

(Un-audited)

Quarterly Accounts
for the Quarter ended
September 30, 2008



Balochistan Glass Limited

An ISO 9001-2000 Certified Company



Corporate Information

BOARD OF DIRECTORS'

Mr. Muhammad Rehman Chairman
Mr. Muhammad Tousif Paracha Chief Executive
Mr. Tariq Siddiq Paracha
Mr. A.A. Ademiluyi
Mr. Muhammad Naiz Paracha
Mr. Asif Muhammad Ali
Mr. Muhammad Ishaque Khokhar

COMPANY SECRETARY

Mr. Muhammad Shamail Javed

AUDIT COMMITTEE

Mr. Muhammad Ishaq Khokhar Chairman
Mr. Muhammad Naiz Paracha Member
Mr. Asif Muhammad Ali Member

BANKS

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
Hong Kong Shanghai Banking Corporation Limited
Atlas Bank Limited

AUDITORS

Faruq Ali & Company
Chartered Accountants

LEGAL ADVISOR

Syed Afaq Ali

REGISTERED OFFICE

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

HEAD OFFICE

32-B/II, Main Gulberg,
Lahore.
Ph. # 042-5712344, 5761004
Fax # 042-5756924

KARACHI OFFICE

M 7-10, Mezzanine floor, cornice residence,
Khayaban-e-saadi, com-3, Block-2,
Clifton, Karachi

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.
Ph. No. 042-5839182, 042-5887262



Directors' Report

We are pleased to present the un-audited financial statements of the company for the first quarter ended on September 30, 2008. The operational results are as under:

	September 30, 2008	September 30, 2007
	(Rupees in thousand)	
Sales-Net	272,863	229,315
Gross (Loss) / Profit	(43,484)	32,595
(Loss) after Tax	(124,698)	(19,472)

The net sale of the company is increased by 18.99%, in comparison to last period. During the current quarter the company has incurred gross loss as compared to gross profit in the comparable quarter. Major reasons of gross loss in current quarter include miserable economic conditions, rise in cost of raw materials, wage rates and below target efficiency of plants. The loss is further accelerated by increased borrowing costs.

The management of the company is strongly committed to restore the profitable position of the company by removing the inefficiencies of units and changing the product and market mix. Furthermore as part of its BMR plan company is planning to rebuild its Unit-II furnace in December, 2008 and also diversifying its Unit – III completely into tableware. We are quite confident that our results after the implementation of BMR plan will be quite encouraging.

The directors acknowledge and appreciate the efforts, dedication, commitment, performance, contributions and excellent response demonstrated by all the employees to the challenges faced during the current period.

For on the behalf of Board of Directors'

Lahore: October 31, 2008

Muhammad Tousif Paracha
Chief Executive



Balance Sheet

as at September 30, 2008 (Un-audited)

	September 30, 2008	June 30, 2008
(Rupees in thousand)		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 120,000,000 Ordinary shares of Rs. 10/- each	1,200,000	1,200,000
Issued, subscribed and paid-up capital 85,800,000 Ordinary shares of Rs. 10/- each	858,000	858,000
Accumulated loss	(630,465)	(505,767)
	227,535	352,233
NON-CURRENT LIABILITIES		
Subordinated loan - Unsecured	482,080	482,080
Long term loans	772,989	798,038
Liabilities against assets subject to finance lease	19,217	32,617
Deferred liabilities	27,377	26,472
CURRENT LIABILITIES		
Trade and other payables	331,483	216,743
Markup accrued	90,290	66,516
Short term borrowings	605,295	637,293
Current portion of long term loans	33,190	-
Current and overdue portion of finance lease	150,123	139,433
	1,210,381	1,059,985
CONTINGENCIES AND COMMITMENTS		
	-	-
	2,739,579	2,751,425
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,287,871	1,322,720
Long term deposits	14,596	14,596
CURRENT ASSETS		
Stores, spares and loose tools	306,261	303,607
Stock in trade	585,900	586,522
Trade debts - Considered good	341,335	338,833
Loans and advances - Considered good	46,850	42,168
Trade deposits, prepayments and other receivable	80,627	76,973
Taxes recoverable	56,535	48,802
Cash and bank balances	19,604	17,204
	1,437,112	1,414,109
	2,739,579	2,751,425

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

Chief Executive

Director



Profit and Loss Account

for the Quarter ended September 30, 2008 (Un-audited)

	September 30, 2008	September 30, 2007
	(Rupees in thousand)	
Sales - Net	272,863	229,315
Cost of sales	316,347	196,720
Gross (loss) / profit	(43,484)	32,595
Administrative and selling expenses	31,063	17,362
Operating (loss) / profit	(74,547)	15,233
Financial charges	50,151	36,569
Loss for the year	(124,698)	(21,336)
Other income	-	655
Loss before taxation	(124,698)	(20,681)
Taxation:		
Current	-	1,147
Deferred	-	(2,356)
	-	(1,209)
Loss after taxation	(124,698)	(19,472)
Loss Per Share-Basic & Diluted (Rupees)	(1.45)	(0.51)

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

Chief Executive

Director



Cash Flow Statement

for the Quarter ended September 30, 2008 (Un-audited)

	September 30, 2008	Re-stated September 30, 2007
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(124,698)	(20,681)
Adjustments for non-cash charges and other items:		
Depreciation	34,994	38,356
Financial charges	50,345	36,569
Provision for gratuity	2,208	1,851
Operating (loss) / profit before working capital changes	(37,151)	56,095
Working capital changes		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	(2,654)	7,476
Stock in trade	622	14,049
Trade debts	(2,502)	(61,562)
Loans and advances	(4,682)	(7,512)
Trade deposits, prepayments and other receivable	(3,654)	(588)
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	114,740	(98,994)
Cash generated from / (used in) operations	64,719	(91,036)
Payments for:		
Financial charges	(26,571)	(27,938)
Taxes	(7,733)	(1,706)
Gratuity	(1,303)	(288)
Net cash inflow / (outflow) from operating activities	29,112	(120,968)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(145)	(17)
Net cash (outflow) from investing activities	(145)	(17)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans received	8,141	222,804
Repayment of liability against assets subject to finance lease	(2,710)	(10,594)
Repayment of long term morabaha	—	(5,000)
Short term borrowings - Net	(31,998)	(85,505)
Net cash (outflow) / inflow from financing activities	(26,567)	121,705
Net increase in cash and cash equivalents	2,400	720
Cash and cash equivalents as at 1st July	17,204	13,865
Cash and cash equivalents as at 30th September	19,604	14,585

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, 2008 (Un-audited)

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	(Rupees in thousand)		
Balance as on July 01, 2007	429,000	(49,529)	379,471
Net (Loss) for the quarter	—	(19,472)	(19,472)
Balance as on September 30, 2007	429,000	(69,001)	359,999
Net (Loss) for the Period	—	(436,766)	(436,766)
Issue of Share Capital	429,000	—	429,000
Balance as on June 30, 2008	858,000	(505,767)	352,233
Net (Loss) for the quarter	—	(124,698)	(124,698)
Balance as on September 30, 2008	858,000	(630,465)	227,535

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, 2008 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public listed company in 1980 under the Companies Act 1913 (now Companies Ordinance, 1984). The registered office of the company is situated at Firdousi Manzil, Rustamji Lane, M.A. Jinnah Road, Quetta and head office of the company is situated at 32-B/II Main Gulberg, Lahore. 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 OF FINANCIAL STATEMENTS

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

3. 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, 2008.

4. CONTINGENCIES AND COMMITMENTS

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

5. PROPERTY PLANT AND EQUIPMENT

There is no material addition or disposal during the period.

6. TRANSACTIONS WITH RELATED PARTIES

	September 30, 2008	September 30, 2007
	(Rupees in thousand)	
Purchases	—	1,816
Short term loan received	41,009	6,900
Repayment of short term loan	10,916	6,550
Markup charged on loan	935	2,440
Loan received from Director	8,141	310,059
Loan paid to Director	—	169,746

7. DATE FOR AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue on October 31, 2008 in accordance with the resolution of the Board of Directors of the company.

8. GENERAL

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

Chief Executive

Director