

(Reviewed)

Half Yearly Accounts
for the Half Year ended
December 31, 2007



Balochistan Glass Limited

An ISO 9001-2000 Certified Company



Corporate Information

BOARD OF DIRECTORS'

Muhammad Rehman	Chairman
Muhammad Tousif Paracha	Chief Executive
Tariq Siddiq Paracha	
A.A.Ademiluyi	
Muhammad Niaz Paracha	
Asif Muhammad Ali	
Muhammad Ishaque Khokhar	

COMPANY SECRETARY

Mian Ejaz Rasool

AUDIT COMMITTEE

Muhammad Ishaque Khokhar	Chairman
Muhammad Niaz Paracha	Member
Asif Muhammad Ali	Member

BANKS AND FINANCIAL INSTITUTIONS

The Bank of Punjab
Bank Al Falah Limited
ABN-AMRO Bank N.V
Al-Baraka Islamic Bank Limited
Citibank N.A
Faysal Bank Limited
KASB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
United Bank Limited
Hong Kong and Shanghai Banking Corporation Limited
First Dawood Investment Bank Limited
Atlas Bank Limited

AUDITORS

Faruq Ali & Company
Chartered Accountants

LEGAL ADVISOR

Syed Afaq Ali

REGISTERED OFFICE

Firdousi Manzil,
Rustamji Lane,
M.A. Jinnah Road, Quetta.

HEAD OFFICE

32-B/II, Main Gulberg,
Lahore.
Ph. 042-5712344, 5761004
Fax: 042-5756924
Web: www.balochistanglass.com

KARACHI OFFICE

M-7-10, Mezzanine Floor, Corniche Residence,
Khayaban-e-Saadi, Com-3, Block-2,
Clifton, Karachi.

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.
Ph. No. 042-5839182, 042-5887262



Directors' Report

We are pleased to present the un-audited financial statements of the company for the half year ended December 31, 2007 together with the auditors review report thereon. The operational results of the current period are as under:

	December 31, 2007	December 31, 2006
	(Rupees in thousand)	
Sales-Net	486,986	520,150
Gross Profit/(Loss)	(150,643)	109,613
(Loss) after Tax	(256,299)	(11521)

The net sale of the company is decreased by 6.38%, in comparison to last period. The sales of the company decreased due to the delay in operating the plastic shells manufacturing as well as composition of orders executed during the period. During the current quarter the company has suffered heavy losses which is mainly due to the under performance of all units of the company as well as increase in cost of soda ash and other raw materials of the company. The increase in finance cost and depreciation charge also contributed heavily in the loss during this quarter.

The management of the company is trying to increase the efficiency of the units. A detailed plan for the re-profiling of the company was considered and a Debt swap was finalized which will reduce the financial cost. The company has also issued 100% right issue (R-5) of Rs. 429.00 million and the total amount was received by the company in the month of February. The proceeds of right issue will help the company in future revival and modernization of all the units of the company. The directors of the company had also contributed heavily to reduce the financial burden and smooth operations of the company.

The management is working hard to improve the efficiency of the units by hiring local as well oversees employees & consultants. The Plastic Division of the company has started its production and will contribute positively in the operating cash flows of the company. The management is also planning to invest in the latest machinery and equipment to increase the quality of its products and efficiency of the units.

The directors acknowledge and appreciate the efforts, dedication and commitment demonstrated by all the employees and their performance, contributions and excellent response to the challenges faced during the current period.

The directors are also like to appreciate the assistance and co-operation that has been extended by our banks and financial institutions.

For on the behalf of Board of Directors'

Mohammad Tousif Paracha
Chief Executive

Lahore: February 29, 2008



Review Report to the Members

We have reviewed the annexed balance sheet of Balochistan Glass Limited as at December 31, 2007, and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the half-year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Dated: February 29, 2008
Place: Karachi

CHARTERED ACCOUNTANTS



Balance Sheet

as at December 31, 2007

	Notes	Un-audited December 31, 2007	Audited June 30, 2007
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 120,000,000 (2007:50,000,000) Ordinary shares of Rs. 10/- each		1,200,000	500,000
Issued, subscribed and paid up capital		429,000	429,000
Accumulated loss		(305,828)	(49,529)
		123,172	379,471
NON-CURRENT LIABILITIES			
Subordinated loan - Unsecured		487,998	482,080
Long term loans		485,603	299,773
Liabilities against assets subject to finance lease		85,625	133,290
Deferred liabilities	4	24,772	47,058
CURRENT LIABILITIES			
Trade and other payables		373,041	356,532
Markup accrued		51,764	26,938
Short term borrowings		885,899	714,771
Current portion of long term loans		224,374	221,597
Current portion of liabilities against assets subject to finance lease		126,358	106,298
Current portion of long term morabaha		--	5,000
		1,661,436	1,431,136
CONTINGENCIES AND COMMITMENTS			
	5	--	--
		2,868,606	2,772,808
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,380,979	1,457,054
Long-term deposits		40,386	40,386
CURRENT ASSETS			
Stores, spares and loose tools		336,121	312,912
Stock-in-trade		607,660	603,174
Trade debts - Considered good		330,401	232,144
Loans and advances - Considered good		59,964	38,267
Trade deposits, prepayments and other receivable		72,580	47,930
Taxes recoverable		28,586	27,076
Cash and bank balances		11,929	13,865
		1,447,241	1,275,368
		2,868,606	2,772,808

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

Chief Executive

Director



Profit and Loss Account

for the Half Year ended December 31, 2007 (Un-audited)

	For the half year ended		For the quarter ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
	(Rupees in thousand)		(Rupees in thousand)	
Sales - Net	486,986	520,150	257,671	271,653
Cost of sales	637,629	410,537	440,909	192,773
Gross (loss) / profit	(150,643)	109,613	(183,238)	78,880
Administrative and selling expenses	47,162	54,563	29,800	35,202
Operating (loss) / profit	(197,805)	55,050	(213,038)	43,678
Financial charges	85,510	61,573	48,941	31,143
	(283,315)	(6,523)	(261,979)	12,535
Other Income	3,483	3,530	2,828	1,964
Loss before taxation	(279,832)	(2,993)	(259,151)	14,499
TAXATION				
Current	2,435	2,598	1,288	1,399
Deferred	(25,968)	5,930	(23,612)	2,805
	(23,533)	8,528	(22,324)	4,204
Loss after taxation	(256,299)	(11,521)	(236,827)	10,295
Accumulated (loss) / profit brought forward	(49,529)	26,971	(69,001)	5,155
Accumulated loss carried forward	(305,828)	15,450	(305,828)	15,450
Earnings per share - Basic and diluted (Rupees)	(5.97)	(0.27)	(5.52)	0.24

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

Chief Executive

Director



Cash Flow Statement

for the Half Year ended December 31, 2007 (Un-audited)

	December 31, 2007	December 31, 2006
(Rupees in thousand)		
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(279,832)	(2,993)
Adjustments for non-cash charges and other items:		
Depreciation	77,196	44,246
Financial charges	85,510	61,573
Provision for gratuity	3,702	3,789
Exchange loss on subordinated loan	5,918	3,769
Operating (loss)/profit before working capital changes	(107,506)	110,384
Working capital changes		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	(23,209)	1,345
Stock in trade	(4,486)	(10,770)
Trade debts - Considered good	(98,257)	(12,189)
Loans and advances - Considered good	(21,697)	(2,191)
Trade deposits, prepayments and other receivable	(24,650)	(1,149)
Increase/(Decrease) in current liabilities		
Trade and other payables	16,509	8,561
Cash (used) / generated from operations	(263,296)	93,991
Payments for:		
Financial charges	(60,684)	(49,982)
Taxes	(3,945)	(5,255)
Gratuity	(20)	(1,326)
Net cash (outflow) / inflow from operating activities	(327,945)	37,428
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(1,121)	(210,286)
Long-term deposits	-	(9,612)
Net cash outflow from investing activities	(1,121)	(219,898)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans - Net	188,607	95,546
Repayment of liability against assets subject to finance lease	(27,605)	38,026
Repayment of long term morabaha	(5,000)	(5,000)
Short term borrowings - Net	171,128	43,889
Net cash inflow from financing activities	327,130	172,461
Net decrease in cash and cash equivalents	(1,936)	(10,009)
Cash and cash equivalents as at 1st July	13,865	12,592
Cash and cash equivalents as at 31 st, December	11,929	2,583

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

Chief Executive

Director



Statement of Changes in Equity

for the Half Year ended December 31, 2007 (Un-audited)

	Share Capital	Accumulated Loss	Total
	(Rupees in thousand)		
Balance as at July 01, 2006	429,000	26,971	455,971
Net loss for the period	--	(11,521)	(11,521)
Balance as at December 31, 2006	<u>429,000</u>	<u>15,450</u>	<u>444,450</u>
Balance as at July 01, 2007	429,000	(49,529)	379,471
Net loss for the period	--	(256,299)	(256,299)
Balance as at December 31, 2007	<u>429,000</u>	<u>(305,828)</u>	<u>123,172</u>

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

Chief Executive

Director



Notes to the Financial Statement

for the Half Year ended December 31, 2007 (Un-audited)

- 1 The Company was incorporated in Pakistan as a public listed company in 1980 under the Companies Act 1913 (now Companies Ordinance, 1984). The registered office of the company is situated at Firdousi Manzil, Rustamji Lane, M.A. Jinnah Road, Quetta and head office of the company is situated at 32-B/II Main Gulberg, Lahore. Its shares are listed on the Karachi and Lahore Stock Exchanges. The Company is engaged in manufacturing and sale of glass containers and plastic shells.
- 2 These financial statements are unaudited and have been prepared in accordance with the requirements of section 245 of the Companies Ordinance 1984 and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".
- 3 The accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the accounts for the year ended June 30, 2007.

	December 31, 2007	June 30, 2007
(Rupees in thousand)		
4 DEFERRED LIABILITIES		
Deferred taxation	4.1 -	25,968
Employees retirements benefits	24,772	21,090
	24,772	47,058

- 4.1 The company has not recognized deferred tax asset due to the reason that the sufficient future taxable profits may not be available against which the said asset will be adjusted.

- 5 There is no material change in Contingencies and Commitments during the period.

6 PROPERTY PLANT AND EQUIPMENT

Operating fixed assets - At cost less accumulated depreciation	1,380,979	1,457,054
Additions and disposals during the period		
<i>Additions</i>		
<i>Owned</i>		
Non factory building on freehold land	47	3,247
Plant and machinery	776	413,515
Furniture and fixtures	155	7
Office equipment	143	456
Vehicles	-	766
	1,121	417,991
<i>Leased</i>		
Plant and machinery	-	124,414
Vehicles	-	550
	-	124,964
	1,121	542,955



Notes to the Financial Statement

for the Half Year ended December 31, 2007 (Un-audited)

	December 31, 2007	December 31, 2006
7 TRANSACTION WITH RELATED PARTIES		
	(Rupees in thousand)	
<i>Associated companies</i>		
Purchases	5,621	7,101
Short term loan received	17,775	-
Repayment of short term loan	6,550	-
<i>Markup charged on loan</i>	3,469	-
<i>Directors</i>		
Loan received-net	220,727	-
Markup charged on loan	1,191	4,624

8 DATE FOR AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue on February 29, 2008 in accordance with the resolution of the Board of Directors of the company.

9 GENERAL

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

Chief Executive

Director