

(Un-audited)

**Condensed Interim
Un-Audited Financial Information
For the Nine Months &
3rd Quarter Ended
March 31, 2015**



BALOCHISTAN 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 & CEO

COMPANY SECRETARY

Shaikh Arif Moin-ul-Haq

AUDIT COMMITTEE

Mr. Mian Nazir Ahmed Paracha
Mr. Mustafa Tousif Ahmed Paracha
Mr. Jawaid Aziz Paracha

Chairman
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Mustafa Tousif Ahmed Paracha
Mr. Jawaid Azaiz paracha
Mr. Tariq Siddiq Paracha

Chairman
Member
Member

BANKERS

The Bank of Punjab
Bank Al Falah Limited
Al Baraka Bank (Pakistan) Limited
Faysal Bank Limited
KASB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
United Bank Limited
BankIslami Pakistan Limited
Summit Bank Limited
MCB Bank Limited

HEAD OFFICE

12-KM, Sheikhpura Road,
Kot Abdul Malik,
Lahore.
Ph. # 042-37923993-4
Fax # 042-37930616
Web: www.balochistanglass.com
Email: info@balochistanglass.com

KARACHI OFFICE

Dime Centre, B.C. 4, 3rd Floor,
Block 09, Clifton, Karachi.
Ph. No. 021-35377977-80

AUDITORS

F.R.A.N.T.S. & Co.
Chartered Accountants

FACTORIES

UNIT-I
Plot no. 8, Sector M, H.I.T.E.,
Hub, District Lasbella,
Balochistan.

LEGAL ADVISOR

Masood Khan Ghory
(Advocate & Legal Consultant)

UNIT-II

29-KM, Sheikhpura Road,
Sheikhpura.

REGISTERED OFFICE

Plot no. 8, Sector M, H.I.T.E.,
Hub, District Lasbella, Balochistan.
Tel : 0853 - 363657

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

Directors of your Company are pleased to present the condensed interim financial information for the nine months ended March 31, 2015.

COMPANY PERFORMANCE & FUTURE OUTLOOK

Brief comparison of key financial results of the Company for the nine months ended March 31, 2015 as against the comparable preceding period is as follows:

	For the nine months ended		For the quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Sales-Net	1,210,670	1,774,706	451,592	607,566
Gross profit/ (loss)	(109,085)	(87,554)	10,154	(26,828)
Operating profit / (loss)	(163,265)	(145,822)	(8,552)	(43,500)
Loss before taxation	(341,272)	(316,887)	(66,688)	(99,913)
Loss after taxation	(339,721)	(332,025)	(66,159)	(105,120)
EPS	(1.98)	(1.93)	(0.39)	(0.61)

Sales revenue is decreased due to closure of Unit-II due to non-availability of gas supply accordingly loss after tax has also increased as compare to last period. Production at Unit-III has also suffered very badly due to non-availability of gas supply and company has to curtail its production capacity. In order to keep the plant operational, we have to use furnace oil and LPG which has resulted in increased cost of production and also suffered production efficiencies.

Company suffered due to severe natural gas curtailment at Unit -II & III, whereas SNGPL provided gas to other glass manufacturing companies located in same vicinity. Company suffered because of load management as well as due to low gas pressure. Management is in continuous negotiations with government departments for provision of required gas supply at both plants. Once the issue is resolved, the Company will yield better results. The management has also decided to increase production of tableware products which have performed remarkably well over the past few years. Management is working hard to start Unit-II again as soon as gas availability is improved. In this regard 50% of arrear amount of SNGPL dues have been paid to ensure the continuous gas supply to the manufacturing facilities. We are also continuously focusing on streamlining the operations of all the units and enhancing their production efficiencies.

GOING CONCERN ASSUMPTION

Based on continuing support from directors, active negotiation with banks & financial institutions for restructuring of credit facilities, future prospects of industry, and other steps taken by management, Board of Directors' feels that company will have adequate resources to operate its business on a sustainable basis for foreseeable future, therefore, these financial statements have been prepared on going concern basis.

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, 2015 - (Un-audited)

	Notes	Un-audited March 31, 2015	Audited June 30, 2014
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized capital			
171,600,000 (June 30, 2014: 171,600,000)			
Ordinary shares of Rs. 10/- each		1,716,000	1,716,000
5,000,000 (June 30, 2014: 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		(3,809,383)	(3,474,195)
		(2,608,183)	(2,272,995)
Surplus on revaluation of property, plant and equipment		242,563	247,096
NON-CURRENT LIABILITIES			
Subordinated loan - Unsecured		482,080	482,080
Long term loans		1,267,132	1,179,852
Deferred liabilities		1,149,283	1,001,162
		<u>2,898,495</u>	<u>2,663,094</u>
CURRENT LIABILITIES			
Trade and other payables		842,012	869,574
Markup accrued		173,924	157,930
Short term borrowings		243,343	250,250
Current maturity of non current liabilities		191,139	190,404
		<u>1,450,418</u>	<u>1,468,158</u>
CONTINGENCIES AND COMMITMENTS			
	4	<u>1,983,293</u>	<u>2,105,353</u>
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,373,669	1,456,893
CURRENT ASSETS			
Stores, spares and loose tools		242,078	224,217
Stock in trade		87,794	140,467
Trade debts		153,256	82,607
Loans and advances		47,007	49,955
Trade deposits, prepayments and other receivable		64,431	101,938
Cash and bank balances		15,057	49,276
		<u>609,623</u>	<u>648,460</u>
		<u>1,983,293</u>	<u>2,105,353</u>

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

Chief Executive

Director

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Condensed Interim Profit and Loss Account

For the Nine Months & Quarter Ended March 31, 2015 - (Un-audited)

	For the nine months ended		For the quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees in thousand)			
Sales - Net	1,210,670	1,774,706	451,592	607,566
Cost of sales	1,319,755	1,862,260	441,438	634,394
Gross profit/ (loss)	(109,085)	(87,554)	10,154	(26,828)
Administrative and selling expenses	54,972	58,859	19,143	17,053
Other operating income	792	591	437	381
Operating profit / (loss)	(163,265)	(145,822)	(8,552)	(43,500)
Financial charges	178,007	171,065	58,136	56,413
Loss before taxation	(341,272)	(316,887)	(66,688)	(99,913)
Taxation - Current	681	17,747	215	6,076
Taxation - Deferred	(2,232)	(2,609)	(744)	(869)
Loss after taxation	(339,721)	(332,025)	(66,159)	(105,120)
Loss per share - Basic and diluted (Rupees)	(1.98)	(1.93)	(0.39)	(0.61)

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, 2015 - (Un-audited)

	For the nine months ended		For the quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees in thousand)			
Loss for the period	(339,721)	(332,025)	(66,159)	(105,120)
Other comprehensive income:				
Incremental depreciation transferred from surplus on revaluation				
of property, plant and equipment	6,765	7,454	2,255	(3,502)
Related deferred tax	(2,232)	(2,609)	(744)	1,226
	4,533	4,845	1,511	(2,276)
Total comprehensive loss for the period	<u>(335,188)</u>	<u>(327,180)</u>	<u>(64,648)</u>	<u>(107,396)</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, 2015 - (Un-audited)

	March 31, 2015	March 31, 2014
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(341,272)	(316,887)
Adjustments for non-cash charges and other items:		
Depreciation	96,549	100,528
Financial charges	178,007	171,065
Provision for gratuity	7,093	6,890
Operating profit/ (loss) before working capital changes	(59,623)	(38,404)
Working capital changes		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	(17,861)	(6,349)
Stock in trade	52,673	28,127
Trade debts	(70,649)	26,239
Loans and advances	2,949	(2,421)
Trade deposits, prepayments and other receivables	29,295	(10,676)
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	(15,778)	(49,888)
	(19,371)	(14,968)
Cash generated from operations	(78,994)	(53,372)
Payments for:		
Financial charges	(2,310)	(23,186)
Taxes	(17,794)	(14,188)
Gratuity	(2,902)	(2,242)
Net cash inflow from operating activities	A (102,000)	(92,988)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(13,326)	(39,374)
Net cash outflow from investing activities	B (13,326)	(39,374)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	88,014	201,082
Lease rentals paid	-	(6,236)
Short term borrowings - Net	(6,907)	(61,352)
Net cash outflow from financing activities	C 81,107	133,494
Net (decrease) / increase in cash and cash equivalents	A+B+C (34,219)	1,132
Cash and cash equivalents as at 1st July	49,276	22,252
Cash and cash equivalents as at 31st March	15,057	23,384

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, 2015 - (Un-audited)

Notes	Issued, subscribed and paid-up capital	Discount on issuance of shares	Accumulated Loss Restated	Total
(Rupees in thousand)				
Balance as on July 01, 2013	1,716,000	(514,800)	(2,912,222)	(1,711,022)
Total comprehensive income/(loss) for the period				
Loss after taxation - restated	-	-	(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 income for the year - restated	-	-	(327,180)	(327,180)
Balance as on March 31, 2014 - restated	<u>1,716,000</u>	<u>(514,800)</u>	<u>(3,239,402)</u>	<u>(2,038,202)</u>
Balance as on July 01, 2014	1,716,000	(514,800)	(3,474,195)	(2,272,995)
Total comprehensive income/(loss) for the period				
Loss after taxation	-	-	(339,721)	(339,721)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	4,533	4,533
Total comprehensive loss for the period	-	-	(335,188)	(335,188)
Balance as on March 31, 2015	<u>1,716,000</u>	<u>(514,800)</u>	<u>(3,809,383)</u>	<u>(2,373,390)</u>

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

Chief Executive

Director

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Condensed Interim Notes to the Financial Information

For the Nine Months & Quarter Ended March 31, 2015 - (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, 2015 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, 2014.

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, 2014.

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, 2014.

4. CONTINGENCIES AND COMMITMENTS

Bank guarantees amounting to Rs. 146.306 million (June 2014: Rs. 146.306 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.

	March 31, 2015	June 30, 2014
	(Rupees in thousand)	
Operating fixed assets	1,321,484	1,414,996
Capital work in progress	52,185	41,897
	1,373,669	1,456,893

5. PROPERTY, PLANT AND EQUIPMENT

**Condensed Interim Notes to the Financial Information**

	March 31, 2015	June 30, 2014
	(Rupees in thousand)	
5.1 Additions/ (Deletions) during the period		
Building	2,579	1,907
Plant and machinery	-	98,479
Electric and gas installation	-	7,537
Furniture and fixtures	-	
Office equipment	(54)	96
Vehicles	513	1,742
	<u>3,038</u>	<u>109,761</u>
5.2 Capital work in progress - At cost		
Opening	41,897	89,578
Additions	15,069	31,275
Less: Capitalized	(4,781)	(78,956)
Closing	<u>52,185</u>	<u>41,897</u>
5.3 Capital work in progress - Breakup		
Plant and machinery	52,185	89,098
Civil work	-	480
	<u>52,185</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:

Associated companies

Short term loan received	9,097	41,205
Repayment of short term loan	22,600	24,762
Purchases	-	10,182
Payment against supplies	-	30,493
Markup charged on loan	2,652	5,000

Directors

Loan received	253,580	346,272
Repayment of loan	112,300	98,911
Markup charged on loan	124,309	90,600

7 GENERAL

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

8 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information is authorized for issue on April 24, 2015 in accordance with the resolution of the Board of Directors of the Company.

Chief Executive

Director



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