

(Un-audited)

**Condensed Interim
Un-Audited Financial Information
For the Nine Months &
3rd Quarter Ended
March 31, 2017**



BALOCHISTAN GLASS LIMITED

An ISO 9001:2008 Certified Company



Corporate Information

Board of Directors

| | |
|----------------------------------|----------|
| Mr. Muhammad Tousif Paracha | CEO |
| Mrs. Tabsum Tousif Paracha | |
| Mr. Mian Nazir Ahmed Paracha | |
| Mr. Mustafa Tousif Ahmed Paracha | Chairman |
| Mr. Muhammad Niaz Paracha | |
| Mr. Shamim Anwar | |

COMPANY SECRETARY

Mr. Sheikh Arif Moin-ul-Haq

AUDIT COMMITTEE

| | |
|----------------------------------|----------|
| Mr. Mian Nazir Ahmed Paracha | Chairman |
| Mr. Mustafa Tousif Ahmed Paracha | Member |
| Mr. Muhammad Niaz Paracha | Member |
| Mr. Shamim Anwar | Member |

HR & REMUNERATION COMMITTEE

| | |
|----------------------------------|----------|
| Mr. Mustafa Tousif Ahmed Paracha | Chairman |
| Mr. Muhammad Niaz Paracha | Member |

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
Bank Islami Pakistan Limited
Summit Bank Limited
MCB Bank Limited

HEAD OFFICE

12-KM, Sheikhpura Road,
Kot Abdul Malik,
Lahore.
Ph. # 042-37164425, 37164071
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

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.

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



Directors' Report

The Directors of your Company are pleased to present the Condensed Interim Financial Information for the nine months period and quarter ended March 31, 2017.

COMPANY PERFORMANCE & FUTURE OUTLOOK

Brief comparison of key financial results of the Company for the nine months period ended March 31, 2017 as against the comparable preceding period is as follows:

| | For the nine months ended | | For the quarter ended | |
|----------------------|---------------------------|-------------------|-----------------------|-------------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | (Rupees in thousand) | | | |
| Sales - Net | 537,014 | 1,110,672 | 95,971 | 392,907 |
| Gross loss | (201,728) | (183,035) | (51,397) | (49,621) |
| Operating loss | (205,342) | (217,261) | (62,657) | (60,031) |
| Loss after taxation | (348,617) | (455,661) | (98,934) | (165,529) |
| Loss per share (Rs.) | (2.03) | (2.66) | (0.57) | (0.96) |

Sales revenue of the Company has decreased as compared to corresponding periods, because Unit-I and Unit-II of the company was closed down and only Unit-III is operating at 50% of its capacity. The cost of production has also increased because industry in Punjab is converted on RLNG which is expensive as compared to natural gas in addition to this fixed production cost can also not be fully absorbed because of low production during the period under review.

In order to ensure profitable operations of the company, management is under process to finalize a detailed BMR plan for all the units of company with the help of its foreign equity shareholder. The main purpose of this plan is to ensure that company can utilize its maximum production capacity at better efficiencies so that best production quality is supplied to the market which are the main areas where BGL is lacking so far and therefore incurring heavy operational losses.

The BMR plan include repair of all furnaces, import of new machinery as well overhauling of existing machinery. Presently, company is under process to finalize detailed BMR plan for Unit-I and Unit-II of the company, however, in order to ensure timely completion of project company has recently opened Letter of credit for import of machinery for Unit-I and for others is under finalization. We will inform our shareholders about progress on BMR project of the company.

Management is of the view that, though, implementation of its BMR strategy may take significant time (around 7-8 months) and will also require substantial financial resources but in the long run this will help the Company to overcome its all issues suffered in the past as well as future challenges. We feel proper implementation of project will lead the company towards competitive edge over its competitors in terms of better quality of products, improved production activities, lower costs, increased product demand and increased production efficiencies which will ultimately translate in to better gross margins.

We express our gratitude to all stakeholders for their continued support and co-operation particularly of our foreign equity shareholder for his valuable support to improve the operations of the company

For and on the behalf of Board of Directors'

Muhammad Tousif Paracha
CEO

Lahore : 26 April 2017

**Condensed Interim Balance Sheet**

as at March 31, 2017 - (Un-audited)

EQUITY AND LIABILITIES**SHARE CAPITAL AND RESERVES**

Authorized capital

266,600,000 (June 30, 2016: 171,600,000)

Ordinary shares of Rs. 10 each

Issued, subscribed and paid-up capital

Discount on shares

Accumulated loss

Share deposit money

Surplus on revaluation of property, plant and equipment

Subordinated loan - Unsecured

NON-CURRENT LIABILITIES

Long term loans

Deferred liabilities

CURRENT LIABILITIES

Trade and other payables

Markup accrued

Short term borrowings

Current maturity of non current liabilities

CONTINGENCIES AND COMMITMENTS**ASSETS****NON-CURRENT ASSETS**

Property, plant and equipment

Long term investment

CURRENT ASSETS

Stores, spares and loose tools

Stock in trade

Trade debts

Loans and advances

Trade deposits, prepayments and other receivable

Taxes recoverable

Cash and bank balances

| Note | Un-audited | Audited |
|------|-----------------------|---------------|
| | Mar 31, 2017 | June 30, 2016 |
| | (Rupees in thousands) | |
| | 2,666,000 | 1,766,000 |
| | 1,716,000 | 1,716,000 |
| | (514,800) | (514,800) |
| | (4,787,713) | (4,445,553) |
| | (3,586,513) | (3,244,353) |
| 4 | 367,031 | - |
| | 291,189 | 297,646 |
| | 482,080 | 482,080 |
| 5 | 1,686,630 | 1,592,116 |
| 6 | 1,184,776 | 1,106,293 |
| | 2,871,406 | 2,698,409 |
| | 862,771 | 1,042,484 |
| | 143,192 | 184,559 |
| 7 | 377,020 | 411,562 |
| | 301,384 | 222,567 |
| | 1,684,367 | 1,861,172 |
| 8 | 2,109,560 | 2,094,954 |
| | 1,297,686 | 1,377,110 |
| 10 | 126,000 | - |
| | 1,423,686 | 1,377,110 |
| | 238,062 | 232,542 |
| | 179,648 | 234,760 |
| | 90,085 | 69,858 |
| | 48,704 | 47,305 |
| | 47,090 | 47,622 |
| | 70,423 | 65,951 |
| | 11,862 | 19,806 |
| | 685,874 | 717,844 |
| | 2,109,560 | 2,094,954 |

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

Chief Executive

Director

**Condensed Interim Profit and Loss Account**

For the Nine Months & Quarter Ended March 31, 2017 - (Un-audited)

| | For the nine months ended | | For the quarter ended | |
|--|---------------------------|-------------------|-----------------------|-------------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | (Rupees in thousands) | | (Rupees in thousands) | |
| Sales - Net | 537,014 | 1,110,672 | 95,971 | 392,907 |
| Cost of sales | 738,742 | 1,293,707 | 147,368 | 442,528 |
| Gross loss | (201,728) | (183,035) | (51,397) | (49,621) |
| Administrative and selling expenses | 29,195 | 40,427 | 11,280 | 14,261 |
| Other expenses | - | 3,367 | - | - |
| | 29,195 | 43,794 | 11,280 | 14,261 |
| Other incomes | 25,581 | 9,568 | 20 | 3,851 |
| Operating loss | (205,342) | (217,261) | (62,657) | (60,031) |
| Financial charges | 140,672 | 241,177 | 36,240 | 106,323 |
| Loss before taxation | (346,014) | (458,438) | (98,897) | (166,354) |
| Taxation - Current | 5,371 | 275 | 960 | 192 |
| - Deferred | (2,768) | (3,052) | (923) | (1,017) |
| Loss after taxation | (348,617) | (455,661) | (98,934) | (165,529) |
| Loss per share - Basic and diluted (Rs.) | (2.03) | (2.66) | (0.57) | (0.96) |

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

Chief Executive

Director

**Condensed Interim Statement Of Comprehensive Income**

For the Nine Months & Quarter Ended March 31, 2017 - (Un-audited)

| | For the nine months ended | | For the quarter ended | |
|---|---------------------------|-------------------|-----------------------|-------------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | (Rupees in thousands) | | (Rupees in thousands) | |
| Loss for the period | (348,617) | (455,661) | (98,934) | (165,529) |
| Other comprehensive income: | | | | |
| Incremental depreciation transferred from surplus on revaluation of property, plant and equipment | 9,225 | 10,173 | 3,075 | 3,390 |
| Related deferred tax | (2,768) | (3,052) | (923) | (1,017) |
| | 6,457 | 7,121 | 2,152 | 2,373 |
| Total comprehensive loss for the period | <u>(342,160)</u> | <u>(448,540)</u> | <u>(96,782)</u> | <u>(163,156)</u> |

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.



Condensed Interim Cash Flow Statement

For the Nine Months & Quarter Ended March 31, 2017 - (Un-audited)

| | March 31, 2017 | March 31, 2016 |
|--|-----------------------|-------------------|
| | (Rupees in thousands) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (346,014) | (458,438) |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 92,071 | 98,661 |
| Provision for gratuity | 3,802 | 5,051 |
| Loss on disposal of fixed assets | - | 3,367 |
| Financial charges | 140,672 | 241,177 |
| Gain on settlement of liabilities | (25,518) | (9,529) |
| Operating loss before working capital changes | (134,987) | (119,712) |
| Working capital changes | | |
| <i>(Increase)/Decrease in current assets</i> | | |
| Stores, spares and loose tools | (5,520) | 19,469 |
| Stock in trade | 55,112 | (174,046) |
| Trade debts | (20,227) | (8,942) |
| Loans and advances | (1,399) | (1,828) |
| Trade deposits, prepayments and other receivables | 532 | 3,417 |
| <i>Increase/(Decrease) in current liabilities</i> | | |
| Trade and other payables | (102,247) | 165,393 |
| | (73,749) | 3,463 |
| Cash used in operations | (208,736) | (116,249) |
| Payments for: | | |
| Financial charges | (24,173) | (7,592) |
| Taxes | (6,588) | (10,785) |
| Gratuity | (16,312) | (5,082) |
| Net cash outflow from operating activities | A (255,809) | (139,708) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditures | (12,647) | (49,166) |
| Proceeds from disposal of fixed asset | - | 650 |
| Long term investment | (126,000) | - |
| Net cash outflow from investing activities | B (138,647) | (48,516) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Funds received for issuance of shares | 367,031 | - |
| Long term loans - Net | 4,026 | 41,499 |
| Lease rentals paid | - | (14,646) |
| Short term borrowings - Net | 15,455 | 160,232 |
| Net cash inflow from financing activities | C 386,512 | 187,085 |
| Net increase/ (decrease) in cash and cash equivalents | A+B+C (7,944) | (1,139) |
| Cash and cash equivalents as at 1st July | 19,806 | 10,715 |
| Cash and cash equivalents as at 31st March | 11,862 | 9,576 |

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

Chief Executive

Director

**Condensed Interim Statement of Changes in Equity**
For the Nine Months & Quarter Ended March 31, 2017 - (Un-audited)

| | Issued, subscribed and paid-up capital | Discount on issuance of shares | Accumulated Loss | Total |
|---|---|--------------------------------------|---------------------|--------------------|
| (Rupees in thousand) | | | | |
| Balance as on July 01, 2015 | 1,716,000 | (514,800) | (3,926,504) | (2,725,304) |
| Total comprehensive (loss) for the period | | | | |
| 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) |
| Balance as on March 31, 2016 | 1,716,000 | (514,800) | (4,375,044) | (3,173,844) |
| Balance as on July 01, 2016 | 1,716,000 | (514,800) | (4,445,553) | (3,244,353) |
| Total comprehensive (loss) for the period | | | | |
| Loss after taxation | - | - | (348,617) | (348,617) |
| Other comprehensive income: | | | | |
| Transfer from surplus on revaluation of property, plant and equipment - Net of tax | - | - | 6,457 | 6,457 |
| Total comprehensive loss for the period | - | - | (342,160) | (342,160) |
| Balance as on March 31, 2017 | 1,716,000 | (514,800) | (4,787,713) | (3,586,513) |

The annexed notes 1 to 13 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, 2017 - (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. 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, 2017 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, 2016.

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, 2016. 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, 2016. 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, 2016.

4. SHARE DEPOSIT MONEY

During the period, the Company has received funds from sponsoring director and his associates for the BMR, long term equity investment and to meet operational requirements of the Company. The Company shall adjust these funds against any future increase in paid up share capital.

| | March 31, 2017 | June 30, 2016 |
|---|-----------------------|------------------|
| | (Rupees in thousands) | |
| 5. LONG TERM LOANS | | |
| Banks and financial institutions (Secured) | 514,372 | 491,603 |
| Related parties - Directors (Un secured) | 1,417,939 | 1,267,377 |
| | 1,932,311 | 1,758,980 |
| Less: Current and overdue portion presented under current liabilities | (245,680) | (166,864) |
| | 1,686,630 | 1,592,116 |
| 6. DEFERRED LIABILITIES | | |
| Deferred taxation | 39,313 | 42,081 |
| Employees retirements benefits | 19,313 | 31,823 |
| Deferred mark up (related parties) | 969,940 | 880,785 |
| Deferred mark up (financial institution) | 156,210 | 151,604 |
| | 1,184,776 | 1,106,293 |

**Condensed Interim Notes to the Financial Information****For the Nine Months & Quarter Ended March 31, 2017 - (Un-audited)**

6.1 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.

7. SHORT TERM BORROWINGS

During the period, the Company has entered into restructuring arrangement with Al Baraka Bank Limited in respect of its letter of credit facility and paid Rs. 12.812 million as upfront payment. The balance amount is payable in 48 monthly installments @ 1 month KIBOR plus 1.5% starting from the month of October 2016.

The Company has also entered into restructuring agreement with National Bank of Pakistan in respect of short term loan facility during the period, and paid Rs. 27.87 million, out of the total outstanding amount of principal and markup/cost of fund, as upfront payment. The principal amount has been converted into fresh Demand Finance - I which is repayable in 20 quarterly installments @ 3 month KIBOR plus 1% starting from March 2017. The outstanding markup/cost of fund has been frozen and converted into Demand Finance - II which is repayable in 20 equal quarterly installments over the same 5 years.

8. CONTINGENCIES AND COMMITMENTS

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

| | | March 31, 2017 | June 30, 2016 |
|---|-----|---------------------------|--------------------------|
| (Rupees in thousands) | | | |
| 9. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 9.1 | 1,295,403 | 1,374,827 |
| Capital work in progress | 9.2 | 2,283 | 2,283 |
| | | 1,297,686 | 1,377,110 |
| 9.1 Additions/Transfer & (Deletions) during the period | | | |
| Building | | 1,909 | 1,294 |
| Plant and machinery | | 7,367 | 33,529 |
| Plant and machinery - cost | | - | (13,329) |
| Electric and gas installation | | - | 8,298 |
| Furniture and fixtures | | 50 | 10 |
| Office equipment | | 106 | 172 |
| Vehicles | | 3,215 | 3,603 |
| | | 12,647 | 33,577 |
| 9.2 Capital work in progress - At cost | | | |
| Opening | | 2,283 | 2,355 |
| Additions | | 1,418 | 2,185 |
| Less: Capitalised | | (1,418) | - |
| Closing | 9.3 | 2,283 | 4,540 |
| 9.3 Capital work in progress - Breakup | | | |
| Plant and Machinery | | 2,283 | 4,540 |



Condensed Interim Notes to the Financial Information

For the Nine Months & Quarter Ended March 31, 2017 - (Un-audited)

10. LONG TERM INVESTMENT

During the period, Company has made equity investment in associated undertaking (Paidar Hong Glass Private Limited) after passing the resolution in previous Annual General Meeting. The Company expects dividends, capital gains and lease rental income from this equity investment which will eventually enhance the return on investment of the shareholders of the company.

11. 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, 2017 | March 31, 2016 |
|--------------------------------|-----------------------|-------------------|
| | (Rupees in thousands) | |
| Associated Entities | | |
| Short term loan received - net | 8,606 | 236,974 |
| Purchases | - | 6,108 |
| Payment against supplies | 3,973 | 2,953 |
| Markup charged on loan | 18,039 | 3,365 |
| Other Associates | | |
| Short term loan received | - | 67,605 |
| Repayment of short term loan | - | 139,909 |
| Markup charged on loan | 8,422 | 40,875 |
| Directors | | |
| Loan received | 150,562 | 190,157 |
| Repayment of loan | - | 20,000 |
| Markup charged on loan | 89,155 | 127,480 |

12. CORRESPONDING FIGURES

- 12.1 Comparative figures have been rearranged and reclassified wherever required to facilitate better comparison while no major reclassification has been made in corresponding figures.

13. GENERAL

- 13.1 These financial statements are presented in rupees and figures have been rounded off to the nearest thousand rupees.
- 13.2 These financial statements are authorised for issue on **April 26, 2017** in accordance with the resolution of the Board of Directors of the Company.

Chief Executive

Director



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