

# *Quarterly Accounts*

for the quarter ended

September 30, 2016



**BALUCHISTAN GLASS LIMITED**

An ISO 9001:2008 Certified Company



## Corporate Information

### Board of Directors

Mr. Muhammad Tousif Paracha	CEO
Mr. Tariq Siddiq Paracha	
Mr. Mustafa Tousif Ahmed Paracha	Chairman
Mr. Mian Nazir Ahmed Paracha	
Mr. Nasir Malik	
Mr. Shamim Anwar	

### COMPANY SECRETARY

Mr. Sheikh Arif Moin-ul-Haq

### AUDIT COMMITTEE

Mr. Mian Nazir Ahmed Paracha	Chairman
Mr. Mustafa Tousif Ahmed Paracha	Member
Mr. Jawaid Aziz Paracha	Member
Mr. Shamim Anwar	Member

### HR & REMUNERATION COMMITTEE

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

### 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  
Bank Islami Pakistan Limited  
Summit 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

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

### 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

The Directors of your company are pleased to present the Condensed Interim Financial Information of your company for the quarter ended September 30, 2016.

### COMPANY PERFORMANCE

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

	September 30, 2016	September 30, 2015
	(Rupees in thousands)	
Sales - Net	246,291	450,266
Gross (Loss)	(68,476)	(13,712)
Operating (Loss)	(81,048)	(31,087)
Depreciation	(30,543)	(28,477)
(Loss) before Tax	(128,918)	(90,813)
(Loss) after Tax	(130,458)	(94,299)
Basic and diluted (Loss) per share - Rs.	(0.76)	(0.55)

Sales Revenue of the Company has significantly decreased as compared to previous period, which caused net loss at reporting date. As the operational shifting of Pharma glass production facilities from Unit -I (Hub) to Unit- III (Kot Abdul Malik) was remained in the process of finalization that resulted in low production during the current quarter period. Revision in sales prices of tableware products to remain competitive in the market is also another reason of fall in net revenue.

Management is fully confident that the shifting of Pharma glass production will be completed in the coming quarter and fetch better results in the long run. Since the company had worked to enhance its tableware manufacturing capacity and also revised its market strategies in order to meet the growing demand of local and export market, therefore, we are highly confident that these decisions shall support the company to compete in the long-run.

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'

**Mian Nazir Ahmed Paracha**  
Director

Lahore : 28<sup>th</sup> October, 2016

**Condensed Interim Balance Sheet**

As At September 30, 2016 (un-audited)

	Note	Un-audited Sep 30, 2016 (Rupees in thousands)	Audited June 30, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		(4,573,859)	(4,445,553)
		(3,372,659)	(3,244,353)
Surplus on revaluation of property, plant and equipment		295,494	297,646
Subordinated loan - Unsecured		482,080	482,080
<b>NON-CURRENT LIABILITIES</b>			
Long term loans		1,621,052	1,592,116
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		1,141,085	1,106,293
		2,762,137	2,698,409
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,049,631	1,042,484
Markup accrued		186,111	184,559
Short term borrowings		424,350	411,562
Current maturity of non current liabilities		228,567	222,567
		1,888,659	1,861,172
<b>CONTINGENCIES AND COMMITMENTS</b>			
		<b>2,055,711</b>	<b>2,094,954</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,359,093	1,377,110
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		223,514	232,542
Stock in trade		245,923	234,760
Trade debts		54,310	69,858
Loans and advances		44,130	47,305
Trade deposits, prepayments and other receivable		47,622	47,622
Taxes recoverable		65,658	65,951
Cash and bank balances		15,461	19,806
		696,618	717,844
		<b>2,055,711</b>	<b>2,094,954</b>

The annexed notes 1 to 7 form an integral part of these condensed interim financial information.

Statement under section 241(2) of the Companies Ordinance, 1984:

At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim financial information as approved by the Board of Directors have been signed by two Directors.

Director

Director



## Condensed Interim Profit And Loss Account

For The Quarter Ended September 30, 2016 (un-audited)

	September 30, 2016	September 30, 2015
	(Rupees in thousands)	
Sales - Net	246,291	450,266
Cost of sales	314,767	463,978
Gross loss	(68,476)	(13,712)
Administrative and selling expenses	12,576	17,465
Other incomes	4	90
Operating loss	(81,048)	(31,087)
Financial charges	47,870	59,726
Loss before taxation	(128,918)	(90,813)
Taxation - Current	2,463	4,503
- Deferred	(923)	(1,017)
<b>Loss after taxation</b>	<b>(130,458)</b>	<b>(94,299)</b>
Loss per share - Basic and diluted (Rupees)	(0.76)	(0.55)

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## Condensed Interim Statement Of Comprehensive Income

For The Quarter Ended September 30, 2016 (un-audited)

	September 30, 2016	September 30, 2015
	(Rupees in thousands)	
Loss for the period	(130,458)	(94,299)
Other comprehensive income:		
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	3,075	3,391
Related deferred tax	(923)	(1,017)
	2,152	2,374
Total comprehensive loss for the period	(128,306)	(91,925)

The annexed notes 1 to 7 form an integral part of these condensed interim financial information.

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## Condensed Interim Cash Flow Statement

For The Quarter Ended September 30, 2016 (un-audited)

September 30, 2016      September 30, 2015

(Rupees in thousands)

### CASH FLOW FROM OPERATING ACTIVITIES

Loss before taxation (128,918) (90,813)

#### Adjustments for non-cash charges and other items:

Depreciation 30,543 28,477

Provision for gratuity 1,901 2,339

Financial charges 47,870 59,726

#### Operating loss before working capital changes

(48,604) (271)

#### Working capital changes

*(Increase)/Decrease in current assets*

Stores, spares and loose tools 9,028 10,828

Stock in trade (11,163) (95,060)

Trade debts 15,548 14,860

Loans and advances 3,175 (16,855)

Trade deposits, prepayments and other receivables - -

*Increase/(Decrease) in current liabilities*

Trade and other payables 13,161 96,444

29,749 10,217

#### Cash used in operations

(18,855) 9,946

#### Payments for:

Financial charges (12,214) (1,489)

Taxes (8,184) (8,322)

Gratuity (290) (239)

#### Net cash outflow from operating activities

A (39,543) (104)

### CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditures (12,526) (2,406)

Proceeds from disposal of fixed asset - -

#### Net cash outflow from investing activities

B (12,526) (2,406)

### CASH FLOW FROM FINANCING ACTIVITIES

Long term loans - Net 34,936 (23,644)

Lease rentals paid - -

Short term borrowings - Net 12,788 52,180

#### Net cash inflow from financing activities

C 47,724 28,536

#### Net increase/ (decrease) in cash and cash equivalents

A+B+C (4,345) 26,026

#### Cash and cash equivalents as at 1st July

19,806 10,715

#### Cash and cash equivalents as at 30th September

15,461 36,741

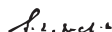
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Director



Director

**Condensed Interim Statement Of Changes In Equity****For The Quarter Ended September 30, 2016 (un-audited)**

	Issued, subscribed and paid-up capital	Discount on issuance of shares	Accumulated Loss	Total
(Rupees in thousand)				
<b>Balance as on July 01, 2015</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(3,926,504)</b>	<b>(2,725,304)</b>
<b>Total comprehensive (loss) for the period</b>				
Loss after taxation	-	-	(94,299)	(94,299)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	2,374	2,374
Total comprehensive loss for the period	-	-	(91,925)	(91,925)
<b>Balance as on September 30, 2015</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(4,018,429)</b>	<b>(2,817,229)</b>
<b>Balance as on July 01, 2016</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(4,445,553)</b>	<b>(3,244,353)</b>
<b>Total comprehensive (loss) for the period</b>				
Loss after taxation	-	-	(130,458)	(130,458)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	2,152	2,152
Total comprehensive loss for the period	-	-	(128,306)	(128,306)
<b>Balance as on September 30, 2016</b>	<b>1,716,000</b>	<b>(514,800)</b>	<b>(4,573,859)</b>	<b>(3,372,659)</b>

*The annexed notes 1 to 7 form an integral part of these condensed interim financial information.*

*Statement under section 241(2) of the Companies Ordinance, 1984:*

*At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim financial information as approved by the Board of Directors have been signed by two Directors.*

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## Notes To The Condensed Interim Financial Information

For The Quarter Ended September 30, 2016 (un-audited)

### 1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public company in 1980 under the Companies Act, 1913 (now the Companies Ordinance, 1984). Its shares are listed on the Pakistan Stock Exchange. 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, 2016 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, 2016.

### 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, 2016. 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, 2016.

### 4. PROPERTY, PLANT AND EQUIPMENT

		Sep-16	Jun-16
		(Rupees in thousands)	
Operating fixed assets	4.1	1,350,233	1,374,827
Capital work in progress	4.2	8,860	2,283
		1,359,093	1,377,110
<b>4.1 Additions/Transfer &amp; (Deletions) during the period</b>			
Building		1,458	1,294
Plant and machinery		2,521	30,093
Electric and gas installation		-	12,888
Furniture and fixtures		-	10
Office equipment		-	172
Vehicles		1,970	5,573
		<b>5,949</b>	<b>50,030</b>
<b>4.2 Capital work in progress - At cost</b>			
Opening		2,283	2,355
Additions		6,577	2,286
Less: Capitalised		-	(2,358)
Closing	4.3	8,860	2,283
<b>4.3 Capital work in progress - Breakup</b>			
Plant and Machinery		<b>8,860</b>	<b>2,283</b>



Sep-16	Sep-15
(Rupees in thousands)	

## 5 TRANSACTIONS WITH RELATED PARTIES

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

### Associated Entities

Short term loan received - net	9,632	-
Purchases	-	2,464
Payment against supplies	4,479	1,976
Markup charged on loan	6,427	1,768
Fixed assets purchased		
Advance against sale refunded		

### Other Associates

Short term loan received	-	74,105
Repayment of short term loan	-	14,249
Markup charged on loan	2,828	9,126

### Directors

Loan received	69,925	-
Markup charged on loan	32,548	40,097
Rent of property charged by CEO	-	1,815

## 6. CORRESPONDING FIGURES

- 6.1 Comparative figures have been rearranged and reclassified wherever required to facilitate better comparison while no major reclassification has been made in corresponding figures.

## 7. GENERAL

- 7.1 These financial statements are presented in rupees and figures have been rounded off to the nearest thousand rupees.
- 7.2 These financial statements are authorised for issue on **October 28, 2016** in accordance with the resolution of the Board of Directors of the Company.

*Statement under section 241(2) of the Companies Ordinance, 1984:*

*At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim financial information as approved by the Board of Directors have been signed by two Directors.*

Director

Director



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