

(Reviewed)

Half Yearly Accounts
for the Half Year ended
December 31, 2008



Balochistan Glass Limited

An ISO 9001-2000 Certified Company



Corporate Information

BOARD OF DIRECTORS'

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

COMPANY SECRETARY

Mr. Muhammad Shamail Javed

AUDIT COMMITTEE

Mr. Muhammad Ishaq Khokhar Chairman
Mr. Muhammad Naiz Paracha Member
Mr. Asif Muhammad Ali Member

BANKS

The Bank of Punjab
Bank Al Falah Limited
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 Shanghai Banking Corporation Limited
Atlas Bank Limited

AUDITORS

Faruq Ali & Company
Chartered Accountants

LEGAL ADVISOR

Syed Afaq Ali

REGISTERED OFFICE

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

HEAD OFFICE

32-B/II, Main Gulberg,
Lahore.
Ph. # 042-5712344, 5761004
Fax # 042-5756924

KARACHI OFFICE

M 7-10, Mezzanine floor, cornice 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 on December 31, 2008. The operational results are as under:

	December 31, 2008	December 31, 2007
	(Rupees in thousand)	
Sales-Net	495,624	486,986
Gross Profit/(Loss)	(97,340)	(150,643)
(Loss) after Tax	(267,094)	(256,299)

The net sale of the company is increased by 1.773%, in comparison to last period. The gross loss is reduced as compared to the comparable period. Major reasons of gross loss in current period include miserable economic conditions, rise in cost of raw materials, wage rates and below target efficiency of plants. The loss is further accelerated by increased borrowing costs.

The management of the company is strongly committed to restore the profitable position of the company by removing the inefficiencies of units and changing the product and market mix. As part of its BMR plan company has closed its Unit-II furnace in November, 2008 and bricks has been ordered for its reconstruction. This furnace shall inshaallah start working in current financial year. Unit - III is also being diversified completely into tableware. Machines have been ordered for replacement and capacity enhancement. We are quite confident that our results after the implementation of BMR plan will be quite encouraging.

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

For on the behalf of Board of Directors'

Mohammad Tousif Paracha
Chief Executive

Lahore: February 28, 2009



Auditors' Report to the Members on Review of Interim Condensed Financial Information

Introduction

We have reviewed the accompanying interim condensed balance sheet of Balochistan Glass Limited as at December 31, 2008, and the related interim condensed profit and loss account, interim condensed cash flow statement and interim condensed statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim condensed financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim condensed financial information based on our review. The figures for the quarters ended December 31, 2008 and 2007 in the interim condensed profit and loss account have not been reviewed and we do not express a conclusion thereon.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Dated: February 28, 2009

Place: Karachi

CHARTERED ACCOUNTANTS



Interim Condensed Balance Sheet

as at December 31, 2008

	Notes	Un-audited December 31, 2008	Audited June 30, 2008
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 120,000,000 Ordinary shares of Rs. 10/- each		1,200,000	500,000
Issued, subscribed and paid up capital		858,000	858,000
Accumulated loss		(772,861)	(505,767)
		85,139	352,233
NON-CURRENT LIABILITIES			
Subordinated loan - Unsecured		482,080	482,080
Long term loans - from directors and others		391,237	334,374
Long term loans - from banks - secured		430,545	463,664
Liabilities against assets subject to finance lease		-	32,617
Deferred liability for staff gratuity		22,831	26,47
CURRENT LIABILITIES			
Trade and other payables		378,184	216,743
Markup accrued		102,099	66,516
Short term borrowings		685,384	637,293
Current portion of long term loans		33,119	--
Current and overdue portion of finance lease		161,292	139,433
		1,360,078	1,059,985
CONTINGENCIES AND COMMITMENTS	4	--	--
		2,771,910	2,751,425
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,293,132	1,322,720
Long-term deposits		14,596	14,596
CURRENT ASSETS			
Stores, spares and loose tools		303,606	303,607
Stock-in-trade		636,106	586,522
Trade debts - Considered good		298,583	338,833
Loans and advances - Considered good		60,943	42,168
Trade deposits, prepayments and other receivable		98,180	76,973
Taxes recoverable		61,575	48,802
Cash and bank balances		5,189	17,204
		1,464,182	1,414,109
		2,771,910	2,751,425

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

Chief Executive

Director



Interim Condensed Profit and Loss Account

for the Half Year ended December 31, 2008 (Un-audited)

	For the half year ended		For the quarter ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	(Rupees in thousand)		(Rupees in thousand)	
Sales - Net	495,624	486,986	222,761	257,671
Cost of sales	592,964	637,629	276,617	440,909
Gross loss	(97,340)	(150,643)	(53,856)	(183,238)
Administrative and Selling expenses	63,680	47,162	32,617	29,800
Operating loss	(161,020)	(197,805)	(86,473)	(213,038)
Financial charges	106,074	85,510	55,923	48,941
	(267,094)	(283,315)	(142,396)	(261,979)
Other Income	-	3,483	-	2,828
Loss before taxation	(267,094)	(279,832)	(142,396)	(259,151)
TAXATION				
Current	-	2,435	-	1,288
Deferred	6	(25,968)	-	(23,612)
	-	(23,533)	-	(22,324)
Loss after taxation	(267,094)	(256,299)	(142,396)	(236,827)
Loss per share - Basic and diluted (Rupees)	(3.11)	(5.97)	(1.66)	(5.52)

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

Chief Executive

Director



Interim Condensed Cash Flow Statement

for the Half Year ended December 31, 2008 (Un-audited)

	December 31, 2008	December 31, 2007
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(267,094)	(279,832)
Adjustments for non-cash charges and other items:		
Depreciation	69,455	77,196
Financial charges	106,074	85,510
Provision for gratuity	4,417	3,702
Exchange loss on subordinated loan	-	5,918
Operating loss before working capital changes	(87,148)	(107,506)
Working capital changes		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	1	(23,209)
Stock in trade	(49,584)	(4,486)
Trade debts - Considered good	40,250	(98,257)
Loans and advances - Considered good	(18,775)	(21,697)
Trade deposits, prepayments and other receivable	(21,207)	(24,650)
Increase/(Decrease) in current liabilities		
Trade and other payables	161,441	16,509
Cash generated /(used) from operations	24,978	(263,296)
Payments for:		
Financial charges	(70,491)	(60,684)
Taxes	(12,773)	(3,945)
Gratuity	(8,058)	(20)
Net cash outflow from operating activities	(66,344)	(327,945)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(39,867)	(1,121)
Net cash outflow from investing activities	(39,867)	(1,121)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans - Net	56,863	188,607
Repayment of liability against assets subject to finance lease	(10,758)	(27,605)
Repayment of long term morabaha	-	(5,000)
Short term borrowings - Net	48,091	171,128
Net cash inflow from financing activities	94,196	327,130
Net decrease in cash and cash equivalents	(12,015)	(1,936)
Cash and cash equivalents as at 1st July	17,204	13,865
Cash and cash equivalents as at 31 st, December	5,189	11,929

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

Chief Executive

Director



Interim Condensed Statement of Changes in Equity

for the Half Year ended December 31, 2008 (Un-audited)

	Share Capital	Accumulated Loss	Total
	(Rupees in thousand)		
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>
Balance as at July 01, 2008	858,000	(505,767)	352,233
Net loss for the period	--	(267,094)	(267,094)
Balance as at December 31, 2008	<u>858,000</u>	<u>(772,861)</u>	<u>85,139</u>

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

Chief Executive

Director



Notes to the Interim Condensed Financial Statement

for the Half Year ended December 31, 2008 (Un-audited)

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public limited company in 1980 under Companies Act 1913 (now Companies Ordinance, 1984). 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 BASIS OF PREPARATIONS

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 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies adopted for the preparation of these six monthly accounts are the same as those applied in the preparation of the financial statements for the preceding year ended 30 June, 2008.

3.2 Significant accounting estimates and judgments are the same as those applied in preparation of annual financial statements for the year ended June 30, 2008.

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

		December 31, 2008	June 30, 2008
(Rupees in thousand)			
5 PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets - At written down value	5.1	1,254,547	1,322,720
Capital work in progress - At cost	5.2	38,585	-
		1,293,132	1,322,720
5.1 Additions during the period (Operating fixed assets)			
Additions			
<i>Owned</i>			
Non factory building on freehold land		-	47
Plant and machinery		1,183	19,559
Electric and gas installation		-	2
Furniture and fixtures		-	155
Office equipment		99	282
		1,282	20,045
5.2 Additions during the period (Capital work in progress)			
Plant and machinery		38,585	-

6 Deferred tax asset arising due to tax losses which has not been recognized as the future taxable profits may not be available against which the said losses will be adjusted.



Notes to the Interim Condensed Financial Statement

for the Half Year ended December 31, 2008 (Un-audited)

	December 31, 2008	December 31, 2007
7 TRANSACTION WITH RELATED PARTIES		
	(Rupees in thousand)	
<i>Associated companies</i>		
Purchases	1,304	5,621
Short term loan received	150,647	17,775
Repayment of short term loan	83,250	6,550
Markup charged on loan	8,585	3,469
<i>Directors</i>		
Loan received	45,864	496,884
Repayment of loan	-	276,157
Markup charged on loan	-	1,191

8 DATE FOR AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on February 28, 2009 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