

(Un-audited)

**Condensed Interim  
Un-Audited Financial Information  
For the Nine Months &  
3rd Quarter Ended  
March 31, 2014**



**BALUCHISTAN GLASS LIMITED**

An ISO 9001:2008 Certified Company



## Corporate Information

### BOARD OF DIRECTORS'

Mr. Muhammad Tousif Paracha  
Mr. Tariq Siddiq Paracha  
Mr. Mustafa Tousif Ahmed Paracha  
Mr. Jawaid Aziz Paracha  
Mr. Mian Nazir Ahmed Paracha  
Mr. Nasir Malik  
Mr. Shamim Anwar

Chairman & Chief Executive

### COMPANY SECRETARY

Sheikh Arif Moin-ul-Haq

### AUDIT COMMITTEE

Mr. Mian Nazir Ahmed Paracha  
Mr. Mustafa Tousif Ahmed Paracha  
Mr. Nasir Malik

Chairman  
Member  
Member

### HR & REMUNERATION COMMITTEE

Mr. Mustafa Tousif Ahmed Paracha  
Mr. Jawaid Aziz Paracha  
Mr. Tariq Siddiq Paracha

Chairman  
Member  
Member

### BANKERS

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  
BankIslami Pakistan Limited  
MCB Bank Limited  
Summit Bank Limited

### AUDITORS

F.R.A.N.T.S. & Co.  
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.  
Ph. # 042-37164424-5  
Fax # 042-37164423  
Web: [www.balochistanglass.com](http://www.balochistanglass.com)  
Email: [info@balochistanglass.com](mailto:info@balochistanglass.com)

### KARACHI OFFICE

Dime Centre, B.C. 3, 3rd Floor,  
Clifton, Karachi.  
Ph. No. 021-35377977-82

### 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' Report

The Directors of your Company present the Financial Statements for the quarter and nine months ended March 31, 2014.

### COMPANY PERFORMANCE & FUTURE OUTLOOK

Brief comparison of key financial results of the Company for the nine months ended March 31, 2014 as against the comparable preceding period is as follows:

	For the nine months ended		For the quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Sales-Net	1,774,706	1,974,109	607,566	535,232
Gross profit/ (loss)	(87,554)	52,071	(26,828)	(65,456)
Operating profit / (loss)	(145,822)	49,641	(43,500)	(61,265)
Loss before taxation	(316,887)	(113,283)	(99,913)	(111,631)
Loss after taxation	(332,025)	(120,435)	(105,120)	(113,367)
EPS	(1.93)	(0.93)	(0.61)	(0.66)

The sales of the Company has reduced by 10% as compared to previous period. The Company diversified its market portfolio by converting its green glass facility at Unit-I to Amber glass (i.e. Pharmaceutical glass). The sale and production of the Company suffered due to production losses incurred during conversion period and the time required by the pharmaceutical companies to perform their quality control procedures. Further, the management decided to temporarily close Unit-II in December 2013 for repair & maintenance purpose during low demand season and due to acute shortage of gas supply. These factors contributed towards lower sales revenue and loss during the current period.

Your company also suffered severe gas curtailment/ load management by SNGPL at its two plants situated at Sheikhpura Road. This increased cost of production and affected production efficiencies. Smooth gas supply has been provided to other similar industries within the same vicinity whereas BGL suffered load management as well as low gas pressure. These factors forced us to close our major container glass manufacturing furnace at Unit-II in December 2013, which resulted your company to bear fixed cost without any supporting income thus increasing losses for the current period.

Management is continuously focusing on streamlining the operations of all the units and enhancing their production efficiencies. In order to meet growing demand of tableware products manufactured at Unit-III, management has planned to partially shift its tableware facility to Unit-II which will help to reduce cost of production and meet the growing demand of "Marimax" products.

Management is confident that these decisions will fetch better results in coming periods.

We express our gratitude to all our stakeholders for their continued support and co-operation particularly our banks & financial institutions as well as our customers, suppliers and employees of the company.

For and on the behalf of Board of Directors'



**Muhammad Tousif Paracha**  
Chairman

## Condensed Interim Balance Sheet

as at March 31, 2014 - (Un-audited)

	Notes	Un-audited March 31, 2014	Audited June 30, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
171,600,000 (June 30, 2013: 171,600,000)			
Ordinary shares of Rs. 10/- each		1,716,000	1,716,000
5,000,000 (June 30, 2013: 5,000,000)			
Preference shares of Rs. 10/- each		50,000	50,000
		<u>1,766,000</u>	<u>1,766,000</u>
Issued, subscribed and paid-up capital		1,716,000	1,716,000
Discount on shares		(514,800)	(514,800)
Accumulated loss		(3,239,402)	(2,912,222)
		(2,038,202)	(1,711,022)
Surplus on revaluation of property, plant and equipment		248,811	253,656
<b>NON-CURRENT LIABILITIES</b>			
Subordinated loan - Unsecured		482,080	482,080
Long term loans		1,109,012	916,411
Liabilities against assets subject to finance lease		23,867	36,635
Deferred liabilities		947,673	832,172
		<u>2,562,632</u>	<u>2,267,298</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		887,057	929,363
Markup accrued		191,375	167,370
Short term borrowings		233,863	295,215
Current maturity of non current liabilities		161,388	146,375
		<u>1,473,683</u>	<u>1,538,323</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	4	<u>2,246,924</u>	<u>2,348,255</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,473,002	1,534,156
Long term deposits		23,259	23,259
		<u>1,496,261</u>	<u>1,557,415</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		244,661	238,312
Stock in trade		166,029	194,156
Trade debts		211,954	238,193
Loans and advances		44,033	41,612
Trade deposits, prepayments and other receivable		27,382	41,176
Taxes recoverable		33,221	15,139
Cash and bank balances		23,384	22,252
		<u>750,664</u>	<u>790,840</u>
		<u>2,246,924</u>	<u>2,348,255</u>

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

## Condensed Interim Profit and Loss Account

For the Nine Months & Quarter Ended March 31, 2014 - (Un-audited)

	For the nine months ended		For the quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	(Rupees in thousand)			
Sales - Net	1,774,706	1,974,109	607,566	535,232
Cost of sales	1,862,260	1,922,038	634,394	600,688
Gross profit/ (loss)	(87,554)	52,071	(26,828)	(65,456)
Administrative and selling expenses	58,859	49,674	17,053	14,332
Other operating income	591	47,244	381	18,523
Operating profit / (loss)	(145,822)	49,641	(43,500)	(61,265)
Financial charges	171,065	162,924	56,413	50,366
Loss before taxation	(316,887)	(113,283)	(99,913)	(111,631)
Taxation - Current	17,747	10,029	6,076	2,695
Taxation - Deferred	(2,609)	(2,876)	(869)	(959)
<b>Loss after taxation</b>	<b>(332,025)</b>	<b>(120,435)</b>	<b>(105,120)</b>	<b>(113,367)</b>
Loss per share - Basic and diluted (Rupees)	(1.93)	(0.93)	(0.61)	(0.66)

The annexed notes form an integral part of this condensed interim financial information.

## Condensed Interim Statement Of Comprehensive Income

For the Nine Months & Quarter Ended March 31, 2014 - (Un-audited)

	For the nine months ended		For the quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	(Rupees in thousand)			
Loss for the period	(332,025)	(120,435)	(269,127)	(25,883)
Other comprehensive income:				
Incremental depreciation transferred from surplus on revaluation				
of property, plant and equipment	7,454	8,217	4,970	2,739
Related deferred tax	(2,609)	(2,876)	(1,740)	(959)
	4,845	5,341	3,230	1,780
Total comprehensive loss for the period	<u>(327,180)</u>	<u>(115,095)</u>	<u>(265,897)</u>	<u>(24,103)</u>

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

## Condensed Interim Cash Flow Statement

For the Nine Months & Quarter Ended March 31, 2014 - (Un-audited)

	March 31, 2014	March 31, 2013
	(Rupees in thousand)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(316,887)	(113,283)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	100,528	105,412
Gain on settlement of liabilities		(47,244)
Financial charges	171,065	162,924
Provision for gratuity	6,890	4,833
<b>Operating profit/ (loss) before working capital changes</b>	<b>(38,404)</b>	<b>112,642</b>
<b>Working capital changes</b>		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	(6,349)	(10,768)
Stock in trade	28,127	(65,870)
Trade debts	26,239	(26,137)
Loans and advances	(2,421)	(3,666)
Trade deposits, prepayments and other receivables	13,794	(5,830)
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	(74,358)	108,520
	(14,968)	(3,751)
<b>Cash generated from operations</b>	<b>(53,372)</b>	<b>108,891</b>
<b>Payments for:</b>		
Financial charges	(23,186)	(9,415)
Taxes	(14,188)	(7,673)
Gratuity	(2,242)	(3,189)
<b>Net cash inflow from operating activities</b>	<b>(92,988)</b>	<b>88,614</b>
	A	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(39,374)	(75,899)
<b>Net cash outflow from investing activities</b>	<b>(39,374)</b>	<b>(75,899)</b>
	B	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans	201,082	95,760
Lease rentals paid	(6,236)	(21,558)
Short term borrowings - Net	(61,352)	(109,268)
<b>Net cash outflow from financing activities</b>	<b>133,494</b>	<b>(35,066)</b>
	C	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,132</b>	<b>(22,351)</b>
	A+B+C	
<b>Cash and cash equivalents as at 1st July</b>	<b>22,252</b>	<b>37,414</b>
<b>Cash and cash equivalents as at 31st March</b>	<b>23,384</b>	<b>15,063</b>

The annexed notes form an integral part of this condensed interim financial information.

## Condensed Interim Statement of Changes in Equity

For the Nine Months & Quarter Ended March 31, 2014 - (Un-audited)

	Issued, subscribed and paid-up capital	Discount on issuance of shares	Accumulated Loss Restated	Total
(Rupees in thousand)				
<b>Balance as on July 01, 2012 - restated</b>	858,000	-	(2,693,044)	(1,835,044)
<b>Total comprehensive income/(loss) for the period</b>				
Loss after taxation - restated	-	-	(120,435)	(120,435)
Other comprehensive income:				
Transfer from surplus on revaluation				
of property, plant and equipment - Net of tax	-	-	5,341	5,341
Shares issued during the period	858,000	-	-	858,000
Discount on issuance of shares	-	(514,800)	-	(514,800)
Total comprehensive income for the year - restated	858,000	(514,800)	(115,094)	228,106
<b>Balance as on March 31, 2013 - restated</b>	1,716,000	(514,800)	(2,808,138)	(1,606,938)
<b>Balance as on July 01, 2013</b>	1,716,000	(514,800)	(2,912,222)	(1,711,022)
<b>Total comprehensive income/(loss) for the period</b>				
Loss after taxation	-	-	(332,025)	(332,025)
Other comprehensive income:				
Transfer from surplus on revaluation				
of property, plant and equipment - Net of tax	-	-	4,845	4,845
Total comprehensive loss for the period	-	-	(327,180)	(327,180)
<b>Balance as on March 31, 2014</b>	1,716,000	(514,800)	(3,239,402)	(1,934,118)

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director



## Condensed Interim Notes to the Financial Information For the Nine Months & Quarter Ended March 31, 2014 - (Un-audited)

### 1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public listed company in 1980 under the Companies Act, 1913 (now the 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, glass table wares and plastic shells. The registered office of the Company is situated at Hub, Balochistan whereas head office of the Company is situated at Kot Abdul Malik, Lahore.

### 2. BASIS OF PREPARATION

"This condensed interim financial information for the nine months ended March 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information is unaudited and is being submitted to the shareholders as required under listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2013."

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

"The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2013. Judgments and estimates made by management in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2013."

#### 3.1 New and amended standards and interpretations adopted during the period

The Company has adopted the following amended IFRS and IFRIC interpretations which became effective during the period.

IAS 19 - Employees' Benefits (Amendment)  
IAS 34 - Interim Financial Reporting (Amendment)

The adoption of the above amendments did not have any effect on the interim financial information

### 4. CONTINGENCIES AND COMMITMENTS

Two suits amounting Rs. 16 million and Rs. 50.78 million were filed against the Company by Standard Chartered Leasing Co. and Orix Leasing Ltd. The Company has entered into settlement agreement with these companies. During the current period, the Company successfully paid the settlement liabilities. Upon payment as per settlement, these cases have now been disposed off by the Honorable High Court of Sindh.

Bank guarantees amounting to Rs. 110.893 million (June 2013: Rs. 96.893 million) have been given by various banks on behalf of the Company.

There is no other significant change in contingencies and commitments since the date of the preceding published annual financial statements.

### Condensed Interim Notes to the Financial Information

	March 31, 2014	June 30, 2013
	(Rupees in thousand)	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	1,397,705	1,444,578
Capital work in progress	75,297	89,578
	<u>1,473,002</u>	<u>1,534,156</u>
<b>5.1 Additions/ (Deletions) during the period</b>		
Building	627	336
Plant and machinery	45,927	52,027
Electric and gas installation	5,441	16,604
Furniture and fixtures	-	1,703
Office equipment	89	627
Vehicles	1,571	3,348
	<u>53,655</u>	<u>74,645</u>
<b>5.2 Capital work in progress - At cost</b>		
Opening	89,578	14,109
Additions	35,693	84,478
Less: Capitalized	(49,974)	(9,009)
Closing	<u>75,297</u>	<u>89,578</u>
<b>5.3 Capital work in progress - Breakup</b>		
Plant and machinery	75,297	89,098
Civil work	-	480
	<u>75,297</u>	<u>89,578</u>

### 6 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, directors and key management personnels. Significant related parties transactions during the period are as follows:

	March 31, 2014	March 31, 2013
	(Rupees in thousand)	
<b>Associated companies</b>		
Short term loan received	41,205	29,815
Repayment of short term loan	24,762	35,836
Purchases	10,182	15,742
Payment against supplies	30,493	17,724
Markup charged on loan	5,000	13,583
<b>Directors</b>		
Loan received	346,272	178,673
Repayment of loan	98,911	17,100
Markup charged on loan	90,600	74,717
Issue of shares	-	858,000

### 7 CORRESPONDING FIGURES

Freight and forwarding charges amounting to rupees 16.763 million have been reclassified from Cost of Goods Sold to Administrative and Selling expenses for the purpose of appropriate presentation.

### 8 GENERAL

This condensed interim financial information is presented in Pakistani rupees and figures have been rounded off to nearest thousand of Pakistani rupees.

### 9 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information is authorized for issue on April 30, 2014 in accordance with the resolution of the Board of Directors of the Company.

  
Chief Executive

  
Director



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