

(Un-audited)

## Quarterly Accounts

for the Quarter ended

September 30, 2011



**Balochistan Glass Limited**

An ISO 9001-2000 Certified Company

## Corporate Information

### BOARD OF DIRECTORS'

Mr. Muhammad Tousif Paracha	Chairman & Chief Executive
Mr. Tariq Siddiq Paracha	
Mr. Muhammad Niaz Paracha	
Mr. Jawaid Aziz Paracha	
Mr. Mian Nazir Ahmed Paracha	
Mr. Nasir Malik	
Mr. Muhammad Ishaque Khokhar	

### COMPANY SECRETARY

Hassan Farooq

### AUDIT COMMITTEE

Mr. Muhammad Niaz Paracha	Chairman
Mr. Muhammad Ishaq Khokhar	Member
Mr. Mian Nazir Ahmed Paracha	Member

### BANKERS

The Bank of Punjab  
Bank Al Falah Limited  
Al Baraka Islamic Bank Limited  
Citibank N.A  
Faysal Bank Limited  
KASB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
United Bank Limited  
BankIslami Pakistan Limited  
MCB Bank Limited

### AUDITORS

F.R.A.N.T.S. & Co.  
Chartered Accountants

### LEGAL ADVISOR

Masood Khan Ghory (Advocate & Legal Consultant)

### REGISTERED OFFICE

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

### HEAD OFFICE

12-KM, Sheikhpura Road,  
Kot Abdul Malik,  
Lahore.  
Ph. # 042-37923993-4  
Fax # 042-37930616  
Web: [www.balochistanglass.com](http://www.balochistanglass.com)  
Email: [info@balochistanglass.com](mailto:info@balochistanglass.com)

### KARACHI OFFICE

Dime Centre, B.C. 3, 3<sup>rd</sup> Floor, Clifton, Karachi.  
Ph. No. 021-35377977-82

### FACTORIES

#### UNIT-I

Plot no. 8, Sector M, H.I.T.E.,  
Hub, District Lasbella,  
Balochistan.

#### UNIT-II

29-KM, Sheikhpura Road,  
Sheikhpura.

#### UNIT-III

12-KM, Sheikhpura Road,  
Kot Abdul Malik,  
Lahore.

### SHARE REGISTRAR

Corplink (Pvt.) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore.

## Directors' Report

Board of Directors' of Balochistan Glass Limited takes pleasure in presenting the First Quarter unaudited Financial Statements of the company for the Quarter Ended September 30, 2011.

### COMPANY PERFORMANCE & FUTURE OUTLOOK

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

	<b>September 30, 2011</b>	September 30, 2010
	(Rupees in thousand)	
Sales-Net	<b>336,690</b>	264,552
Gross (Loss)	<b>(4,142)</b>	(22,553)
Operating (Loss)	<b>(11,867)</b>	(33,582)
(Loss) before Tax	<b>(34,345)</b>	(66,760)
(Loss) after Tax	<b>(36,625)</b>	(66,917)

Net Sales of the company has increased by 27.27% and gross loss has also reduced by 82% in comparison to last year Quarter. Improvement in production efficiencies and increase in sale prices had helped to reduce gross loss to minimum level. Operations of Unit-III are badly affected by the ongoing load shedding of Gas as we have use expensive fuels (LPG & Furnace Oil) to run the plant. Closure of Unit-II is one of the major contributors in loss as fixed cost of the plant was not consumed by other units.

Furnace of Unit-II, being the largest of all three units is closed since last three years and we have to bear fixed costs for it which adds to the overall losses of the company as no revenue is being generated from its glass division. Now Furnace of unit-II is almost complete and other allied jobs are being actively pursued. By the grace of Allah we shall fire this furnace in second half of this financial year.

Despite of cash flow problems and other technical issues sponsors of the company are fully supporting the company and are committed for its revival. They had extended interest free loans for completion of remaining BMR and other working capital needs of the company. Therefore, these financial statements have been prepared on going concern basis.

The Board of Directors appreciates assistance and co-operation extended by our banks and financial institutions and efforts, dedication and commitment demonstrated by all the employees and contractors of the company.

For and on the behalf of Board of Directors'



**Muhammad Tousif Paracha**  
Chief Executive

Lahore : October 31, 2011

## Balance Sheet

as at September 30, 2011 (Un-audited)

		September 30, 2011	June 30, 2011
<b>EQUITY AND LIABILITIES</b>			
	Notes	(Rupees in thousand)	
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital		1,200,000	1,200,000
Issued, subscribed and paid-up capital		858,000	858,000
Accumulated loss		(2,204,880)	(2,170,218)
		(1,346,880)	(1,312,218)
<b>Share deposit money</b>		343,200	343,200
<b>Surplus on revaluation of Property, plant and equipment</b>		266,667	268,630
<b>NON-CURRENT LIABILITIES</b>			
Subordinated loan - Unsecured		482,080	482,080
Long term loans		741,674	738,188
Liabilities against assets subject to finance lease		38,633	40,766
Deferred liabilities		77,065	76,626
		1,339,452	1,337,660
<b>CURRENT LIABILITIES</b>			
Trade and other payables		473,067	499,990
Markup accrued		324,041	296,206
Short term borrowings		536,329	507,287
Current maturity of non current liabilities		290,680	290,680
		1,624,117	1,594,163
<b>CONTINGENCIES AND COMMITMENTS</b>	4	--	--
		<b>2,226,556</b>	<b>2,231,435</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,595,975	1,612,831
Long term deposits		23,259	23,259
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		238,331	239,299
Stock in trade		113,326	65,397
Trade debts		104,726	126,298
Loans and advances		69,419	75,097
Trade deposits, prepayments and other receivable		59,308	60,353
Taxes recoverable		18,920	22,595
Cash and bank balances		3,292	6,306
		607,322	595,345
		<b>2,226,556</b>	<b>2,231,435</b>

The annexed notes form an integral part of these financial statements.

  
 Chief Executive

  
 Director

## Statement of Comprehensive Income

for the Quarter ended September 30, 2011 (Un-audited)

	September 30, 2011	September 30, 2010
	(Rupees in thousand)	
Loss for the quarter	(36,625)	(66,917)
Other comprehensive income:		
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	3,020	3,332
Related deferred tax	(1,057)	(1,166)
	1,963	2,166
	(34,662)	(64,751)
Component of comprehensive income not reflected in equity - Net of tax	--	--
Total comprehensive income for the quarter	(34,662)	(64,751)

*The annexed notes form an integral part of these financial statements.*

  
 Chief Executive

  
 Director

## Profit and Loss Account

for the Quarter ended September 30, 2011 (Un-audited)

	September 30, 2011	September 30, 2010
	(Rupees in thousand)	
Sales - Net	333,690	264,552
Cost of sales	337,832	287,105
Gross loss	(4,142)	(22,553)
Administrative and selling expenses	7,725	11,029
Operating loss	(11,867)	(33,582)
Financial charges	31,144	33,178
Other Income	8,666	-
Loss before taxation	(34,345)	(66,760)
Taxation	2,280	157
<b>Loss after taxation</b>	<b>(36,625)</b>	<b>(66,917)</b>
Loss per share - Basic and diluted (Rupees)	(0.43)	(0.78)

*The annexed notes form an integral part of these financial statements.*

  
 Chief Executive

  
 Director

## Cash Flow Statement

for the Quarter ended September 30, 2011 (Un-audited)

	September 30, 2011	September 30, 2010
(Rupees in thousand)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(34,345)	(66,760)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	32,023	40,891
Financial charges	31,144	33,178
Provision for gratuity	1,611	1,379
<b>Operating profit before working capital changes</b>	<b>30,433</b>	<b>8,688</b>
<b>Working capital changes</b>		
<b>(Increase)/Decrease in current assets</b>		
Stores, spares and loose tools	968	22,207
Stock in trade	(47,929)	(22,247)
Trade debts	21,572	63,195
Loans and advances	5,678	(6,434)
Trade deposits, prepayments and other receivable	1,045	(17,377)
<b>Increase/(Decrease) in current liabilities</b>		
Trade and other payables	(26,923)	8,183
<b>Cash used in / generated from operations</b>	<b>(15,156)</b>	<b>56,215</b>
<b>Payments for:</b>		
Financial charges	(3,309)	(27,252)
Taxes	338	(192)
Gratuity	(114)	(343)
<b>Net cash outflow/inflow from operating activities</b>	<b>(18,241)</b>	<b>28,428</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(15,168)	(50)
<b>Net cash outflow from investing activities</b>	<b>(15,168)</b>	<b>(50)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans received	3,486	(36,467)
Lease liabilities paid	(2,133)	(24,746)
Short term borrowings - Net	29,042	35,954
<b>Net cash inflow/(outflow) from financing activities</b>	<b>30,395</b>	<b>(25,259)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,014)</b>	<b>3,119</b>
<b>Cash and cash equivalents as at 1st July</b>	<b>6,306</b>	<b>16,105</b>
<b>Cash and cash equivalents as at 30th September</b>	<b>3,292</b>	<b>19,224</b>

The annexed notes form an integral part of these financial statements.

  
 Chief Executive

  
 Director

## Statement of Changes in Equity

for the Quarter ended September 30, 2011 (Un-audited)

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	(Rupees in thousand)		
<b>Balance as on July 01, 2010</b>	858,000	(1,613,780)	(755,780)
<b>Total comprehensive income for the quarter</b>			
Loss after taxation	--	(66,917)	(66,917)
Other comprehensive income:			
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	2,166	2,166
Total comprehensive income for the quarter	--	(64,751)	(64,751)
<b>Balance as September 30, 2010</b>	858,000	(1,678,531)	(820,531)
<b>Balance as July 01, 2011</b>	858,000	(2,170,218)	(1,312,218)
<b>Total comprehensive income for the quarter</b>			
Loss after taxation	--	(36,625)	(36,625)
Other comprehensive income:			
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	1,963	1,963
Total comprehensive income for the quarter	--	(34,662)	(34,662)
<b>Balance as September 30, 2011</b>	858,000	(2,204,880)	(1,346,880)

*The annexed notes form an integral part of these financial statements.*

  
 Chief Executive

  
 Director



## Notes to the Financial Statement

for the Quarter ended September 30, 2011 (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). 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

These financial statements are unaudited and have been prepared in accordance with the requirements of section 245 of the Companies Ordinance, 1984 and IAS 34 "Interim Financial Reporting".

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the accounts for the year ended June 30, 2011.

### 4 CONTINGENCIES AND COMMITMENTS

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

### 5 PROPERTY PLANT AND EQUIPMENT

	September 30,2011	June 30,2011
	(Rupees in thousand)	
Operating Asset at cost less accumulated depreciation	1,384,715	1,416,621
Capital work in progress - At cost	211,260	196,210
	<u>1,595,975</u>	<u>1,612,831</u>

### 6 TRANSACTION WITH RELATED PARTIES

	September 30,2011	September 30,2010
	(Rupees in thousand)	
Purchases	513	600
Short term loan received	21,395	15,000
Short term loan repaid	27,455	5,000
Markup charged on loan	6,560	7,663
Loan received from director	10,700	500
Loan paid to director	9,150	-



**7 DATE OF AUTHORISATION FOR ISSUE**

These financial statements are authorised for issue on October 31, 2011 in accordance with the resolution of the board of directors of Company

**8 GENERAL**

These financial statements are presented in rupees and figures have been rounded off to nearest thousand rupees.

  
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Chief Executive

  
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Director