



BALUCHISTAN GLASS LIMITED



**Condensed Interim Financial Statements
(Un-Audited)
For the nine months ended
MARCH 31, 2020**

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COMPANY PROFILE



BOARD OF DIRECTORS

Mr. Muhammad Tousif Paracha
Mr. Mian Nazir Ahmed Paracha
Mr. Faisal Aftab Nabi
Mrs. Tabassum Tousif Paracha
Mr. Shaffi Uddin Paracha
Mr. Muhammad Niaz Paracha
Mr. Sana Ullah Khan Ghory

Chairman
CEO



AUDIT COMMITTEE

Mr. Faisal Aftab Nabi
Mr. Muhammad Tousif Paracha
Mr. Muhammad Niaz Paracha

Chairman
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Sana Ullah Khan Ghory
Mr. Muhammad Tousif Paracha
Mr. Mian Nazir Ahmed Paracha

Chairman
Member
Member



COMPANY SECRETARY

Mr. Shams Ul Islam, ACA



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 Clifton,
Karachi.

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 financial performance and affairs of your Company for the nine months and quarter period ended March 31, 2020.

COMPANY PERFORMANCE

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

	For The Nine Months Ended March 31,		For The Quarter Ended March 31,	
	2020	2019	2020	2019
	Rupees in thousands			
Sales - Net	1,265,851	787,449	339,462	352,139
Gross (Loss)	(75,203)	(90,495)	(52,529)	(29,041)
Operating (Loss)	(157,221)	(33,372)	(69,568)	(51,862)
Depreciation for the period	106,107	112,413	33,711	36,412
(Loss) before Tax	(242,949)	(92,499)	(99,330)	(76,052)
(Loss) after Tax	(257,735)	(87,944)	(103,027)	(74,533)
Basic and diluted (Loss)/ Earnings per share	(0.99)	(0.34)	(0.40)	(0.29)

Net sale revenue of the company has increased by 60.75% during this period in comparison with the corresponding period because of continued production of tableware glass products at Unit – III and contribution of pharmaceutical glass products manufactured at Unit – I.

The production results of tableware glass products at Unit – III (Kot Abdul Malik Lahore) remained better in terms of product quality, net efficiency, and smooth operations and also achieved better market response that contributed in the net revenue of the company during the period. This is considerable to note that this Unit remained operative with one furnace having half of the total capacity of the Plant during this period. Unfortunately the outbreak of Coronavirus has damaged the economy of the country and worldwide badly, that also affected our targeted sales revenue due to country wide lock-downs in the last month of the period under review. In addition to this, increasing trend of energy cost (Sui gas and Furnace oil) during the period squeezed the profit margins in tableware glass segments. However the management is still confident to continue the expansion plan for this Unit by refurbishing the second furnace having double of the existing capacity to produce tableware glass products, which would also reduce the impact of fixed cost and help to get better results based on the desirable market conditions.

As the production at Unit – I (Hub) is suspended since the month of November 2019 with the strategic management decisions due to higher sui-gas rates in south region, worst price competition in the market causing lower margins and few machinery related issues. However the stock in-hand was sufficient to overcome the existing demand of the pharmaceutical customers during the period. Furthermore the management is optimistic to resume the production and working to plan and implement the necessary improvements in technical areas including furnace and machinery efficiencies.

In the subsequent period, the Company has also applied to the financial institutions to avail the facility of deferment in loan repayments and as per the financial relief announced by State Bank of Pakistan which may provide the sufficient breathing space in the liquidity position of the company. In addition to this management expects that the decrease in interest rate and fuel prices would improve the financial results of the company in coming periods. Further the sponsoring directors and associates have also shown their continued commitment to support the Company's operations.

The Board of Directors appreciates the assistance and co-operation extended by our banks and other financial institutions. The Board recognizes and value 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.

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

For and on behalf of Board of Directors



MIAN NAZIR AHMED PARACHA
Chief Executive Officer

Lahore : April 30, 2020

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2020ء کے ختم ہونے والے نو ماہ اور سہ ماہی کے لیے عبوری مالیاتی کارکردگی اور امور کی پورٹ بخوشی پیش کرتے ہیں۔

کمپنی کی کارکردگی

پچھلے ادوار کے مقابلے میں موجودہ دور کے کلیدی آپریشنل نتائج کا مختصر موازنہ ملاحظہ کیجئے۔

سہ ماہی نتائج 31 مارچ		نومہ کے نتائج 31 مارچ		
2019	2020	2019	2020	
(روپے ہزاروں میں)				
352,139	339,462	787,449	1,265,851	خالص سیل
(29,041)	(52,529)	(90,495)	(75,203)	گر اس خصارا
(51,862)	(69,568)	(33,372)	(157,221)	فرسودگی موجودہ مدت میں
36,412	33,711	112,413	106,107	آپریشنل خصارا
(76,052)	(99,330)	(92,499)	(242,949)	خصارا قبل از ٹیکس
(74,533)	(103,027)	(87,944)	(257,735)	خصارا بعد از ٹیکس
(0.29)	(0.40)	(0.34)	(0.99)	بیسک اور ڈائریکٹرز خصارا فی شیئر

کمپنی کی خالص فروخت آمدنی میں %60.75 کا اضافہ ہوا ہے جو کہ یونٹ III میں ٹیبل وئیر کی مصنوعات کی مسلسل پیداوار اور یونٹ I میں تیار کردہ دوسرا سازی کے لیے استعمال ہونے والی شیشے کی مصنوعات کی فروخت کی وجہ سے ہے۔ یونٹ III (کوٹ عبدالملک لاہور) میں ٹیبل وئیر کے پیداواری نتائج، مصنوعات کے معیار اور ہموار کارکردگی کے لحاظ سے بہتر رہے ہیں اور بہتر طریقے سے مارکیٹ کی توجہ حاصل کی ہے اور خالص آمدنی میں اضافہ ہوا۔ یہ امر بھی قابل غور ہے کہ اس عرصے کے دوران یہ یونٹ ایک فرنس کے ساتھ کارکردگی دکھا رہا ہے۔ جو کہ پلانٹ کی پیداواری صلاحیت کا نصف حصہ ہے۔ بد قسمتی سے کارونا وائرس کے پھیلنے سے ملکی اور دنیا بھر کی معیشت کو بڑی طرح نقصان پہنچا ہے۔ جس نے ہماری ٹارگٹ سیل کو بھی متاثر کیا ہے جو کہ اس عرصے کے آخری مہینے میں پورے ملک میں جاری لاک ڈاؤن کی وجہ سے ہے۔ اس کے علاوہ توانائی کی لاگت کے بڑھتے ہوئے رجحان (سوئی گیس اور فرنس آئل) نے اس عرصے کے دوران ٹیبل وئیر کی مصنوعات کے منافع کے بڑے حصے کو کم کر دیا ہے۔ تاہم کمپنی کی انتظامیہ کو یقین ہے کہ اس یونٹ کی توسیع کرنے کے منصوبے جس سے اس پلانٹ کی دوسری فرنس تیار ہو جائے گی جو ٹیبل وئیر کی پیداواری صلاحیت دگنی کر دے گی اور جب ملک میں لاک ڈاؤن کی صورتحال کا خاتمہ ہوگا تو ٹیبل وئیر کی مصنوعات کی مانگ اور ہمارے نئے ڈیزائن کی مصنوعات پر مارکیٹ کا رد عمل ہمیں اپنی مالی مشکلات کو کم کرنے میں معاون ثابت ہوں گے۔

نومبر 2019ء سے یونٹ I (حب) میں پیداواری عمل انتظامیہ کے فیصلے پر ورک معطل کر دیا گیا جو کہ جنوبی خطے میں سوئی گیس کی بڑھتی قیمت اور مارکیٹ میں قیمتوں کے بدترین مقابلے کی وجہ سے کم مارجن اور مشینری کے متعلق چند امور کی وجہ سے ہوا۔ تاہم اس مدت کے دوران دوسرا سازی کے صارفین کی موجودہ مانگ پر قابو پانے کے لیے ہمارے پاس کافی اسٹاک تھا۔ مزید برآں انتظامیہ اس یونٹ کو تکنیکی بنیادوں پر بہتر کر کے (مشینری اور فرنس) دوبارہ پیداوار شروع کرنے کے لیے پڑا امید ہے۔

اس کے بعد کی مدت میں کمپنی نے مالیاتی اداروں کو قرضوں کی ادائیگی میں تاخیر کی سہولت حاصل کرنے کے لیے بھی درخواست دی ہے اور سٹیٹ بینک آف پاکستان کے اعلان کردہ مالی امداد کے مطابق مالی امداد کمپنی کو لیکویڈٹی پوزیشن میں چلنے کے لیے کافی وقت مہیا کر سکتی ہے۔ اس کے علاوہ انتظامیہ امید کرتی ہے کہ توانائی کی قیمتوں اور سود کی شرح میں کمی کمپنی کے مالیاتی نتائج کو بہتر کرنے میں آنے والے دور میں مدد کرے گی۔ مذکورہ بالا کے علاوہ کمپنی کے سپانسر ڈائریکٹرز اور ساتھیوں نے کمپنی کی حمایت جاری رکھنے کا ایلادہ کیا ہے۔

بورڈ آف ڈائریکٹرز نے ہمارے بینکوں اور دیگر مالیاتی اداروں کی فراہم کردہ امداد اور تعاون کو سراہا ہے۔ بورڈ کمپنی کے تمام ملازمین اور ٹھیکیداروں کے ساتھ ساتھ ڈیلرز، سپلائرز اور کمپنی کے دیگر سٹیک ہولڈرز کی طرف سے کمپنی کے ساتھ وابستگی اور لگن کی قدر کرتا ہے۔

ہم پُر اعتماد ہیں کہ پیداواری سہولیات کی اپ گریڈیشن اور انتظامیہ کی مسلسل کوششوں کے نتیجے میں ماکیت کے شیئرز میں اضافہ ہوگا۔ جس سے یقینی طور پر مستقبل میں بہتر طور پر مطلوبہ نتائج حاصل کرنے میں مدد ملے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے



میاں نذیر احمد پراچہ

چیف ایگزیکٹو

لاہور

30 اپریل 2020ء

CONDENSED INTERIM
FINANCIAL INFORMATION

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2020

	Note	Un-Audited March 31, 2020 (Rupees in 000s)	Audited June 30, 2019
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		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
Capital reserve			
Revaluation surplus on property, plant and equipment - net of deferred tax		619,491	629,597
Revenue reserve			
Accumulated loss		(5,573,265)	(5,325,636)
		(2,852,574)	(2,594,839)
Subordinated loans - unsecured	5	3,635,082	3,635,082
Director's loan - unsecured	6	323,435	313,080
		1,105,943	1,353,323
NON-CURRENT LIABILITIES			
Long term loans - secured	7	7,746	35,130
Deferred liabilities	8	69,165	70,090
		76,911	105,220
CURRENT LIABILITIES			
Trade and other payables		749,141	810,328
Unclaimed dividend		164	164
Markup accrued		97,693	107,907
Short term borrowings	9	704,745	684,727
Current maturity of non current liabilities	10	63,088	83,131
		1,614,831	1,686,257
CONTINGENCIES AND COMMITMENTS			
	11		
TOTAL EQUITY AND LIABILITIES		2,797,685	3,144,800
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	1,927,924	1,989,838
Long term investment	13	125,631	125,631
		2,053,555	2,115,469
CURRENT ASSETS			
Stores, spare parts and loose tools		131,651	137,909
Stock in trade		314,616	495,183
Trade debts		182,353	216,308
Loans and advances		41,832	39,970
Trade deposits, prepayments and other receivable		7,082	71,257
Taxes recoverable		43,424	58,971
Cash and bank balances		23,172	9,733
		744,130	1,029,331
TOTAL ASSETS		2,797,685	3,144,800

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, 2020

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2020	2019	2020	2019
	(Rupees in 000s)		(Rupees in 000s)	
Sales - net	1,265,851	787,449	339,462	352,139
Cost of sales	(1,341,054)	(877,944)	(391,991)	(381,180)
Gross loss	(75,203)	(90,495)	(52,529)	(29,041)
Administrative and selling expenses	(83,280)	(63,395)	(17,245)	(22,821)
Other income	1,262	120,518	206	-
Operating loss	(157,221)	(33,372)	(69,568)	(51,862)
Finance cost	(85,728)	(59,127)	(29,762)	(24,190)
Loss before taxation	(242,949)	(92,499)	(99,330)	(76,052)
Taxation - Current	(14,494)	-	(5,073)	-
- Deferred	(292)	4,555	1,376	1,519
	(14,786)	4,555	(3,697)	1,519
Loss after taxation	(257,735)	(87,944)	(103,027)	(74,533)
Loss per share - basic and diluted (Rs.)	(0.99)	(0.34)	(0.40)	(0.29)

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, 2020

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2020	2019	2020	2019
	(Rupees in 000s)		(Rupees in 000s)	
Loss after taxation	(257,735)	(87,944)	(103,027)	(74,533)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(257,735)</u>	<u>(87,944)</u>	<u>(103,027)</u>	<u>(74,533)</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, 2020

	Issued, subscribed and paid-up share capital	Discount on shares	Capital reserve <u>Revaluation surplus on property, plant and equipment</u>	Revenue reserve <u>Accumulated Loss</u>	Total Equity
(Rupees in 000s)					
Balance as on July 01, 2018	2,616,000	(514,800)	644,465	(5,204,881)	(2,459,216)
Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax)	-	-	(11,151)	11,151	-
Total comprehensive loss for the period	-	-	-	(87,944)	(87,944)
Loss after taxation for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	(11,151)	(76,793)	(87,944)
Balance as on March 31, 2019 (Un-audited)	2,616,000	(514,800)	633,314	(5,281,674)	(2,547,160)
Balance as on July 01, 2019	2,616,000	(514,800)	629,597	(5,325,636)	(2,594,839)
Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax)	-	-	(10,106)	10,106	-
Total comprehensive loss for the period	-	-	-	(257,735)	(257,735)
Loss after taxation for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	(10,106)	(247,629)	(257,735)
Balance as on March 31, 2020 (Un-audited)	2,616,000	(514,800)	619,491	(5,573,265)	(2,852,574)

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, 2020

	Note	Nine Months Period March 31,	
		2020	2019
		(Rupees in 000s)	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(242,949)	(92,499)
Adjustments for non-cash charges and other items:			
Depreciation	12.1	106,107	112,413
Liability reversed / written back on settlement with financial institutions		-	(120,518)
Gain on disposal of operating fixed assets		(1,056)	-
Exchange gain on foreign transactions		(206)	-
Finance cost		85,728	59,127
Operating loss before working capital changes		(52,376)	(41,477)
Working capital changes			
(Increase) / Decrease in current assets			
Stores, spare parts and loose tools		6,257	(31,434)
Stock in trade		180,567	(210,628)
Trade debts		34,161	(81,396)
Loans and advances		(1,862)	2,597
Trade deposits, prepayments and other receivables		64,175	(7,628)
Increase / (Decrease) in current liabilities		(47,984)	101,000
Trade and other payables		235,314	(227,489)
Cash generated from / (used in) operations		182,938	(268,966)
Payments for:			
Finance cost		(95,942)	(102,421)
Taxes		(12,149)	(8,382)
Gratuities		(1,217)	(210)
Net cash outflow from operating activities	A	73,630	(379,979)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(44,297)	(58,474)
Proceeds from disposal of operating fixed assets		1,160	-
Net cash outflow from investing activities	B	(43,137)	(58,474)
CASH FLOW FROM FINANCING ACTIVITIES			
Director's loan - net		10,355	273,938
Long term loans - net		(47,427)	(121,326)
Lease liabilities paid		-	(23,438)
Short term borrowings - net		20,018	332,312
Net cash inflow from financing activities	C	(17,054)	461,486
Net increase in cash and cash equivalents	A+B+C	13,439	23,033
Cash and cash equivalents at 1st July		9,733	4,829
Cash and cash equivalents at 31st March		23,172	27,862

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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2020

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. It is engaged in manufacturing and sale of container glass, pharmaceutical glass bottles, tableware glass products 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:

Statement of compliance (continued)

- 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 section 237 of the Companies Act, 2017. These 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, 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this 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, 2019.

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, 2020.

There are certain amendments and an interpretation to approved accounting and reporting standards which became effective for the current period and are stated below:

IAS 12 - Income Taxes (Amendments)
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)
IAS 23 - Borrowing Costs (Amendments)
IAS 28 - Investment in Associates and Joint Ventures (Amendments)
IFRS 3 - Business combinations (Amendments)
IFRS 9 - Financial Instruments (Amendments)
IFRS 11 - Joint Arrangements (Amendments)
IFRS 16 - Leases
IFRIC 23 - Uncertainty over Income Tax Treatments

The adoption of above standards, interpretations and improvement to standards did not have any material effect on the condensed interim financial statements of the Company, except for the changes related to adoption of IFRS 16 'Leases' as explained below:

IFRS-16 'Leases'

IFRS 16 affect primarily the accounting by lessees and results in the recognition of almost all leases on statement of financial position. The standard removes the distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

IFRS-16 'Leases' (continued)

On initial application, the Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). Accordingly, initial application of IFRS 16 did not have any significant impact on these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2020 and have not been early adopted by the Company. 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, 2019.

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, 2019.

	Note	Un-Audited March 31, 2020 (Rupees in thousands)	Audited June 30, 2019
5 SUBORDINATED LOANS - Unsecured			
Subordinated loans from directors and their associate		482,080	482,080
Subordinated loans	5.1	3,153,002	3,153,002
		<u>3,635,082</u>	<u>3,635,082</u>
5.1 Subordinated loans			
- Muhammad Tousif Paracha - Director			
- Long term loan	5.2	1,795,545	1,793,045
- Deferred mark-up	5.3	1,024,821	1,024,821
		2,820,366	2,817,866
- Shaffi Uddin Paracha - Director			
- Long term loan	5.2	94,899	94,899
- Mian Nazir Ahmed Paracha - Director			
- Long term loan	5.2	100,001	102,501
- Other associate			
- Long term loan	5.2	104,670	104,670
- Deferred mark-up	5.3	33,066	33,066
		137,736	137,736
	5.4	<u>3,153,002</u>	<u>3,153,002</u>

- 5.2 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 applicable financial reporting standards, rather these are treated as equity in accordance with the Technical Release -32 ("Accounting Director' Loan") issued by the Institute of Chartered Accountants of Pakistan.
- 5.3 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.
- 5.4 During the previous financial years, the Company obtained a running finance facility from Bank of Punjab (BOP) to meet its working capital requirements, under the condition that these loans which existed at the time of disbursement of the said facility would be fully subordinated till repayment of the loan to the bank.

	Note	Un-Audited March 31, 2020 (Rupees in thousands)	Audited June 30, 2019
6 DIRECTOR'S LOAN - Unsecured			
Long term loan from the Director	6.1	323,435	313,080
6.1 The Company has obtained the above loan from Mr. Muhammad Tausif Paracha (Director) to meet its capital and operational requirements. The loan is interest free and payable at the discretion of the Company, accordingly, the said loan is not measured at amortized cost as per requirements of applicable financial reporting standards, rather treated as equity in accordance with the Technical Release -32 ("Accounting Director' Loan") issued by the ICAP.			
7 LONG TERM LOANS - Secured			
Banks and financial institutions		70,834	118,261
Less: Current and overdue portion presented under current liabilities		(63,088)	(83,131)
		7,746	35,130
8 DEFERRED LIABILITIES			
Deferred taxation	8.1	58,170	57,878
Employees' retirement benefits - gratuity		10,995	12,212
		69,165	70,090
8.1 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 will be adjusted.			
9 SHORT TERM BORROWINGS			
From Bank - Bank of Punjab (secured):			
Short term running finance	9.1	158,764	240,788
From related parties (unsecured):			
Associated company	9.2	540,880	338,525
Directors	9.3	5,101	12,851
		545,981	351,376
Others (unsecured):			
Temporary bank overdraft	9.4	-	92,563
		704,745	684,727

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. 834.000 million over present and future fixed assets, ranking charge of Rs 334.000 million over current assets, pledge of 58.000 million shares of Gharibwal Cement Limited and personal guarantee of the director and subordination of loans as stated in note 5.4.

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 interim period, the said facility limit was enhanced from Rs. 350.000 million to Rs. 600.000 million.

At period end, markup payable to GCL amounted to Rs. Nil (June 30, 2019: Rs. 9.031 million) which has been disclosed under markup accrued. This balance also included settlement of payable amount of Rs. 74.533 million (June 30, 2019: Rs. 77.441 million) on account of purchase of stores and spares and Rs. 62.533 million on account of accrued markup.

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

9.4 This represents cheques issued in excess of available bank balance.

	Un-Audited March 31, 2020	Audited June 30, 2019
Note	(Rupees in thousands)	
10 CURRENT MATURITY OF NON CURRENT LIABILITIES		
FBL - Frozen Markup	29,320	39,144
NBP - DF I	8,125	8,125
NBP - DF II (Frozen Markup)	4,815	4,815
AlBaraka - Restructured loan	20,828	23,245
AlBaraka - Restructured loan- overdue	-	7,802
	<u>63,088</u>	<u>83,131</u>

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no material change in the status of contingencies as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2019.

11.2 Commitments

Commitments in respect of letters of credit for import of stores, spare and loose tools amounting to 10.291 million (June 30, 2019: Rs. 2.867 million).

12 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	12.1	1,900,913	1,962,827
Capital work in progress	12.2	27,011	27,011
		<u>1,927,924</u>	<u>1,989,838</u>

	Un-Audited March 31, 2020	Audited June 30, 2019
Note	(Rupees in thousands)	
12.1 Operating fixed assets		
Opening book value	1,962,827	1,754,401
Add: Additions / capitalization during the period / year at cost		
Building	-	31,004
Plant and machinery	-	324,841
Electric and gas installation	52	3,427
Furniture and fittings	30	19
Office equipment	-	596
Vehicles	1,200	-
Moulds	43,015	-
	44,297	359,887
Less: Disposals during the period / year at book value		
Vehicles	(104)	-
Less: Depreciation charged during the period / year	(106,107)	(151,461)
Closing book value	<u>1,900,913</u>	<u>1,962,827</u>
12.2 Capital work in progress - Movement		
Opening	27,011	345,947
Add: Additions during the period	-	18,032
Less: Transferred to operating fixed assets	-	(305,970)
Adjustment of claim receivable - machinery	-	(30,998)
	-	(336,968)
Closing	<u>27,011</u>	<u>27,011</u>
	12.3	
12.3 Capital work in progress - Breakup		
Plant and machinery	<u>27,011</u>	<u>27,011</u>

13 LONG TERM INVESTMENT

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 previous years, some of the machinery items have reached the Associated Company's premises, however, the machinery has not been installed yet as the project is stagnant from previous years till period end because of non execution of contractual responsibility by Chinese investors with respect to establishing, running and functioning of project. The management has assessed that impairment on this investment is not required because the estimated recoverable value of machinery is covering the carrying amount of the machinery and majority of the funds are still available in savings bank accounts of the investee company.

The management has also assessed that the expected fair value of the investment does not materially differ from the carrying amount of the investment at period-end and therefore, the Company has not accounted for its share of profit from the associated company. Further, audited financial statements of the associated company is also not available.

14 TRANSACTIONS WITH RELATED PARTIES

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

	Un-Audited Nine Months Period Ended March 31,	
	2020	2019
	(Rupees in thousands)	
Associated Companies		
Gharibwal Cement Limited		
Short term loan received - net	202,355	79,247
Markup charged on short term loan	53,502	25,723
Markup paid / adjusted during the period	62,533	20,227
Rent charged during the period	3,150	3,668
Rent paid / adjusted during the period	3,150	4,649
Pak Hy Oils Limited		
Purchases	-	871
Payment against supplies	-	923
Directors		
Loan received / (paid) - net		
Mr. Tousif Paracha	12,855	273,938
Mian Nazir Ahmed Paracha	(12,500)	10,000
Shaffi Uddin Paracha	2,250	2,851

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, 2020 (Un-audited)		
	Glass Containers	Plastic Shells	Total
	(Rupees in thousands)		
Revenue:			
Sales to external customers	1,493,785	-	1,493,785
Less: Sales tax	(227,934)	-	(227,934)
Net Revenue	1,265,851	-	1,265,851
Cost of goods sold	(1,341,054)	-	(1,341,054)
Admin and selling expenses	(83,280)	-	(83,280)
	(158,483)	-	(158,483)
Other income	1,262	-	1,262
Segment result	(157,221)	-	(157,221)
Financial charges	(85,728)	-	(85,728)
Taxation	(14,786)	-	(14,786)
Loss for the year	(257,735)	-	(257,735)
Other Information:			
Capital expenditure	44,297		
Depreciation	106,107		

	March 31, 2019 (Un-audited)		
	Glass Containers	Plastic Shells	Total
(Rupees in thousands)			
Revenue:			
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)
Other Information:			
Capital expenditure	58,474		
Depreciation	112,413		

Un-Audited
Nine Months Period Ended
March 31,
2020 2019
(Rupees in thousands)

15.2 GEOGRAPHICAL INFORMATION

Local sales - net	1,251,108	780,160
Export sales	14,743	7,289
	<u>1,265,851</u>	<u>787,449</u>

16 FAIR VALUE ESTIMATION

The carrying values of all financial assets and liabilities reflected in these 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 changes 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, 2019.

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, 2020 in accordance with the resolution of the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

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