

QUARTERLY ACCOUNTS
for the quarter ended
September 30, 2013



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. Muhammad Ishaque Khokhar

Chairman & Chief Executive

COMPANY SECRETARY

Shaikh Arif Moin-ul-Haq

AUDIT COMMITTEE

Mr. Mian Nazir Ahmed Paracha
Mr. Mustafa Tousif Ahmed Paracha
Mr. Muhammad Ishaq Khokhar

Chairman
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Ishaq khokhar
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
Citibank N.A
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

AUDITORS

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

KARACHI OFFICE

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

LEGAL ADVISOR

Masood Khan Ghory
(Advocate & Legal Consultant)

FACTORIES

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

REGISTERED OFFICE

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

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 Financial Statements for the first quarter ended September 30, 2013.

COMPANY PERFORMANCE & FUTURE OUTLOOK

Comparison of the un-audited results for the first quarter ended September 30, 2013 as against the comparable preceding period is as follows:

	September 30, 2013	September 30, 2012
	(Rupees in thousands)	
Sales - Net	597,369	705,077
Gross Profit/ (Loss)	8,997	60,277
Operating Profit/ (Loss)	(8,586)	53,934
Profit/ (Loss) Before Tax	(57,794)	21,358
Profit/ (Loss) After Tax	(62,898)	18,815
Basic and diluted Profit / (Loss) per share	(0.37)	0.21

During current quarter, the Company diversified its market portfolio by converting its green glass facility at Unit-I to Amber glass (i.e. Pharmaceutical glass). The sale and production of the Company suffered in current quarter due to production losses incurred during conversion period. The Company has provided sample shipments to various pharmaceutical companies and is expecting to get orders against these samples in the very near future. For the time being, the management has converted Unit-I back to Green glass in order to avail benefits from the seasonal sale of green glass giving time to pharmaceutical companies to perform their quality control procedures and required due diligence before placing any order.

BGL also suffered severe gas curtailment from SNGPL during the period at both the Sheikhpura Plants, which increased our cost of production and affected production efficiencies. Smooth gas supply has been provided to other similar industries within the same vicinity whereas BGL suffered because of load management as well as due to low gas pressure. These factors contributed towards loss during the 1st quarter of the year.

Demand and sales prices for company's tableware products manufactured at Unit-III have increased significantly; partially compensating for the loss suffered by the other two units during the period. Management is confident that the combination at Unit-I of Green and Amber glass will yield better results in coming periods.

We would like to take the opportunity to extend our appreciation to our stakeholders for their continued support and co-operation particularly our banks & financial institutions as well as our customers, suppliers and employees of the Company.

For and on the behalf of Board of Directors'



Muhammad Tousif Paracha
Chairman & Chief Executive

Lahore : 31 October, 2013

Condensed Interim Balance Sheet

As At September 30, 2013 (un-audited)

	Notes	Un-audited Sep 30, 2013	Audited June 30, 2013
EQUITY AND LIABILITIES			
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		(2,973,505)	(2,912,222)
		(1,772,305)	(1,711,022)
Surplus on revaluation of property, plant and equipment		252,041	253,656
NON-CURRENT LIABILITIES			
Subordinated loan - Unsecured		482,080	482,080
Long term loans		918,415	916,411
Liabilities against assets subject to finance lease		33,977	36,635
Deferred liabilities		865,797	832,172
		2,300,269	2,267,298
CURRENT LIABILITIES			
Trade and other payables		927,997	929,363
Markup accrued		180,029	167,370
Short term borrowings		344,103	295,215
Current maturity of non current liabilities		156,347	146,375
		1,608,476	1,538,323
CONTINGENCIES AND COMMITMENTS			
	4	2,388,481	2,348,255
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,506,530	1,534,156
Long term deposits		23,259	23,259
		1,529,789	1,557,415
CURRENT ASSETS			
Stores, spares and loose tools		240,055	238,312
Stock in trade		253,106	194,156
Trade debts		226,343	238,193
Loans and advances		49,646	41,612
Trade deposits, prepayments and other receivable		42,794	41,176
Taxes recoverable		12,151	15,139
Cash and bank balances		34,597	22,252
		858,692	790,840
		2,388,481	2,348,255

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



Chief Executive



Director



Profit And Loss Account

For The Quarter Ended September 30, 2013 (un-audited)

Notes	September 30, 2013	September 30, 2012
	(Rupees in thousand)	
Sales - Net	597,369	705,077
Cost of sales	588,372	644,800
Gross profit/ (loss)	8,997	60,277
Administrative and selling expenses	17,657	5,352
Other operating expenses	-	990
	17,657	6,342
Other operating income	74	-
Operating profit / (loss)	(8,586)	53,935
Financial charges	49,208	32,576
Loss before taxation	(57,794)	21,359
Taxation - Current	5,104	2,543
Loss after taxation	(62,898)	18,815
Loss per share - Basic and diluted (Rupees)	(0.37)	0.21

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

Chief Executive

Director



Statement Of Comprehensive Income

For The Quarter Ended September 30, 2013 (un-audited)

	September 30, 2013	September 30, 2012
	(Rupees in thousand)	
Loss for the year	(62,898)	18,815
Other comprehensive income:		
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	2,485	2,739
Related deferred tax	(870)	(959)
	1,615	1,780
	(61,283)	20,595
Component of comprehensive income not reflected in equity - Net of tax	-	-
Total comprehensive income/ (loss) for the period	(61,283)	20,595

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

Chief Executive

Director

**Cash Flow Statement**

For The Quarter Ended September 30, 2013 (un-audited)

	September 30, 2013	September 30, 2012
	(Rupees in thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(57,794)	21,358
Adjustments for non-cash charges and other items:		
Depreciation	34,685	32,553
Financial charges	49,208	32,576
Provision for gratuity	2,297	1,611
Operating profit/ (loss) before working capital changes	28,396	88,098
Working capital changes		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and loose tools	(1,743)	(22,067)
Stock in trade	(58,950)	(9,734)
Trade debts	11,850	(78,032)
Loans and advances	(8,034)	(48,951)
Trade deposits, prepayments and other receivables	(1,618)	2,238
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	2,518	6,464
	(55,977)	(150,082)
Cash generated from operations	(27,581)	(61,984)
Payments for:		
Financial charges	(2,551)	(890)
Taxes	(8,177)	(2,213)
Gratuity	(494)	-
Net cash inflow from operating activities	A (38,803)	(65,087)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(7,057)	12,472
Proceeds from disposal of fixed assets	-	-
Long-term deposits	-	-
Net cash outflow from investing activities	B (7,057)	12,472
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	13,869	51,967
Lease rentals paid	(4,552)	(5,630)
Short term borrowings - Net	48,888	(7,011)
Net cash outflow from financing activities	C 58,205	39,326
Net increase/(decrease) in cash and cash equivalents	A+B+C 12,345	(13,289)
Cash and cash equivalents as at 1st July	22,252	37,414
Cash and cash equivalents as at 30th June	34,597	24,125

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

Chief Executive

Director

Statement Of Changes In Equity

For The Quarter Ended September 30, 2013 (un-audited)

Notes	Issued, subscribed and paid-up capital	Discount on issuance of shares	Accumulated Loss Restated	Total
(Rupees in thousand)				
Balance as on July 01, 2012 - restated	858,000	-	(2,693,044)	(1,835,044)
Total comprehensive income/(loss) for the period				
Loss after taxation - restated	-	-	18,815	18,815
Other comprehensive income:				
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	1,780	1,780
Shares issued during the period	858,000			858,000
Discount on issuance of shares		(514,800)		(514,800)
Total comprehensive income for the year - restated	858,000	(514,800)	20,595	363,795
Balance as on September 30, 2012	<u>1,716,000</u>	<u>(514,800)</u>	<u>(2,672,448)</u>	<u>(1,471,248)</u>
Balance as at July 01, 2013	1,716,000	(514,800)	(2,912,222)	(1,711,022)
Total comprehensive income/(loss) for the period				
Profit/ (Loss) after taxation	-	-	(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 period	-	-	(61,283)	(61,283)
Balance as on June 30, 2013	<u>1,716,000</u>	<u>(514,800)</u>	<u>(2,973,505)</u>	<u>(1,532,531)</u>

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



Chief Executive



Director

Notes To The Condensed Financial Information

For The Quarter Ended September 30, 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 Kot Abdul Malik, Lahore.

2. BASIS OF PREPARATION

"This condensed interim financial information for the quarter ended September 30, 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, 2013."

3. 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, 2013.

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

	September 30, 2013	June 30, 2012
	(Rupees in thousand)	
Operating fixed assets	1,410,739	1,444,578
Capital work in progress	95,791	89,578
	<u>1,506,530</u>	<u>1,534,156</u>

6. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, director and key management personnel. Significant related parties transactions during the period are as follows.



	September 30, 2013	September 30, 2012
Associated companies		
Short term loan received	12,328	19,300
Repayment of short term loan	10,000	16,500
Purchases	7,027	828
Markup charged on loan	3,400	8,647
Payment agaisnt Purchases	11,015	-
Directors		
Loan received	37,673	44,423
Repayment of loan	8,498	3,000
Markup accrued	25,864	2,910

7. GENERAL

This condensed financial information is presented in rupees and figures have been rounded off to nearest thousand of pak rupees.

8. DATE OF AUTHORIZATION FOR ISSUE

This condensed financial information is authorized for issue on October 31, 2013 in accordance with the resolution of the Board of Directors of the Company.

Chief Executive

Director



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