



**BALOCHISTAN
GLASS LIMITED**

**CONDENSED INTERIM
FINANCIAL STATEMENTS**
(UN-AUDITED)

**FOR THE NINE MONTHS ENDED
MARCH 31, 2022**



CONTENTS

| | |
|---|----|
| COMPANY INFORMATION | 02 |
| DIRECTORS' REVIEW | 03 |
| CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION | 06 |
| CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS | 07 |
| CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME | 08 |
| CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY | 09 |
| CONDENSED INTERIM STATEMENT OF CASH FLOWS | 10 |
| NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS | 11 |

COMPANY INFORMATION



BOARD OF DIRECTORS

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

Chairman
CEO



AUDIT COMMITTEE

Mr. Faisal Aftab Ahmad
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



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.
Tel: 042 37164071
Web: www.balochistanglass.com
Email: info@balochistanglass.com



AUDITORS

PKF F.R.A.N.T.S.
Chartered Accountants

LEGAL ADVISOR

Masood Khan Ghory
(Advocate & Legal Consultant)

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 Information of your company for the nine months period and quarter ended March 31, 2022.

COMPANY PERFORMANCE

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

| | Fort the Nine Months ended March 31, 2022 | 2021 | Fort the Quarter ended March 31, 2022 | 2021 |
|---|--|---------|--|---------|
| | Rupees in thousands | | | |
| Sales - Net | 1,089,346 | 953,054 | 429,748 | 303,622 |
| Gross (Loss) / Profit | (15,781) | 146,139 | 16,058 | 51,586 |
| Operating Profit/(Loss) | 15,857 | 135,464 | (2,537) | 37,400 |
| Depreciation for the period | 117,976 | 96,145 | 38,710 | 31,566 |
| (Loss) / Profit before Tax | (53,883) | 82,827 | (26,450) | 19,616 |
| (Loss) / Profit after Tax | (54,391) | 72,307 | (30,452) | 17,272 |
| Basic and diluted Earnings / (Loss) per share Rs. | (0.21) | 0.28 | (0.12) | 0.07 |

Net revenue of the company has been increased by 14.30% from the corresponding period but has incurred gross loss due to increase in cost of production during the current period. At Unit III (Kot Abdul Malik), since the company has started its commercial production from new furnace having double production capacity but besides some initial issues related to machinery alignment been settled later on. The Company is striving hard to overcome some challenges regarding supply of natural gas, highly increment in gas prices as well as overall inflationary pressures on other related costs during this period.

During first two quarters, supply of natural gas remained interrupted for the whole industry and curtailment of gas supply did not allow the company to achieve its targeted production level throughout the period. Additionally, in the absence of requisite natural gas supply, company had to use other alternative expensive energy sources (including Furnace oil and LPG) to keep operations alive during gas curtailment period. Secondly prices of RLNG (re-gasified liquified natural gas) increased consistently in nine months period, up to 99% on average as compared to corresponding period. The increased costs along-with non-availability of gas has majorly contributed towards the present gross loss incurred by the Company. Further, still prevalent aftermaths of covid-19 to the global economy have seriously adversely impacted the global supply chain and causing inflationary trends in the prices of raw materials, oil & lubricants and packing materials coupled with devaluation of Pakistani rupee remained serious challenges for the company during this period.

However, the management is fully confident to overcome the prevailing situations in terms of generating sustainable production results and aggressive strategies to capture additional market share which can absorb the effects of incremental costs. Furthermore, the company is honoring its financial liabilities towards financial institutions and settled two of them and with other associates during the period.

The operations at Unit - I & II are still suspended and management intends to replan the operational strategies at these Units subject to availability of funds. However, the management is fully committed to resolve all the operational related matters and revive these projects.

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

MIAN NAZIR AHMED PERACHA
Chief Executive Officer

MUHAMMAD TOUSIF PARACHA
Director

Lahore : April 28, 2022

ڈائریکٹرز کا تجزیہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2022ء کو اختتام پذیر سہ ماہی و نو ماہی کے لئے آپ کی کمپنی کی منجملہ عبوری مالیاتی معلومات ازراہ مسرت پیش کرتے ہیں۔

کمپنی کی کارکردگی

اہم آپریٹنگ نتائج کے جائزہ کے لئے گذشتہ مدت کے ساتھ حالیہ مدت کا موازنہ حسب ذیل ہے:

| اختتام پذیر سہ ماہی کے لئے | | اختتام پذیر نو ماہی کے لئے | |
|----------------------------|---------------|----------------------------|---------------|
| 31 مارچ 2021ء | 31 مارچ 2022ء | 31 مارچ 2021ء | 31 مارچ 2022ء |

ہزار روپوں میں

| فروخت - خالص | 1,089,346 | 953,054 | 429,748 | 303,622 |
|---|-----------|---------|----------|---------|
| کل (نقصان)/نفع | (15,781) | 146,139 | 16,058 | 51,586 |
| آپریٹنگ نفع/(نقصان) | 15,857 | 135,464 | (2,537) | 37,400 |
| مذکورہ مدت کے لئے تنصیف | 117,976 | 96,145 | 38,710 | 31,566 |
| (نقصان)/منافع بمعہ ٹیکس | (53,883) | 82,827 | (26,450) | 19,616 |
| (نقصان)/منافع علاوہ ٹیکس | (54,391) | 72,307 | (30,452) | 17,272 |
| بنیادی/ڈائی لیونڈ آمدنی/(خسارہ) فی حصص (روپے) | (0.21) | 0.28 | (0.12) | 0.07 |

کمپنی کی خالص آمدنی گذشتہ برس کی نسبت 14.30 فی صد تک بڑھی لیکن رواں مدت کے دوران پیداواری لاگت میں اضافے کے باعث مجموعی نقصان میں اضافہ ہوا۔ یونٹ III (کوٹ عبدالملک) پر مدتی پیداواری صلاحیت کی حامل نئی بجٹی سے کمپنی کی تجارتی پیداوار کا آغاز ہوا لیکن مشینری کی ترتیب سے متعلق چند ابتدائی مسائل کو بعد میں درست کر لیا گیا۔ کمپنی اس مدت میں قدرتی گیس کی سپلائی، گیس کی قیمتوں میں انتہائی اضافے اور مجموعی مہنگائی کے دباؤ جیسے مسائل پر قابو پانے کے لئے کوشاں ہے۔

پہلی دوسہ ماہیوں کے دوران، مکمل انڈسٹری کے لئے قدرتی گیس کی سپلائی قفل کا شکار رہی اور گیس سپلائی میں کمی کے باعث اس دورانیے میں کمپنی اپنے پیداواری اہداف حاصل کرنے میں ناکام رہی۔ مزید برآں، قدرتی گیس کی مطلوب مقدار نہ ہونے کے باعث پیداوار کو جاری رکھنے کے لئے کمپنی کو گیس کی قلت کے دوران توانائی کے متبادل مہنگے وسائل (بشمول فرنیس آئل اور ایل پی جی) کو بروئے کار لانا پڑا۔ ثانیاً، گذشتہ برس کی اسی مدت کی نسبت مذکورہ نو ماہی کے دوران RLNG (ری گیس) فائبر لیکیو بیفائیڈ نیچرل گیس) کی قیمتوں میں اوسطاً 99 فی صد کا

مسلسل اضافہ ہوا۔ اضافی لاگت اور گیس کی عدم دستیابی نے کمپنی کو پہنچنے والے حالیہ نقصان میں مزید اضافہ کیا۔ مزید برآں، عالمی معیشت پر کرونا وائرس کے جاری اثرات سے عالمی سپلائی چین کو بری طرح متاثر کیا جس کے باعث خام مال، تیل اور لبریکیشن اور پیکنگ میٹریل کی قیمتوں میں اضافے کا بحران پیدا ہوا۔ علاوہ ازیں، روپے کی قدر میں کمی نے بھی اس مدت میں کمپنی کو مسائل سے دوچار کیا۔

البتہ، معقول پیداواری نتائج حاصل کرنے کے لئے انتظامیہ موجودہ حالات سے چھٹکارا پانے کے لئے پرعزم ہے۔ کمپنی اضافی لاگت سے بچنے کے لئے مارکیٹ میں اپنے قدم جمانے کی غرض سے ایک مربوط حکمت عملی پر کام رہی ہے۔ علاوہ ازیں، کمپنی اس دورانیے میں واجبات کی ادائیگی کے لئے مالیاتی اداروں کے ساتھ مذاکرات کر رہی ہے اور ان میں سے دو اور دیگر ایسوی ایٹس کی مکمل ادائیگی کی جا چکی ہے۔

یونٹ-1 اور 11 پر آپریشنز تا حال معطل ہیں اور انتظامیہ سرمایے کی دستیابی سے مشروط ان یونٹس کو فعال کرنے کے لئے حکمت عملی مرتب کر رہی ہے۔ البتہ، انتظامیہ آپریشنز کی بابت تمام مسائل کو حل کرنے اور ان منصوبوں کو فعال کرنے کے لئے پرعزم ہے۔

بورڈ آف ڈائریکٹرز بینکوں اور مالیاتی اداروں کی رہنمائی اور تعاون اور کمپنی کے تمام ملازمین اور ٹھیکے داروں کی کاوشوں، عزم اور جذبے اور کمپنی کے ڈسٹری بیوٹرز، ڈیلرز، سپلائرز اور دیگر سٹیک ہولڈرز کی حمایت اور معاونت کو سراہتے ہیں۔

منجانب/ برائے بورڈ



محمد تو صیف احمد پراچہ
ڈائریکٹر



میاں نذیر احمد پراچہ
چیف ایگزیکٹو آفیسر

لاہور: 28 اپریل، 2022ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2022

| | Note | Un-Audited March 31, 2022 | Audited June 30, 2021 |
|--|------|---------------------------------|-----------------------------|
| | | (Rupees in 000s) | |
| 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 | | 1,060,932 | 1,070,997 |
| Revenue reserve | | | |
| Accumulated loss | | (5,783,019) | (5,738,693) |
| | | (2,620,887) | (2,566,496) |
| Subordinated loans - unsecured | 5 | 3,635,082 | 3,635,082 |
| Director's loan - unsecured | 6 | 313,235 | 313,235 |
| | | 1,327,430 | 1,381,821 |
| NON-CURRENT LIABILITIES | | | |
| Long term liabilities | 7 | 117,466 | 158,007 |
| Deferred liabilities | 8 | 60,515 | 74,781 |
| | | 177,981 | 232,788 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 794,781 | 644,544 |
| Unclaimed dividend | | 164 | 164 |
| Short term borrowings | 10 | 862,026 | 709,085 |
| Mark up accrued | 11 | 88,100 | 124,979 |
| Current maturity of long term loans | 7 | 10,334 | 24,218 |
| | | 1,755,405 | 1,502,990 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 12 | | |
| TOTAL EQUITY AND LIABILITIES | | 3,260,816 | 3,117,599 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 13 | 2,526,758 | 2,590,236 |
| Long term investment | 14 | 138,445 | 137,084 |
| | | 2,665,203 | 2,727,320 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 100,112 | 78,348 |
| Stock in trade | | 365,145 | 156,358 |
| Trade debts | | 65,691 | 50,163 |
| Loans and advances | | 40,608 | 40,675 |
| Trade deposits, prepayments and other receivable | | 5,609 | 4,934 |
| Taxes recoverable | | 7,501 | 12,419 |
| Cash and bank balances | | 10,947 | 47,382 |
| | | 595,613 | 390,279 |
| TOTAL ASSETS | | 3,260,816 | 3,117,599 |

The annexed notes from 1 to 20 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, 2022

| | Note | Nine Months Period Ended March 31, | | Quarter Ended March 31, | |
|--|------|---------------------------------------|-----------|----------------------------|-----------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | (Rupees in 000s) | | (Rupees in 000s) | |
| Sales - net | | 1,089,346 | 953,054 | 429,748 | 303,622 |
| Cost of sales | | (1,105,127) | (806,915) | (413,690) | (252,036) |
| Gross (loss) / profit | | (15,781) | 146,139 | 16,058 | 51,586 |
| Administrative and selling expenses | | (58,199) | (40,793) | (18,592) | (12,759) |
| Other expenses | | (47) | (6,138) | (3) | (1,453) |
| Other income | 15 | 89,884 | 36,256 | - | 26 |
| Operating profit / (loss) | | 15,857 | 135,464 | (2,537) | 37,400 |
| Finance cost | | (71,101) | (52,637) | (23,913) | (17,784) |
| | | (55,244) | 82,827 | (26,450) | 19,616 |
| Share of profit from an associated company | 14 | 1,361 | - | - | - |
| (Loss) / profit before taxation | | (53,883) | 82,827 | (26,450) | 19,616 |
| Taxation - Current | | (13,617) | (14,262) | (5,372) | (3,591) |
| - Deferred | | 13,109 | 3,742 | 1,370 | 1,247 |
| | | (508) | (10,520) | (4,002) | (2,344) |
| (Loss) / profit after taxation | | (54,391) | 72,307 | (30,452) | 17,272 |
| (Loss) / earnings per share - basic and diluted (Rs.) | | (0.21) | 0.28 | (0.12) | 0.07 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2022

| Note | Nine Months Period Ended March 31, | | Quarter Ended March 31, | |
|---|---------------------------------------|---------------|----------------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (Rupees in 000s) | | (Rupees in 000s) | |
| (Loss) / profit after taxation | (54,391) | 72,307 | (30,452) | 17,272 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive (loss) / income for the period | <u>(54,391)</u> | <u>72,307</u> | <u>(30,452)</u> | <u>17,272</u> |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2022

| | Issued, subscribed and paid-up share capital | Discount on shares | Revaluation surplus on property, plant and equipment | Accumulated Loss | Total Equity |
|--|---|-----------------------|--|---------------------|--------------------|
| (Rupees in 000s) | | | | | |
| Balance as on June 30, 2020 (audited) | 2,616,000 | (514,800) | 616,122 | (5,776,366) | (3,059,044) |
| Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) | - | - | (9,162) | 9,162 | - |
| Total comprehensive income for the period | | | | | |
| Profit after taxation for the period | - | - | - | 72,307 | 72,307 |
| Other comprehensive income for the period -net | - | - | - | - | - |
| | - | - | (9,162) | 81,469 | 72,307 |
| Balance as on March 31, 2021 (Un-audited) | 2,616,000 | (514,800) | 606,960 | (5,694,897) | (2,986,737) |
| Balance as on June 30, 2021 (audited) | 2,616,000 | (514,800) | 1,070,997 | (5,738,693) | (2,566,496) |
| Incremental depreciation arising due to revaluation surplus on property, plant and equipment (net of deferred tax) | - | - | (10,065) | 10,065 | - |
| Total comprehensive loss for the period | | | | | |
| Loss after taxation for the period | - | - | - | (54,391) | (54,391) |
| Other comprehensive income for the period -net | - | - | - | - | - |
| | - | - | (10,065) | (44,326) | (54,391) |
| Balance as on March 31, 2022 (Un-audited) | 2,616,000 | (514,800) | 1,060,932 | (5,783,019) | (2,620,887) |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2022

| | Note | Nine Months Ended March 31, | |
|--|-------|-----------------------------|------------------|
| | | 2022 | 2021 |
| | | (Rupees in 000s) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| (Loss) / Profit before taxation | | (53,883) | 82,827 |
| Adjustments for non-cash charges and other items: | | | |
| Depreciation for the period | 13.1 | 117,976 | 96,145 |
| Reversal of accrued markups on settlement with bank & associates | 15 | (89,193) | - |
| Gain on disposal of operating fixed assets | 15 | (688) | (3,764) |
| Share of profit from an associated company | 14 | (1,361) | - |
| Winding up of discount on GIDC payable -net | | - | (32,362) |
| Finance cost | | 71,101 | 52,637 |
| Operating profit before working capital changes | | 43,952 | 195,483 |
| Working capital changes | | | |
| <i>(Increase) / Decrease in current assets</i> | | | |
| Stores, spare parts and loose tools | | (21,764) | (9,007) |
| Stock in trade | | (208,787) | 65,377 |
| Trade debts | | (15,528) | 42,819 |
| Loans and advances | | 67 | (27,364) |
| Trade deposits, prepayments and other receivables | | (675) | (360) |
| <i>Increase / (Decrease) in current liabilities</i> | | | |
| Trade and other payables | | 113,743 | (51,998) |
| | | (132,944) | 19,467 |
| Cash (used in) / generated from operations | | (88,992) | 214,950 |
| Payments for: | | | |
| Finance cost | | (11,817) | (61,478) |
| Taxes | | (13,659) | (25,053) |
| Staff retirement benefits | | (2,056) | (5,277) |
| Net cash (outflow) / inflow from operating activities | A | (116,524) | 123,142 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditure paid | | (54,510) | (190,617) |
| Proceeds from disposal of operating fixed assets | | 700 | 4,119 |
| Net cash outflow from investing activities | B | (53,810) | (186,498) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Long term liabilities - net | | (19,042) | (17,990) |
| Short term borrowings - net | | 152,941 | (23,790) |
| Net cash inflow/ (outflow) from financing activities | C | 133,899 | (41,780) |
| Net decrease in cash and cash equivalents | A+B+C | (36,435) | (105,136) |
| Cash and cash equivalents at beginning of the period | | 47,382 | 145,484 |
| Cash and cash equivalents at end of the period | | 10,947 | 40,348 |

The annexed notes from 1 to 20 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, 2022

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 tableware, pharmaceutical glass bottles and plastic shells. Following are the business units of the Company, along with their respective geographical locations:

- Registered office and Unit-I: Plot no. 8, Block M, Hub Industrial Trading Estate, Lasbella - Hub
- Head office and Unit-III: 12-Km Lahore, Sheikhpura Road, Kot Abdul Malik, Sheikhpura
- Unit-II: 29 – Km Lahore, Sheikhpura Road, Sheikhpura

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 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 audited financial statements for the year ended June 30, 2021. 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 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of financial statements of the company for the year ended June 30, 2021.

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 became effective during the period ended March 31, 2022

There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on July 01, 2021. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in 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, 2022 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, 2021.

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, 2021.

| | Note | Un-Audited March 31, 2022 | Audited June 30, 2021 |
|--|------|---------------------------------|-----------------------------|
| (Rupees in thousands) | | | |
| 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 | 1,793,045 | 1,793,045 |
| - Deferred mark-up | 5.3 | 1,024,821 | 1,024,821 |
| | | 2,817,866 | 2,817,866 |
| - Shaffi Uddin Paracha - Director | | | |
| - Long term loan | 5.2 | 97,399 | 97,399 |
| - Mian Nazir Ahmed Paracha - Director / CEO | | | |
| - Long term loan | 5.2 | 100,001 | 100,001 |
| - 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 Directors' Loan") issued by the Institute of Chartered Accountants of Pakistan (ICAP). | | | |
| 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. Pursuant to the arrangement between the Company and the directors and their associate, no mark up is to be charged on these balances and outstanding balances of overdue mark up have become payable at the discretion of the Company and therefore treated as equity in accordance with the Technical Release -32 issued by the ICAP. | | | |
| 5.4 | | | |
| Subordination of such loans have been made vide Debt Subordination Agreement with Bank of Punjab (note: 10.1). | | | |
| 6 DIRECTOR'S LOAN - Unsecured | | | |
| Muhammad Tousif Paracha | | | |
| Long term loan from the Director | 6.1 | 313,235 | 313,235 |

6.1 The Company has obtained loan from Mr. Muhammad Tousif 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 Directors' Loan") issued by the ICAP.

| | Note | Un-Audited March 31, 2022 | Audited June 30, 2021 |
|---|------|---------------------------------|-----------------------------|
| (Rupees in thousands) | | | |
| 7 LONG TERM LIABILITIES | | | |
| Long term loans - secured | | | |
| Banks and financial institutions | | 10,334 | 29,376 |
| Less: Current portion presented under current liabilities | | (10,334) | (24,218) |
| | | - | 5,158 |
| Gas Infrastructure Development Cess (GIDC) | | | |
| GIDC payable | | 294,137 | 289,085 |
| Current portion shown under trade and other payables | 9 | (176,671) | (136,236) |
| | | 117,466 | 152,849 |
| | | 117,466 | 158,007 |
| 8 DEFERRED LIABILITIES | | | |
| Deferred taxation-net | 8.1 | 56,499 | 69,608 |
| Employees' retirement benefits - gratuity | | 4,016 | 5,173 |
| | | 60,515 | 74,781 |

8.1 Deferred tax asset arising on deductible temporary differences amounting to Rs. 766.226 million (June 30, 2021: Rs. 730.198 million) has not been recognized as the future taxable profits may not be available against which the tax losses will be adjusted.

| | | | |
|------------------------------------|-----|---------|---------|
| 9 TRADE AND OTHER PAYABLES | | | |
| Trade creditors | | 314,561 | 247,296 |
| Accrued expenses | 9.1 | 178,209 | 139,856 |
| Advances from customers | | 51,486 | 58,962 |
| Employees' provident fund | | 2,381 | 285 |
| Sales tax payable | | 26,772 | 20,183 |
| Income taxes payable | | 29,162 | 22,040 |
| Current portion of GIDC payable | 7 | 176,671 | 136,236 |
| Others | | 14,425 | 16,273 |
| Workers' profit participation fund | | 174 | 2,473 |
| Workers' welfare fund | | 940 | 940 |
| | | 794,781 | 644,544 |

9.1 This includes Rs. 21.780 million (June 30, 2021: Rs. 21.780 million) against the rent payable to the Director.

| | Note | Un-Audited March 31, 2022 | Audited June 30, 2021 |
|--|------|---------------------------------|-----------------------------|
| (Rupees in thousands) | | | |
| 10 SHORT TERM BORROWINGS | | | |
| From Bank - Bank of Punjab (secured): | | | |
| Short term running finance | 10.1 | 109,557 | 88,610 |
| From related parties (unsecured): | | | |
| Associated company | 10.2 | 586,461 | 587,874 |
| Directors | 10.3 | 158,368 | 32,601 |
| Temporary bank overdraft | | 744,829 7,640 | 620,475 - |
| | | <u>862,026</u> | <u>709,085</u> |

10.1 This represents running finance facility limit of Rs. 105.000 million (June 30, 2021: Rs. 150.000 million) with accepted condition of reduction of exposure by Rs. 5.000 million (June 30, 2021: 5.000 million) every month during the currency of limit from Bank of Punjab (BOP) availed by the company to meet the working capital requirements. The facility is secured against ranking charge of Rs. 833.334 million (June 30, 2021: 833.334 million) over present and future fixed assets, ranking charge of Rs. 334.000 million (June 30, 2021: 334.000 million) over current assets, pledge of 58.000 million (June 30, 2021: 58.000 million) shares of Gharibwal Cement Limited in the name of Directors and personal guarantee of Director and subordination of loans as stated in note 5.4.

10.2 This represents unsecured loan / short term advance facility of Rs. 600.000 million (June 30, 2021: Rs. 600.000 million) obtained from the associated company, Gharibwal Cement Limited (GCL), to meet the working capital requirements of the Company and carries markup at 3 months KIBOR + 3.5% p.a. At period end, markup payable to GCL amounted to Rs. 84.495 million (June 30, 2021: Rs. 31.090 million) which has been disclosed under markup accrued.

10.3 This represents interest free short term loan obtained from directors of the Company to meet the working capital requirements of the Company and is payable on demand.

11 MARK UP ACCRUED

During the current period, accrued markup amounting to Rs. 3.811 million payable to Al Baraka Bank (Pakistan) Limited has been reversed based on full and final settlement and Rs. 85.382 million payable to related parties has been written back on the basis of mutual settlement arrangements.

12 CONTINGENCIES AND COMMITMENTS

12.1 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, 2021.

12.2 Commitments

Commitments in respect of letters of credit for capital expenditures and Stores, spare parts and loose tools amounting to Nil (June 30, 2021: Rs. 49.870 million).

13 PROPERTY, PLANT AND EQUIPMENT

| | | | |
|---|------|------------------|------------------|
| Operating fixed assets -owned | 13.1 | 2,501,713 | 2,559,344 |
| Capital work in progress | 13.2 | 25,045 | 25,045 |
| Advance against purchase of plant and machinery | | - | 5,847 |
| | | <u>2,526,758</u> | <u>2,590,236</u> |

| | Note | Un-Audited March 31, 2022 | Audited June 30, 2021 |
|--|------|---------------------------------|-----------------------------|
| (Rupees in thousands) | | | |
| 13.1 Operating fixed assets-owned | | | |
| Opening book value | | 2,559,344 | 1,962,728 |
| Add: Revaluation adjustments during the period / year | | | |
| Land | | - | 440,582 |
| Building | | - | 37,336 |
| | | - | 477,918 |
| Add: Additions / capitalization during the period / year - at cost | | | |
| Building | | - | 48,561 |
| Plant and machinery | | 27,444 | 130,758 |
| Electric and gas installation | | - | 46,416 |
| Office equipment | | - | 577 |
| Vehicles | | - | 3,115 |
| Moulds | | 32,913 | 30,911 |
| | | 60,357 | 260,338 |
| Less: Disposals during the period / year - at book value (Vehicle) | | (12) | (355) |
| Less: Depreciation charged during the period / year | | (117,976) | (141,285) |
| Closing book value | | 2,501,713 | 2,559,344 |

13.2 Capital work in progress:

At period end, capital work-in-progress comprises of plant and machinery. Following is the movement in capital work-in-progress during the period / year:

| | | | |
|---|--------|--------|-----------|
| Opening balance | | 25,045 | 27,011 |
| Add: Additions during the period | | - | 223,769 |
| Less: Transferred to operating fixed assets | | - | (225,735) |
| Closing balance | 13.2.1 | 25,045 | 25,045 |

13.2.1 This represents glass tempering machine purchased in previous years, however, due to change in business strategies, the same could not be installed / made available for intended use till period-end. The management expects its recoverable amount higher than its carrying value and therefore no impairment is required at period-end.

14 LONG TERM INVESTMENT

Equity accounted for investment - Paidar Hong Glass (Pvt.) Limited (PHGPL)

Equity interest held: 49.99% (June 30, 2021: 49.99%)

12,563,136 (June 30, 2021: 12,563,136) fully paid ordinary shares of Rs. 10 each - cost

| | | | |
|--|--|---------|---------|
| | | 125,631 | 125,631 |
| Company's share of profit in PHGPL - brought forward | | 11,453 | - |
| Share of profit for the period / year | | 1,361 | 11,453 |
| | | 12,814 | 11,453 |
| | | 138,445 | 137,084 |

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 till December 31 2021.

During the year ended June 30, 2021, as a result of the management endeavors to resolve the issue, an extra ordinary general meeting of PHGPL was called for the resolution of matters. PHGPL in its extra ordinary general meeting principally decided to sell tubing furnace material & machineries, to wind up the company and distribution of net assets to its shareholders. Based on the decision of the PHGPL, BGL has accounted for its share of net assets in the PHGPL on the basis of un audited financial statements of PHGPL. Further, management of the BGL is confident that recoverable value of machinery is greater than it carrying amount and there is no impairment in the value of machinery.

| | Note | Un-Audited March 31, 2021 | Un-Audited March 31, 2021 |
|--|------|---------------------------------|---------------------------------|
| (Rupees in thousands) | | | |
| 15 OTHER INCOME | | | |
| Gain on disposal of operating fixed assets | | 688 | 3,764 |
| Accrued mark up written back / reversed | 11 | 89,193 | - |
| Profit from bank deposits | | 3 | 130 |
| Winding up of discount on GIDC payable | | - | 32,362 |
| | | <u>89,884</u> | <u>36,256</u> |

16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and their associates, employees post employment benefit plans and key management personnel. Significant related party transactions made during the period are as follows:

Associated Companies

Gharibwal Cement Limited (Common directorship)

| | | |
|--|---------|--------|
| Short term loan (paid) /received - net | (1,887) | 49,322 |
| Purchases | 532 | 2,264 |
| Markup charged on short term loan | 53,065 | 43,972 |

Shahpur Commerce (Pvt.) Limited (Common directorship)

| | | |
|-----------|-------|-------|
| Purchases | 6,758 | 5,922 |
|-----------|-------|-------|

Pak Hy Oils Limited (Shareholding)

| | | |
|--|--------|---|
| Accrued mark up waived off / written back- net | 66,827 | - |
|--|--------|---|

Directors and their Associates

Short term loan received - net

| | | |
|---|--------|---|
| Mr. Tousif Paracha (Director) | 81,067 | - |
| Mian Nazir Ahmed Paracha (Director / CEO) | 23,500 | - |
| Shaffi Uddin Paracha (Director) | 21,200 | - |

Accrued mark up waived off - written back

| | | |
|--|--------|---|
| Muhammad Rehman (Directors' associate) | 18,555 | - |
|--|--------|---|

Employees retirement benefit plan:

BGL Officers' Provident fund

| | | |
|------------------------------|-------|-------|
| Contributions by the Company | 1,497 | 1,054 |
|------------------------------|-------|-------|

17 INFORMATION ABOUT BUSINESS SEGMENTS

17.1 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. However, the plastic shells segment has not been operative since 2016, therefore, the above figures present only one reportable segment of the Company i.e. glass containers segment.

17.2 GEOGRAPHICAL INFORMATION

| | | |
|-------------------|------------------|----------------|
| Local sales - net | 1,089,346 | 940,013 |
| Export sales | - | 13,041 |
| | <u>1,089,346</u> | <u>953,054</u> |

18 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, 2021.

19 IMPACT OF COVID - 19

In light of ongoing COVID-19 pandemic, the Company has reviewed its exposure to business risks and has not identified any significant impact on its businesses, results of operations and carrying amount of assets and liabilities as at period end.

20 GENERAL

- 20.1** 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.
- 20.2** Comparative figures have been rearranged and reclassified wherever required to facilitate better comparison while no major reclassification has been made in corresponding figures.
- 20.3** These condensed interim financial statements are authorized for issue on April 28 , 2022 in accordance with the resolution of the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

www.jamapunji.pk

**Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

jamapunji.pk [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

www.balochistanglass.com
info@www.balochistanglass.com



Registered Office: Plot # 8, Sector M, H.I.T.E., Hub,
District Lasbella, Balochistan. Tel: 0853-363657

Head Office: 12-KM, Sheikhpura Road,
Kot Abdul Malik, Lahore. Tel: 042 37164075