

(Un-audited)

# Quarterly Accounts

for the Quarter ended

**March 31, 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 Naiz 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 Ishaq Khokhar	Chairman
Mr. Muhammad Niaz Paracha	Member
Mr. Jawaid Aziz 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  
Atlas Bank 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 Third Quarter Report and Financial Statements of the company for the Quarter Ended March 31, 2011.

### COMPANY PERFORMANCE & FUTURE OUTLOOK

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

	2011	2010
	(Rupees in thousand)	
Sales-Net	237,532	272,275
Gross (Loss)	(53,492)	(22,694)
Operating (Loss)	(57,455)	(33,869)
(Loss) before Tax	(100,625)	(74,530)
(Loss) after Tax	(101,834)	(75,891)

Net Sales of the company is decreased by 12.76% in comparison to last year due to closure of unit-II of the company. However, loss during the year increased mainly due to:

- Decrease in sales
- Closure of unit-II as fixed cost was not consumed fully
- Increase in cost due to gas shut down and use of alternate fuels
- High financial cost & depreciation charge
- Low production and sale of plastic shells

From last three years company is incurring heavy operational losses which are mainly because of low capacity utilization and efficiencies of plants. In order to enhance the plant efficiencies a detailed BMR of the company was outlined by the management. By following this plan Unit-III of the company was fully converted on tableware production and results from this plant were encouraging, however, shortage of gas in Punjab has affected the profitability of this plant very badly. Due to shortage of gas supply we have to close one furnace at unit-III and now it will be re-fired soon as the gas availability improves.

Despite of all financial bottlenecks, we are fully committed to start furnace of Unit-II as company has already paid down payments and also imported bricks for repair of its furnace. Installation of local bricks and equipment is already completed and company has also opened L/C's and made payments for remaining equipment and bricks. We are hopeful that plant will start its production in June 2011. After start of this plant we will be able to cover our fixed cost and operational results of the company will also improve.

Management appreciates the continued support by its financial institutions, customers, suppliers, employees and all other stakeholders during the current period.

For and on the behalf of Board of Directors'



**Muhammad Tousif Paracha**  
Chief Executive

Lahore : April 30, 2011

## Balance Sheet

as at March 31, 2011 - (Un-audited)

	Un-audited March 31, 2011	Audited June 30, 2010
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital		
120,000,000 (2010:120,000,000) Ordinary & preference shares of Rs. 10/- each	1,200,000	1,200,000
Issued, subscribed and paid up capital	858,000	858,000
Accumulated loss	(1,913,140)	(1,613,780)
	(1,055,140)	(755,780)
Share deposit money	343,200	--
Surplus on revaluation of property, plant and equipment	<b>270,796</b>	<b>277,293</b>
<b>NON-CURRENT LIABILITIES</b>		
Subordinated loan - Unsecured	<b>482,080</b>	<b>482,080</b>
Long term loans	<b>672,567</b>	<b>1,026,535</b>
Liabilities against asset subject to finance lease	<b>35,368</b>	<b>42,107</b>
Deferred liabilities	<b>76,595</b>	<b>76,646</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	573,470	550,907
Markup accrued	279,496	184,138
Short term borrowings	675,681	639,466
Current maturity of non current liabilities	203,680	172,814
	1,732,327	1,547,325
<b>CONTINGENCIES AND COMMITMENTS</b>	--	
	<b>2,557,793</b>	<b>2,696,206</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5 1,579,539	1,671,657
Long Term Deposits	22,000	22,000
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	267,292	268,914
Stock-in-trade	197,632	199,389
Trade debts - Considered good	219,332	256,977
Loans and advances - Considered good	104,961	106,761
Trade deposits, prepayments and other receivable	102,268	102,290
Taxes recoverable	47,059	52,113
Cash and bank balances	17,710	16,105
	956,254	1,002,549
	<b>2,557,793</b>	<b>2,696,206</b>

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



Chief Executive



Director

## Profit and Loss Account

for the Period Ended March 31, 2011 - (Un-audited)

	For the quarter ended		For the nine months ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	(Rupees in thousand)			
Sales - Net	237,532	272,275	726,337	743,686
Cost of sales	291,024	294,969	872,936	847,038
Gross loss	(53,492)	(22,694)	(146,599)	(103,352)
Administrative and Selling expenses	3,963	11,175	26,959	37,422
Operating loss	(57,455)	(33,869)	(173,558)	(140,774)
Financial charges	43,170	40,661	128,534	129,284
Loss before taxation	(100,625)	(74,530)	(302,092)	(270,058)
Taxation:				
Current	2,375	1,361	7,263	3,718
Deferred	(1,166)	--	(3,498)	--
	1,209	1,361	3,765	3,718
Loss after taxation	(101,834)	(75,891)	(305,857)	(273,776)
Earning Per Share	(1.19)	(0.88)	(3.56)	(3.19)

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



Chief Executive



Director

## Statement of Comprehensive Income / (Loss)

for the Period Ended March 31, 2011 - (Un-audited)

	For the quarter ended		For the Nine Months ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	(Rupees in thousand)			
Loss for the period	(101,834)	(75,891)	(305,857)	(273,776)
Other comprehensive income / (loss)				
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	3,332	-	9,995	-
Related deferred tax	(1,166)	-	(3,498)	-
	2,166	-	6,497	-
Total comprehensive loss for the period	<b>(99,669)</b>	<b>(75,891)</b>	<b>(299,360)</b>	<b>(273,776)</b>

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive



Director

## Cash Flow Statement

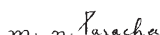
for the Period Ended March 31, 2011 - (Un-audited)

	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(302,092)	(270,058)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	105,318	92,895
Financial charges	122,659	129,284
Provision for exchange loss	5,875	4,270
Provision for gratuity	4,137	2,759
<b>Operating loss before working capital changes</b>	<b>(64,103)</b>	<b>(40,850)</b>
<b>Working capital changes</b>		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	1,622	44,191
Stock in trade	1,757	142,942
Trade debts	37,645	16,185
Loans and advances	1,800	(6,459)
Trade deposits, prepayments and other receivable	22	26,203
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	22,564	(82,303)
<b>Cash generated from operations</b>	<b>1,307</b>	<b>99,909</b>
<b>Payments for:</b>		
Financial charges	(33,176)	(39,016)
Taxes	(2,210)	(7,190)
Gratuity	(690)	(369)
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(34,769)</b>	<b>53,334</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for capital expenditure	(13,200)	(80,383)
<b>Net cash (outflow) from investing activities</b>	<b>(13,200)</b>	<b>(80,383)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans - Net	(328,690)	23,580
Share deposit money	343,200	--
Repayment of liability against assets subject to finance lease	(1,151)	(9,035)
Short term borrowings - Net	36,215	8,367
<b>Net cash inflow from financing activities</b>	<b>49,574</b>	<b>22,912</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,605</b>	<b>(4,137)</b>
<b>Cash and cash equivalents as at 1st July</b>	<b>16,105</b>	<b>34,484</b>
<b>Cash and cash equivalents as at 31st March</b>	<b>17,710</b>	<b>30,347</b>

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



Chief Executive



Director

## Statement of Changes in Equity

for the Period Ended March 31, 2011 - (Un-audited)

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	(Rupees in thousand)		
<b>Balance as on July 01, 2009</b>	858,000	(1,014,111)	(156,111)
<b>Total comprehensive income for the year</b>			
Loss after taxation	--	(273,776)	(273,776)
Other comprehensive income:			
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--
Total comprehensive loss for the year	--	(273,776)	(273,776)
<b>Transactions with owners, recognized directly in equity:</b>	--	--	--
<b>Balance as on March 31, 2010</b>	858,000	(1,287,887)	(429,887)
<b>Balance as on July 01, 2010</b>	858,000	(1,613,780)	(755,780)
<b>Total comprehensive income for the year</b>			
Loss after taxation	--	(305,857)	(305,857)
Other comprehensive income:			
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	6,497	6,497
Total comprehensive loss for the year	--	(299,360)	(299,360)
<b>Transactions with owners, recognized directly in equity:</b>	--	--	--
<b>Balance as on March 31, 2011</b>	<b>858,000</b>	<b>(1,913,140)</b>	<b>(1,055,140)</b>

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



Chief Executive



Director



## Notes to the Financial Statements

### for the Period Ended March 31, 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, 2010.

#### 4. CONTINGENCIES AND COMMITMENTS

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

	March 31, 2011	June 30, 2010
<b>5. PROPERTY PLANT AND EQUIPMENT</b>	<b>(Rupees in thousand)</b>	
Operating Asset at cost less accumulated depreciation	1,426,923	1,531,690
Capital work in progress - At cost	152,616	139,967
	1,579,539	1,671,657

#### 6. TRANSACTION WITH RELATED PARTIES

Purchases	488	11,532
Short term loan received	21,810	128,363
Short term loan repaid	9,617	84,495
Markup charged on loan	7,963	31,245
Loan received from director	30,543	90,280
Loan paid to director	533	38,257

#### 7. DATE OF AUTHORISATION FOR ISSUE

These financial statements are authorised for issue on April 30, 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.



Chief Executive



Director