

**(Un-audited)**

**Condensed Interim  
Un-Audited Financial Information  
For the Nine Months &  
3rd Quarter Ended  
March 31, 2016**



**BALOCHISTAN GLASS LIMITED**

**An ISO 9001:2008 Certified Company**



## Corporate Information

### Board of Directors

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

### COMPANY SECRETARY

Shaikh Arif Moin-ul-Haq

### AUDIT COMMITTEE

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

### HR & REMUNERATION COMMITTEE

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

### 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.  
Ph. # 042-37923993-4  
Fax # 042-37930616  
Web: [www.balochistanglass.com](http://www.balochistanglass.com)  
Email: [info@balochistanglass.com](mailto:info@balochistanglass.com)

### KARACHI OFFICE

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

### 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 are pleased to present the Condensed Interim Financial Information for the nine months and quarter ended March 31, 2016.

### COMPANY PERFORMANCE & FUTURE OUTLOOK

Brief comparison of key financial results of the Company for the nine months ended March 31, 2016 as against the comparable preceding period are as follows:

	For the nine months ended		For the quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in thousand)			
Sales - Net	1,110,672	1,210,670	392,907	451,592
Gross profit /(loss)	(183,035)	(118,085)	(49,621)	7,154
Operating loss	(217,261)	(163,265)	14,261	(8,552)
Loss before taxation	(458,438)	(341,272)	(166,354)	(66,688)
Loss after taxation	(455,661)	(339,721)	(165,529)	(66,159)
Loss per share - (Rupees)	(2.66)	(1.98)	(0.96)	(0.39)

Net sales revenue of the Company has dropped by 8.3% as compared to previous period due to closure of Unit-III and Unit-I partially during this period due to rehabilitation of furnaces and non-availability of smooth gas supply. Based on continuous previous efforts to operate Unit II, Company has successfully started its production since the last quarter of the previous financial year and achieving its production related planned targets and strengthening its market position steadily.

The overall production at the period end has increased as compared to previous nine months period that indicates improvement in production capacity because of Unit II contribution which includes Tableware and Container Glass products. Furthermore, reduction in oil prices has also helped to compensate the cost of production up to some extent. We are highly confident that these improvements would definitely help in getting out of Company's current situation and achieving desirable market results in near future.

### GOING CONCERN ASSUMPTION

Based on consistent support from directors, associates along with successful negotiations with banks & financial institutions for restructuring/settlement of overdue credit facilities, honoring existing restructuring/settlement agreements, future demand of glass products & prospects of industry, and other supportive 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 of our banks & financial institutions as well as our customers, suppliers and employees of the Company.

For and on the behalf of Board of Directors'

Lahore : 28 April 2016

**Muhammad Tousif Paracha**  
Chairman & CEO

**Condensed Interim Balance Sheet****as at March 31, 2016 - (Un-audited)**

<b><u>EQUITY AND LIABILITIES</u></b>	<b>Notes</b>	<b>Un-audited March 31, 2016</b>	<b>Audited June 30, 2015</b>
<b>(Rupees in thousand)</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
171,600,000 (June 30, 2015: 171,600,000)		1,716,000	1,716,000
Ordinary shares of Rs. 10 each			
5,000,000 (June 30, 2015: 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		(4,375,044)	(3,926,504)
		<u>(3,173,844)</u>	<u>(2,725,304)</u>
Surplus on revaluation of property, plant and equipment		300,020	307,141
<b>NON-CURRENT LIABILITIES</b>			
Subordinated loan - Unsecured		482,080	482,080
Long term loans	4	1,311,347	1,101,947
Deferred liabilities	5	1,329,348	1,196,200
		<u>3,122,775</u>	<u>2,780,227</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,019,519	837,024
Markup accrued		169,467	180,193
Short term borrowings	6	460,594	388,868
Current maturity of non current liabilities		228,818	231,017
		<u>1,878,398</u>	<u>1,637,102</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<u>2,127,349</u>	<u>1,999,166</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	1,396,810	1,450,322
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		224,305	243,774
Stock in trade		239,049	65,003
Trade debts		89,409	80,467
Loans and advances		52,129	50,301
Trade deposits, prepayments and other receivable		52,099	55,516
Taxes recoverable		63,972	43,068
Cash and bank balances		9,576	10,715
		<u>730,539</u>	<u>548,844</u>
		<u>2,127,349</u>	<u>1,999,166</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.



## Condensed Interim Profit and Loss Account

For the Nine Months & Quarter Ended March 31, 2016 - (Un-audited)

	For the nine months ended		For the quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in thousand)			
Sales - Net	1,110,672	1,210,670	392,907	451,592
Cost of sales	1,293,707	1,328,755	442,528	444,438
Gross loss	(183,035)	(118,085)	(49,621)	7,154
Administrative and selling expenses	40,427	45,972	14,261	16,143
Other operating expenses	3,367	-	-	-
	43,794	45,972	14,261	16,143
Other income	9,568	792	3,851	437
Operating loss	(217,261)	(163,265)	(60,031)	(8,552)
Financial charges	241,177	178,007	106,323	58,136
Loss before taxation	(458,438)	(341,272)	(166,354)	(66,688)
Taxation - Current	275	681	192	215
Taxation - Deferred	(3,052)	(2,232)	(1,017)	(744)
<b>Loss after taxation</b>	<b>(455,661)</b>	<b>(339,721)</b>	<b>(165,529)</b>	<b>(66,159)</b>
Loss per share - Basic and diluted (Rupees)	<u>(2.66)</u>	<u>(1.98)</u>	<u>(0.96)</u>	<u>(0.39)</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

**Condensed Interim Statement Of Comprehensive Income****For the Nine Months & Quarter Ended March 31, 2016 - (Un-audited)**

	For the nine months ended		For the quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in thousand)			
Loss for the period	(455,661)	(339,721)	(165,529)	(66,159)
Other comprehensive income:				
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	10,173	6,765	3,390	2,255
Related deferred tax	(3,052)	(2,232)	(1,017)	(744)
	7,121	4,533	2,373	1,511
Total comprehensive loss for the period	<u>(448,540)</u>	<u>(335,188)</u>	<u>(163,156)</u>	<u>(64,648)</u>

*The annexed notes 1 to 12 form an integral part of these condensed interim financial information.*



## Condensed Interim Cash Flow Statement

For the Nine Months & Quarter Ended March 31, 2016 - (Un-audited)

	March 31, 2016	March 31, 2015
	(Rupees in thousands)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(458,438)	(341,272)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	98,661	96,549
Loss/(Gain) on disposal of fixed assets	3,367	-
Liabilities and mark up written back on settlement with bank	(9,529)	-
Financial charges	241,177	178,007
Provision for gratuity	5,051	7,093
<b>Operating loss before working capital changes</b>	<b>(119,712)</b>	<b>(59,623)</b>
<b>Working capital changes</b>		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	19,469	(17,861)
Stock in trade	(174,046)	52,673
Trade debts	(8,942)	(70,649)
Loans and advances	(1,828)	2,949
Trade deposits, prepayments and other receivables	3,417	29,295
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	165,393	(15,778)
	3,463	(19,371)
<b>Cash generated from/ (used in) operations</b>	<b>(116,249)</b>	<b>(78,994)</b>
<b>Payments for:</b>		
Financial charges	(7,592)	(2,310)
Taxes	(10,785)	(17,794)
Gratuity	(5,082)	(2,902)
<b>Net cash inflow /(outflow) from operating activities</b>	<b>A (139,708)</b>	<b>(102,000)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures	(49,166)	(13,326)
Proceeds from disposal of fixed asset	650	-
<b>Net cash outflow from investing activities</b>	<b>B (48,516)</b>	<b>(13,326)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans - Net	41,499	88,014
Lease rentals paid	(14,646)	-
Short term borrowings - Net	160,232	(6,907)
<b>Net cash inflow from financing activities</b>	<b>C 187,085</b>	<b>81,107</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>A+B+C (1,139)</b>	<b>(34,219)</b>
<b>Cash and cash equivalents as at 1st July</b>	<b>10,715</b>	<b>49,276</b>
<b>Cash and cash equivalents as at 31st March</b>	<b>9,576</b>	<b>15,057</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.

Chief Executive

Director

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## Condensed Interim Statement of Changes in Equity For the Nine Months & Quarter Ended March 31, 2016 - (Un-audited)

	Issued, subscribed and paid-up capital	Discount on issuance of shares	Accumulated Loss	Total
(Rupees in thousand)				
<b>Balance as on July 01, 2014</b>	1,716,000	(514,800)	(3,474,195)	(2,272,995)
<b>Total comprehensive income/(loss) for the period</b>				
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)
<b>Balance as on March 31, 2015</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(3,809,383)</b>	<b>(2,608,183)</b>
<b>Balance as on July 01, 2015</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(3,926,504)</b>	<b>(2,725,304)</b>
<b>Total comprehensive income/(loss) for the period</b>				
Loss after taxation	-	-	(455,661)	(455,661)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	7,121	7,121
Total comprehensive loss for the period	-	-	(448,540)	(448,540)
<b>Balance as on March 31, 2015</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(4,375,044)</b>	<b>(3,173,844)</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial information.





## Condensed Interim Notes to the Financial Information

For the Nine Months & Quarter Ended March 31, 2016 - (Un-audited)

### 1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public company in 1980 under the Companies Act, 1913 (now the Companies Ordinance, 1984). Its shares are listed on the Pakistan Stock Exchange (formerly 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, 2016 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 Pakistan Stock Exchange (formerly 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, 2015.

### 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, 2015.

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, 2015.

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, 2015.

### 4. LONG TERM LOANS

From banks and financial institutions - Secured

From related parties (directors) - Unsecured

Less: Current and overdue portion presented under current liabilities

	March 31, 2016	June 30, 2015
	(Rupees in thousand)	
	347,607	295,916
	1,135,508	965,352
	1,483,115	1,261,268
	(171,768)	(159,321)
	<u>1,311,347</u>	<u>1,101,947</u>
	43,098	46,150
	45,064	45,095
	900,885	774,037
	340,301	330,918
	<u>1,329,348</u>	<u>1,196,200</u>

### 5. DEFERRED LIABILITIES

Deferred taxation

Employees retirement benefits

Deferred mark up (related parties)

Deferred mark up (financial institution)

**Condensed Interim Notes to the Financial Information****For the Nine Months & Quarter Ended March 31, 2016 - (Un-audited)**

5.1 Deferred tax asset arising due to assessed tax losses has not been recognised as the future taxable profits may not be available against which the said losses can be adjusted.

**6. SHORT TERM BORROWINGS**

The Company has entered into settlement agreement with Summit Bank Limited in respect of short term borrowings and lease liabilities and has paid Rs. 41.518 million and settled these liabilities during the period

The Company has also successfully entered into restructuring agreement with Faysal Bank Limited and Bank Islami Pakistan Limited in respect of short term borrowings and letter of credit facilities during the period. Subsequent to the reporting date, the Company has also entered into settlement/restructuring agreement with Meezan Bank Limited in respect of morabaha facility.

The Company has also obtained the loan from related party/other associate in the form of shares of the listed companies for meeting the working capital requirements and settlement of the loan from other associates. The loan is repayable in kind and has been valued at the fair market value of shares of such listed companies.

The Company has entered into an arrangement with its associated company by which a short term loan/advance facility amounting to Rs. 250 million is being extended to the Company for the period of one year. Necessary regulatory requirements have been complied with in this regard.

**7. CONTINGENCIES AND COMMITMENTS**

Bank guarantees amounting to Rs. 125.913 million (June 2015: Rs. 115.913 million) have been given by various banks on behalf of the Company.

Audit proceedings under the Sales Tax Act, 1990 in respect of tax year 2014 has been started during the period. The Company is in the process of submitting the required information/submission which is not concluded till the reporting date. Withholding tax assessment for the tax year 2012 and 2013 have been completed. Withholding tax demand of Rs. 6.085 million was created by the department and paid by the Company.

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

**8. PROPERTY, PLANT AND EQUIPMENT**

	<b>March 31, 2016</b>	<b>June 30, 2015</b>
	<b>(Rupees in thousand)</b>	
Operating fixed assets	1,392,195	1,447,967
Capital work in progress	4,615	2,355
	<b>1,396,810</b>	<b>1,450,322</b>
<b>8.1 Additions/Transfer &amp; (Deletions) during the period</b>		
Land	-	20,000
Building	1,294	61,596
Plant and machinery	33,529	78,447
Plant and machinery - cost	(13,329)	-
Electric and gas installation	8,298	4,021
Furniture and fixtures	10	-
Office equipment	172	88
Office equipment - cost	-	(54)
Vehicles	3,603	-
	<b>33,577</b>	<b>164,098</b>



## Condensed Interim Notes to the Financial Information

For the Nine Months & Quarter Ended March 31, 2016 - (Un-audited)

	March 31, 2016	June 30, 2015
	(Rupees in thousand)	
<b>8.2 Capital work in progress - At cost</b>		
Opening	2,355	41,897
Additions	2,260	25,783
Less: Capitalized	-	(65,325)
Closing	4,615	2,355
<b>8.3 Capital work in progress - Breakup</b>		
Plant and machinery	4,615	2,355

### 9. TRANSACTIONS WITH RELATED PARTIES

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

	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
<b>Associated Entities</b>		
Short term loan received	269,506	9,097
Repayment of short term loan	32,532	22,600
Purchases	6,108	-
Payment against supplies	2,953	-
Markup charged on loan	3,365	2,652
<b>Other Associates</b>		
Loan received	67,605	-
Repayment of loan	139,909	-
Markup charged on loan	40,875	
<b>Directors</b>		
Loan received	190,157	253,580
Repayment of loan	20,000	112,300
Markup charged on loan	127,480	124,309

### 10. CORRESPONDING FIGURES

10.1 Comparative figures have been rearranged and reclassified wherever required to facilitate better comparison. Major reclassification made in corresponding figures for better presentation is as under;

Particulars	Rupees in 000	Reclassification	
		From	To
Legal & Professional	9,000	Administrative & selling expenses	Cost of goods sold

### 11. GENERAL

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

### 12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information is authorized for issue on April 28, 2016 in accordance with the resolution of the Board of Directors of the Company.

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

\_\_\_\_\_  
Director



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