

(Un-audited)

**Condensed Interim
Un-Audited Financial Information
For the Nine Months &
3rd Quarter Ended
March 31, 2018**



BALOCHISTAN GLASS LIMITED

An ISO 9001:2008 Certified Company



Corporate Information

Board of Directors

Mr. Muhammad Tousif Paracha	CEO
Mr. Mian Nazir Ahmed Paracha	
Mr. Mustafa Tousif Ahmed Paracha	Chairman
Mrs. Tabsum Tousif Paracha	
Mr. Shaffi Uddin Paracha	
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. Mian Nazir Ahmed Paracha	Member
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
JS 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. # 042-37164424-5
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.



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, 2018.

COMPANY PERFORMANCE & FUTURE OUTLOOK

Brief comparison of key financial results of the Company for the nine months period and Quarter ended March 31, 2018 as against the comparable preceding period is as follows:

	For the nine months ended		For the quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in thousand)			
Sales - Net	360,384	537,014	114,258	95,971
Gross loss	(172,198)	(201,728)	(105,026)	(51,397)
Operating loss	(197,472)	(205,342)	(109,420)	(62,657)
Loss before taxation	(239,491)	(346,014)	(122,183)	(98,897)
Loss after taxation	(241,477)	(348,617)	(122,773)	(98,934)
Loss per share	(1.41)	(2.03)	(1.09)	(0.57)

During the current period, only Unit-III remained in production at its partial capacity and produced Pharmaceutical products and steadily achieved its production targets. Because of increasing rates of sui gas and less utilization of installed capacity, the cost of production raised higher which caused negative financial results.

Based on the management strategic decisions of modernization of its production facilities, both Units I & II were closed for some period of time, which affected the financial performance of the Company. However, the management is aggressively working on a fundamental strategy to invest in modernization of its production facilities. The Company has completed most of the acquisition of modernized machinery for its Balancing, Modernization and Replacement (BMR) and is in the process of installing certain imported machinery at Unit-I which will start its production in the coming quarter of this financial year. While the management is also planning and preparing feasibility for the Unit-II, for which the capital procurement/installation is intended to be started in the next financial year.

With the committed support of the directors relating to availability/provision of financial resources, management is actively exploring the options in respect of upgraded production facilities in order to compete and penetrate the market with the objective to increase its market share. Management is of the view that, though, implementation of this strategy shall take few months and will require financial resources but in the long run this will not only help the Company overcoming the ever increasing challenges but also will provide the Company competitive edge over their competitors in terms of better quality of products hence better price and better profit margins, streamlined production activities, lower costs, increased product demand and increased production efficiencies.

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'

Muhammad Tousif Paracha
CEO

Lahore : 27 April 2018



Condensed Interim Balance Sheet

as at March 31, 2018 - (Un-audited)

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized capital

266,600,000 (June 30, 2017: 266,600,000)

Ordinary shares of Rs. 10 each

Issued, subscribed and paid-up capital

Discount on shares

Accumulated loss

Subordinated loans - Unsecured

Loan from sponsors - Unsecured

Surplus on revaluation of property, plant and equipment
- net of deferred tax

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

Advance against purchase of plant and machinery

Long term investment

CURRENT ASSETS

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans and advances

Trade deposits, prepayments and other receivable

Taxes recoverable due from Govt.

Cash and bank balances

Notes	Un-audited	Audited
	Mar 31, 2018	June 30, 2017
	(Rupees in thousands)	
	2,666,000	2,666,000
	1,716,000	1,716,000
	(514,800)	(514,800)
	(5,164,276)	(4,928,657)
	(3,963,076)	(3,727,457)
	482,080	482,080
4	3,550,045	3,143,201
	283,141	288,999
	352,190	186,823
	155,471	266,415
5	240,507	238,503
6	395,978	504,918
	722,802	878,789
	152,936	133,688
	515,830	367,721
7	223,305	284,057
	1,614,873	1,664,255
	2,363,041	2,355,996
8		
	1,567,239	1,268,570
	2,442	81,952
	125,631	125,631
10	1,695,312	1,476,153
	207,382	228,054
	122,285	163,374
	96,449	127,292
	47,773	43,030
	55,831	56,942
	76,716	68,558
	61,293	192,593
	667,729	879,843
	2,363,041	2,355,996

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

**Condensed Interim Profit and Loss Account****For the Nine Months & Quarter Ended March 31, 2018 - (Un-audited)**

	For the nine months ended		For the quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in thousands)		(Rupees in thousands)	
Sales - Net	360,384	537,014	114,258	95,971
Cost of sales	(532,582)	(738,742)	(219,284)	(147,368)
Gross loss	(172,198)	(201,728)	(105,026)	(51,397)
Administrative and selling expenses	(27,152)	(29,195)	(4,941)	(11,280)
Other incomes	1,878	25,581	547	20
Operating loss	(197,472)	(205,342)	(109,420)	(62,657)
Financial charges	(42,019)	(140,672)	(12,763)	(36,240)
Loss before taxation	(239,491)	(346,014)	(122,183)	(98,897)
Taxation - Current	(4,496)	(5,371)	(1,427)	(960)
- Deferred	2,510	2,768	837	923
Loss after taxation	(241,477)	(348,617)	(122,773)	(98,934)
Loss per share - Basic and diluted (Rs.)	(1.41)	(2.03)	(1.09)	(0.57)

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.


 Chief Executive


 Chief Financial Officer


 Director

**Condensed Interim Statement Of Comprehensive Income****For the Nine Months & Quarter Ended March 31, 2018 - (Un-audited)**

	For the nine months ended		For the quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in thousands)		(Rupees in thousands)	
Loss for the period	(241,477)	(348,617)	(122,773)	(98,934)
Other comprehensive income:				
Items that will not be reclassified to profit and loss account:				
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	8,368	9,225	2,790	3,075
Related deferred tax	(2,510)	(2,768)	(837)	(923)
	5,858	6,457	1,953	2,152
Total comprehensive loss for the period	(235,619)	(342,160)	(120,820)	(96,782)

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Condensed Interim Cash Flow Statement

For the Nine Months & Quarter Ended March 31, 2018 - (Un-audited)

	March 31, 2018	March 31, 2017
(Rupees in thousands)		
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(239,491)	(346,014)
Adjustments for non-cash charges and other items:		
Depreciation	82,227	92,071
Provision for gratuity	-	3,802
Financial charges	42,019	140,672
Gain on settlement of liabilities	-	(25,518)
Operating loss before working capital changes	(115,245)	(134,987)
Working capital changes		
<i>(Increase)/Decrease in current assets</i>		
Stores, spare parts and loose tools	20,672	(5,520)
Stock in trade	41,089	55,112
Trade debts	30,843	(20,227)
Loans and advances	(4,743)	(1,399)
Trade deposits, prepayments and other receivables	1,111	532
<i>(Decrease) in current liabilities</i>		
Trade and other payables	(155,938)	(102,247)
	(66,966)	(73,749)
Cash used in operations	(182,211)	(208,736)
Payments for:		
Financial charges	(14,645)	(24,173)
Taxes	(11,672)	(6,588)
Gratuity	(1,132)	(16,312)
Net cash outflow from operating activities	A (209,660)	(255,809)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(298,944)	(12,647)
Advance against purchase of plant and machinery	(2,442)	-
Long term investment	-	(126,000)
Net cash outflow from investing activities	B (301,386)	(138,647)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from sponsors - Net	406,844	367,031
Long term loans - Net	(175,207)	4,026
Short term borrowings - Net	148,109	15,455
Net cash inflow from financing activities	C 379,746	386,512
Net decrease in cash and cash equivalents	A+B+C (131,300)	(7,944)
Cash and cash equivalents at beginning of the period	192,593	19,806
Cash and cash equivalents at end of the period	61,293	11,862

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.


Chief Executive


Chief Financial Officer


Director



Condensed Interim Statement of Changes in Equity For the Nine Months & Quarter Ended March 31, 2018 - (Un-audited)

	Issued, subscribed and paid-up capital	Discount on shares	Accumulated Loss	Total
(Rupees in thousand)				
Balance as on June 30, 2016 (Audited)	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 deferred tax	-	-	6,457	6,457
Total comprehensive loss for the period	-	-	(342,160)	(342,160)
Balance as on March 31, 2017 (Unaudited)	1,716,000	(514,800)	(4,787,713)	(3,586,513)
Balance as on June 30, 2017 (Audited)	1,716,000	(514,800)	(4,928,657)	(3,727,457)
Total comprehensive loss for the period				
Loss after taxation	-	-	(241,477)	(241,477)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of deferred tax	-	-	5,858	5,858
Total comprehensive loss for the period	-	-	(235,619)	(235,619)
Balance as on March 31, 2018 (Unaudited)	1,716,000	(514,800)	(5,164,276)	(3,963,076)

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Condensed Interim Notes to the Financial Information

For the Nine Months & Quarter Ended March 31, 2018 - (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 Act, 2017). 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, 2018 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, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES, FINANCIAL RISK MANAGEMENT, JUDGMENTS AND ESTIMATES

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, 2017. 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, 2017. 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, 2017.

4. LOAN FROM SPONSORS - Unsecured

		Unaudited March 31, 2018	Audited June 30, 2017
		(Rupees in thousands)	
Long Term Loan	4.1	2,551,351	2,144,507
Deferred Mark Up - Reclassified	4.2	998,694	998,694
		3,550,045	3,143,201

4.1 These represent the long term loans provided by the sponsoring directors of the Company classified as long term loans under the mark up arrangement. Pursuant to the arrangements between the Company and the sponsoring directors, these have become interest free and payable at the discretion of the Company. Therefore, these loans are not measured at amortized cost as per requirements of IAS-39, rather these are recorded as equity in accordance with the Technical Release -32 ("Accounting Director Loan") issued by the Institute of Chartered Accountants of Pakistan.

4.2 These represent the amount of mark up charged, on long term loans from directors, till the year ended June 30, 2017. Pursuant to the arrangements between the Company and the sponsoring directors, no mark up is to be charged on these loans in the subsequent periods and outstanding balances of mark up as at the reporting date have become payable at the discretion of the Company.

5. LONG TERM LOANS

Banks and financial institutions (Secured)	304,022	475,718
Ex Director (Un secured)	19,051	19,051
	323,073	494,769
Less: Current and overdue portion presented under current liabilities	(167,602)	(228,354)
	155,471	266,415

**Condensed Interim Notes to the Financial Information
For the Nine Months & Quarter Ended March 31, 2018 - (Un-audited)****6. DEFERRED LIABILITIES**

	Unaudited March 31, 2018	Audited June 30, 2017
	(Rupees in thousands)	
Deferred taxation	35,918	38,428
Employees' retirement benefits	13,522	14,654
Deferred mark up (related parties)	25,658	24,227
Deferred mark up (financial institutions)	165,409	161,194
	240,507	238,503

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

7. SHORT TERM BORROWINGS

From related parties - Unsecured			
Associated Companies	7.1	252,945	252,945
Directors	7.2	153,431	-
Other associates	7.3	108,070	112,194
Others - Unsecured, interest free			
Temporary bank overdraft		1,384	2,582
		515,830	367,721

- 7.1 The unsecured loan /short term advance facility has been obtained from associated companies for working capital requirements which carries the mark up ranging from 9.67% to 9.75 % (June 2017: 8.55% to 9.62 %) per annum.
- 7.2 This represents interest free loan obtained from two directors of the Company.
- 7.3 The Company has obtained the loan from other associates for meeting the working capital requirements which carries mark up @ 10% (June 2017:10% per annum).

8. CONTINGENCIES AND COMMITMENTS**Contingencies**

There is no material change in the status of contingencies as mentioned in the annual financial statements of the Company for the year ended June 30, 2017.

Commitments

- (a) Commitments in respect of capital expenditure through letters of credit amounts to Rs. 48.002 million (June 2017: Rs. 270.835 Million).
- (b) The Company has issued post dated cheques of Rs. 24.982 million (June 2017: Nil) to custom authorities in respect of differential amount of sales tax on machinery imported by the Company which are returnable subject to the condition that the said machinery shall be used in-house for production of taxable supplies.

9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	1,185,441	1,266,287
Capital work in progress	9.2	381,798	2,283
		1,567,239	1,268,570
9.1 Additions during the period			
Building		-	1,909
Plant and machinery		1,200	7,367
Furniture and fittings		94	50
Office equipment		87	106
Vehicles		-	3,215
		1,381	12,647

**Condensed Interim Notes to the Financial Information**

For the Nine Months & Quarter Ended March 31, 2018 - (Un-audited)

		Unaudited March 31, 2018	Audited June 30, 2017
		(Rupees in thousands)	
9.2 Capital work in progress - At cost			
	Opening	2,283	2,283
	Additions	380,715	-
	Less: Capitalized	(1,200)	-
	Closing	<u>381,798</u>	<u>2,283</u>
9.3	This amount includes Rs. 81.952 million transferred from advance against purchase of plant & machinery.		
9.4 Capital work in progress - Breakup			
	Plant and machinery	<u>381,798</u>	<u>2,283</u>

10. LONG TERM INVESTMENT

The Company holds 15 million (49.99%) ordinary shares in Paidar Hong Glass (Pvt.) Limited (Investee Company) and possesses joint control with the Chinese investor. Owing to joint control of the Company and Chinese investor in the Investee Company, investment in Associate has been accounted for under the equity method of accounting. The investee company has yet to start its operations as it had established letter of credit for import of machinery against which partial shipments have been arrived.

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: -

	Unaudited March 31, 2018	Unaudited March 30, 2017
(Rupees in thousands)		
Associated Entities		
Short term loan received - net	-	8,606
Purchases	1,574	-
Payment against supplies	282	3,973
Markup charged on loan	18,102	18,039
Reimbursements of expenses	1,267	-
Other Associates		
Repayment of short term loan	4,124	-
Markup charged on loan	9,926	8,422
Directors		
Loan received - net	561,775	150,562
Markup charged on loan	-	89,155

12. FAIR VALUE ESTIMATION

The carrying values of financial assets and liabilities reflected in the financial statements approximate their fair values.

The management estimates regarding fair values of financial instruments are same as disclosed in annual financial statements of the Company for the year ended June 30, 2017.

13. CORRESPONDING FIGURES

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

14. GENERAL

14.1 These condensed financial information is presented in rupees and figures have been rounded off to the nearest thousand rupees.

14.2 These condensed financial information is authorized for issue on **April 27, 2018** in accordance with the resolution of the Board of Directors of the Company.


Chief Executive


Chief Financial Officer


Director



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