

**Condensed Interim
Un-Audited Financial Information
For the Nine Months &
3rd Quarter Ended
March 31, 2013**



BALUCHISTAN GLASS LIMITED

An ISO 9001:2000 Certified Company

Corporate Information

Board of Directors

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

Chairman & Chief Executive

COMPANY SECRETARY

Shaikh Arif Moin-ul-Haq

AUDIT COMMITTEE

Mr. Mian Nazir Ahmed Paracha
Mr. Muhammad Niaz Paracha
Mr. Muhammad Ishaque Khokhar

Chairman
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Muhammad Ishaq khokhar
Mr. Jawaid Azaiz paracha
Mr. Tariq Siddiq Paracha

Chairman
Member
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
Summit 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. 3, 3rd Floor,
Clifton, Karachi.
Ph. No. 021-35377977-82

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

Directors are pleased to present the unaudited Condensed Interim Financial Information of your Company for the nine months period ended March 31, 2013.

OPERATING RESULTS AND FUTURE OUTLOOK

Comparative financial performance of the Company for the period under review is summarized below:

	For the nine months ended		For the quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Sales-Net	1,974,109	1,232,647	535,232	543,699
Gross profit/ (loss)	35,308	16,787	(65,456)	24,400
Operating profit / (loss)	49,641	(12,366)	(61,265)	11,633
Loss before taxation	(113,283)	(131,338)	(111,631)	(26,231)
Loss after taxation	(120,435)	(140,493)	(113,367)	(30,611)
EPS	(0.93)	(1.64)	(0.66)	(0.36)

Net sale of the Company for nine month period has increased by 60% as compared to last period, however, sales of current quarter decreased by 1.6% as compared to last quarter. The current quarter remained very tough for the company as during this quarter company had incurred heavy loss of Rs. 113.367 million. The main reasons of high operational loss during this quarter are low production, decrease in sales, severe energy crises and gas curtailment by SNGPL.

It is important to note that discrimination policy of SNGPL in distribution of gas is the key reason of increase in operational loss of the company as SNGPL has given smooth gas supply to other companies in similar industry in same vicinity whereas BGL suffered not only because of load management as well as due to low gas pressure than the required one. We hope that government will take steps to end this discrimination policy otherwise this will have a negative impact on overall economy and glass sector of our beloved country.

We are trying hard to cover losses in next quarter; however, still the gas supply condition is not improved yet. Keeping in view the continuous growth in sales, operation of all the plants, improvement in operational performances of all units, restructuring by major banks and financial institutions and tight cost controls by the management; we feel that Company will perform better in coming quarters.

ACKNOWLEDGEMENT

We wish to thank our valued customers for their faith in our products and their continuing patronage. We also take this opportunity to thank our suppliers, bankers and distributors and employees for providing us with their valuable support throughout the period.

For and on the behalf of Board of Directors'



Muhammad Tousif Paracha
Chairman & Chief Executive

Condensed Interim Balance Sheet

as at March 31, 2013 - (Un-audited)

	Notes	Un-audited March 31, 2013	Audited June 30, 2012
(Rupees in thousand)			
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized capital			
171,600,000 (June 30, 2012: 171,600,000)		1,716,000	1,716,000
Ordinary shares of Rs. 10/- each			
5,000,000 (June 30, 2012: 5,000,000)		50,000	50,000
Preference shares of Rs. 10/- each			
		<u>1,766,000</u>	<u>1,766,000</u>
Issued, subscribed and paid-up capital		1,716,000	858,000
Discount on issuance of shares		(514,800)	-
Accumulated loss		(2,437,638)	(2,322,544)
		(1,236,438)	(1,464,544)
Share deposit money		-	343,200
Surplus on revaluation of property, plant and equipment		255,436	260,777
<u>NON-CURRENT LIABILITIES</u>			
Subordinated loan - Unsecured		482,080	482,080
Long term loans		1,232,396	1,048,472
Liabilities against assets subject to finance lease		6,940	24,800
Deferred liabilities		74,734	75,964
		<u>1,796,150</u>	<u>1,631,316</u>
<u>CURRENT LIABILITIES</u>			
Trade and other payables		728,937	637,389
Markup accrued		275,712	266,505
Short term borrowings		312,952	422,220
Taxes payable		9,435	-
Current maturity of non current liabilities		182,108	176,912
		<u>1,509,144</u>	<u>1,503,026</u>
<u>CONTINGENCIES AND COMMITMENTS</u>			
	4	<u>2,324,292</u>	<u>2,273,775</u>
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	5	1,497,067	1,526,580
Long term deposits		23,259	23,259
		<u>1,520,326</u>	<u>1,549,839</u>
<u>CURRENT ASSETS</u>			
Stores, spares and loose tools		269,648	258,880
Stock in trade		187,176	121,306
Trade debts		203,885	177,747
Loans and advances		74,998	71,332
Trade deposits, prepayments and other receivable		53,196	47,366
Taxes recoverable		-	9,891
Cash and bank balances		15,063	37,414
		<u>803,966</u>	<u>723,936</u>
		<u>2,324,292</u>	<u>2,273,775</u>

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


Chief Executive


Director

**Condensed Interim Profit and Loss Account**
For the Nine Months & Quarter Ended March 31, 2013 - (Un-audited)

	For the nine months ended		For the quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(Rupees in thousand)			
Sales - Net	1,974,109	1,232,647	535,232	543,699
Cost of sales	1,938,801	1,215,860	600,688	519,299
Gross profit/ (loss)	35,308	16,787	(65,456)	24,400
Administrative and selling expenses	32,911	29,153	14,332	12,767
Other operating income	47,244	-	18,523	-
Operating profit / (loss)	49,641	(12,366)	(61,265)	11,633
Financial charges	162,924	118,972	50,366	37,864
Loss before taxation	(113,283)	(131,338)	(111,631)	(26,231)
Taxation - Current	10,029	12,326	2,695	5,437
Taxation - Deferred	(2,876)	(3,171)	(959)	(1,057)
Loss after taxation	(120,435)	(140,493)	(113,367)	(30,611)
Loss per share - Basic and diluted (Rupees)	(0.93)	(1.64)	(0.66)	(0.36)

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

Condensed Interim Statement Of Comprehensive Income

For the Nine Months & Quarter Ended March 31, 2013 - (Un-audited)

	For the nine months ended		For the quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(Rupees in thousand)			
Loss for the period	(120,435)	(140,493)	(113,367)	(30,611)
Other comprehensive income:				
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	8,217	9,060	2,739	3,020
Related deferred tax	(2,876)	(3,171)	(959)	(1,057)
	5,341	5,889	1,780	1,963
Total comprehensive income/ (loss) for the period	(115,095)	(134,604)	(111,587)	(28,648)

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


Chief Executive


Director

Condensed Interim Cash Flow Statement
For the Nine Months & Quarter Ended March 31, 2013 - (Un-audited)

	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(113,283)	(131,338)
Adjustments for non-cash charges and other items:		
Depreciation	105,412	95,648
Gain on settlement of liabilities	(47,244)	-
Financial charges	162,924	118,972
Provision for gratuity	4,833	4,833
Operating profit/ (loss) before working capital changes	112,642	88,115
Working capital changes		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	(10,768)	(2,148)
Stock in trade	(65,870)	(42,634)
Trade debts	(26,137)	(42,840)
Loans and advances	(3,666)	5,316
Trade deposits, prepayments and other receivables	(5,830)	(16,908)
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	108,520	55,398
	(3,751)	(43,816)
Cash generated from operations	108,891	44,299
Payments for:		
Financial charges	(9,415)	(42,389)
Taxes	(7,673)	(4,030)
Gratuity	(3,189)	(1,741)
Net cash inflow from operating activities	A 88,614	(3,861)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(75,899)	(34,705)
Net cash outflow from investing activities	B (75,899)	(34,705)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans - Net	95,760	(76,985)
Lease rentals paid	(21,558)	(15,411)
Short term borrowings - Net	(109,268)	161,458
Net cash flow from financing activities	C (35,066)	69,062
Net decrease in cash and cash equivalents	A+B+C (22,351)	30,496
Cash and cash equivalents as at 1st July	37,414	6,306
Cash and cash equivalents as at March 31	15,063	36,802

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

Condensed Interim Statement of Changes in Equity

For the Nine Months & Quarter Ended March 31, 2013 - (Un-audited)

	Issued, subscribed and paid-up capital	Discount on issuance of shares	Accumulated Loss	Total
(Rupees in thousand)				
Balance as on July 01, 2011	858,000	-	(2,170,218)	(1,312,218)
Total comprehensive income/(loss) for the period				
Loss after taxation	-	-	(140,493)	(140,493)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	5,889	5,889
Total comprehensive income for the year	-	-	(134,604)	(134,604)
Balance as on March 31, 2012	858,000	-	(2,304,822)	(1,446,822)
Balance as on July 01, 2012	858,000	-	(2,322,544)	(1,464,544)
Total comprehensive income/(loss) for the period				
Profit/ (Loss) after taxation	-	-	(120,435)	(120,435)
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	5,341	5,341
Shares issued during the period	858,000			858,000
Discount on issuance of shares		(514,800)		(514,800)
Total comprehensive income for the period	858,000	(514,800)	(115,094)	228,106
Balance as on March 31, 2013	1,716,000	(514,800)	(2,437,638)	(1,236,438)

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


Chief Executive


Director

Condensed Interim Notes to the Financial Information
For the Nine Months & Quarter Ended March 31, 2013 - (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 Lahore.

2. BASIS OF PREPARATION

"This condensed interim financial information for the nine months ended March 31, 2013 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, 2012."

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, 2012. 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, 2012."

3.1 New and amended standards and interpretations adopted during the period

The Company has adopted the following amended IFRS and IFRIC interpretations which became effective during the period.

IAS 1 - Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)

IAS 12 - Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the interim financial information.

4. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies and commitments since the date of the preceding published annual financial statements.

5 PROPERTY, PLANT AND EQUIPMENT		March 31, 2013	June 30, 2012
		(Rupees in thousand)	
Operating fixed assets	5.1	1,433,027	1,512,471
Capital work in progress	5.2	64,040	14,109
		<u>1,497,067</u>	<u>1,526,580</u>

Condensed Interim Notes to the Financial Information

	March 31, 2013	June 30, 2012
	(Rupees in thousand)	
5.1 Additions/ (Deletions) during the period		
Building	313	1,063
Plant and machinery	15,642	201,319
Electric and Gas installation	7,045	20,029
Furniture and fixtures	208	455
Office equipment	239	250
Vehicles	2,521	2,510
	25,968	225,626
5.2 Capital work in progress - At cost		
Opening	14,109	196,210
Additions	58,952	22,244
Less: Capitalized	(9,021)	(204,345)
Closing	64,040	14,109
5.3 Capital work in progress - Breakup		
Plant and Machinery	63,560	13,629
Civil work	480	480
	64,040	14,109

6 TRANSACTIONS WITH RELATED PARTIES

Significant related party transactions during the period are as follows:

Associated companies

Short term loan received	29,815	25,250
Repayment of short term loan	35,836	9,450
Purchases	15,742	1,559
Payment against supplies	17,724	-
Markup charged on loan	13,583	20,153

Directors

Loan received	178,673	11,854
Repayment of loan	17,100	12,143
Markup charged on loan	74,717	-
Issue of shares	858,000	-

7 DATE FOR AUTHORIZATION FOR ISSUE

This condensed interim financial information is authorized for issue by Board of Directors of the company on April 29, 2013.

8 GENERAL

This condensed interim financial information is presented in Pak Rupees and figures have been rounded off to nearest thousand of Pak Rupees.


Chief Executive


Director



Tel: +92-42-37923993-4, Fax: +92-42-37930616
Email: info@balochistanglass.com, www.balochistanglass.com