

(Un-audited)

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**Quarterly Accounts**  
for the Quarter ended  
**September 30, 2007**



**Balochistan Glass Limited**

An ISO 9001-2000 Certified Company



## Corporate Information

### BOARD OF DIRECTORS'

Muhammad Rehman	Chairman
Muhammad Tousif Paracha	Chief Executive
Tariq Siddiq Paracha	
A.A. Ademiluyi	
Dr. Gbadebo Akisanya	
Muhammad Usman	
Mrs. Shazia Tariq Paracha	

### COMPANY SECRETARY

Mian Ejaz Rasool

### AUDIT COMMITTEE

Mrs. Shazia Tariq Paracha	Chairperson
Mr. Mohammad Rehman	Member
Mr. Muhammad Usman	Member

### BANKS AND FINANCIAL INSTITUTIONS

Bank Al Falah Limited  
ABN-AMRO Bank N.V  
Al-Baraka Islamic Bank Limited  
Citibank N.A  
Crescent Commercial Bank Limited  
Faysal Bank Limited  
KASB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
PICIC Corporation  
United Bank Limited  
Hong Kong and Shanghai Banking Corporation Limited  
First Dawood Investment Bank Limited  
Orix Leasing Limited  
Orix Investment Bank Limited  
Saudi Pak Industrial and Credit Corporation  
Atlas Investment Bank Limited

### AUDITORS

Faruq Ali & Company  
Chartered Accountants

### LEGAL ADVISOR

Sayed Ehsan Raza

### REGISTERED OFFICE

Firdousi Manzil,  
Rustamji Lane,  
M.A. Jinnah Road, Quetta.

### HEAD OFFICE

32-B/II, Main Gulberg,  
Lahore.  
Ph. 042-5712344, 5761004  
Fax: 042-5756924  
Web: www.balochistanglass.com

### KARACHI OFFICE

M-7-10, Mezzanine Floor, Corniche Residence,  
Khayaban-e-Saadi, Com-3, Block-2,  
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.  
Ph. No. 042-5839182, 042-5887262



## Directors' Report

We are pleased to presents the un-audited financial statements of the company for the 1st Quarter ended September 30, 2007. The Key operating results of the current period are as under:

	2007 Rs. (000)	2006 Rs. (000)
Sales	229,315	248,497
Gross Profit	32,595	30,733
(Loss) after Taxation	(19,472)	(21,816)

During the period under review, your company sustained a loss of Rs. 19,472 million as compared to Loss of Rs. 21.816 million during the corresponding quarter. The profitability of the company is affected mainly due to hike in cost of raw materials, wage rates, depreciation and mark up cost. The sales during the period decreased by 7.72% due to composition of orders executed during the period and delay in finalization of plastic shell orders. The margins from the beverage sector are reducing due to fierce competition and increased usage of pet bottles; therefore, company is diversifying and consolidating into Pharma and Tableware glass to minimize the dependence on seasonal nature of its business.

Furthermore, in order to reduce the impact of heavy financial burden and to support the future BMR of the company, the management is in the process of financial restructuring by bringing in 100% more equity through right issue. Keeping in view the strong financial commitments of the directors', planned financial restructuring & BMR as well as diversified product range of the company, we are quite confident that our results for the coming quarters will be encouraging for our shareholders.

The board appreciates the continued support of the bankers, customers and supplies of the company as well as acknowledges the devoted work done by the executives, officers and workers of the company.

For on the behalf of Board of Directors'

Mohammad Tousif Paracha  
Chief Executive

Karachi: October 31, 2007



## Balance Sheet

as at September 30, 2007 (Un-audited)

	September 30, 2007	June 30, 2007
	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized Capital (50,000,000 Ordinary shares of Rs.10/- each)	500,000	500,000
Issued, subscribed and paid-up capital	429,000	429,000
Accumulated (loss)	(69,001)	(49,529)
	359,999	379,471
<b>NON-CURRENT LIABILITIES</b>		
Subordinated loan - Unsecured	482,080	482,080
Long term loans - Secured	534,452	299,773
Liabilities against assets subject to finance lease	121,698	133,290
Long term morabaha - Secured	-	-
Deferred Liabilities	46,265	47,058
<b>CURRENT LIABILITIES</b>		
Trade and other payables	257,538	356,532
Markup accrued	35,569	26,938
Short term borrowings	629,266	714,771
Current portion of long term loans	209,722	221,597
Current portion of liabilities against assets subject to finance lease	107,296	106,298
Current portion of long term morabaha	-	5,000
	1,239,391	1,431,136
<b>CONTINGENCIES AND COMMITMENTS</b>		
	-	-
	2,783,885	2,772,808
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property plant and equipment	1,418,715	1,457,054
Long-term deposits	40,386	40,386
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	305,436	312,912
Stock-in-trade	589,125	603,174
Trade debts - Unsecured, Considered good	293,706	232,144
Loans and advances - unsecured & considered good	45,779	38,267
Trade deposits, prepayments and other receivable	48,518	47,930
Taxes recoverable	27,635	27,076
Cash and bank balances	14,585	13,865
	1,324,784	1,275,368
	2,783,885	2,772,808

The annexed notes form an integral part of these financial statements

\_\_\_\_\_  
Chief Executive

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Director



## Profit and Loss Account

for the Quarter ended September 30, 2007 (Un-audited)

	September 30, 2007	September 30, 2006
	(Rupees in thousand)	
Sales-Net	229,315	248,497
Cost of sales	196,720	217,764
Gross profit	32,595	30,733
Administrative and Selling expenses	17,362	19,361
Operating profit	15,233	11,372
Financial charges	36,569	30,430
Workers' profit participation fund	-	-
	36,569	30,430
	(21,336)	(19,058)
Other Income	655	1,566
(Loss) before tax	(20,681)	(17,492)
TAXATION		
Current	1,147	1,199
Deferred	(2,356)	3,125
	(1,209)	4,324
(Loss) after tax	(19,472)	(21,816)
Earning per share - Basic (Rupees)	(0.45)	(0.51)

The movement in Accumulated Profit/(Loss) is presented in Statement of Changes of Equity.

The annexed notes form an integral part of these financial statements

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



## Cash Flow Statement

for the Quarter ended September 30, 2007 (Un-audited)

	September 30, 2007	September 30, 2006
	(Rupees in thousand)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(20,681)	(17,492)
Adjustments for:		
Depreciation	38,356	22,203
Financial charges	36,569	30,430
Provision of gratuity	1,851	1,888
Other Income	-	(1,566)
	56,095	35,463
Movement in:		
Working capital	(147,131)	19,586
	(91,036)	55,049
Financial charges paid	(27,938)	(28,542)
Taxes paid	(1,706)	(2,250)
Gratuity paid	(288)	(388)
Net cash used in/generated from operating activities	(120,968)	23,869
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for capital expenditure	(17)	(28,825)
Long term advances and deposits	-	(500)
	(17)	(29,325)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of lease facility	(10,594)	(9,507)
Long term loans	222,804	(7,244)
Repayment of morabha facility	(5,000)	(5,000)
Net cash inflow/(out flow) from financing activities	207,210	(21,751)
Net increase/(decrease) in cash and cash equivalents	86,225	(27,207)
Cash and cash equivalents as at beginning of the period	(339,231)	(543,381)
Cash and cash equivalents as at end of the period	(253,006)	(570,588)
<b>Movement in working capital</b>		
<i>(Increase) in current assets</i>		
Stores, spares and loose tools	7,476	5,037
Stock-in-trade	14,049	51,844
Trade debts	(61,562)	8,014
Advances, deposits, prepayments and other receivables	(7,512)	(1,889)
Trade deposits, prepayments and other receivable	(588)	(1,020)
	(48,137)	61,986
<i>Increase/(Decrease) in current liabilities</i>		
Creditors and accrued expenses	(98,994)	(42,400)
	(147,131)	19,586

The annexed notes form an integral part of these financial statements

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

Repayment of morabha facility



## Statement of Changes in Equity

for the Quarter ended September 30, 2007 (Un-audited)

	Share Capital	Accumulated Profit/(Loss)	Total
	(Rupees in thousand)		
Balance as on July 01, 2006	429,000	26,971	455,971
Net (Loss) for the period ended September 30, 2006	—	(21,816)	(21,816)
Balance as at September 30, 2006	429,000	5,155	434,155
Net (Loss) for the period	—	(54,684)	(54,684)
Balance as at June 30, 2007	429,000	(49,529)	379,471
Net (Loss) for the period ended September 30, 2007	—	(19,472)	(19,472)
Balance as at September 30, 2007	429,000	(69,001)	359,999

The annexed notes form an integral part of these financial statements

\_\_\_\_\_  
Chief Executive

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Director



## Notes to the Financial Statement

for the Quarter ended September 30, 2007 (Un-audited)

### 1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public limited company in 1980 under Companies Act 1913 (now Companies Ordinance, 1984). The registered office of the company is situated at Firdousi Manzil, Rustamji Lane, M.A. Jinnah road, Quetta and its Head office is situated at 32-B/II, Main Gulberg, Lahore. Its shares are listed on the Karachi and Lahore Stock Exchanges. The Company is engaged in manufacturing and sale of glass containers and plastic shells.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These Financial Statements are unaudited and are being transmitted to shareholders as required under Section 245 of the Companies Ordinance, 1984. These have been prepared in accordance with the requirements of International Accounting Standard -34 "Interim Financial Reporting" as applicable in Pakistan and notified by Securities and Exchange Commission of Pakistan (SECP).

### 3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2007.

### 4. CONTINGENCIES AND COMMITMENTS

There is no material change in Contingencies and Commitments during the period.

### 5. PROPERTY, PLANT AND EQUIPMENT

There is no material addition or disposal during the period.

	September 30, 2007	September 30, 2006
(Rupees in thousand)		
<b>6. TRANSACTIONS WITH RELATED PARTIES</b>		
Purchases from associated companies	1,816	1,558
Short term Loan received from associated company	6,900	-
Repayment of Short term Loan to associated company	6,550	-
Mark up charged on Loan	2,440	3,407
Loan received from Director	310,059	46,375
Loan paid to Director	169,746	375

### 7. DATE OF AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue by the Board of Directors in their meeting held on October 31, 2007.

### 8. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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Chief Executive

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Director