

Quarterly Accounts

for the quarter ended

September 30, 2014



BALUCHISTAN GLASS LIMITED

An ISO 9001:2008 Certified Company



Corporate Information

Board of Directors

Mr. Muhammad Tousif Paracha
Mr. Tariq Siddiq Paracha
Mr. Mustafa Tousif Ahmed Paracha
Mr. Jawaid Aziz Paracha
Mr. Mian Nazir Ahmed Paracha
Mr. Nasir Malik
Mr. Shamim Anwar

Chairman & CEO

COMPANY SECRETARY

Shaikh Arif Moin-ul-Haq

AUDIT COMMITTEE

Mr. Mian Nazir Ahmed Paracha
Mr. Mustafa Tousif Ahmed Paracha
Mr. Jawaid Aziz Paracha

Chairman
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Mustafa Tousif Ahmed Paracha
Mr. Jawaid Azaiz paracha
Mr. Tariq Siddiq Paracha

Chairman
Member
Member

BANKERS

The Bank of Punjab
Bank Al Falah Limited
Al Baraka Bank (Pakistan) Limited
Faysal Bank Limited
KASB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
United Bank Limited
BankIslami Pakistan Limited
Summit Bank Limited
MCB Bank Limited

HEAD OFFICE

12-KM, Sheikhpura Road,
Kot Abdul Malik,
Lahore.
Ph. # 042-37923993-4
Fax # 042-37930616
Web: www.balochistanglass.com
Email: info@balochistanglass.com

KARACHI OFFICE

Dime Centre, B.C. 4, 3rd Floor,
Block 09, Clifton, Karachi.
Ph. No. 021-35377977-80

AUDITORS

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

FACTORIES

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

LEGAL ADVISOR

Masood Khan Ghory
(Advocate & Legal Consultant)

UNIT-II

29-KM, Sheikhpura Road,
Sheikhpura.

REGISTERED OFFICE

Plot no. 8, Sector M, H.I.T.E.,
Hub, District Lasbella, Balochistan.
Tel : 0853 - 363657

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

The Directors of your company pleased to present the Condensed Financial Statements of your company for the quarter ended September 30, 2014.

COMPANY PERFORMANCE

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

	September 30, 2014	September 30, 2013
	(Rupees in thousands)	
Sales - Net	424,456	597,369
Gross Profit/ (Loss)	(45,139)	8,997
Operating Profit/ (Loss)	(61,271)	(8,586)
Profit/ (Loss) Before Tax	(27,359)	(34,685)
Profit/ (Loss) After Tax	(120,021)	(57,794)
Profit/ (Loss) After Tax	(123,499)	(62,898)
Basic and diluted Profit / (Loss) per share	(0.72)	(0.37)

Sales Revenue of the Company dropped by 29% as compared to previous period and loss after tax has also increased as compared to last period. During last year, the management decided to partially shift its tableware production facility from Unit-III to Unit-1 at Hub due to severe gas curtailment at Sheikhpura.

The production and sales at both units suffered during this conversion period. However, now the production at Unit-I have been stabilized and supplies to market has started from this Unit.

The main reason of loss during the period is the closure of BGL Unit-II and production losses during shifting of manufacturing facility. Management is continuously focusing on streamlining the operations of all the units and enhancing their production efficiencies. Management is also confident that the above decision will fetch better results in coming periods.

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 the behalf of Board of Directors'

Muhammad Tousif Paracha
Chairman & Chief Executive

Lahore : 30 October, 2014

Condensed Interim Balance Sheet

As At September 30, 2014 (un-audited)

Notes	Un-audited Sep 30, 2014	Audited June 30, 2014
(Rupees in thousand)		
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Authorized capital	1,766,000	1,766,000
Issued, subscribed and paid-up capital	1,716,000	1,716,000
Discount on shares	(514,800)	(514,800)
Accumulated loss	(3,595,439)	(3,474,195)
	(2,394,239)	(2,272,995)
Surplus on revaluation of property, plant and equipment	244,841	247,096
NON-CURRENT LIABILITIES		
Subordinated loan - Unsecured	482,080	482,080
Long term loans	1,187,887	1,179,852
Deferred liabilities	1,049,971	1,001,162
	2,719,938	2,663,094
CURRENT LIABILITIES		
Trade and other payables	928,084	869,574
Markup accrued	167,645	157,930
Short term borrowings	243,651	250,250
Current maturity of non current liabilities	196,404	190,404
	1,535,784	1,468,158
CONTINGENCIES AND COMMITMENTS		
	2,106,324	2,105,353
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	1,448,821	1,456,893
Long term deposits	-	-
	1,448,821	1,456,893
CURRENT ASSETS		
Stores, spares and loose tools	217,975	224,217
Stock in trade	109,307	140,467
Trade debts	155,403	82,607
Loans and advances	49,009	49,955
Trade deposits, prepayments and other receivable	50,894	77,468
Taxes recoverable	27,601	24,470
Cash and bank balances	47,314	49,276
	657,503	648,460
	2,106,324	2,105,353

The annexed notes 1 to 6 form an integral part of these interim financial information.

Chief Executive

Director



Profit And Loss Account

For The Quarter Ended September 30, 2014 (un-audited)

	September 30, 2014	September 30, 2013
	(Rupees in thousand)	
Sales - Net	424,456	597,369
Cost of sales	469,595	588,372
Gross profit/ (loss)	(45,139)	8,997
Administrative and selling expenses	16,132	17,657
Other incomes	-	74
Operating profit / (loss)	(61,271)	(8,586)
Financial charges	58,750	49,208
Loss before taxation	(120,021)	(57,794)
Taxation - Current	3,478	5,104
Loss after taxation	(123,499)	(62,898)
Loss per share - Basic and diluted (Rupees)	(0.72)	(0.37)

The annexed notes 1 to 6 form an integral part of these interim financial information.



Statement Of Comprehensive Income

For The Quarter Ended September 30, 2014 (un-audited)

	September 30, 2014	September 30, 2013
	(Rupees in thousand)	
	(123,499)	(62,898)
Other comprehensive income:		
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	2,255	2,485
Related deferred tax	(767)	(870)
	1,488	1,615
	(122,011)	(61,283)
Component of comprehensive income not reflected in equity - Net of tax	-	-
Total comprehensive loss for the period	(122,011)	(61,283)

The annexed notes 1 to 6 form an integral part of these interim financial information.

Chief Executive

Director

Cash Flow Statement

For The Quarter Ended September 30, 2014 (un-audited)

	September 30, 2014	September 30, 2013
	(Rupees in thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(120,021)	(57,794)
Adjustments for non-cash charges and other items:		
Depreciation	27,359	34,685
Financial charges	58,750	49,208
Provision for gratuity	2,297	2,297
Operating profit/ (loss) before working capital changes	(31,615)	28,396
Working capital changes		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	6,242	(1,743)
Stock in trade	31,160	(58,950)
Trade debts	(72,796)	11,850
Loans and advances	946	(8,034)
Trade deposits, prepayments and other receivables	33,550	(1,618)
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	55,428	2,518
	54,530	(55,977)
Cash generated from operations	22,915	(27,581)
Payments for:		
Financial charges	(1,323)	(2,551)
Taxes	(11,270)	(8,177)
Gratuity	(434)	(494)
Net cash inflow from operating activities	A 9,888	(38,803)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(19,287)	(7,057)
Net cash outflow from investing activities	B (19,287)	(7,057)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans - Net	14,037	13,869
Lease rentals	-	(4,552)
Short term borrowings - Net	(6,599)	48,888
Net cash outflow from financing activities	C 7,438	58,205
Net increase/(decrease) in cash and cash equivalents	A+B+C (1,961)	12,345
Cash and cash equivalents as at 1st July	49,276	22,252
Cash and cash equivalents as at 30th September	47,314	34,597

The annexed notes 1 to 6 form an integral part of these interim financial information.

**Statement Of Changes In Equity**

For The Quarter Ended September 30, 2014 (un-audited)

	Issued, subscribed and paid-up capital	Discount on issuance of shares	Accumulated Loss	Total
(Rupees in thousand)				
Balance as on July 01, 2013	1,716,000	(514,800)	(2,912,222)	(1,711,022)
Total comprehensive income/(loss) for the period				
Loss after taxation - restated	-	-	(62,898)	(62,898)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	1,615	1,615
Total comprehensive income for the year	-	-	(61,283)	(61,283)
Balance as on September 30, 2013	<u>1,716,000</u>	<u>(514,800)</u>	<u>(2,973,505)</u>	<u>(1,772,305)</u>
Balance as on July 01, 2014	1,716,000	(514,800)	(3,474,195)	(2,272,995)
Total comprehensive income/(loss) for the period				
Loss after taxation	-	-	(123,499)	(123,499)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	2,255	2,255
Total comprehensive loss for the year	-	-	(121,244)	(121,244)
Balance as on September 30, 2014	<u>1,716,000</u>	<u>(514,800)</u>	<u>(3,595,439)</u>	<u>(2,394,239)</u>

*The annexed notes 1 to 6 form an integral part of these interim financial information.*_____
Chief Executive_____
Director

Notes To The Condensed Financial Information

For The Quarter Ended September 30, 2014 (un-audited)

1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public listed company in 1980 under the Companies Act, 1913 (now the 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, glass table wares and plastic shells. The registered office of the Company is situated at Hub, Balochistan whereas head office of the Company is situated at Kot Abdul Malik, Lahore.

2. BASIS OF PREPARATION

"This condensed interim financial information for the quarter ended September 30, 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2014."

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

"The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2014.

Judgments and estimates made by management in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2014

4. PROPERTY, PLANT AND EQUIPMENT

		September 30, 2014	June 30, 2014
(Rupees in thousand)			
Operating fixed assets	4.1	1,425,343	1,414,996
Capital work in progress	4.2	23,479	41,897
		1,448,821	1,456,893
4.1 Additions/ (Deletions) during the period			
Building		2,579	1,907
Plant and machinery		29,956	96,298
Electric and gas installation		5,000	7,537
Office equipment		-	96
Vehicles		171	787
		37,706	106,625
4.2 Capital work in progress - At cost			
Opening		41,897	89,578
Additions		3,565	31,275
Less: Capitalized		(21,984)	(78,956)
Closing	4.3	23,479	41,897

	September 30, 2014	June 30, 2014
	(Rupees in thousand)	
4.3 Capital work in progress - Breakup		
Plant and Machinery	23,479	41,897
Civil work	-	-
	<u>23,479</u>	<u>41,897</u>

5. TRANSACTIONS WITH RELATED PARTIES

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

	September 30, 2014	September 30, 2013
	(Rupees in thousand)	
5. Associated companies		
Pak Hy-Oils		
Purchases	1,629	7,027
Short term loan received	-	12,328
Repayment of short term loan	13,503	10,000
Markup charged on loan	1,768	3,400
Payment against supplies	1,455	11,015
Directors		
Loan received	31,035	37,673
Repayment of loan	2,000	8,498
Markup charged on loan	40,498	25,864
Rent of property charged by CEO	1,815	1,815

6. GENERAL

- 6.1 These financial statements are presented in rupees and figures have been rounded off to the nearest thousand rupees.
- 6.2 These financial statements are authorized for issue on October 30, 2014 in accordance with the resolution of the Board of Directors of the Company.

Chief Executive

Director



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