

(Reviewed)

---

**Quarterly Accounts**  
for the Quarter ended  
**March 31, 2008**



**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  
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, Sheikhupura Road,  
Sheikhupura.  
UNIT-III  
12-KM, Sheikhupura 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 Nine Month period ended March 31, 2008. The operating results of the current quarter are as under:

Financial Indicators	March 31, 2008	March 31, 2007
	(Rupees in thousand)	
Sales-Net	315,566	334,549
Gross Profit	24,325	39,966
(Loss) after Tax	(76,778)	(19,867)

The net sale of the company decreased marginally by 5.67%, in comparison to last period. The sales of the company decreased due to the delay in operating the plastic shells manufacturing. During the current quarter the company has incurred a loss of Rs. 76.778 million as compared to loss of Rs. 236.827 million in the 2nd quarter of this year. The increase in finance cost and depreciation charge is the main reason of the loss in this quarter. It is due to the untiring efforts of the directors and the management of the company that the losses are curtailed in the current quarter. The management of the company is trying to increase the efficiency of the units as well implementing the cost cutting measures to improve the profitability of the company.

The efficiency of the plants has improved in this quarter and the management is further trying to enhance the efficiency of the plants. The debt swap & 100% right issue were successfully completed in this quarter. This financial re-profiling will help the company in future revival and modernization of all the units of the company. The directors of the company had also shown their full commitment and supported the company in this quarter.

The Plastic Division of the company has started its production and will contribute positively in the operating cash flows of the company in the next quarter. Keeping in view the diverse product range and increase in demand & price of glass products both in local & international market, the operational results of the company is expected to improve in the next quarter.

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 also appreciate the financial support and assistance extended by the banks and financial institutions of the company.

For on the behalf of Board of Directors'

Muhammad Tousif Paracha  
Chief Executive

Lahore: April 30, 2008



## Balance Sheet

as at March 31, 2008

	Notes	Un-audited March 31, 2008	Audited June 30, 2007
(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		858,000	429,000
Accumulated loss		(382,606)	(49,529)
		475,394	379,471
<b>NON-CURRENT LIABILITIES</b>			
Subordinated loan - Unsecured		489,913	482,080
Long term loans		769,085	299,773
Liabilities against assets subject to finance lease		69,037	133,290
Deferred liabilities	4	26,563	47,058
<b>CURRENT LIABILITIES</b>			
Trade and other payables		319,834	356,532
Markup accrued		47,342	26,938
Short term borrowings		533,044	714,771
Current portion of long term loans		--	221,597
Current portion of liabilities against assets subject to finance lease		130,500	106,298
Current portion of long term morabaha		--	5,000
		1,030,720	1,431,136
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5	--	--
		2,860,712	2,772,808
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,343,198	1,457,054
Long-term deposits		40,386	40,386
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		352,755	312,912
Stock-in-trade		612,587	603,174
Trade debts - Considered good		339,805	232,144
Loans and advances - Considered good		59,228	38,267
Trade deposits, prepayments and other receivable		59,486	47,930
Taxes recoverable		34,656	27,076
Cash and bank balances		18,611	13,865
		1,477,128	1,275,368
		2,860,712	2,772,808

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



## Profit and Loss Account

for the Nine Month Peirod Ended March 31, 2008 (Un-audited)

	For the nine month ended		For the quarter ended	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
	(Rupees in thousand)		(Rupees in thousand)	
Sales - Net	802,552	854,699	315,566	334,549
Cost of sales	928,870	705,120	291,241	294,583
Gross (loss) / profit	(126,318)	149,579	24,325	39,966
Administrative and Selling expenses	84,356	77,782	37,194	23,219
Operating (loss) / profit	(210,674)	71,797	(12,869)	16,747
Financial charges	150,030	94,177	64,520	32,604
	(360,704)	(22,380)	(77,389)	(15,857)
Other Income	5,672	4,217	2,189	687
Loss before taxation	(355,032)	(18,163)	(75,200)	(15,170)
TAXATION				
Current	4,013	4,271	1,578	1,673
Deferred	(25,968)	8,954	--	3,024
	(21,955)	13,225	1,578	4,697
Loss after taxation	(333,077)	(31,388)	(76,778)	(19,867)
Accumulated (loss) / profit brought forward	(49,529)	26,971	(305,828)	15,450
Accumulated loss carried forward	(382,606)	(4,417)	(382,606)	(4,417)
Earnings per share - Basic and diluted	(6.65)	(0.73)	(1.53)	(0.46)

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



## Cash Flow Statement

for the Nine Month Period Ended March 31, 2008 (Un-audited)

	March 31, 2008	March 31, 2007
(Rupees in thousand)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(355,032)	(18,163)
Adjustments for non-cash charges and other items:		
Depreciation	115,075	68,063
Financial charges	150,030	94,177
Provision for gratuity	5,556	5,687
Other Income	--	(4,217)
Exchange loss on subordinated loan	7,833	(3,959)
Operating (loss) / profit before working capital changes	(76,538)	141,588
Working capital changes		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	(39,843)	9,523
Stock in trade	(9,413)	16,517
Trade debts - Considered good	(107,661)	(13,537)
Loans and advances - Considered good	(20,961)	(699)
Trade deposits, prepayments and other receivable	(11,556)	--
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	(36,698)	(4,182)
Cash (used) / generated from operations	(302,670)	149,210
Payments for:		
Financial charges	(129,626)	(84,431)
Taxes	(11,593)	(5,816)
Gratuity	(83)	(1,552)
Net cash (outflow) / inflow from operating activities	(443,972)	57,411
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for capital expenditure	(1,219)	(226,066)
Long-term deposits	--	(10,913)
Net cash outflow from investing activities	(1,219)	(236,979)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans - Net	247,715	91,837
Right issue proceeds	429,000	--
Repayment of liability against assets subject to finance lease	(40,051)	55,302
Repayment of long term morabaha	(5,000)	(5,000)
Short term borrowings - Net	(181,727)	28,386
Net cash inflow from financing activities	449,937	170,525
Net decrease in cash and cash equivalents	4,746	(9,043)
Cash and cash equivalents as at the beginning of the period	13,865	12,592
Cash and cash equivalents as at March, 31	18,611	3,549

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



## Statement of Changes in Equity

for the Nine Month Peirod Ended March 31, 2008 (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	--	(31,388)	(31,388)
Balance as at March 31, 2007	<u>429,000</u>	<u>(4,417)</u>	<u>424,583</u>
Balance as at July 01, 2007	429,000	(49,529)	379,471
100% Right Issue Proceeds	429,000	--	429,000
Net loss for the period	--	(333,077)	(333,077)
Balance as at March 31, 2008	<u>858,000</u>	<u>(382,606)</u>	<u>475,394</u>

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



## Notes to the Financial Statement

for the Nine Month Peirod Ended March 31, 2008 (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.

		March 31, 2008	June 30, 2007
(Rupees in thousand)			
<b>4 DEFERRED LIABILITIES</b>			
Deferred taxation	4.1	-	25,968
Employees retirements benefits		26,563	21,090
		<u>26,563</u>	<u>47,058</u>

- 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	1,343,198	1,457,054
--	-----------	-----------

- 6.1 There is no material addition or deletion during the period.

	March 31, 2008	March 31, 2007
(Rupees in thousand)		

### 7 TRANSACTION WITH RELATED PARTIES

<i>Associated companies</i>		
Purchases	812	9823
Short term loan received	--	--
Repayment of short term loan	2,650	--
Markup charged on loan	4,465	6,936
<i>Directors</i>		
Loan paid-net	132,777	--

### 8 DATE FOR AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue on April 30, 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