



**BALUCHISTAN GLASS LIMITED**

**CONDENSED INTERIM STATEMENTS**  
**MARCH 31, 2019**



ISO 9001 : 2008 CERTIFIED COMPANY

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# COMPANY PROFILE

## 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. Shams Ul Islam, ACA

## AUDIT COMMITTEE

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

Pace Tower, 1st Floor, 27-H,  
College Road, Gullberg - II, Lahore.  
Tel: 042 35253514  
Web: www.balochistanglass.com  
Email:info@balochistanglass.com

## KARACHI OFFICE

B 68/2, Ghulshan -e- Faysal, Corner of  
Street # 13, Block # 7 Bath Island Clinton,  
Karachi. Tel:

## 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' REVIEW

The Directors of your company are pleased to present the Condensed Interim Financial Statements of your company for the quarter ended March 31, 2019.

## COMPANY PERFORMANCE

Analysis of key operating results for the current period in comparison with the previous period is given below:

	For the Nine Months Ended		For the Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees in thousands			
Sales - Net	787,449	360,384	352,139	114,258
Gross (Loss)	(90,495)	(172,198)	(29,041)	(105,026)
Operating Profit/ (Loss)	(33,372)	(197,472)	(51,862)	(109,420)
Depreciation for the period	112,413	82,227	36,412	27,413
(Loss) before Tax	(92,499)	(239,491)	(76,052)	(122,183)
(Loss) after Tax	(87,944)	(241,477)	(74,533)	(122,773)
Basic and diluted (Loss) per share	(0.34)	(1.41)	(0.38)	(1.09)

Sales revenue for the period has grown significantly as compared to previous period; this substantial increase is mainly because of resumption of pharmaceutical operations at Unit - I, which was re-operated in August 2018 after the completion of Balancing Modernization & Replacement (BMR). It is also evident that the financial results for the last quarter are improved in comparison with the corresponding period. Production efficiency at Unit - I was improved steadily over the period. Keeping in view the market response and seasonal effects of pharmaceutical products, management is also intending to manufacture beverage products, which may improve the market share of the company.

In addition to above, the Company has also started production of Tableware glass products at Unit - III using one furnace since the month of October 2018. Despite of the expensive energy cost in Punjab vicinity due to consumption of Regasified Liquefied Natural Gas (RLNG), management is satisfied with the initial operational results derived at Unit - III during the period. Further the management is also working to re-operate the second furnace at Unit - III by addition of Jug machine and installing other tableware machines.

During the period, the Company has obtained and utilized fresh running finance facility upto Rs. 250 million from bank to meet its working capital requirements. Similarly, Gharibwal Cement Ltd (associated company) had also enhanced their working capital facilities to the company which will further help in working capital management. In addition to the above, the sponsors' has also shown their commitment to support the Company's operations.

We are highly confident that up gradation of the production facilities will result into increased market share which would definitely help the Company achieving more desirable market results in near future.

Board of Directors appreciates the assistance and co-operation extended by our banks and financial institutions as well as efforts, dedication and commitment demonstrated by all the employees and contractors of the Company as well as support & cooperation extended by our distributors, dealers, suppliers and other stakeholders of the company.

For and on behalf of Board of Directors



MUHAMMAD TOUSIF PERACHA  
Chief Executive Officer

Lahore: 30 April 2019

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2019

	Note	Un-Audited March 31, 2019	Audited June 30, 2018
		(Rupees in thousands)	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 266,600,000 (June 30, 2018: 266,600,000) ordinary shares of Rs. 10 each		2,666,000	2,666,000
Issued, subscribed and paid-up share capital		2,616,000	2,616,000
Discount on shares		(514,800)	(514,800)
		2,101,200	2,101,200
<b>Capital reserve</b>			
Revaluation surplus on property, plant and equipment - net of deferred tax		633,314	644,465
<b>Revenue reserve</b>			
Accumulated loss		(5,281,674)	(5,204,881)
		(2,547,160)	(2,459,216)
Sub-ordinated loans - unsecured	5	3,635,082	482,080
Loan from directors and their associate - Unsecured	6	273,938	3,153,002
		1,361,860	1,175,866
<b>NON-CURRENT LIABILITIES</b>			
Long term loans - secured	7	56,308	119,948
Deferred liabilities	8	73,954	234,991
		130,262	354,939
<b>CURRENT LIABILITIES</b>			
Trade and other payables		783,330	703,275
Unclaimed dividend		164	164
Markup accrued		109,009	114,720
Short term borrowings	9	582,298	249,986
Current maturity of non current liabilities	10	85,431	188,251
		1,560,232	1,256,396
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,052,354</b>	<b>2,787,201</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	1,956,869	2,002,343
Advance against purchase of plant and machinery		-	8,465
Long term investment	13	125,631	125,631
		2,082,500	2,136,439
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		240,473	209,039
Stock in trade		342,087	131,459
Trade debts		204,829	123,433
Loans and advances		35,633	38,230
Trade deposits, prepayments and other receivables		41,703	56,075
Taxes recoverable		77,267	87,697
Cash and bank balances		27,862	4,829
		969,854	650,762
<b>TOTAL ASSETS</b>		<b>3,052,354</b>	<b>2,787,201</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	For the Nine Months Ended March 31,		For the Quarter Ended March 31,	
	2019 (Rupees in thousands)	2018 (Rupees in thousands)	2019 (Rupees in thousands)	2018 (Rupees in thousands)
Sales - net	787,449	360,384	352,139	114,258
Cost of sales	(877,944)	(532,582)	(381,180)	(219,284)
Gross loss	(90,495)	(172,198)	(29,041)	(105,026)
Administrative and selling expenses	(63,395)	(27,152)	(22,821)	(4,941)
Other income	120,518	1,878	-	547
Operating loss	(33,372)	(197,472)	(51,862)	(109,420)
Finance cost	(59,127)	(42,019)	(24,190)	(12,763)
Loss before taxation	(92,499)	(239,491)	(76,052)	(122,183)
Taxation - Current	-	(4,496)	-	(1,427)
- Deferred	4,555	2,510	1,519	837
	4,555	(1,986)	1,519	(590)
Loss after taxation	(87,944)	(241,477)	(74,533)	(122,773)
Loss per share - Basic and diluted (Rs.)	(0.34)	(1.41)	(0.38)	(1.09)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

## CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	For the Nine Months Ended March 31,		For the Quarter Ended March 31,	
	2019 (Rupees in thousands)	2018 (Rupees in thousands)	2019 (Rupees in thousands)	2018 (Rupees in thousands)
Loss after taxation	(87,944)	(241,477)	(74,533)	(122,773)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(87,944)</u>	<u>(241,477)</u>	<u>(74,533)</u>	<u>(122,773)</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Issued, subscribed and paid-up share capital	Discount on shares	Capital reserve <u>Revaluation surplus on property, plant and equipment</u>	<u>Revenue reserve</u> Accumulated Loss	Total Equity
(Rupees in thousands)					
Balance as on July 01, 2017	1,716,000	(514,800)	288,999	(4,928,657)	(3,438,458)
Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax)	-	-	(5,858)	5,858	-
Total comprehensive loss for the period					
Loss after taxation for the period	-	-	-	(241,477)	(241,477)
Other comprehensive income for the period	-	-	-	-	-
	-	-	(5,858)	(235,619)	(241,477)
Balance as on March 31, 2018 (Un-audited)	1,716,000	(514,800)	283,141	(5,164,276)	(3,679,935)
<b>Balance as on July 01, 2018</b>	<b>2,616,000</b>	<b>(514,800)</b>	<b>644,465</b>	<b>(5,204,881)</b>	<b>(2,459,216)</b>
Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax)	-	-	(11,151)	11,151	-
<b>Total comprehensive loss for the period</b>					
Loss after taxation for the period	-	-	-	(87,944)	(87,944)
Other comprehensive loss for the period	-	-	-	-	-
	-	-	(11,151)	(76,793)	(87,944)
<b>Balance as on March 31, 2019 (Un-audited)</b>	<b>2,616,000</b>	<b>(514,800)</b>	<b>633,314</b>	<b>(5,281,674)</b>	<b>(2,547,160)</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	March 31,	
	2019	2018
	(Rupees in thousands)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(92,499)	(239,491)
Adjustments for non-cash charges and other items:		
Depreciation	112,413	82,227
Liability reversed/written back on settlement with financial institutions	(120,518)	-
Finance cost	59,127	42,019
<b>Operating cash flows before working capital changes</b>	<b>(41,477)</b>	<b>(115,245)</b>
<b>Working capital changes</b>		
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	(31,434)	20,672
Stock in trade	(210,628)	41,089
Trade debts	(81,396)	30,843
Loans and advances	2,597	(4,743)
Trade deposits, prepayments and other receivables	(7,628)	1,111
Increase / (Decrease) in current liabilities		
Trade and other payables	101,000	(155,938)
	(227,489)	(66,966)
<b>Cash used in operations</b>	<b>(268,966)</b>	<b>(182,211)</b>
<b>Payments for:</b>		
Finance cost	(102,421)	(14,645)
Taxes	(8,382)	(11,672)
Gratuity	(210)	(1,132)
<b>Net cash outflow from operating activities</b>	<b>A (379,979)</b>	<b>(209,660)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(58,474)	(298,944)
Advance against purchase of plant and machinery	-	(2,442)
<b>Net cash outflow from investing activities</b>	<b>B (58,474)</b>	<b>(301,386)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from directors and others - Net	273,938	406,844
Long term loans - Net	(121,326)	(175,207)
Lease liability paid	(23,438)	-
Short term borrowings - Net	332,312	148,109
<b>Net cash inflow from financing activities</b>	<b>461,486</b>	<b>379,746</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>A+B+C 23,033</b>	<b>(131,300)</b>
<b>Cash and cash equivalents as at 1st July</b>	<b>4,829</b>	<b>192,593</b>
<b>Cash and cash equivalents as at 31st March</b>	<b>27,862</b>	<b>61,293</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

### 1 STATUS AND NATURE OF BUSINESS

Balochistan Glass Limited (the Company) was incorporated in Pakistan as a public limited company in 1980 under the repealed 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 Plot no. 8, Block - M, Hub Industrial Trading Estate, District Lasbella, Hub, Balochistan whereas head office of the Company is situated at Pace Tower, 1st floor, 27-H, College Road, Gulberg II, Lahore.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are being presented and submitted to the shareholders as required by the Listing Regulations of the Pakistan Stock Exchange and under section 237 of the Companies Act, 2017. The condensed interim financial statements do not include all the information required for the complete set of financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2018.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2018, except stated in note 3.1 below:

- 3.1 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards
- (a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the nine months period ended March 31, 2019

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements, except for the adoption of IFRS-15, the effect of which is detailed below:

#### IFRS-15 'Revenue from contracts with customers'

This standard has been notified by the SECP to be effective for annual periods beginning on or after July 1, 2018. The standard replaces IAS 18 'Revenue', IAS 11 'Construction contracts', IFRIC 13 'Customer loyalty programmes', IFRIC 15 'Agreements for construction of real estate', IFRIC 18 'Transfer of assets from customers' and SIC 31 'Barter transactions involving advertising services' upon its effective date.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

- (b) New standards and amendments to published approved accounting and reporting standards that are not yet effective

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

#### 4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

Significant accounting estimates and judgments made by management in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2018.

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, 2018.

	Note	Un-Audited March 31, 2019 (Rupees in thousands)	Audited June 30, 2018
<b>5 SUBORDINATED LOANS - UNSECURED</b>			
Subordinated loans from directors and their associate - unsecured		482,080	482,080
Subordinated loans - unsecured - Bank of Punjab Muhammad Tausif Paracha - CEO			
- Long term loan	5.1	1,793,045	-
- Deferred mark-up	5.2	1,024,821	-
		2,817,866	-
Shaffi Uddin Paracha - Director			
- Long term loan	5.1	94,899	-
Mian Nazir Ahmed Paracha - Director			
- Long term loan	5.1	102,501	-
Other associate			
- Long term loan	5.1	104,670	-
- Deferred mark-up	5.2	33,066	-
		137,736	-
	5.3	3,153,002	-
		<u>3,635,082</u>	<u>482,080</u>

- 5.1 These represent the long term loans provided by the directors / director's associate which were previously classified as long term loans under the mark up arrangement. Pursuant to the arrangements between the Company and the directors and their associate, 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.

- 5.2 These represent the amount of mark up charged, on long term loans from directors and their associate, which was previously classified as deferred mark up in previous years. Pursuant to the arrangement between the Company and the directors and their associate, no mark up is to be charged on the loans from July 1, 2017 and outstanding balances of mark up have become payable at the discretion of the Company.

5.3 During the previous financial year, the Company obtained a running finance facility of Rs. 250.000 million from Bank of Punjab (BOP) to meet its working capital requirements, under the condition that the loans existed at June 30, 2018 would be fully subordinated till repayment of the loan to the bank. During the current interim period, subordination of such loans have been made vide Debt Subordination Agreement and accordingly these loans are reclassified from 'Loans from directors and their associate' (note 6) to subordinated loans.

	Note	Un-Audited March 31, 2019 (Rupees in thousands)	Audited June 30, 2018
<b>6 LOANS FROM DIRECTORS AND THEIR ASSOCIATE - UNSECURED</b>			
Long term loan from director			
Muhammad Tausif Paracha	5.1	273,938	-
Long term loan - reclassified to subordinated loans			
Muhammad Tausif Paracha - CEO			
- Long term loan		-	1,793,045
- Deferred mark-up		-	1,024,821
			2,817,866
Shaffi Uddin Paracha - Director			
- Long term loan		-	94,899
Mian Nazir Ahmed Paracha - Director			
- Long term loan		-	102,501
Other associate			
- Long term loan		-	104,670
- Deferred mark-up		-	33,066
			137,736
	5.3	-	3,153,002
		273,938	3,153,002
<b>7 LONG TERM LOANS</b>			
Banks and financial institutions - secured		133,303	252,496
Less: Current and overdue portion presented under current liabilities		(76,995)	(132,548)
		56,308	119,948
<b>8 DEFERRED LIABILITIES</b>			
Deferred taxation	8.1	61,642	66,197
Employees' retirement benefits - gratuity		12,312	12,522
Deferred mark up (financial institutions)	8.2	-	156,272
		73,954	234,991

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

8.2 During the period, the Company has repaid the Demand Finance Facility II (frozen markup) of Rs. 76.329 million to Bank of Punjab (BOP) and has been able to avail the waiver of frozen markup amounting Rs. 99.087 million as per restructured arrangements with bank.

The Company has entered into a fresh arrangement with Faysal Bank Limited and fully repaid principal amount of loan during the period and repayment of mark-up has been rescheduled to be paid in equal nineteen (19) monthly installments starting from April 30, 2019.

	Note	Un-Audited March 31, 2019 (Rupees in thousands)	Audited June 30, 2018
<b>9 SHORT TERM BORROWINGS</b>			
From Bank - Bank of Punjab (secured):			
Short term running finance	9.1	240,214	-
From related parties (unsecured):			
Associated company	9.2	329,233	249,986
Directors	9.3	12,851	-
		342,084	249,986
		582,298	249,986

9.1 This carries the mark up at the rate of 3 months KIBOR plus 300 bps per annum to be recovered on quarterly basis. This facility is secured against ranking charge of Rs. 834 million over present and future fixed assets, ranking charge of Rs. 334 million over current assets, pledge of 58 million shares of Gharibwal Cement Limited and personal guarantee of the CEO and subordination of loans as disclosed in note 5.3.

9.2 This represents unsecured loan / short term advance facility obtained from Gharibwal Cement Limited (GCL) to meet the working capital requirements of the Company and carries mark up at 3 months KIBOR + 3.5% p.a. During the period, the facility limit was enhanced from Rs. 250 million to Rs. 350 million. GCL also approved utilization of its non-funded letter of credit facility by the Company to the extent of Rs. 150 million.

Markup charged on this loan / advance during the current period amounted to Rs. 25.723 million with comparative of Rs. 18.103 million for the previous similar period. At period end, markup payable to GCL amounted to Rs. 11.709 million (30 June 2018: Rs. 6.213 million) which has been reported in accrued markup.

9.3 This represents interest free short term loans obtained from two directors of the Company to meet the working capital requirements of the Company.

## 10 CURRENT MATURITY OF NON CURRENT LIABILITIES

BOP - Demand Finance II		-	76,329
FBL - Restructured loan		-	20,853
FBL - Frozen Markup		39,144	-
NBP - DF I		8,125	8,125
NBP - DF II (Frozen Markup)		4,815	4,815
AlBaraka - Restructured loan		24,911	22,426
Lease Liabilities	10.1	8,436	55,703
		85,431	188,251

10.1 During the period, the Company entered in a settlement agreement with one of its lessors under which the Company paid a lump sum amount of Rs. 23.438 million and adjusted short term deposit amounting to Rs. 22.000 million against lease liability of Rs. 47.267 million and markup accrued of Rs. 19.602 million as a full and final settlement of total liability towards this lessor. Accordingly, the Company has recorded reversal of Rs. 21.431 million on account of this settlement.

## 11 CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

There is no material change in the status of contingencies and commitments as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2018.

### 11.2 Commitments

Commitments in respect of letters of credit amounting to Rs. 6.982 million (30 June 2018: Nil).

	Note	Un-Audited March 31, 2019 (Rupees in thousands)	Audited June 30, 2018
<b>12 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	12.1	1,863,482	1,656,396
Capital work in progress	12.2	93,387	345,947
		<u>1,956,869</u>	<u>2,002,343</u>
<b>12.1 Operating fixed assets</b>			
Opening balance - book value		1,656,396	1,266,287
<b>Add: Additions/ capitalization during the period / year</b>			
Building		9,104	17,414
Plant and machinery		306,406	81,075
Electric and gas installation		3,374	5,431
Furniture and fittings		19	104
Office equipment		596	351
		319,499	104,375
Add: Revaluation surplus during the period / year		-	396,566
Less: Depreciation charge during the period / year		(112,413)	(110,832)
		<u>1,863,482</u>	<u>1,656,396</u>
<b>12.2 Capital work in progress - At cost</b>			
Opening		345,947	2,283
Add: Additions	12.3	39,219	344,864
Less: Capitalized		(291,779)	(1,200)
Closing			
	12.4	<u>93,387</u>	<u>345,947</u>
<b>12.3</b> This includes amount of Rs. 8.465 million (30 June 2018 Rs. 81.952 million) transferred from advance against purchase of plant & machinery.			
<b>12.4</b> Capital work in progress - Breakup			
Plant and machinery		71,487	344,034
Civil work		21,900	1,913
		<u>93,387</u>	<u>345,947</u>
<b>13 LONG TERM INVESTMENT</b>			
This represents investment in Paidar Hong Glass (Private) Limited (an associated company which is a joint venture between the Company and Chinese investors) and has been accounted for under the equity method of accounting. During the period, there has been no change in the status of conditions existed at June 30, 2018 as disclosed in the annual audited financial statements. Keeping in view the factors disclosed in annual audited financial statements, no impairment on this investment is required at the period end.			

#### 14 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:

	Un-Audited For The Nine Months Ended	
	March 31, 2019	March 31, 2018
	(Rupees in thousands)	
<b>Associated Companies</b>		
<b>Gharibwal Cement Limited</b>		
Short term loan received - net	79,247	-
Markup charged on short term loan	25,723	18,103
Markup paid during the period	20,227	6,074
Purchases	-	1,574
Payment against supplies	-	282
Rent charged during the period	3,668	-
Rent paid during the period	4,649	-
Reimbursements on behalf of associated company	-	1,267
<b>Pak Hy Oils Limited</b>		
Purchases	871	-
Payment against supplies	923	-
<b>Directors</b>		
Loan received/(paid) - net		
Mr. Tousif Paracha	273,938	416,844
Mian Nazir Ahmed Paracha	10,000	77,431
Shafi Uddin Paracha	2,851	76,000
Tariq Siddiq Paracha	-	(10,000)

#### 15 INFORMATION ABOUT BUSINESS SEGMENTS

15.1 For management purposes, the activities of the Company are organized into business units based on their products and services and has two reportable operating segments. The glass containers segment mainly relates to production of glass containers and tableware. Plastic shells segment includes production of plastic shells. The analysis for segments is given below:

	March 31, 2019 (Un-audited)		
	Glass Containers	Plastic Shells	Total
	(Rupees in thousands)		
<b>Revenue:</b>			
Sales to external customers	929,986	-	929,986
Less: Sales tax	(142,537)	-	(142,537)
Net Revenue	787,449	-	787,449
Cost of goods sold	(877,944)	-	(877,944)
Admin and selling expenses	(63,395)	-	(63,395)
Other charges	-	-	-
	(153,890)	-	(153,890)
Other income	120,518	-	120,518
Segment result	(33,372)	-	(33,372)
Financial charges	(59,127)	-	(59,127)
Taxation	4,555	-	4,555
Loss for the year	(87,944)	-	(87,944)
<b>Other Information</b>			
Capital expenditure	58,474		
Depreciation	112,413		



	March 31, 2018 (Un-audited)		
	Glass Containers	Plastic Shells	Total
	(Rupees in thousands)		
<b>Revenue:</b>			
Sales to external customers	422,729	-	422,729
Less: Sales tax	(62,345)	-	(62,345)
Net Revenue	360,384	-	360,384
Cost of goods sold	(532,582)	-	(532,582)
Admin and selling expenses	(27,152)	-	(27,152)
Other charges	-	-	-
	(199,350)	-	(199,350)
Other income	1,878	-	1,878
Segment result	(197,472)	-	(197,472)
Financial charges	(42,019)	-	(42,019)
Taxation	(1,986)	-	(1,986)
Loss for the year	(241,477)	-	(241,477)
<b>Other Information:</b>			
Capital expenditure	298,944		
Depreciation	82,227		
		Un-Audited March 31, 2019	Un-Audited March 31, 2018
		(Rupees in thousands)	

## 15.2 GEOGRAPHICAL INFORMATION

Local sales	780,160	356,529
Export sales	7,289	3,855
	<u>787,449</u>	<u>360,384</u>

## 16 FAIR VALUE ESTIMATION

The carrying values of all financial assets and liabilities reflected in the condensed interim financial statements are a reasonable approximation of their fair values. During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. There was no transfer amongst the levels of fair value hierarchy and any change in valuation techniques during the period.

The management estimates regarding fair values of financial instruments are same as disclosed in annual audited financial statements of the Company for the year ended June 30, 2018.

## 17 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.

## 18 GENERAL

18.1 These condensed interim financial statements are presented in Pakistani Rupees and figures have been rounded off to the nearest thousand Pakistani Rupee, unless otherwise stated.

18.2 These condensed interim financial statements are authorized for issue on **April 30, 2019** in accordance with the resolution of the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

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