



**BALOCHISTAN
GLASS LIMITED**



**CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE HALF YEAR ENDED
DECEMBER 31.2022**

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COMPANY INFORMATION



BOARD OF DIRECTORS

Mr. Muhammad Tousif Paracha
Mr. Mian Nazir Ahmed Paracha

CEO
Chairman

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
Mr. Muhammad Tousif Paracha
Mr. Muhammad Niaz Paracha

Chairman
Member
Member

HR & REMUNERATION COMMITTEE

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

Chairman
Member
Member



COMPANY SECRETARY

Mr. Muhammad Furquan Habib



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

DIRECTORS' REVIEW

The Directors of your company are pleased to present the Condensed Interim Financial Information of your company for the half year and quarter ended December 31, 2022.

COMPANY PERFORMANCE

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

| | For the half year ended December 31, | | For the quarter ended December 31, | |
|------------------------------------|-----------------------------------------|----------|---------------------------------------|----------|
| | 2022 Rupees in thousands | 2021 | 2022 Rupees in thousands | 2021 |
| Revenue – Net | 125,990 | 659,598 | 35,718 | 323,105 |
| Gross (Loss) | (86,607) | (31,839) | (32,182) | (1,160) |
| Operating (Loss) / Profit | (102,584) | 18,394 | (38,872) | (21,490) |
| Depreciation for the period | 65,481 | 79,266 | 32,740 | 30,427 |
| (Loss) before Tax | (171,799) | (27,433) | (76,649) | (48,478) |
| (Loss) after Tax | (165,493) | (23,939) | (73,790) | (42,148) |
| Basic and diluted (Loss) per share | (0.63) | (0.09) | (0.28) | (0.16) |

As already reported in previous period directors' report, the tableware glass production at Unit – III was temporarily halted on May 27, 2022, due to continuous high energy costs, stiff market competitions, depreciation of Pak Rupee, excessive inventory levels and the absence of desirable profit margins. Resultantly, net revenue has declined significantly since the Company continued to sell the available stock in hand for generation of sufficient cash flows to manage its operational and business liabilities.

Initially, the Company is looking for different market options to resume the production of tableware glass production at Unit – III, which has been delayed slightly due to uncertain economic conditions and highly unprecedented inflationary trends in the country. However, management is also intending to take major strategic decisions to make cost efficient operations before restarting its production of tableware glass at Unit – III. In above context, management is also planning to improvise various company's commercial policies including better marketing strategies, efficient production controls and effective human resources across the Company. The management feels confident to overcome the prevailing situation in terms of resumption of sustainable production and to re-capture market share after the implementation of desirable strategic decisions.

Furthermore, the operations at Unit – I & II are still suspended and management intends to replan the operational strategies at these Units also subject to availability of funds.

GOING CONCERN ASSUMPTION

The current economic situation of the country is posing a serious challenge to businesses. However, in assessing the going concern status of the Company, management has assessed various factors including availability of existing tableware stock in saleable position, availability of newly refurbished furnace having enough capacity to produce tableware and container glass products, continued financial support of the sponsors and associates, availability of running finance facility provided by the Bank of Punjab and honoring of financial liabilities towards the financial intuitions in timely manner.

The management confidently believes that in the context of aforementioned factors and strategic positioning of its production units, the Company has the capacity to overcome operational difficulties of the business by improvising and implementing new strategic decisions, operational restructuring of the Company's existing setup for the sustainable and profitable business operations in near future. Accordingly, these interim financial statements have been prepared on going concern basis.

Management is also confident that it will continue to improve the financial results and also will overcome the liquidity related issues in near future with the improved financial performance of the company.

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 Board of Directors



MUHAMMAD TOUSIF PARACHA
Chief Executive Officer

Lahore : February 24, 2023

کرنے کا ارادہ رکھتی ہے۔ مذکورہ بالا کے تناظر میں، انتظامیہ کمپنی اپنی تجارتی پالیسیوں میں ترمیم کا بھی سوچ رہی ہے جس میں مارکیٹنگ کی بہتر حکمت عملی، بہتر پروڈکشن اصول و ضوابط اور کمپنی میں ہر سطح پر قابل انسانی وسائل کی تعیناتی شامل ہے۔ البتہ، انتظامیہ قابل ستائش پیداوار کو جاری رکھنے اور مناسب اسٹریٹجک فیصلوں کے اطلاق کے بعد مارکیٹ میں اپنے قدم جمانے کی بابت موجودہ حالات سے نکلنے کے لئے پرامید ہے۔

جاری کاروبار کا مفروضہ

ملک کی حالیہ معاشی صورت حال کاروباروں پر شدید اثرات مرتب کر رہی ہے۔ البتہ، کمپنی کے کاروبار جاری رکھنے کی استعداد کا تعین کرتے ہوئے انتظامیہ نے کئی عوامل کا جائزہ لیا ہے جس میں قابل فروخت حالت میں دستیاب ٹیبل ویئر کا موجودہ اسٹاک، ٹیبل ویئر کی کافی پیداواری استعداد کی حامل ری فریشڈ بھٹی کی دستیابی، سپانسرز اور ایسوسی ایٹس کی جاری مالیاتی اسپورٹ بینک آف پنجاب کی فراہم کردہ رنگ فائننس فیسلٹی کی دستیابی اور مالیاتی اداروں کو واجبات کی بروقت ادائیگی شامل ہیں۔

انتظامیہ قوی یقین رکھتی ہے کہ مذکورہ بالا عوامل اور اپنے پروڈکشن یونٹس کی اسٹریٹجک پلاننگ کو مد نظر رکھتے ہوئے کمپنی نئے اسٹریٹجک فیصلوں میں بہتری اور اطلاق اور کمپنی کے موجودہ سیٹ اپ کی آپریشنل ری سٹرکچرنگ کے ذریعے کاروبار کی آپریشنل مشکلات سے نکلنے کی صلاحیت رکھتی ہے تاکہ مستقبل قریب میں پائیدار اور منافع بخش کاروباری آپریشنز چلائے جا سکیں۔ اسی طرح سے، یہ عبوری مالیاتی ایسٹیمٹس جاری کاروبار کی بنیاد پر تیار کی گئی ہیں۔

بورڈ آف ڈائریکٹرز ہمارے بینکوں اور مالیاتی اداروں کی جانب سے دی گئی رہنمائی اور تعاون اور تمام ملازمین، کمپنی کنٹریکٹرز اور ملازمین کی کاوشوں، جذبہ اور عزم کو سراہتے ہیں۔ مزید برآں، ہمارے ڈسٹری بیوٹرز، ڈیلرز، سپلائرز اور کمپنی کے دیگر اسٹیک ہولڈرز کی حمایت اور تعاون بھی قابل ستائش ہے۔

منجانب / برائے بورڈ



محمد توصیف پراچہ

CEO

لاہور: 24 فروری 2023ء

ڈائریکٹرز کا تجزیہ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2022ء کو اختتام پذیر سہ ماہی اور نصف سال کے لئے آپ کی کمپنی کی منجمد عبوری مالیاتی معلومات ازراہ مسرت پیش کرتے ہیں۔

کمپنی کی کارکردگی

موجودہ دورانیہ کے لئے اہم آپریٹنگ نتائج کا گذشتہ پیریڈز کے ساتھ موازنہ حسب ذیل ہے:

| برائے اختتام پذیر سہ ماہی | | برائے اختتام پذیر نصف سال | | |
|---------------------------|----------------|---------------------------|----------------|--------------------------------|
| 31 دسمبر 2021ء | 31 دسمبر 2022ء | 31 دسمبر 2021ء | 31 دسمبر 2022ء | |
| ہزار روپوں میں | | | | |
| 323,105 | 35,718 | 659,598 | 125,990 | آمدنی - خالص |
| (1,160) | (31,182) | (31,839) | (86,607) | کل (خسارہ) |
| (21,490) | (38,872) | 18,394 | (102,584) | آپریٹنگ (خسارہ) |
| 30,427 | 32,740 | 79,266 | 65,481 | مذکورہ مدت کے لئے تخصیص |
| (48,478) | (76,649) | (27,433) | (171,799) | (خسارہ) بمعہ ٹیکس |
| (42,148) | (73,790) | (23,939) | (165,493) | (خسارہ) علاوہ ٹیکس |
| (0.16) | (0.28) | (0.09) | (0.63) | بنیادی و تجلیلی (خسارہ) فی حصص |

سابقہ مدت کے لئے ڈائریکٹرز کی رپورٹ میں جیسا کہ بیان کیا گیا ہے کہ توانائی کی قیمتوں میں اضافہ، منڈی میں سخت مقابلہ، پاکستانی روپے کی قدر میں کمی، حد سے زیادہ انویسٹری اور معقول نفع کی عدم موجودگی کے باعث یونٹ-III میں ٹیبل ویئر گلاس کی پیداوار کو 27 مئی 2022ء کو عارضی طور پر معطل کیا گیا تھا۔ اس کے نتیجے میں، خالص آمدنی میں نمایاں کمی واقع ہوئی ہے کیونکہ کمپنی اپنے آپریٹنگ اور کاروباری واجبات کو بیچ کرنے کی غرض سے معقول کیش فلو حاصل کرنے کے لئے موجودہ دستیاب سٹاک کو فروخت کر رہی ہے۔

ابتدائی طور پر، کمپنی یونٹ-III پر ٹیبل ویئر گلاس کی پیداوار شروع کرنے کے لئے مختلف مارکیٹ آپشنز پر غور کر رہی ہے۔ جو نامساعد معاشی حالات اور ملک میں جاری افراط زر کی بلند ترین شرح کے باعث جس میں معمولی تاخیر کی گئی ہے۔ البتہ یونٹ-III پر ٹیبل ویئر گلاس کی پیداوار دوبارہ شروع کرنے سے پہلے انتظامیہ کم لاگت آپریٹنگ کے لئے کئی بڑے اقدامات

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF BALOCHISTAN GLASS LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Balochistan Glass Limited as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for three-month period ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material uncertainty related to going concern

Without qualifying our conclusion, we draw attention of the members towards note 2 of the condensed interim financial statements, which indicates that the Company incurred net loss amounting to Rs. 165.493 million during the six-month period ended December 31, 2022, however, as of that date its accumulated losses of Rs. 6,154.122 million have resulted in net capital deficiency of Rs. 3,001.431 million and its current liabilities exceeded its current assets by Rs. 1,373.845 million. These conditions, along with other matters as set forth in note 2 indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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






PKF F.R.A.N.T.S.
Chartered Accountants
Place: Lahore
Date: February 25, 2023
UDIN: RR202210205fvcYCh37A

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2022

| | | Un-Audited December 31, 2022 | Audited June 30, 2022 |
|----------------------------------------------------------------------------|------|------------------------------------|-----------------------------|
| | Note | (Rupees in 000s) | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | 2,666,000 | 2,666,000 |
| Issued, subscribed and paid-up share capital | | 2,616,000 | 2,616,000 |
| Discount on shares | | (514,800) | (514,800) |
| Capital reserve | | 2,101,200 | 2,101,200 |
| Revaluation surplus on property, plant and equipment - net of deferred tax | | 1,051,491 | 1,057,577 |
| Revenue reserve | | (6,154,122) | (5,994,715) |
| Accumulated losses | | (3,001,431) | (2,835,938) |
| Subordinated loans - unsecured | 6 | 3,635,082 | 3,635,082 |
| Director's loan - unsecured | 7 | 313,235 | 313,235 |
| | | 946,886 | 1,112,379 |
| NON-CURRENT LIABILITIES | | | |
| Long term liabilities | 8 | 44,991 | 82,167 |
| Deferred liabilities | 9 | 56,932 | 64,149 |
| | | 101,923 | 146,316 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 767,414 | 832,425 |
| Unclaimed dividend | | 164 | 164 |
| Mark up accrued | | 165,620 | 109,880 |
| Short term borrowings | 11 | 718,571 | 852,179 |
| Current maturity of long term loan | | 5,158 | 7,746 |
| Provision for taxation - net of advance income tax | | 1,181 | - |
| | | 1,658,108 | 1,802,394 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 12 | | |
| TOTAL EQUITY AND LIABILITIES | | 2,706,917 | 3,061,089 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 13 | 2,422,654 | 2,488,135 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 84,751 | 89,327 |
| Stock in trade | 14 | 154,519 | 282,075 |
| Trade debts | 15 | 4,706 | 11,848 |
| Loans and advances | | 28,683 | 34,009 |
| Trade deposits, prepayments and other receivable | | 4,508 | 4,893 |
| Advance income tax -net of provision for taxation | | - | 5,576 |
| Cash and bank balances | | 7,096 | 5,812 |
| | | 284,263 | 433,540 |
| Non-current assets classified as held for sale | 16 | - | 139,414 |
| TOTAL ASSETS | | 2,706,917 | 3,061,089 |

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
|  <hr style="width: 100%;"/> <p>CHIEF EXECUTIVE OFFICER</p> |  <hr style="width: 100%;"/> <p>CHIEF FINANCIAL OFFICER</p> |  <hr style="width: 100%;"/> <p>DIRECTOR</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

| | Note | Six Months Period Ended December 31, | | Quarter Ended December 31, | |
|-------------------------------------------------|------|-----------------------------------------|-----------------|-------------------------------|-----------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | (Rupees in 000s) | | (Rupees in 000s) | |
| Sales - net | | 125,990 | 659,598 | 35,718 | 323,105 |
| Cost of sales | | (212,597) | (691,437) | (67,900) | (324,265) |
| Gross loss | | (86,607) | (31,839) | (32,182) | (1,160) |
| Administrative and selling expenses | | (16,258) | (39,607) | (6,971) | (19,299) |
| Other expenses | | - | (44) | - | 1,562 |
| Other income | 17 | 281 | 89,884 | 281 | (2,593) |
| Operating (loss) / profit | | (102,584) | 18,394 | (38,872) | (21,490) |
| Finance cost | | (69,215) | (47,188) | (37,777) | (28,349) |
| | | (171,799) | (28,794) | (76,649) | (49,839) |
| Share of profit from an associated company | | - | 1,361 | - | 1,361 |
| Loss before taxation | | (171,799) | (27,433) | (76,649) | (48,478) |
| Taxation | | | | | |
| - Current | | (1,575) | (8,245) | (447) | (4,039) |
| - Prior | | 2,063 | - | 2,063 | - |
| - Deferred | | 5,818 | 11,739 | 1,243 | 10,369 |
| | | 6,306 | 3,494 | 2,859 | 6,330 |
| Loss after taxation | | (165,493) | (23,939) | (73,790) | (42,148) |
| Loss per share - basic and diluted (Rs.) | | (0.63) | (0.09) | (0.28) | (0.16) |

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

| | Six Months Period Ended December 31, | | Quarter Ended December 31, | |
|------------------------------------------------|-----------------------------------------|-----------------|-------------------------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (Rupees in 000s) | | (Rupees in 000s) | |
| Loss after taxation | (165,493) | (23,939) | (73,790) | (42,148) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | (165,493) | (23,939) | (73,790) | (42,148) |

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

| | Issued, subscribed and paid-up share capital | Discount on shares | Capital reserve Revaluation surplus on property, plant and equipment (Rupees in 000s) | Revenue reserve Accumulated Loss | Total Equity |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------|
| Balance as on June 30, 2021 (audited) | 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) | - | - | (6,710) | 6,710 | - |
| Total comprehensive loss for the period | - | - | - | (23,939) | (23,939) |
| Loss after taxation for the period | - | - | - | - | - |
| Other comprehensive income for the period -net | - | - | - | - | - |
| | - | - | (6,710) | (17,229) | (23,939) |
| Balance as on December 31, 2021 (Un-audited) | 2,616,000 | (514,800) | 1,064,287 | (5,755,922) | (2,590,435) |
| Balance as on June 30, 2022 (audited) | 2,616,000 | (514,800) | 1,057,577 | (5,994,715) | (2,835,938) |
| Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) | - | - | (6,086) | 6,086 | - |
| Total comprehensive loss for the period | - | - | - | (165,493) | (165,493) |
| Loss after taxation for the period | - | - | - | - | - |
| Other comprehensive income for the period -net | - | - | - | - | - |
| | - | - | (6,086) | (159,407) | (165,493) |
| Balance as on December 31, 2022 (Un-audited) | 2,616,000 | (514,800) | 1,051,491 | (6,154,122) | (3,001,431) |

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

| | Note | Six Months Period Ended December 31, | |
|-----------------------------------------------------------------|-------|-----------------------------------------|------------------|
| | | 2022 | 2021 |
| (Rupees in 000s) | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Loss before taxation | | (171,799) | (27,433) |
| Adjustments for non-cash charges and other items: | | | |
| Depreciation for the period | 13.1 | 65,481 | 79,266 |
| Reversal of accrued markup on settlement with bank & associates | | - | (89,193) |
| Gain on disposal of operating fixed assets | | - | (688) |
| Finance cost | | 69,215 | 47,188 |
| Share of profit from an associated company | | - | (1,361) |
| Operating (loss) / profit before working capital changes | | (37,103) | 7,779 |
| Working capital changes | | | |
| Decrease / (Increase) in current assets | | | |
| Stores, spare parts and loose tools | | 4,576 | (27,503) |
| Stock in trade | | 127,556 | (174,083) |
| Trade debts | | 7,142 | 10,978 |
| Loans and advances | | 5,326 | 4,971 |
| Trade deposits, prepayments and other receivables | | 385 | (675) |
| (Decrease) / Increase in current liabilities | | | |
| Trade and other payables | | (99,148) | 80,313 |
| | | 45,837 | (105,999) |
| Cash generated from / (used in) operations | | 8,734 | (98,220) |
| (Payments for) / receipts : | | | |
| Finance cost | | (8,778) | (8,851) |
| Income taxes - net | | 1,330 | (8,029) |
| Staff retirement benefits | | (3,220) | (885) |
| Net cash (outflow) from operating activities | A | (1,934) | (115,985) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditure paid | | - | (52,786) |
| Proceeds from disposal of investment in associate | | 139,414 | - |
| Proceeds from disposal of operating fixed assets | | - | 700 |
| Net cash inflow / (outflow) from investing activities | B | 139,414 | (52,086) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Long term liabilities - net | | (2,588) | (16,454) |
| Short term borrowings - net | | (133,608) | 155,415 |
| Net cash (outflow) / inflow from financing activities | C | (136,196) | 138,961 |
| Net increase / (decrease) in cash and cash equivalents | A+B+C | 1,284 | (29,110) |
| Cash and cash equivalents at beginning of the period | | 5,812 | 47,382 |
| Cash and cash equivalents at end of the period | | 7,096 | 18,272 |

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 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 tableware, pharmaceutical glass bottles and plastic shells. Following are the business units of the Company, along with their respective geographical locations:

- Registered office and Unit-I: Plot no. 8, Block M, Hub Industrial Trading Estate, Lasbella - Hub
- Head office and Unit-III: 12-Km Lahore, Sheikhpura Road, Kot Abdul Malik, Sheikhpura
- Unit-II: 29 – Km Lahore, Sheikhpura Road, Sheikhpura

2 GOING CONCERN ASSUMPTION

During the six-month period ended December 31, 2022 (interim period), the Company has incurred a gross loss of Rs. 86.607 million (December 31, 2021: Rs. 31.839 million). It has also incurred a net loss of Rs. 165.493 million (December 31, 2021: Rs. 23.939 million). As at the period end, its accumulated losses stand at Rs. 6,154.122 million (June 30, 2022: Rs. 5,994.715 million), thereby resulting in negative equity of Rs. 3,001.431 million (June 30, 2022: Rs. 2,835.938 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 1,373.845 million at the period end (June 30, 2022: Rs. 1,368.854 million), whereas, the operations of all three units remained suspended till the period-end. These conditions indicate the existence of material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The factors including prevailing high energy and gas prices, intense market competition, depreciation of Pak rupee and overall economic condition has led management to temporarily halt the production of tableware glass at Unit III as of May 27, 2022. However, the Company continued selling the existing stock for the generation of the cash flows in order to manage its operational and business liabilities. During the period, the Company has also disposed off its investment in associate with the objective to create cushion for cash flow support required for restarting the Company's operations in near future.

In line with previous practice, the directors have also provided additional financing support to the Company to meet working capital and other operational requirements. In addition, Company is utilizing the running finance facility provided by the Bank of Punjab and related party. Further, management is honoring its all restructured arrangements with the banks and has complied with respective repayment terms towards financial institutions. Also, management intends to pay off all of its long term debt in the current financial year.

Management is also 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 fourth quarter of this financial year and is planning to improvise various Company's commercial policies including better marketing strategies, efficient production controls and effective human resource across the Company.

Keeping in view the continued supportive steps taken by the management and sponsors, Company's honoring of existing financial commitments with its lenders, favorable future prospects of the glass tableware market and continuous support of the directors and associates, the management feels confident that the company is well placed to manage its business risks and it will be able to handle the Company's liquidity related issues in the foreseeable future and to operate its business on sustainable basis. Accordingly, these interim financial statements have been prepared on going concern basis.

3 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are being presented and submitted to the shareholders as required by the Listing Regulations of the Pakistan Stock Exchange and section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information required for the complete set of financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

The figures included in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and 2021 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they are required to review only the cumulative figures for the six-months period ended December 31, 2022 and 2021.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of financial statements of the company for the year ended June 30, 2022.

4.1 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(a) **New standards, amendments and interpretation to published approved accounting and reporting standards which became effective during the period ended December 31, 2022**

There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on July 01, 2022. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

(b) **New standards and amendments to published approved accounting and reporting standards that are not yet effective**

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2023 and have not been early adopted by the Company. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

5 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

Significant accounting estimates and judgments made by management in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2022.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2022.

| | Note | Un-Audited December 31, 2022 | Audited June 30, 2022 |
|-------------------------------------------------------|------|------------------------------------|-----------------------------|
| (Rupees in thousands) | | | |
| 6 SUBORDINATED LOANS - Unsecured | | | |
| Subordinated loans from directors and their associate | | 482,080 | 482,080 |
| Subordinated loans | 6.1 | 3,153,002 | 3,153,002 |
| | | <u>3,635,082</u> | <u>3,635,082</u> |
| 6.1 Subordinated loans | | | |
| - Muhammad Tousif Paracha - Director | | | |
| - Long term loan | 6.2 | 1,793,045 | 1,793,045 |
| - Deferred mark-up | 6.3 | 1,024,821 | 1,024,821 |
| | | 2,817,866 | 2,817,866 |
| - Shaffi Uddin Paracha - Director | | | |
| - Long term loan | 6.2 | 97,399 | 97,399 |
| - Mian Nazir Ahmed Paracha - Director / CEO | | | |
| - Long term loan | 6.2 | 100,001 | 100,001 |
| - Other associate | | | |
| - Long term loan | 6.2 | 104,670 | 104,670 |
| - Deferred mark-up | 6.3 | 33,066 | 33,066 |
| | | 137,736 | 137,736 |
| | 6.4 | <u>3,153,002</u> | <u>3,153,002</u> |

6.2 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 applicable financial reporting standards, rather these are treated as equity in accordance with the Technical Release -32 ("Accounting Directors' Loan") issued by the Institute of Chartered Accountants of Pakistan (ICAP).

6.3 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 overdue mark up have become payable at the discretion of the Company and therefore treated as equity in accordance with the Technical Release -32 issued by the ICAP.

6.4 Subordination of such loans have been made vide Debt Subordination Agreement with Bank of Punjab (note: 11.1)

7 DIRECTOR'S LOAN - Unsecured

Muhammad Tousif Paracha

| | | | |
|----------------------------------|-----|----------------|----------------|
| Long term loan from the Director | 7.1 | <u>313,235</u> | <u>313,235</u> |
|----------------------------------|-----|----------------|----------------|

7.1 The Company has obtained loan from Mr. Muhammad Tousif Paracha (Director) to meet its capital and operational requirements. The loan is interest free and payable at the discretion of the Company, accordingly, the said loan is not measured at amortized cost as per requirements of applicable financial reporting standards, rather treated as equity in accordance with the Technical Release -32 ("Accounting Directors' Loan") issued by the ICAP.

| | Note | Un-Audited December 31, 2022 (Rupees in thousands) | Audited June 30, 2022 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------|-----------------------------|
| 8 LONG TERM LIABILITIES | | | |
| Long term loans - secured | | | |
| National Bank of Pakistan | | 5,158 | 7,746 |
| Less: Current portion presented under current liabilities | | (5,158) | (7,746) |
| | | - | - |
| Gas Infrastructure Development Cess (GIDC) | | | |
| GIDC payable | | 303,622 | 299,351 |
| Current portion shown under trade and other payables | 10 | (258,631) | (217,184) |
| | | 44,991 | 82,167 |
| | | 44,991 | 82,167 |
| 9 DEFERRED LIABILITIES | | | |
| Deferred taxation-net | 9.1 | 54,664 | 60,482 |
| Employees' retirement benefits - gratuity | | 2,268 | 3,667 |
| | | 56,932 | 64,149 |
| 9.1 Deferred tax asset arising on deductible temporary differences amounting to Rs. 756.615 million (June 30, 2022: Rs. 709.066 million) has not been recognized as the future taxable profits may not be available against which the tax losses will be adjusted. | | | |
| 10 TRADE AND OTHER PAYABLES | | | |
| Trade creditors | | 276,997 | 348,384 |
| Accrued expenses | 10.1 | 104,247 | 132,765 |
| Contract liabilities | | 51,663 | 64,882 |
| Employees' provident fund | | 1,095 | 2,475 |
| Sales tax payable | | 40,194 | 32,564 |
| Income taxes payable | | 18,727 | 18,312 |
| Current and overdue portion of GIDC payable | 8 | 258,631 | 217,184 |
| Others | | 14,722 | 14,721 |
| Workers' profit participation fund | | 198 | 198 |
| Workers' welfare fund | | 940 | 940 |
| | | 767,414 | 832,425 |
| 10.1 This includes Rs. 21.780 million (June 30, 2022: Rs. 21.780 million) against the rent payable to the Director. | | | |
| 11 SHORT TERM BORROWINGS | | | |
| Bank of Punjab (secured): | | | |
| Short term running finance | 11.1 | 58,666 | 89,900 |
| From related parties (unsecured): | | | |
| Associated company | 11.2 | 587,300 | 587,366 |
| Directors | 11.3 & 16.1 | 72,605 | 174,468 |
| | | 659,905 | 761,834 |
| Temporary bank overdraft | | - | 445 |
| | | 718,571 | 852,179 |

- 11.1 This represents running finance facility limit of Rs. 60.000 million (June 30, 2022: Rs. 90.000 million) with accepted condition of reduction of exposure by Rs. 5.000 million (June 30, 2022: 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 (June 30, 2022: Rs. 833.334 million) over present and future fixed assets, ranking charge of Rs. 334.000 million (June 30, 2022: Rs. 334.000 million) over current assets, pledge of 58.000 million (June 30, 2022: 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 6.4.
- 11.2 This represents unsecured loan / short term advance facility of Rs. 600.000 million (June 30, 2022: 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. At period end, markup payable to GCL amounted to Rs. 162.152 million (June 30, 2022: Rs. 106.012 million) which has been disclosed under markup accrued.
- 11.3 This represents interest free short term loan obtained from directors of the Company to meet the working capital requirements of the Company and payable on demand.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no material change in the status of contingencies as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2022.

12.2 Commitments

There are no known material commitments as at period end (June 30, 2022: Nil).

| 13 PROPERTY, PLANT AND EQUIPMENT | Note | Un-Audited December 31, 2022 (Rupees in thousands) | Audited June 30, 2022 |
|--------------------------------------------------------------------|------|-------------------------------------------------------------|-----------------------------|
| Operating fixed assets -owned | 13.1 | 2,397,609 | 2,463,090 |
| Capital work in progress | 13.2 | 25,045 | 25,045 |
| | | 2,422,654 | 2,488,135 |
| 13.1 Operating fixed assets-owned | | | |
| Opening book value | | 2,463,090 | 2,559,344 |
| Add: Additions during the period / year - at cost | | | |
| Plant and machinery | | - | 27,444 |
| Moulds | | - | 33,077 |
| | | - | 60,521 |
| Less: Disposals during the period / year - at book value (Vehicle) | | - | (65) |
| Less: Depreciation charged during the period / year | | (65,481) | (156,710) |
| Closing book value | | 2,397,609 | 2,463,090 |

- 13.2 At period end, capital work-in-progress comprises of plant and machinery i.e. glass tempering machine purchased in previous years, however, due to change in business strategies, the same could not be installed / made available for intended use till period-end. The management expects its recoverable amount higher than its carrying value and therefore no impairment is required at period-end.

14 STOCK IN TRADE

Adjustments amounting to Nil (June 30, 2022: Rs. 12.679 million) have been made to closing inventory of finished goods to write down finished goods to their net realizable value.

| | Note | Un-Audited December 31, 2022 (Rupees in thousands) | Audited June 30, 2022 |
|--------------------------------------|------|-------------------------------------------------------------|-----------------------------|
| 15 TRADE DEBTS | | | |
| Trade debts - unsecured | | 85,667 | 92,809 |
| Allowance for expected credit losses | | (80,961) | (80,961) |
| | | <u>4,706</u> | <u>11,848</u> |

16 NON-CURRENT ASSET HELD FOR SALE

| | | | |
|--------------------------------------------------|------|----------|----------------|
| Long term investment classified as held for sale | 16.1 | <u>-</u> | <u>139,414</u> |
|--------------------------------------------------|------|----------|----------------|

16.1 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 PHGPL was formed with the objective to engage in the business of manufacturing of USP Type-I Borosilicate glass tubes, vials and ampules. As a result of the management endeavors to resolve the issue, the Board of Directors at its meeting held on September 30, 2022, agreed and approved the divestment of entire shareholding in the aforementioned associated company at its current book value to Mr. M. Tousif Paracha (Director). Accordingly, on execution of shares purchase agreement and obtaining of necessary approvals during the period the current account balance of director has been settled against the book value of investment as proceeds from investment disposal.

| | Un-Audited December 31, 2022 (Rupees in thousands) | Un-Audited December 31, 2021 |
|---------------------------------------------------------------|-------------------------------------------------------------|------------------------------------|
| 17 OTHER INCOME | | |
| Income from non financial assets | | |
| Gain on disposal of fixed assets | - | 688 |
| Mark up written back on settlement with bank/other associates | - | 89,193 |
| Profit from bank deposits | 6 | 3 |
| Insurance claim income | 275 | - |
| | <u>281</u> | <u>89,884</u> |

18 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and their associates, employees post employment benefit plans and key management personnel. Significant related party transactions made during the period are as follows:

| | Un-Audited December 31, 2022 | Un-Audited December 31, 2021 |
|---------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| | (Rupees in thousands) | |
| Associated Companies | | |
| Gharibwal Cement Limited (Common directorship) | | |
| Short term loan paid - net | - | (1,887) |
| Purchases | - | 532 |
| Markup charged on short term loan | 56,140 | 32,762 |
| Shahpur Commerce (Pvt.) Limited (Common directorship) | | |
| Purchases | - | 4,376 |
| Payments | 1,353 | - |
| Pak Hy Oils Limited (Shareholding) | | |
| Accrued mark up waived off - written back- net | - | 66,827 |
| Directors and their Associates | | |
| Short term loan received / (adjusted) - net | | |
| Mr. Tousif Paracha (Director/ CEO) | (101,863)* | 78,261 |
| Mian Nazir Ahmed Paracha (Director) | - | 23,500 |
| Shaffi Uddin Paracha (Director) | - | 21,200 |
| <i>* Including settlement against disposal of investment in associate of Rs. 139.414 million.</i> | | |
| Accrued mark up waived off - written back | | |
| Muhammad Rehman (Directors' associate) | - | 18,555 |
| Employees retirement benefit plan: | | |
| BGL Officers' Provident fund | | |
| Contributions by the Company | 221 | 938 |
| Key management personnel / executives | | |
| Remuneration paid | - | 13,422 |

19 INFORMATION ABOUT BUSINESS SEGMENTS

- These condensed interim financial statements have been prepared on the basis of single reportable segment i.e. glass containers segment as the plastic shells segment has not been operative since 2016.
- All of the revenue of the Company during the period relates to the customers in Pakistan.
- All non-current assets of the Company as at period end are located in Pakistan.

20 FAIR VALUE ESTIMATION

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements are a reasonable approximation of their fair values. During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. There was no transfer amongst the levels of fair value hierarchy and any changes in valuation techniques during the period.

The management estimates regarding fair values of financial instruments are same as disclosed in annual audited financial statements of the Company for the year ended June 30, 2022.

21 GENERAL

- 21.1 These condensed interim financial statements are presented in Pakistani Rupees and figures have been rounded off to the nearest thousand Pakistani Rupee, unless otherwise stated.
- 21.2 Comparative figures have been rearranged and reclassified wherever required to facilitate better comparison while no major reclassification has been made in corresponding figures.
- 21.3 These condensed interim financial statements are authorized for issue on February 24, 2023 in accordance with the resolution of the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

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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: 0423-7164075

www.balochistanglass.com
info@balochistanglass.com