل شیئر ہولڈرز کے مقررہ بینک اکاؤنٹ میں براہ راست بذریعہ برقی طریقہ کار ادا کیا جائیگا۔ لہذا بذریعہ نوٹس ہذا تمام شیئر ہولڈرز کو بذریعہ متعلقہ شرکاء/اسٹاک بروکر سنٹرل ڈیپازٹری سسٹم میں اپنے بینک اکاؤنٹ کی تفصیلات کی تجدید کرنے کی درخواست کی جاتی ہے۔ طبعی حصص کی صورت میں براہ کرم ہمارے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ k-1 کمرشل، ماڈل ٹاؤن لاہور کو اپنے بینک اکاؤنٹ کی تفصیلات (IBAN) اکاؤنٹ نمبر) براہ راست فراہم کریں۔ برقی منافع منقسمہ کا مینڈیٹ فارم ہماری ویب سائٹ پر بھی دستیاب ہے۔ یاد رہے کہ 31 اکتوبر 2017 کے بعد کمپنی کا منظور شدہ نقد منافع منقسمہ صرف مقررہ بینک اکاؤنٹ میں ہی جمع کرایا جائیگا لہذا مستقبل میں کسی بھی تکلیف سے بچنے کیلئے اپنی تفصیلات کی فی الفور تجدید کرائیں۔

لادعویٰ منافع منقسمہ اور بونس حصص

ایسے حصص داران جو کسی بھی وجہ سے اپنا منافع منقسمہ یا بونس حصص کا دعویٰ نہیں کر سکے یا اپنے طبعی حصص حاصل نہیں کر سکے انہیں ہمارے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ k-1 کمرشل، ماڈل ٹاؤن لاہور سے رابطہ کرنے کی تجویز دی جاتی ہے تاکہ وہ اپنے لادعویٰ یا معطل حصص حاصل کر سکیں۔

یاد رہے کہ کمپنیز ایکٹ 2017 کے سیکشن 244 کی پیروی میں طے شدہ طریقہ کار پر عمل درآمد کے بعد مقررہ تاریخ سے تین سال کی مدت تک واجب الادا لادعویٰ منافع منقسمہ وفاقی حکومت/SECP کو جمع کرا دیا جائیگا اور حصص کی صورت میں انہیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کو ڈیلیور کر دیا جائیگا۔

ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ 2017 کے قواعد کی پیروی میں کل ادا شدہ سرمایہ میں کم از کم 10 فی صد حصص کے حامل اور مقام اجلاس سے فاصلہ پر مقیم حصص داران اجلاس میں شرکت کیلئے ویڈیو لنک کی سہولت فراہم کرنے کا مطالبہ کر سکتے ہیں۔ ویڈیو لنک سہولت کی درخواست AGM کے انعقاد سے کم از کم 7 یوم قبل شیئر رجسٹرار کو وصول ہو جانی چاہیے۔

کمپنیز (الحاق شدہ کمپنیوں اور انڈر ٹیکنگز میں سرمایہ کاری) ضوابط 2012ء کے قاعدہ

(2)4 حوالہ کمپنیز ایکٹ 2017ء کا سیکشن 143 (3) 199 کی پیروی میں اعلامیہ

13 اکتوبر 2016ء کو منعقدہ سالانہ اجلاس عام میں اراکین کی منظور شدہ قرارداد کے مطابق الحاق شدہ کمپنی ”پائیدار ہانگ گلاس (پرائیویٹ) لمیٹڈ (PHGL)“ میں 150 ملین روپے سرمایہ داری کی منظوری دی گئی جس میں سے 125.63 ملین روپے PHGL کی ایکویٹی میں پارویلیو پر 10/ روپے فی حصص کی شرح سے سرمایہ داری کی گئی۔

چونکہ کمپنی پائیدار ہانگ گلاس (پرائیویٹ) لمیٹڈ (کمپنی اور چینی سرمایہ دار کے مابین شراکت داری) میں 49.99 فی صد حصص کی مالک ہے اور USP ٹائپ-I بوروسلیکیٹ گلاس ٹیوبز، وائلز اور ایمپولز کی تیاری کے کاروبار سے منسلک چینی سرمایہ داروں کے ساتھ مشترکہ کنٹرول رکھتی ہے۔ مذکورہ بالا مصنوعات کی تیاری کے لئے درکار کچھ مشینری کمپنی کے احاطہ میں پہنچ چکی ہے جنہیں تاحال نصب نہیں کیا گیا ہے۔ پروجیکٹ کو عملی جامہ پہنانے کی بابت چینی شراکت دار کی جانب سے معاہدہ پر عمل درآمد میں تاخیر اور مارکیٹ کے ماحول میں تغیر کی وجہ سے پروجیکٹ فعال نہیں ہو سکا۔

مسائل کے حل کے لئے انتظامیہ کی کوششوں کے نتیجے میں بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 30 ستمبر 2022ء میں مذکورہ بالا ایسوسی ایٹڈ کمپنی سے حالیہ book ویلیو پر اپنی تمام شیئر ہولڈنگ نکالنے پر اصولی رضامندی اور منظوری دی ہے۔ یہ شیئر ہولڈنگ حصص کی خرید کے معاہدے پر عمل درآمد سے مشروط ادارے کے مالیاتی / درکنگ کیپٹل ضروریات کو پورا کرنے کی غرض سے (ڈائریکٹرز) مسٹر محمد توصیف پراچہ کا قرض واپس کرنے کی بابت کھاتوں کے توازن کے لئے استعمال ہو گی۔ ڈائریکٹرز نے مذکورہ بالا ٹرانزیکشن پر رضامندی کا بھی اظہار کیا ہے۔

یہ اس حقیقت پر مبنی ہے کہ 125.631 ملین روپے سرمایہ داری مذکورہ ڈائریکٹرز نے کی تھی جب کہ کمپنی نے سال کے اختتام تک اس سرمایہ داری پر پہلے ہی 13.783 ملین روپے منافع رکھ لیا ہے

جب کہ چھتیسویں (36 ویں) سالانہ اجلاس عام میں اراکین نے ایک خصوصی قرارداد منظور اور پاس کی تھی کہ کمپنی کے چیف ایگزیکٹو آفیسر اور / یا کمپنی سیکریٹری، یا جداگانہ حیثیت میں کوئی بھی، کمپنی اور اس کے شیئر ہولڈرز کے بہترین مفاد میں حسب ضرورت کسی بھی ذریعے سے وقتاً فوقتاً کمپنی کی ایکویٹی سرمایہ داری کو کبھی یا جزوی طور پر فروخت کرنے کا مجاز ہوگا۔

PHGL کے پڑتال شدہ کھاتوں کے مطابق 30 جون 2022ء تک کل ایکویٹی بمعہ حاصل منافع 278.833 ملین روپے اور کل اثاثہ جات کی مالیت 292.085 ملین روپے تھی۔

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, 2022.

COMPANY PERFORMANCE

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

	2022	2021
	Rupees in thousands	
Sales - Net	1,346,050	1,252,220
Gross (Loss) / Profit	(170,579)	117,499
Operating (Loss) / Profit	(158,564)	121,773
Depreciation for the year	156,710	141,285
(Loss) / Profit before Tax	(261,742)	46,056
(Loss) / Profit after Tax	(269,442)	25,457
Basic and diluted (Loss) / Earnings per share Rs.	(1.03)	0.10

Despite of marginal increase in net sales by 7.49% in comparison of previous year, the company has suffered with gross loss during the year. By the start of this year, the company has just started to achieve its commercial production from newly refurbished furnace having double production capacity at Unit III (Kot Abdul Malik), after facing some initial teething problems related to new alignment of machines. Major challenges for the company were striving hard to get smooth supply of natural gas, absorb highly increment in gas prices as well as overall inflationary pressures on other related costs due to currency devaluation and other economic uncertainties during the year.

Supply of natural gas remained interrupted for the whole industry and curtailment of gas supply did not allow the company to achieve its targeted production levels throughout the year. The company had to use other alternative expensive energy sources (including Furnace oil and LPG) to keep operations alive during gas curtailment periods. OGRA (oil & gas regulatory authority) increased the prices of RLNG (re-gasified liquified natural gas) consistently during the year, more than 112% on average as compared to last year average rate which is the main component of production cost of the company. The increased energy costs along-with non-availability of gas and other unprecedented inflationary factors & economic uncertainties during the year, have majorly contributed towards the present gross loss of the Company. Further, the disturbance of global economy has also adversely impacted the global supply chain and causing inflationary trends in the prices of raw materials, oil & lubricants and packing materials coupled with devaluation of Pakistani rupee remained highly concerns for the company during this year.

During the year, in tableware glass division, the company has also faced serious market competition in terms of product pricing, customer credit policies, high inventory levels and other marketing strategies which forced the company to offer special discounts / incentives to the distributors. These sales and marketing challenges resulted into low margins during the year. In the absence of desirable profit margins, continuous high energy costs, stiff market competitions, high inventory levels and other teasing factors as stated above forced the managed to shut down the tableware glass production at Unit - III, temporarily as on May 27, 2022. However, the company has enough stock throughout this suspension period to meet consumer demands in the upcoming months and to minimize its operational liabilities.

However, the management is fully confident to overcome the prevailing situations in terms of resumption of sustainable production and to capture additional market share after the implementation of desirable strategic revisions. Furthermore, the company is continuously honoring its financial liabilities towards financial intuitions and settled two of them and with other associates during the year.

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

FUTURE OUTLOOK

The Company is continuously looking for different options to resume the production of tableware glass production at Unit - III. The management is intending to take major strategic decisions to make cost efficient operations before restarting its production of tableware glass at Unit - III by the end of second quarter of next financial year. Management is also planning to revise various company's policies including better marketing strategies, efficient production controls and effective human resource across the company. Management is also focusing to reconstitute its board of directors in upcoming BOD elections.

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 difficulties of the business, the ability to revise and implement new strategic decisions, operational restructuring of the Company's existing setup and the desire of directors & associates to continue their financial support.

- Availability of tableware stocks in saleable position to cater the customers' demand in coming seasons.
- Availability of newly refurbished furnace having enough capacity to produce tableware as well as container glass products with significant remaining useful life.
- Intact plant infrastructure & building structure including newly aligned machineries of tableware glass production at Unit - III.
- Working capital management to pay off its operational liabilities with the utilization of available funds after sale of available stocks inventory.
- Increasing market demand in tableware glass products and availability of sufficient human resource all the time in the near market.
- Already established market share with the introduction of new brand "Ultra-Max" in addition to "Mari-Max".
- Availability of Moulds inventory with different designs having sufficient useful life i.e. (Printed Jug, Printed tumbler, large articles, and other newly designed products).
- 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 availed from the associated entities and financial institute.
- Opportunities in the market to revamp the operational structure of the company in order to make cost effective operations for longer run.

We feel that by considering all the above factors, availability of suitable plant infrastructure, growth opportunities in glass industry, present & 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 using going concern assumption's.

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 15) due to liquidity issues.
- xiii. No dividend or bonus shares are declared because of loss during the year.
- xiv. Company has arranged in house training programs for its directors; however, most of directors meet criteria as laid down in code of corporate governance regarding directors' training.
- xv. The Statement of compliance with the best practices of Code of Corporate Governance is annexed with this report.

Annual Evaluation of Board of Directors

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

- a) Board Structure: its composition, constitution and diversity and that of its Committees, competencies of the members, Board and Committee charters, frequency of meetings, procedures;
- b) Dynamics and Functioning of the Board: annual Board calendar, information availability, interactions and communication with CEO and senior executives, Board agenda, cohesiveness and the quality of participation in Board meetings;
- c) Business Strategy Governance: Board's role in company strategy;
- d) Financial Reporting Process, Internal Audit and Internal Controls: The integrity and the robustness of the financial and other controls regarding abusive related party transactions, vigil mechanism and risk management;
- e) Monitoring Role: Monitoring of policies, strategy implementation and systems; and
- f) Supporting and Advisory Role.

Composition of the Board:

1. The total number of directors are 7 as per the following:
 - a. Male: 6
 - b. Female: 1
2. Board of Directors of the Company Comprises:

Category	Names
Independent Director	Mr. Faisal Aftab Ahmad Mr. Sana Ullah Khan Ghory
Executive Director	Mr. Shaffi Uddin Paracha Mr. Mian Nazir Ahmed Paracha
Non-Executive Directors	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:

DIRECTORS' REPORT



Number of meetings held	Meetings attended		
	BOD 4	BAC 4	HR&R 1
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

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

Mr. Muhammad Tousif Paracha
Chairman / Director

Mian Nazir Ahmad Paracha
CEO

Lahore : 30 September 2022

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2022ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ سالانہ رپورٹ ازراہ مسرت پیش کرتے ہیں۔

کمپنی کی کارکردگی

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

2021ء	2022ء	
ہزار روپوں میں		
1,252,220	1,346,050	فروخت - خالص
117,499	(170,579)	مجموعی (نقصان) / منافع
121,773	(158,564)	آپریٹنگ (نقصان) / منافع
141,285	156,710	سال بھر میں تخصیص
46,056	(261,742)	(نقصان) / منافع بمعہ ٹیکس
25,457	(269,442)	(نقصان) / منافع علاوہ ٹیکس
0.10	(1.03)	بنیادی و تحلیلی (خمسارہ) / آمدنی فی حصص (روپے)

گذشتہ برس کی نسبت خالص فروخت کے مارجن میں 7.49 فی صد اضافے کے باوجود کمپنی کو مذکورہ سال کے دوران نقصان برداشت کرنا پڑا۔ رواں سال کے آغاز سے ہی کمپنی نے مشینوں کی نئی ترتیب کی بابت ابتدائی مرحلے میں مشکلات کا سامنا کرنے کے بعد یونٹ III (کوٹ عبدالملک) میں اپنی نئی ری فریشڈ بھٹی سے تجارتی پیداوار شروع کی جس کی استعداد دگنی تھی۔ قدرتی گیس کی مسلسل ترسیل حاصل کرنے کے لئے کمپنی انتھک محنت کے ساتھ ساتھ گیس کی قیمتوں میں شدید اضافے اور کرنسی کی قدر میں کمی کے باعث دیگر اخراجات پر افراط زر کے دباؤ اور مذکورہ سال کے دوران غیر یقینی معاشی صورت حال کو برداشت کر رہی تھی۔

تمام صنعتوں کے لئے قدرتی گیس کی سپلائی میں تعطل برقرار رہا اور گیس سپلائی میں قلت کے باعث کمپنی سال بھر میں اپنے مطلوبہ پیداواری اہداف حاصل کرنے میں ناکام رہی۔ کمپنی کو دیگر توانائی کے مہنگے متبادل ذرائع (یعنی فرنیس آئل اور LPG) استعمال کرنا پڑے تاکہ گیس کی قلت کے دورانیہ میں اپنے پیداواری امور کو جاری رکھا جاسکے۔ اوگرا (آئل اینڈ گیس ریگولیٹری

اتھارٹی) نے مذکورہ سال کے دوران RLNG (ری گیس فائیڈ لیکویفائیڈ نیچرل گیس) کی قیمتوں میں اضافہ جاری رکھا جو گذشتہ برس کی اوسط شرح کے مقابلے میں اوسطاً %112 سے زائد تھا اور کمپنی کی پیداواری لاگت میں اضافہ کی بڑی وجہ یہی ہے۔ مذکورہ سال کے دوران توانائی کی بڑھتی ہوئی قیمتوں اور دیگر تاریخی مہنگائی کے عوامل اور معاشی بے چینی کے ساتھ ساتھ گیس کی عدم دستیابی نے کمپنی کے حالیہ کل منافع میں بڑا کردار ادا کیا۔ مزید برآں، عالمی معیشت کی ابتر صورت حال نے گلوبل سپلائی چین پر برے اثرات مرتب کئے جس کی وجہ سے خام مال، آئل اور لبریکیشن اور پیکنگ میٹریل کی قیمتوں میں اضافے کا رجحان بشمول پاکستانی روپے کی قدر میں کمی جیسے عوامل رواں برس کمپنی کے لئے خاصی پریشانی کا باعث رہے۔

مذکورہ سال کے دوران، ٹیبل ویئر گلاس ڈیویژن میں کمپنی کو مصنوعات کی قیمتوں کے تعین، کسٹمر کریڈٹ پالیسی، زخیروں کی بلند سطح اور دیگر تشہیری حکمت عملی جیسے امور میں منڈی سے سخت مقابلے کا سامنا بھی کرنا پڑا جس کے باعث کمپنی ڈسٹری بیوٹرز کو خصوصی رعایت/منافع پیش کرنے پر مجبور ہونا پڑا۔ یہ سیلز اور مارکیٹنگ مشکلات مذکورہ سال کے دوران کم منافع کا باعث بنیں۔

مطلوب منافع کی عدم موجودگی، توانائی کی لاگت میں مسلسل اضافہ، منڈی میں سخت مقابلہ، زخیروں کی بلند سطح اور مذکورہ بالا دیگر تکلیف دہ عوامل نے انتظامیہ کو 27 مئی 2022ء سے یونٹ III میں ٹیبل ویئر گلاس کی پیداوار کو عارضی طور پر بند کرنے پر مجبور کیا۔ البتہ، اس معطلی کے دوران یہ میں آئندہ مہینوں میں صارفین کی طلب کو پورا کرنے اور اپنے آپریشنل اخراجات کو کم کرنے کے لئے کمپنی کے پاس کافی زخیروں موجود تھا۔

البتہ انتظامیہ حکمت عملی میں قابل قبول ترامیم کے نفاذ کے بعد قابل بھروسہ پیداوار کو شروع کرنے اور منڈی میں اپنے کردار میں اضافہ کرنے کے لئے پرامید ہے۔ مزید برآں، کمپنی مالیاتی اداروں کے قرض و اجبات پر بھی مسلسل نظر رکھتی ہے اور اس بابت مذکورہ سال کے دوران ان کے اور دیگر ایسوسی ایٹس کے دو قرضے ادا کئے جا چکے ہیں۔

البتہ، یونٹ I اور II پر کام تاحال معطل ہے اور انتظامیہ فنڈز کی دستیابی سے مشروط ان یونٹس کو دوبارہ رواں کرنے کی حکمت عملی پر نظر ثانی کا ارادہ رکھتی ہے۔ البتہ، انتظامیہ آپریشنز سے متعلقہ تمام معاملات کو حل کرنے اور ان پر ویکیشن کی بحالی کے لئے پر عزم ہے۔

مستقبل کا منظر نامہ

کمپنی یونٹ III پر ٹیبل ویئر گلاس کی پیداوار کے دوبارہ آغاز کے لئے مختلف طریقوں پر مسلسل غور کر رہی ہے۔ انتظامیہ اگلے مالیاتی سال کی دوسری سہ ماہی کے اختتام پر یونٹ III میں ٹیبل ویئر گلاس کی پیداوار کے دوبارہ آغاز سے قبل قابل قبول آپریشنل اخراجات پر بڑے سٹریٹجک فیصلے کرنے کا ارادہ رکھتی ہے۔ انتظامیہ کمپنی کی کئی پالیسیوں میں ترمیم کا بھی ارادہ رکھتی



ہے جس میں کمپنی کی ہر سطح پر بہتر تشہیری حکمت عملی، بہترین پیداواری کنٹرولز اور موثر ہیومن ریسورس جیسی پالیسیاں شامل ہیں۔
انتظامیہ اگلے بورڈ انتخابات میں اپنے بورڈ آف ڈائریکٹرز کی تشکیل نو پر بھی توجہ دے رہی ہے۔

یونٹ 11 اور 11 میں آپریشنز ابھی معطل ہیں اور انتظامیہ درکار فنڈز کی دستیابی سے مشروط ان یونٹس پر آپریشنل حکمت کی تشکیل نو کرنے کا ارادہ رکھتی ہے۔ تاہم، انتظامیہ آپریشنز سے متعلقہ معاملات کو حل کرنے اور ان پر ڈیکلٹس کی بحالی کے لئے پرامید ہے۔

آڈیٹرز کے مشاہدات/ نتائج پر رائے

کاروباری جاری رکھنے کا مفروضہ

آڈیٹرز نے کمپنی کی کاروباری جاری رکھنے کی صلاحیت پر تحفظات اٹھائے ہیں۔ کمپنی کی کاروبار جاری رکھنے کی حیثیت کا تعین کرنے کے لئے انتظامیہ نے کاروبار کی آپریشنل مشکلات، نئے سٹریٹجک فیصلوں کے اطلاق، کمپنی کے موجودہ سیٹ اپ کی آپریشنل ری سٹرکچرنگ اور مالیاتی مدد جاری رکھنے کے لئے ڈائریکٹرز اور ایسوسی ایٹس کے ارادہ جیسے کئی عوامل کا بغور جائزہ لیا ہے۔

- آئندہ سیزن میں صارفین کی طلب کو پورا کرنے کے لئے ٹیبل ویئر گلاس زخیروں کو قابل فروخت حالت رکھنا
- نئی ری فریشڈ بھٹھی کی استعداد میں اضافہ کر کے ٹیبل ویئر اور کنٹیینر گلاس پروڈکٹس کی پیداوار میں بقیہ قابل استعمال دورانیہ کے ساتھ اضافہ کرنا۔
- یونٹ 11 پر ٹیبل ویئر گلاس کے پلانٹ انفراسٹرکچر اور بلڈنگ سٹرکچر بشمولی نئی نصب مشینری کو فعال رکھنا۔
- سرمایہ زیر کار کو میج کر کے اور دستیاب سٹاک انویسٹری کی فروخت کے بعد دستیاب فنڈز کے استعمال سے اپنے آپریشنل اخراجات پورے کرنا۔
- ٹیبل ویئر گلاس پروڈکٹس کی بابت منڈی کی طلب میں اضافہ کرنا اور قریبی منڈیوں میں ہمہ وقت مناسب افرادی قوت کی دستیابی کو یقینی بنانا
- ”میری میکس“ کے علاوہ نئی برانڈ ”الٹرا میکس“ کے تعارف سے منڈی میں اپنے وجود کو قائم رکھنا۔
- مختلف ڈیزائنوں پر مشتمل معقول قابل استعمال مدت کی حامل مولڈز انویسٹری یعنی (پرنٹ شدہ جگ، پرنٹ ٹمبلر، بڑے آرٹیکلز اور دیگر نئی ڈیزائن شدہ مصنوعات) کی دستیابی
- موجودہ پروڈکشن لائنز میں نئی پریس مشین کی تنصیب کا ارادہ
- اپنے سپائسرز اور ایسوسی ایٹس کی مسلسل مالیاتی سپورٹ
- مالیاتی اداروں کو طے شدہ شیڈول کے مطابق قرضوں کی واپسی کو ملحوظ خاطر رکھنا۔

- ایسوسی ایٹڈ اداروں اور مالیاتی اداروں سے حاصل قلیل مدتی رواں قرض کی سہولت میں توسیع کرنا۔
- طویل مدت کے لئے موثر لاگت حامل آپریشنز کو جاری رکھنے کے لئے کمپنی کے آپریشنل سٹرکچر کے منڈی میں تعارف کے مواقع

ہمیں توقع ہے کہ مذکورہ بالا عوامل، معقول پلانٹ انفراسٹرکچر، گلاس انڈسٹری میں نمو کے مواقع، مقامی اور برآمدی منڈیوں میں گلاس پروڈکٹس کی حالیہ اور آئندہ طلب اور ڈائریکٹرز اور ایسوسی ایٹس کی مسلسل حمایت اور عزم کو مد نظر رکھتے ہوئے کمپنی کی انتظامیہ کاروبار کو جاری رکھنے کے مفروضہ جات کو استعمال کرتے ہوئے یہ مالیاتی اسٹیٹمنٹس تیار کرنے میں حق بجانب ہے۔

کاروباری و مالیاتی رپورٹنگ فریم ورک

کوڈ آف کارپوریٹ گورننس کی تعمیل میں ہم کاروباری و مالیاتی رپورٹنگ فریم ورک پر حسب ذیل اعلامیہ جاری کرتے ہیں:

i. کمپنی کی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس نصفیت 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 مانٹر کیا جاتا ہے۔

vi. انتظامیہ پر امید ہے کہ 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 کی بھی تفصیلی وضاحت کی 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 اجراء ڈائریکٹرز رپورٹ سے متعلقہ کمپنی کی مالیاتی حالت پر کوئی تبدیلی یا عہد اثر انداز نہ ہوا ہے۔
- .x گذشتہ چھ برس کے اہم آپریٹنگ اور 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 جن کی لیکویڈٹی مسائل کی بنیاد پر مالیاتی اسٹیٹمنٹس (نوٹ 15 ملاحظہ کریں) میں وضاحت کی گئی ہے۔
- .xiii مذکورہ سال کے دوران خسارے کی وجہ سے منافع منقسمہ یا بونس حصص کا اعلان نہ کیا گیا ہے۔
- .xiv کمپنی نے اپنے ڈائریکٹرز کے ان ہاؤس ٹریڈنگ پروگرامز کا انتظام کیا ہے تاہم زیادہ تر ڈائریکٹرز تریڈی 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 اعلامیہ رپورٹ کے ساتھ منسلک 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 امور: 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 گورننس: کمپنی کی حکمت عملی میں بورڈ کا کردار
- (d) مالیاتی رپورٹنگ کا طریق 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) معاونت 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:

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

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

a. آڈٹ کمیٹی	
-	مسٹر فیصل آفتاب احمد
-	مسٹر محمد توصیف پراچہ
-	مسٹر محمد نیاز پراچہ
b. ایچ آر اینڈ ریمونریشن کمیٹی	
-	مسٹر ثناء اللہ خان غوری
-	مسٹر محمد توصیف 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			
HR&R	BAC	BOD	
1	4	4	منعقدہ اجلاس کی تعداد
1	4	4	1. مسٹر محمد تو صیف پراچہ
-	-	4	2. مسز تبسم تو صیف پراچہ
1	-	4	3. مسز نذیر احمد پراچہ
-	4	4	4. مسز نیاز پراچہ
-	-	4	5. مسز شفیع الدین پراچہ
-	4	4	6. مسز فیصل آفتاب احمد
1	-	4	7. مسز 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 کمپنی کے آڈیٹرز کی حیثیت سے 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 قدر کی 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 شکریہ ادا کرتے ہیں۔


برائے/منجانب بورڈ
میاں نذیر احمد پراچہ
CEO


مسٹر محمد تو صیف پراچہ
چیئر مین / ڈائریکٹر

لاہور: 30 ستمبر 2022ء

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.

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.

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 had taken multiple steps and adopted various guidelines/SOPs and protocols as advised by NCOC in last year. The company has managed to conduct special arrangements 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 in last year. The management has also focused to keep all the working places clean and germs-free using various antibacterial techniques.

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 the Annual Report of your Company for the year ended June 30, 2022.

Since last year, 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. But during the current fiscal year, unprecedented devaluation of Pak Rupee, high inflation, international oil & gas prices, and social-political uncertainty in the country have affected the various industries' growths.

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, 2022, 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 June 30, 2022. 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 Directors, 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 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: September 30, 2022



SUMMARY OF FINANCIAL HIGHLIGHTS



	2022	2021	2020	2019	2018	2017
Rupees are in thousands						
Operating Results						
Net Sales	1,346,050	1,252,220	1,494,183	1,121,781	475,518	674,149
Gross (loss) / profit	(170,579)	117,499	(44,449)	(103,908)	(206,682)	(265,232)
(Loss) / profit before Tax	(261,742)	46,056	(447,245)	(144,038)	(289,554)	(488,663)
(Loss) / profit after Tax	(269,442)	25,457	(464,205)	(135,622)	(284,034)	(491,751)
Dividend / bonus	-	-	-	-	-	-
Financial Position						
Property, plant and equipment	2,488,135	2,590,236	1,907,683	1,989,838	2,100,348	1,372,672
Current Assets	572,954	390,279	716,321	1,029,331	552,757	775,741
Current Liabilities	1,802,394	1,502,990	1,594,735	1,686,257	1,256,396	1,664,255
Current portion of Long Term Liabilities	7,746	24,218	25,920	83,131	188,251	284,057
Long Term Loans	-	5,158	26,927	35,129	119,948	266,415
Director's loan - unsecured	313,235	313,235	313,235	313,080	3,153,002	3,143,201
Subordinated Loan-Unsecured	3,635,082	3,635,082	3,635,082	3,635,082	482,080	482,080
Share Capital	2,616,000	2,616,000	2,616,000	2,616,000	2,616,000	1,716,000
Financial Ratios						
Gross (Loss) / Profit ratio	-12.67%	9.38%	-2.97%	-9.26%	-43.46%	-39.34%
(Loss) / Profit before tax ratio	-19.45%	3.68%	-29.93%	-12.84%	-60.89%	-72.49%
(Loss) / Profit after tax ratio	-20.02%	2.03%	-31.07%	-12.09%	-59.73%	-72.94%
Current ratio	0.318	0.260	0.449	0.592	0.440	0.466
Working Capital	(1,229,440)	(1,112,711)	(878,414)	(656,926)	(703,639)	(888,514)

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 2022 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 2022, 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 Act, 2017 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.
- vii. All direct and indirect trading in and holdings of the company's shares by Directors and executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction. All such transactions have been disclosed.

INTERNAL AUDIT FUNCTION

- viii. The internal control framework was effectively implemented 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 2022 and shall retire on the conclusion of the 42nd Annual General Meeting.
- xiii. The final Management Letter is required to be submitted within 45 days of the date of the Auditors' Report on the financial statements under the listing regulations and shall therefore accordingly be discussed in the next Board Audit Committee meeting.
- xiv. The Audit firm has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.

- xv. Being eligible for reappointment under the listing regulations, the Board Audit Committee recommends their reappointment for the financial year ending 30 June 2023 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 partially compliant with the provision with regard to their directors' training program. Four 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 two directors in coming years at the time of composition of new board.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The Board has formed committees comprising of members given below:
- a. Audit Committee**
- Mr. Faisal Aftab Ahmad (Independent Director)
- Mr. Muhammad Niaz Paracha
- Mr. Muhammad Tousif Peracha
- b. HR & Remuneration Committee**
- Mr. Sana Ullah Khan Ghory (Independent Director)
- Mr. Muhammad Tousif Peracha
- 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: September 30, 2022

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, 2022 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, 2022.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No	Paragraph Reference	Description
1	9	Two directors out of seven directors of the Company have not acquired the prescribed certification under the Directors' Training Program as required under Regulation 19 of the Regulations.

UDIN: CR202210205fXVbZyF3D
Date: October 03, 2022
Lahore

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, 2022, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss and other comprehensive loss, 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 2022 the Company has accumulated loss of **Rs. 5,994.715 million** which have resulted in net capital deficiency of **Rs. 2,835.938 million** and, as of that date, its current liabilities exceeded its current assets by **Rs. 1,368.854 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>1. Non-current assets classified as held for sale.</p> <p>Refer to note 18 to the financial statements and the accounting policy in note 3.5.21 to the financial statements.</p> <p>The company has owned 49.99% shares in its associated company i.e., Paidar Hong Glass (Pvt.) Limited. As at June 30, 2022, the carrying amount of investment in associated company is Rs. 139.414 million. The project's installation /operation remained awaited since 2018 due to the non-execution of contractual responsibility by the joint venture partner.</p> <p>The Company has classified this non-current investment as held for sale based on the agreement and approval in Board of Directors meeting held subsequent to year end, to divestment of its entire shareholding at current book value to the Director of the Company to settle his current payable balance being provided to support financial / working capital requirements of the entity.</p>	<p>Our audit procedures to assess the classification of non-current investment as held for sale, amongst others, include the following:</p> <ul style="list-style-type: none"> ● 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; ● Assessed the appropriateness of management's plans to sell the investment; ● Review and evaluation of the Board of Directors' and management's process to determine fair value; ● Obtaining the Board of Directors (BOD) confirmation regarding approval of divestment of the entire non-current investment as well as consent from the Director for the aforementioned settlement transaction against his current payable balance.

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
<p>According to IFRS 5, non-current assets should be classified as held-for-sale if their carrying value will be recovered principally through a sales transaction rather than through continuing use.</p> <p>We have considered this area as a key audit matter as it is important to evaluate whether the required conditions as per IFRS-5 have been properly met for such classification. According to IFRS 5, non-current assets should be classified as held-for-sale if their carrying value will be recovered principally through a sales transaction rather than through continuing use.</p> <p>We have considered this area as a key audit matter as it is important to evaluate whether the required conditions as per IFRS-5 have been properly met for such classification.</p>	<ul style="list-style-type: none"> Finally, we evaluated the adequacy, appropriateness and completeness of disclosures made in the financial statements pursuant to applicable accounting and reporting standards.

2. Stock in trade

Refer to note 20 to the accompanying financial statements, as at the year end, the Company held stock in trade amounting to Rs. 282.075 million, after write down of Rs. 12.679 million. The stock in trade write down is calculated by considering the NRV of related stock in trade while mainly keeping in view the estimated selling price and cost necessary to be incurred to make the sale.

We have considered this area to be a key audit matter due to judgements involved in estimating the NRV of underlying stock in trade as well as the management judgment in determining an appropriate costing basis and assessing its valuation.

Our audit procedures included the following:

- observing physical inventory counts to ascertain the condition and existence of stock in trade;
- understanding and evaluating the appropriateness of the basis of identification of the obsolete stock;
- evaluating the historical accuracy of writing down of stock in trade to its NRV assessed by management by comparing the actual loss to historical written down value of stock in trade recognized, on a sample basis;
- performing tests on sample of items to assess the NRV of the stock in trade held,
- evaluating the adequacy of calculation of NRV as at the yearend;
- testing cost of goods with underlying invoices and expenses accounted for in accordance with stock valuation method;
- reviewing the minutes of the relevant meetings at the management and Board level to identify any indicators of obsolescence;
- testing the NRV of the stock held by performing a review of sales close to and subsequent to the year-end and compared with the cost for a sample of products; and
- We further assessed the adequacy of financial statement disclosures in accordance with the applicable reporting framework.

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.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALOCHISTAN GLASS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALOCHISTAN GLASS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS



Report on Other Legal and Regulatory Requirements

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

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

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

UDIN: AR202210205DW7gRhUHw
Date: October 03, 2022
Lahore


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



AUDITED FINANCIAL STATEMENTS 2022

STATEMENT OF FINANCIAL POSITION

As At June 30, 2022



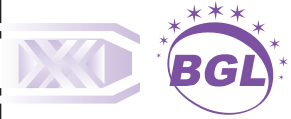
	Note	2022	2021
(Rupees in Thousands)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	4	2,666,000	2,666,000
Issued, subscribed and paid-up share capital	5	2,616,000	2,616,000
Discount on shares	6	(514,800)	(514,800)
		2,101,200	2,101,200
Capital reserve			
Revaluation surplus on property, plant and equipment - net of deferred tax	7	1,057,577	1,070,997
Revenue reserve			
Accumulated loss		(5,994,715)	(5,738,693)
		(2,835,938)	(2,566,496)
Subordinated loans - unsecured	8	3,635,082	3,635,082
Director's loan - unsecured	9	313,235	313,235
		1,112,379	1,381,821
NON-CURRENT LIABILITIES			
Long term liabilities	10	82,167	158,007
Deferred liabilities	11	64,149	74,781
		146,316	232,788
CURRENT LIABILITIES			
Trade and other payables	12	832,425	644,544
Unclaimed dividend		164	164
Mark up accrued	13	109,880	124,979
Short term borrowings	14	852,179	709,085
Current maturity of long term loans	15	7,746	24,218
		1,802,394	1,502,990
CONTINGENCIES AND COMMITMENTS			
	16		
TOTAL EQUITY AND LIABILITIES		3,061,089	3,117,599
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	2,488,135	2,590,236
Long term investment	18	-	137,084
		2,488,135	2,727,320
CURRENT ASSETS			
Stores, spare parts and loose tools	19	89,327	78,348
Stock in trade	20	282,075	156,358
Trade debts	21	11,848	50,163
Loans and advances	22	34,009	40,675
Trade deposits, prepayments and other receivable	23	4,893	4,934
Taxes recoverable	24	5,576	12,419
Cash and bank balances	25	5,812	47,382
		433,540	390,279
Non-current assets classified as held for sale	18	139,414	-
TOTAL ASSETS		3,061,089	3,117,599

The annexed notes from 1 to 42 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, 2022



	Note	2022	2021
		(Rupees in Thousands)	
Sales - net	26	1,346,050	1,252,220
Cost of sales	27	(1,516,629)	(1,134,721)
Gross (loss) / profit		(170,579)	117,499
Administrative and selling expenses	28	(73,577)	(60,606)
Other expenses	29	(16,753)	(7,515)
Other income	30	102,345	72,395
Operating (loss) / profit		(158,564)	121,773
Finance cost	31	(105,508)	(87,170)
		(264,072)	34,603
Share of profit from an associated company	18	2,330	11,453
(Loss) / profit before taxation		(261,742)	46,056
Taxation - net	32	(7,700)	(20,599)
(Loss) / profit after taxation		(269,442)	25,457
(Loss) / earnings per share - basic and diluted (Rs.)	33	(1.03)	0.10

The annexed notes from 1 to 42 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, 2022



	Note	2022	2021
(Rupees in Thousands)			
(Loss) / profit after taxation		(269,442)	25,457
Other comprehensive income		-	-
Items that may be subsequently reclassified to statement of profit or loss:			
Revaluation surplus on property, plant and equipment		-	477,918
Related deferred tax		-	(10,827)
		-	467,091
Total comprehensive (loss) / income for the year		<u>(269,442)</u>	<u>492,548</u>

The annexed notes from 1 to 42 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, 2022



Issued, Subscribed and Paid up Share Capital	Discount on shares	Capital reserve	Revenue reserve	Total Equity
		Revaluation surplus on property, plant and equipment	Accumulated Loss	

(Rupees in thousands)

Balance as on June 30, 2020 (audited)

2,616,000 (514,800) 616,122 (5,776,366) (3,059,044)

Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) -note 7

-	-	(12,216)	12,216	-
-	-	-	25,457	25,457
-	-	467,091	-	467,091

Total comprehensive income for the year

Profit after taxation for the year
Other comprehensive income for the year -net

- - 454,875 37,673 492,548

Balance as on June 30, 2021

2,616,000 (514,800) 1,070,997 (5,738,693) (2,566,496)

Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) - note 7

-	-	(13,420)	13,420	-
-	-	-	(269,442)	(269,442)
-	-	-	-	-

Total comprehensive loss for the year

Loss after taxation for the year
Other comprehensive loss for the year -net

- - (13,420) (256,022) (269,442)

Balance as on June 30, 2022

2,616,000 (514,800) 1,057,577 (5,994,715) (2,835,938)

The annexed notes from 1 to 42 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, 2022



	Note	2022	2021
(Rupees in Thousands)			
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(261,742)	46,056
Adjustments for non-cash charges and other items:			
Depreciation for the year	17.2	156,710	141,285
Allowance for doubtful balances	29	16,753	4,080
Reversal of provision for default surcharge on taxation	30	(11,386)	(28,569)
Reversal of accrued markups on settlement with bank & associates	30	(89,193)	-
Gain on disposal of operating fixed assets	30	(1,633)	(3,764)
Winding up of discount on (GIDC) payable -net		-	(39,870)
Finance cost	31	105,508	87,170
Share of profit from an associated company	18	(2,330)	(11,453)
Workers' profit participation fund		-	2,473
Workers' welfare fund		-	940
Operating profit before working capital changes		(87,313)	198,348
Working capital changes			
<i>(Increase) / Decrease in current assets</i>			
Stores, spare parts and loose tools		(10,979)	(21,480)
Stock in trade		(125,717)	93,081
Trade debts		22,630	54,061
Loans and advances		6,666	(2,552)
Trade deposits, prepayments and other receivables		(1,027)	98
<i>Increase / (Decrease) in current liabilities</i>			
Trade and other payables		125,225	(20,713)
		16,798	102,495
Cash (used in) / generated from operations		(70,515)	300,843
Payments for:			
Finance cost		(18,590)	(63,817)
Taxes		(17,286)	(34,163)
Staff retirement benefits		(3,667)	(14,421)
Net cash (outflow) / inflow from operating activities	A	(110,058)	188,442
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure paid		(54,674)	(264,219)
Proceeds from disposal of operating fixed assets		1,698	4,119
Net cash outflow from investing activities	B	(52,976)	(260,100)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term liabilities - net		(21,630)	(23,471)
Short term borrowings - net		143,094	(2,973)
Net cash inflow/ (outflow) from financing activities	C	121,464	(26,444)
Net decrease in cash and cash equivalents	A+B+C	(41,570)	(98,102)
Cash and cash equivalents at beginning of the year		47,382	145,484
Cash and cash equivalents at end of the year		5,812	47,382

The annexed notes from 1 to 42 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, 2022



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 incurred gross loss of Rs. 170.579 million as compared to gross profit of Rs. 117.499 million in the corresponding period despite marginal increase in net sales of Rs. 93.830 million from the corresponding period. Exorbitant increase in gas prices along with the interrupted gas supply and the prevailing inflationary environment have majorly contributed towards the gross loss during the year. Further, the financial statements as at the reporting date are showing net loss of Rs. 269.442 million (2021: Profit Rs. 25.457 million) and has accumulated loss of Rs. 5,994.715 million (2021: Rs. 5,738.693 million) at the year-end which resulted in negative equity of Rs. 2,835.938 million (2021: Rs. 2,566.496 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 1,368.854 million (2021: Rs. 1,112.711 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, improvements in 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:

Due to prevailing high energy prices, fierce market rivalry, excessive inventory levels, management has decided to temporarily halt the production of tableware glass at Unit III as of May 27, 2022. However, the company has enough stock throughout this suspension period to meet consumer demands in the upcoming months and to minimize its operational liabilities.

In line with previous practice, the directors have provided additional financing support to the Company to meet working capital and other operational requirements. The management is also honoring its all restructured arrangements with the banks and has complied with respective repayment terms towards financial institutions. During the year, the Company has settled outstanding long-term loan with two out of three banks and also reached a mutual settlement arrangement with two related parties.

During the last financial year, the Company has completed the refurbishment of its second furnace at Unit-III (Kot Abdul Malik, Lahore). With this refurbishment and capacity expansion, the management is optimistic in its ability to gain greater market share through improved production quality, the introduction of a new line of glass tableware goods and the planned inclusion of new press machine in the existing production line can help offset the effects of incremental costs in the future.

Management is intending to take various strategic decisions to make cost efficient operations before restarting its production of tableware glass at Unit – III by the end of second quarter of next financial year. Management is also planning to revise various company's policies including better marketing strategies, efficient production controls and effective human resource across the company. In addition, the management also intends to replan the operational strategies at Unit-I and Unit-II and is fully committed to revive these units subject to availability of funds.

Keeping in view the positive growth in revenue, bright future prospects of the tableware glass industry and continuously engagement of management in making utmost efforts to explore new possibilities and fostering functional excellence in order to increase company profitability, the management feels confident that it will be able to handle the Company's liquidity related issues in the foreseeable future and to operate its business on sustainable basis.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

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

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

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

3.2 New and revised laws, standards and interpretations

3.2.1 Standards, amendments and Interpretations adopted during the year

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

IFRS 9/ IAS 39/	
IFRS 7 / IFRS 16	Interest Rate Benchmark reform – phase 2 (amendments).
IFRS 16	Covid-19 related Rent Concessions beyond June 30, 2021 (amendments).

The adoption of the above amendments / accounting standards did not have any significant impact on the financial statements.

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 or non-current (Amendments)	1 January 2023
IAS 1 Presentation of Financial Statements - Disclosure of accounting policies (Amendments)	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding definition of Accounting Estimates	1 January 2023
IAS 12 Income Taxes - deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IAS 16 Property, Plant and Equipment - Proceeds before intended use (Amendments)	1 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Onerous Contracts - Cost of fulfilling a contract (Amendments)	1 January 2022
IAS 41 Agriculture; Taxation in fair value measurements (Amendments)	1 January 2022
IFRS 3 Business Combinations; Reference to the Conceptual Framework (Amendments)	1 January 2022
IFRS 9 Financial instruments; Fees in the '10 percent' test for derecognition of financial liabilities (Amendments)	1 January 2022
IFRS 10 Consolidated financial statements and Investment in Associates / IAS 28 - (the sale or contribution of assets between an investor and its associate or joint venture)	Not yet finalized

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, 2022



3.5 SIGNIFICANT ACCOUNTING POLICIES

3.5.1 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.5.2 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.

3.5.3 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.

3.5.4 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 18 to the financial statements.

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

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.

3.5.5 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.

3.5.6 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



3.5.7 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 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.

3.5.8 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.

3.5.9 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.

3.5.10 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.

3.5.11 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.

3.5.12 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.

3.5.13 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.



3.5.14 Classification of financial assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. A 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.

3.5.15 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.

3.5.16 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, 2022



3.5.17 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.

3.5.18 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.

3.5.19 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.

3.5.20 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.

3.5.21 Non-current assets classified as held for sale

Non current assets are classified as assets held for sale and carried at the lower of carrying amount and fair value less cost to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use. These assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less cost to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the statement of profit or loss.

3.5.22 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.

3.5.23 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.



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



3.5.24 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.

3.5.25 Earnings per share

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

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

4 AUTHORIZED SHARE CAPITAL

2022	2021	Note	2022	2021
Numbers of shares			(Rupees in Thousands)	
261,600,000	261,600,000	Ordinary shares of Rs. 10 each	2,616,000	2,616,000
5,000,000	5,000,000	Preference shares of Rs. 10 each	50,000	50,000
266,600,000	266,600,000		2,666,000	2,666,000

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
261,600,000	261,600,000		2,616,000	2,616,000

5.1 766 (2021: 26,067,922) 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	1,070,997	616,122
Revaluation surplus arisen during the year - net of deferred tax	-	467,091
	1,070,997	1,083,213
Revaluation surplus transferred to accumulated loss in respect of: - incremental depreciation charged during the year - net of deferred tax	(13,420)	(12,216)
Closing Balance - net of deferred tax	1,057,577	1,070,997

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



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.

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	2022	2021
(Rupees in Thousands)			
8 SUBORDINATED LOANS - Unsecured			
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>
8.1 Subordinated loans from directors and their associate - unsecured			
From related parties (Directors)			
- Local currency		82,493	82,493
From sponsors and shareholders			
- Foreign currency		399,587	399,587
		<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, 2022



	Note	2022	2021
(Rupees in Thousands)			
8.2 Subordinated loans - unsecured			
- Muhammad Tousif Paracha			
- 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
- Shaffi Uddin Paracha - Director			
- Long term loan	8.2.1	97,399	97,399
- Mian Nazir Ahmed Paracha - Director			
- Long term loan	8.2.1	100,001	100,001
- Other associate			
- 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 This represent the long term loan provided by Mr. Muhammad Tousif Paracha (Director) to meet the capital and operational requirements of the Company. The above 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
Gas Infrastructure Development Cess (GIDC) payable	10.2	82,167	152,849
		82,167	158,007

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



	Note	2022	2021
(Rupees in Thousands)			
10.1 Long term loans - secured			
From banks and financial institutions - Secured			
FBL - Mark up	10.1.1	-	7,528
NBP - DF I	10.1.2	4,873	11,373
NBP - DF II (Frozen Markup)	10.1.2	2,873	6,725
AlBaraka - Restructured loan	10.1.3	-	3,750
		7,746	29,376
Current and overdue portion presented under current liabilities			
FBL - Deferred markup	10.1.1	-	(6,438)
FBL - Deferred markup - over due	10.1.1	-	(1,090)
NBP - DF I	10.1.2	(3,248)	(6,500)
NBP - DF I - overdue	10.1.2	(1,625)	(1,625)
NBP - DF II (Frozen Markup)	10.1.2	(1,910)	(3,852)
NBP - DF II (Frozen Markup) - overdue	10.1.2	(963)	(963)
AlBaraka - Restructured loan	10.1.3	-	(3,750)
		(7,746)	(24,218)
		-	5,158

10.1.1 This represents the mark up payable relating to the restructuring agreement with the bank. During the current year, company has repaid the liability within the stipulated time limit i.e. December, 2021.

10.1.2 The Company had entered into an amicable compromised restructuring of its deferred finance facility along with markup with National Bank of Pakistan in November 2016. Through this arrangement, balance of running finance facility amounting to Rs. 32.498 million after making the upfront payment of Rs. 17.499 million is repayable in 5 years in 20 quarterly installments @ 3 months KIBOR plus 1%. The Bank has also restructured the mark up amounting to Rs. 19.253 million after the upfront payment of Rs. 10.367 million, that is repayable in 20 equal quarterly installments over 5 years. The facility is secured against first pari passu hypothecation charge on plant and machinery and equitable mortgage charge over the land of the Company amounting to Rs. 67.000 million each.

During the financial year 2020, Company has sought SBP relief under Covid-19 circumstance, for deferment of repayment instalments from December, 2021 to December, 2022.

10.1.3 This represents payable against restructuring agreement with Al Baraka Bank (Pakistan) Limited in respect of its outstanding credit facility. However, company has repaid the liability within the stipulated time limit during the current year.

10.2 Gas Infrastructure Development Cess (GIDC) payable

Gas Infrastructure Development Cess (GIDC) payable		299,351	289,085
Current portion shown under trade and other payables	12	(217,184)	(136,236)
		82,167	152,849

During the last year, the Honorable Supreme Court of Pakistan (SCP) has decided the Appeal against consumers upholding the vires of GIDC Act, 2015 through its judgement dated August 13, 2020. The SCP on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act, 2015 in complete sense and the benefits allowed under its Section 8(2) to the industrial sector is also available. Further, payment of due GIDC was allowed in 48 installments instead of 24 installments.

However, the Company has also filed Suits 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 Gas Infrastructure Development Cess (GIDC) payable from the Company till the finalization of matter by the Courts. The matter is currently pending in the Courts.

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 reporting date, in accordance with the SCP decision on review petition.

	Note	2022	2021
(Rupees in Thousands)			
11 DEFERRED LIABILITIES			
Deferred taxation - net	11.1	60,482	69,608
Employees retirements benefits - gratuity	11.5	3,667	5,173
		64,149	74,781
11.1 Deferred taxation - net			
Credit balances arising due to:			
- Accelerated tax depreciation allowances		142,438	149,802
Debit balances arising due to:			
- Staff gratuity		(1,063)	(1,485)
- Relating to provisions		(56,202)	(50,809)
- Unused tax losses	11.2	(741,141)	(784,694)
- Available tax credits	11.3	(53,098)	(43,013)
Deferred tax asset		(709,066)	(730,199)
Deferred tax asset not recognized	11.4	709,066	730,199
		-	-
Deferred tax liability relating to revaluation surplus on property, plant and equipment - opening balance		62,631	56,794
on property, plant and equipment - arisen during the year		-	10,827
Incremental depreciation		(5,481)	(4,990)
Remeasurement gain on GIDC payable - net		3,332	6,977
		60,482	69,608
Deferred tax liability - net		60,482	69,608
11.2 Expiry of business and depreciation losses is as follows:			
		Unused Tax Losses	Expiry in Tax Year
		(Rs. '000')"	
Nature			
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
Business loss for Tax Year 2022		102,150	2028
		593,732	
Accumulated unabsorbed depreciation loss		1,961,928	No expiry
		2,555,660	
11.3 Expiry of available tax credits is as follows :			
Minimum tax for Tax year 2020		17,684	2025
Minimum tax for Tax year 2021		18,588	2026
Minimum tax for Tax year 2022		16,826	2027
		53,098	

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



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

	Note	2022	2021
(Rupees in Thousands)			
11.5 Employees retirements benefits			
Staff gratuity:			
Opening balance		5,173	10,995
Less: Payments during the year		(1,506)	(5,822)
	11.5.1	3,667	5,173

11.5.1 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'.

12 TRADE AND OTHER PAYABLES

Trade creditors		348,384	247,296
Accrued expenses	12.1	132,765	139,856
Advances from customers		64,882	58,962
Employees' provident fund		2,475	285
Sales tax payable		32,564	20,183
Income taxes payable		18,312	22,040
Current and overdue portion of GIDC payable	10.2	217,184	136,236
Others		14,721	16,273
Workers' profit participation fund	12.2	198	2,473
Workers' welfare fund		940	940
		832,425	644,544

12.1 This includes Rs. 21.780 million (2021: Rs. 21.780 million) against the rent payable to the Director.

12.2 Workers' profit participation fund

Opening balance		2,473	-
Provision for the year		-	2,473
Interest on funds utilized in business		25	-
Paid during the year		(2,299)	-
Closing balance		198	2,473

13 MARK UP ACCRUED

Mark up accrued	13.1	109,880	124,979
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13.1 This includes an amount of Rs. 106.012 million (2021: Rs. 31.090 million) payable to associated company (Gharibwal Cement Limited).



	Note	2022	2021
(Rupees in Thousands)			
14 SHORT TERM BORROWINGS			
From Bank - Bank of Punjab (secured)			
Short term running finance	14.1	89,900	88,610
From related parties - Unsecured			
Associated company	14.2	587,366	587,874
Directors			
-Mr. Shaffi uddin Paracha		23,801	2,601
-Mr. Nazir Ahmed Paracha		33,500	10,000
-Mr. Muhammad Tousif Paracha		117,167	20,000
	14.3	174,468	32,601
Temporary bank overdraft	14.4	445	-
		852,179	709,085
14.1	This represents running finance facility limit of Rs. 90.000 million (2021: Rs. 150.000 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, 2023. The unutilized portion of this facility as at year end amounting to Rs. 0.100 million (2021: Rs. 61.390 million).		
14.2	This represents unsecured loan / short term advance facility of Rs. 600.000 million (2021: 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 (2021: 3 months KIBOR + 3.5% p.a). This balance also included settlement of payable amount of Rs.0.531 million (2021 : Rs. 0.508 million) on account of purchase of stores and spares from GCL during the year. The unavailed portion from the above facility amounted to Rs. 12.634 million (2021: Rs. 12.126 million) as at year end.		
14.3	These represent temporary loans obtained from directors for working capital requirements and payable on demand. These loans are unsecured and interest free.		
14.4	This represents the un-presented cheques issued in excess of available balances in the bank account. (2021: Nil)		
15 CURRENT MATURITY OF LONG TERM LOANS			
FBL - Frozen Markup	10.1.1	-	7,528
NBP - DF I	10.1.1	4,873	8,125
NBP - DF II (Frozen Markup)	10.1.1	2,873	4,815
AlBaraka - Restructured loan	10.1.1	-	3,750
		7,746	24,218
16 CONTINGENCIES AND COMMITMENTS			
16.1 Contingencies			
16.1.1	Bank guarantees amounting to Rs. 149.906 million (2021: Rs. 149.906 million) have been given by various banks on behalf of the Company on account of suigas connections.		
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 (2021: 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.		

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



Tax related contingencies

- 16.1.3** During the year, Assistant Commissioner Inland Revenue (ACIR) RTO Quetta has issued Sales Tax Order dated 08-Feb-2022 for the period from November 2017 to June 2018 thereby raising sales tax demand of Rs. 6.653 million against which the Company preferred an appeal with Commissioner Inland Revenue (Appeals), Quetta, who has upheld the impugned order of ACIR vide his order dated 15-Jun-2022. Subsequent to year end, an appeal has been filed in Appellate Tribunal Inland Revenue, Karachi which is pending for hearing.
- 16.1.4** During the year, ACIR RTO Quetta has issued a notice u/s 177 (1) dated 27-Jan-2022 against which compliance was duly made by the Company. Further proceedings are still awaited.
- 16.1.5** Keeping in view the nature of proceedings, availability of tax losses and tax related provisions, management is of considered opinion that Company may not be liable for any major tax liability in addition to what has already been recorded in the books as on June 30, 2022.

16.2 Commitments

Commitments in respect of capital expenditure of Nil (2021: Rs. 26.170 million) and import of moulds of Nil (2021: Rs. 23.700 million).

	Note	2022	2021
(Rupees in Thousands)			
17 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	17.1	2,463,090	2,559,344
Capital work in progress	17.6	25,045	25,045
Advance against purchase of plant and machinery		-	5,847
		<u>2,488,135</u>	<u>2,590,236</u>

17.1 Operating fixed assets

Particulars	2022											
	Cost / Revaluation					Depreciation / Impairment					Book value As at June 30, 2022	Rate % / Method
	Opening July 01, 2021	Additions / Transfer	Revaluation surplus	Disposal / Transfer	Closing June 30, 2022	Opening July 01, 2021	For the year	Disposal / Transfer	Closing June 30, 2022			
----- (Rupees in thousands) -----												
Freehold land	962,825	-	-	-	962,825	-	-	-	-	962,825	-	
Building on freehold land												
Factory	446,277	-	-	-	446,277	191,627	25,465	-	217,092	229,185	10	
Non factory	94,374	-	-	-	94,374	35,292	2,954	-	38,246	56,128	5	
Plant and machinery												
Owned	3,164,771	27,444	-	-	3,192,215	2,232,238	107,897	-	2,340,135	852,080	10 & 15	
Electric and gas installation	127,624	-	-	-	127,624	47,047	8,058	-	55,105	72,519	10	
Furniture and fixtures	12,876	-	-	-	12,876	10,707	217	-	10,924	1,952	10	
Office equipment	10,013	-	-	-	10,013	7,007	301	-	7,308	2,705	10	
Vehicles												
Owned	32,946	-	-	(1,925)	31,021	25,221	1,532	(1,860)	24,893	6,128	20	
Moulds	545,624	33,077	-	-	578,701	288,847	10,286	-	299,133	279,568	Units Produced	
	<u>5,397,330</u>	<u>60,521</u>	<u>-</u>	<u>(1,925)</u>	<u>5,455,926</u>	<u>2,837,986</u>	<u>156,710</u>	<u>(1,860)</u>	<u>2,992,836</u>	<u>2,463,090</u>		



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	514,713	30,911	-	-	545,624	276,499	12,348	-	288,847	256,777	Units Produced
	<u>4,665,333</u>	<u>260,338</u>	<u>477,918</u>	<u>(6,259)</u>	<u>5,397,330</u>	<u>2,702,605</u>	<u>141,285</u>	<u>(5,904)</u>	<u>2,837,986</u>	<u>2,559,344</u>	

	2022	2021
	(Rupees in Thousands)	
17.2 Depreciation charge for the year has been allocated as follows:		
Cost of sales	154,066	138,901
Administrative and selling expenses	2,644	2,384
	<u>156,710</u>	<u>141,285</u>

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, 2022	Accumulated Depreciation as at June 30, 2022	Book Value as at June 30, 2022	Book Value as at June 30, 2021
	(Rupees in thousands)			
Freehold land	45,167	-	45,167	45,167
Building on freehold land				
Factory	151,127	67,874	83,253	92,503
Non factory	19,353	14,366	4,987	5,249
	<u>215,647</u>	<u>82,240</u>	<u>133,407</u>	<u>142,919</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



	2022	2021
	(Rupees in Thousands)	
17.6 Capital work in progress - Movement		
Opening	25,045	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	25,045
17.7 Capital work in progress - Breakup		
Plant and machinery	25,045	25,045

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)	1,925	1,860	65	1,698	1,633	Negotiation	Miscellaneous
Total 2021	6,259	5,904	335	4,119	3,764		

17.9 Depreciation for moulds includes impairment loss amounting to Nil (2021: Rs. 3.287 million).

	Note	2022	2021
		(Rupees in Thousands)	
18 LONG TERM INVESTMENT			
Investment in associate - Paidar Hong Glass (Pvt.) Limited (Un-quoted)			
12,563,136 (2021: 12,563,136) fully paid ordinary shares of Rs. 10 each - cost		125,631	125,631
Company's share of profit in associate- brought forward		11,453	-
Share of profit for the year		2,330	11,453
		13,783	11,453
Less: Long term investment classified as held for sale	18.2	139,414 (139,414)	137,084 -
		-	137,084



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



18.1 The summary of financial information of associated company based on its un-audited financial statements for the year ended June 30, 2022 is as follows:

	Note	2022	2021
(Rupees in Thousands)			
Summarised statement of financial position			
Non-current assets		99,550	99,550
Current assets		192,535	185,971
		292,085	285,521
Non-current liabilities		-	-
Current liabilities		13,252	11,349
		13,252	11,349
Net assets		278,833	274,172
Company's share percentage		49.99%	49.99%
Company's share in net assets of associate		139,414	137,084
Carrying amount of investment at year-end		139,414	137,084
Summarised statement of profit or loss and other comprehensive income			
Other income		6,577	4,022
Profit before taxation		6,564	4,008
Profit after taxation		4,661	2,846
Reconciliation of net assets			
Net assets at beginning of the year		274,172	271,326
Add: Profit during the year		4,661	2,846
Net assets at end of the year		278,833	274,172

18.2 The Company (hereinafter BGL) owned 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, subsequent to the year end, the Board of Directors at its meeting held on September 30, 2022, has principally agreed and approved the divestment of entire shareholding in the aforementioned associated company at its current book value to Mr. M. Tousif Paracha (Director) to settle his current account balance provided to support financial / working capital requirements of the entity subject to execution of share purchase agreement and obtaining of requisite approvals. The Director has also expressed his willingness in the aforementioned transaction.

19 STORES, SPARE PARTS AND LOOSE TOOLS

Stores, spare parts and loose tools		89,327	78,348
-------------------------------------	--	--------	--------

20 STOCK IN TRADE

Raw and packing materials		48,135	62,901
Work in process		-	3,860
Finished goods	20.1	233,940	89,597
		282,075	156,358

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



- 20.1** Adjustments amounting to Rs. 12.679 million (2021: Rs. 3.353 million) have been made to closing inventory of finished goods to write down stocks to their net realizable value.

	Note	2022	2021
(Rupees in Thousands)			
21 TRADE DEBTS			
Unsecured but considered good		11,848	50,163
Unsecured but considered doubtful		80,961	65,276
Allowance for expected credit losses	21.1	92,809 (80,961)	115,439 (65,276)
		11,848	50,163
21.1 Allowance for expected credit losses			
Balance as at July 01, 2021		65,276	63,319
Charge for the year		15,685	1,957
Balance as at June 30, 2022	21.2	80,961	65,276

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)							
As at June 30, 2022							
Expected credit loss rate	0%	0.25%	1%	10%	50%	100%	
Expected total gross carrying amount at default	8,376	1,409	847	404	1,729	80,044	92,809
Expected credit loss	-	4	8	40	865	80,044	80,961
As at June 30, 2021							
Expected credit loss rate	0%	0.25%	1%	10%	50%	100%	
Expected total gross carrying amount at default	20,020	1,832	40,761	16,378	5,844	60,604	115,439
Expected credit loss	-	5	107	1,638	2,922	60,604	65,276

	Note	2022	2021
(Rupees in Thousands)			
22 LOANS AND ADVANCES			
Employees	22.1	1,854	1,854
Suppliers	22.2	88,322	94,454
Against expenses		18,903	19,437
		109,079	115,745
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)
		34,009	40,675

- 22.1** Aggregate amount due from executives of the Company is Rs. 0.606 million (2021: Rs. 0.606 million).

- 22.2** This includes an advance of Rs. 2.596 million (2021: Rs. 2.596 million) to associated company.



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



	Note	2022	2021
23 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE		(Rupees in Thousands)	
Short term deposits		22,394	22,428
Prepaid insurance		1,147	86
Other receivable	23.1	19,120	19,120
		42,661	41,634
Less: Allowance for doubtful short term deposits		(18,648)	(18,505)
Allowance for doubtful other receivables		(19,120)	(18,195)
	23.2	(37,768)	(36,700)
		4,893	4,934
23.1	This includes receivable from related party amounting to Rs. 0.925 million (2021: Rs. 0.925 million)		
23.2 Allowance for doubtful short term deposits & other receivables			
Balance as at July 01, 2021		(36,700)	(34,576)
Charge for the year		(1,068)	(2,124)
		(37,768)	(36,700)
24 TAXES RECOVERABLE			
Income tax - net of provision for taxation	24.1	5,576	12,419
24.1 Income tax - net of provision for taxation			
Advance income tax		11,744	11,960
Income tax refundable		10,658	19,177
Less: provision for taxation	32	(16,826)	(18,718)
		5,576	12,419
25 CASH AND BANK BALANCES			
Cash in hand		72	17
Cash at banks			
- Current accounts		5,639	47,270
- Saving accounts	25.1	101	95
		5,740	47,365
		5,812	47,382
25.1	These carry mark up at the rate 5.50% to 12.5% (2021: 5.50%) per annum.		
26 SALES - Net			
Local Sales - gross		1,644,023	1,480,869
Export Sales - gross		-	13,041
		1,644,023	1,493,910
Less: Sales tax		(266,283)	(234,537)
Trade discount		(31,690)	(7,153)
		1,346,050	1,252,220

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



	Note	2022	2021
(Rupees in Thousands)			
27 COST OF SALES			
Raw material consumed:			
Opening stock		62,901	45,915
Purchases		492,727	358,889
		555,628	404,804
Closing stock	20	(48,135)	(62,901)
		507,493	341,903
Power, fuel and water		686,640	341,709
Salaries, wages and other benefits	27.1	199,798	158,026
Stores and spares		77,713	23,637
Oil & lubricants		19,967	11,642
Repairs and maintenance		4,141	2,441
Communication		237	285
Traveling and conveyance		1,892	1,097
Legal and professional		1,664	893
Printing and stationery		369	233
Insurance		1,498	2,325
Entertainment		884	680
Depreciation	17.2	154,066	138,901
Rent, rates and taxes		750	882
		1,657,112	1,024,654
Adjustment of work in process:			
Opening Stock		3,860	837
Closing Stock	20	-	(3,860)
Cost of Goods Manufactured		1,660,972	1,021,631
Adjustment of finished goods:			
Opening Stock		89,597	202,687
Closing Stock	20	(233,940)	(89,597)
		1,516,629	1,134,721
27.1	Salaries, wages and other benefits include amount of Rs. 0.863 million (2021: Rs. 8.001 million) relating to staff retirement benefits.		
28 ADMINISTRATIVE AND SELLING EXPENSES			
Salaries and other benefits	28.1	22,113	18,337
Communication		1,217	785
Traveling and conveyance		13,200	9,470
Legal and professional		2,264	6,396
Advertisement		221	199
Printing and stationery		606	1,203
Power, fuel and water		140	160
Entertainment		942	760
Auditor's remuneration	28.2	1,312	1,364
Depreciation	17.2	2,644	2,384
Repairs and maintenance		93	85
Promotional discounts and incentives		1,555	1,851
Freight, handling and forwarding on local sale		27,228	17,532
Freight, handling and forwarding on export sale		-	64
Charity and donation	28.3	42	16
		73,577	60,606



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



28.1 Salaries and other benefits include Rs. 1.312 million (2021: Rs. 0.917 million) relating to staff retirement benefits.

	Note	2022	2021
(Rupees in Thousands)			
28.2 Auditor's remuneration:			
Statutory audit fee		819	819
Half yearly review		420	420
Certification related services		53	105
Out of pocket expenses		20	20
		<u>1,312</u>	<u>1,364</u>

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	15,685	1,957
Allowance for doubtful short term deposits	23.2	144	2,123
Allowance for other receivable	23.2	924	-
Exchange loss on foreign transactions - net		-	22
Workers' profit participation fund	12	-	2,473
Workers' welfare fund	12	-	940
		<u>16,753</u>	<u>7,515</u>

30 OTHER INCOME

Income from non financial assets

Gain on disposal of fixed assets	17.8	1,633	3,764
Reversal of provision for default surcharge on taxation		11,386	28,569
Mark up written back on settlement with bank/other associates		89,193	-
Profit from bank deposits		6	192
Exchange gain on foreign transactions -net		127	-
Winding up of discount on GIDC payable		-	39,870
		<u>102,345</u>	<u>72,395</u>

31 FINANCE COST

Mark up on

- Long term loans			
- banks and financial institutions		898	1,514
- Short term borrowings			
- banks and financial institutions		12,460	6,579
- related parties		75,441	60,280
Unwinding of GIDC		12,824	15,558
Bank charges		3,860	3,239
Interest on WPPF		25	-
		<u>105,508</u>	<u>87,170</u>

32 TAXATION

Current	24.1	16,826	18,718
Prior		-	(106)
Deferred		(9,126)	1,987
		<u>7,700</u>	<u>20,599</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



For the purpose of current taxation, the tax losses available for carry forward as at June 30, 2022 are estimated at Rs. 2,555.660 million (2021: Rs. 2,716.091 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 1.25% of turnover (2021: 1.5% of turnover) under section 113 of the Income Tax Ordinance, 2001.

33 (LOSS) / EARNINGS PER SHARE - Basic and diluted	Note	2022	2021
There is no dilutive effect on the basic loss per share of the Company, which is based on:		(Rupees in Thousands)	
(Loss) / Profit after taxation		(269,442)	25,457
Weighted average ordinary shares in issue during the year	Number of shares	261,600,000	261,600,000
(Loss) / Earnings per share - Basic and diluted	(Rupees)	(1.03)	0.10
34 FINANCIAL INSTRUMENTS BY CATEGORY			
FINANCIAL ASSETS			
At amortized cost			
Trade debts - net	21	11,848	50,163
Loans and advances	22	1,854	1,854
Deposits and other receivables - net	23	3,746	4,848
Cash and bank balances	25	5,812	47,382
		23,260	104,247
At fair value through profit or loss			
Long term investment	18	-	137,084
		23,260	241,331
FINANCIAL LIABILITIES			
At amortized cost			
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	7,746	29,376
Trade and other payables	12	498,345	403,710
Unclaimed dividend		164	164
Markup accrued	13	109,880	124,979
Short term borrowings	14	852,179	709,085
		5,416,631	5,215,631

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.



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



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

	2022	2021
	(Rupees in Thousands)	
Trade debts	11,848	50,163
Loans and advances	1,854	1,854
Deposits and other receivables	3,746	4,848
Bank balances	5,740	47,365
	23,188	104,230

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, 2022 the Company has 3 customers that owed more than Rs. 5.000 million each (2021: 4 customers that owed more than Rs. 5.000 million each) and accounted for approximately 32% (2021: 37%) of all trade debts.

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

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

	2022				
	Carrying Amount	Contractual Cash Flow	Upto One year	One to Five Years	More Than Five Years
	(Rupees in Thousands)				
Financial Liabilities					
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)	7,746	7,746	7,746	-	-
Trade and other payables	498,345	498,345	498,345	-	-
Unclaimed dividend	164	164	164	-	-
Markup accrued	109,880	109,880	109,880	-	-
Short term borrowings	852,179	852,179	852,179	-	-
	5,416,631	5,416,631	1,468,314	-	3,948,317

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



	2021				
	Carrying Amount	Contractual Cash Flow	Upto One year	One to Five Years	More Than Five Years
	(Rupees in Thousands)				
Financial Liabilities					
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	-	-
	5,215,631	5,215,631	1,262,156	5,158	3,948,317

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.

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, 2022.

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:

	2022	2021
	(Rupees in Thousands)	
Variable rate instruments at carrying amounts:		
Financial liabilities		
Long term financing (Including Current Portion)	4,873	15,123
Short term borrowings	677,266	676,484
	682,139	691,607
Financial assets		
Saving accounts	(101)	(95)
Net financial liabilities at variable interest rates	682,038	691,512

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.



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



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:

	2022	2021
	(Rupees in Thousands)	
Effect on loss due to change of 100 BPs		
Increase / (decrease)	6,820	6,915

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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).
- 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, 2022 and June 30, 2021 were as follows:

Total debt (including directors' interest free loan)	4,808,242	4,686,778
Less: Cash and bank balances	(5,812)	(47,382)
Net debt	4,802,430	4,639,396
Total equity	(2,835,938)	(2,566,496)

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in Thousands)							
Managerial remuneration	225	-	-	-	7,857	8,468	8,082	8,468
House rent allowance	135	-	-	-	4,318	5,084	4,453	5,084
Utilities	68	-	-	-	2,159	2,550	2,227	2,550
Medical	68	-	-	-	2,159	2,542	2,227	2,542
Conveyance	5	-	-	-	160	189	166	189
Provident fund contribution	-	-	-	-	472	499	472	499
	500	-	-	-	17,125	19,332	17,625	19,332
Number of persons	1	1	1	1	5	6	6	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: -

	% age shareholding	2022	2021
(Rupees in Thousands)			
Associated Entities:			
Gharibwal Cement Limited (Common directorship)			
Short term loan paid-net		634	-
Purchases		532	3,012
Payment against supplies		405	2,503
Markup charged on the loan		75,441	60,280
Markup paid / adjusted during the period		859	48,976
Shahpur Commerce (Pvt.) Limited (Common directorship)			
Purchases		9,853	7,961
Payment against supplies		4,259	-
Pak Hy Oils Limited (Shareholding)			
Accrued markup waived off- written back- net	0.0003%	66,827	-
Directors & their associates:			
Mr. Tousif Paracha (Director)			
Loan received- net	67.25%	97,167	20,000
Mian Nazir Ahmed Paracha (Director/ CEO)			
Loan received / (paid) - net	0.0002%	23,500	10,000
Shafi Uddin Paracha (Director)			
Loan received - net	0.0002%	21,200	-
Muhammad Rehman (Directors' associate)			
Accrued markup waived off- written back- net		18,555	-
Employees retirement benefit plan:			
BGL Officers' Provident fund			
Contributions by the Company		2,175	1,461

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:



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



	2022		
	Glass Containers	Plastic Shells	Total
	(Rupees in Thousands)		
Revenue:			
Sales to external customers	1,644,023	-	1,644,023
Inter-segment sales	-	-	-
Gross Revenue	1,644,023	-	1,644,023
Less: Sales tax	(266,283)	-	(266,283)
Trade discount	(31,690)	-	(31,690)
Net Revenue	1,346,050	-	1,346,050
Cost of goods sold	(1,516,629)	-	(1,516,629)
Admin and selling expenses	(73,577)	-	(73,577)
Other expenses	(16,753)	-	(16,753)
Other income	102,345	-	102,345
	(1,504,614)	-	(1,504,614)
Segment result	(158,564)	-	(158,564)
Financial charges	(105,508)	-	(105,508)
Share of profit from an associated company	2,330	-	2,330
Taxation	(7,700)	-	(7,700)
Profit for the year	(269,442)	-	(269,442)
Other Information:			
Capital expenditure	54,674	-	
Depreciation	156,710	-	

	2021		
	Glass Containers	Plastic Shells	Total
	(Rupees in Thousands)		
Revenue:			
Sales to external customers	1,493,910	-	1,493,910
Inter-segment sales	-	-	-
Gross Revenue	1,493,910	-	1,493,910
Less: Sales tax	(234,537)	-	(234,537)
Discount on sales	(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)
Loss for the year	25,457	-	25,457
Other Information:			
Capital expenditure - Net	264,219	-	264,219
Depreciation	141,285	-	141,285

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



38.2 GEOGRAPHICAL INFORMATION

Revenue from external customers -net :

Pakistan
Exports (Asia)
Africa

	2022	2022
	(Rupees in Thousands)	
	1,346,050	1,239,179
	-	11,417
	-	1,624
	<u>1,346,050</u>	<u>1,252,220</u>

All non-current assets of the Company as at 30 June 2022 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

	2022		
	Long term loans from banks including current portion	Short term borrowings	Accrued/Deferred Mark up
	(Rupees in Thousands)		
Balance as at July 01, 2021	29,376	709,085	124,979
Changes from financing cash flows			
Proceeds from loans	-	141,804	-
Repayments of loans	(21,630)	1,290	-
Total Changes from financing activities	<u>(21,630)</u>	<u>143,094</u>	<u>-</u>
Finance cost	-	-	92,684
Finance cost paid	-	-	(18,590)
Mark up written back on settlement with bank/other associates	-	-	(89,193)
Total liability related other changes	<u>-</u>	<u>-</u>	<u>(15,099)</u>
Balance as at June 30, 2022	<u>7,746</u>	<u>852,179</u>	<u>109,880</u>
	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)	-
Total Changes from financing activities	<u>(23,471)</u>	<u>(2,973)</u>	<u>-</u>
Finance cost	-	-	71,612
Finance cost paid	-	-	(63,817)
Total liability related other changes	<u>-</u>	<u>-</u>	<u>7,795</u>
Balance as at June 30, 2021	<u>29,376</u>	<u>709,085</u>	<u>124,979</u>



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2022



40 CAPACITY AND PRODUCTION

Particulars	Unit	2022		2021	
		Capacity	Production	Capacity	Production
Based on 360 working days					
Glass containers	Tons	151,200	11,513	127,800	9,389
Plastic shells					
Full depth	Pieces	1,500,000	-	1,500,000	-
Half depth	Pieces	800,000	-	800,000	-
	Pieces	2,300,000	-	2,300,000	-

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 at the end of previous year (June 2021). The under utilization of the current capacity is on account of the prevailing lower market share of the Company in the table ware market. However, as disclosed in note 2, the company is facing significant going concern uncertainty due to increased input costs & economic slowdown prevailing in the country.

41 NUMBER OF EMPLOYEES

	2022	2021
	Numbers	
Number of employees at end of the year	120	268
Average number of employees during the year	357	255

42 GENERAL

- 42.1 These financial statements are presented in Pak Rupees and figures have been rounded off to the nearest thousand rupees.
- 42.2 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.
- 42.3 These financial statements are authorized for issue on **September 30, 2022** 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, 2022)

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



2.2 No. of Shareholders	From	To	Total Shares Held
803	1	100	24,961
802	101	500	296,948
650	501	1,000	614,419
1320	1,001	5,000	3,910,398
441	5,001	10,000	3,595,443
146	10,001	15,000	1,868,275
98	15,001	20,000	1,835,500
73	20,001	25,000	1,723,749
45	25,001	30,000	1,289,500
28	30,001	35,000	942,267
24	35,001	40,000	940,500
11	40,001	45,000	484,500
31	45,001	50,000	1,529,500
10	50,001	55,000	525,580
9	55,001	60,000	536,000
6	60,001	65,000	377,635
3	65,001	70,000	205,500
6	70,001	75,000	441,500
2	75,001	80,000	154,500
5	80,001	85,000	413,500
1	90,001	95,000	93,000
5	95,001	100,000	500,000
4	100,001	105,000	409,000
3	105,001	110,000	324,000
1	110,001	115,000	112,500
5	115,001	120,000	586,039
1	120,001	125,000	123,500
1	130,001	135,000	134,000
1	135,001	140,000	137,000
4	145,001	150,000	600,000
2	170,001	175,000	344,090
1	175,001	180,000	175,500
1	180,001	185,000	184,000
1	195,001	200,000	200,000
1	230,001	235,000	233,000
1	270,001	275,000	275,000
1	285,001	290,000	290,000
4	295,001	300,000	1,200,000
1	305,001	310,000	306,000
1	330,001	335,000	333,000
1	395,001	400,000	396,500
1	495,001	500,000	500,000
1	570,001	575,000	574,500
1	590,001	595,000	593,000
1	605,001	610,000	605,500
1	615,001	620,000	619,000
1	625,001	630,000	626,558
1	870,001	875,000	875,000
1	1,015,001	1,020,000	1,020,000
1	1,995,001	2,000,000	2,000,000
1	2,005,001	2,010,000	2,009,708
1	2,865,001	2,870,000	2,866,000
1	14,995,001	15,000,000	15,000,000
1	205,640,001	205,645,000	205,644,430
4567			261,600,000

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2022



2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	205,681,649	78.6245%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	766	0.0003%
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	0	0.0000%
2.3.7 Share holdersholding 10% or more	205,645,080	78.6105%
2.3.8 General Public		
(Local)	34,448,682	13.1685%
(Foreign)	415,176	0.0245%
2.3.9 Others (to be specified)		
Pension Funds	54,080	0.0207%
Foreign Companies	15,000,000	5.8681%
Joint Stock Companies	5,808,906	2.2205%
Other Companies	17,469	0.0067%



CATAGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG) AS AT JUNE 30, 2022



Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	PAK HY-OILS LTD (CDC)	766	0.0003%
Mutual Funds (Name Wise Detail)			
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. MUHAMMAD TAUSEEF PARACHA	205,645,080	78.6105%
2	MR. MUHAMMAD NIAZ PARACHA	500	0.0002%
3	MIAN NAZIR AHMED PARACHA	1,000	0.0004%
4	MR. SHAFFI UD DIN PARACHA	500	0.0002%
5	MRS. TABUSSAM TAUSEEF	33,237	0.0127%
6	MR. FAISAL AFTAB AHMAD	500	0.0002%
7	MR. SANA ULLAH KHAN GHORI	832	0.0003%
Executives:			
Public Sector Companies & Corporations:			
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:			
		227,302	0.0869%
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	MR. MUHAMMAD TAUSEEF PARACHA	205,645,080	78.6105%
2	GLOBALINK GLASS TECHNOLOGY AND EQUIPMENT COMPANY LIMITED (CDC)	15,000,000	5.7339%
All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:			
S.No	NAME	SALE	PURCHASE
1	MR. MUHAMMAD TOUSIF PERACHA (CDC)		29,709,156

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, 2022



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 42nd Annual General Meeting of the Company to be held on Friday, October 28, 2022 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 ,
2022.

Witness:

Signature

Name

Address

Note:

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

Signature

On Five
Rupees
Revenue
Stamp

www.balochistanglass.com
info@balochistanglass.com



Registered Office: Plot # 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 37164075