



# 1<sup>st</sup> QUARTERLY REPORT

30<sup>th</sup> Sep. 2007  
(Un - Audited)



*An ISO 9001:2000 Certified Company*

## TARIQ GLASS INDUSTRIES LTD.



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

**CHAIRMAN &  
MANAGING DIRECTOR**

MR. TARIQ BAIG

**DIRECTORS:**

MR. OMER BAIG  
MRS. NAIMA TARIQ  
MR. MANSOOR IRFANI  
MR. AKBAR BAIG  
MR. DAVID JULIAN  
MR. SYED TUFAIL HUSSAIN

**NOMINEE DIRECTOR IPI**

MR. MUJAHID ESHAH

**SECRETARY**

MR. WAQAR ULLAH

**AUDIT COMMITTEE**

MR. OMER BAIG                      CHAIRMAN  
MR. AKBAR BAIG                    MEMBER  
MR. DAVID JULIAN                 MEMBER

**AUDITORS**

KPMG TASEER HADI & CO.  
CHARTERED ACCOUNTANTS

**LEGAL ADVISOR**

MUBASHAR LATIF AHMAD  
LAHORE

**TAX CONSULTANTS**

YOUSAF ISLAM ASSOCIATES  
LAHORE

**INFORMATION TECHNOLOGY  
CONSULTANTS**

CHARTAC BUSINESS SERVICES (PVT) LTD  
LAHORE

**BANKERS**

NATIONAL BANK OF PAKISTAN  
HABIB BANK LTD.  
UNITED BANK LTD.

**REGISTERED OFFICE**

128-J, MODEL TOWN, LAHORE.  
UAN: 042-111-34-34-34  
FAX: 042-5857692 - 5857693  
E MAIL: [info@tariglass.com](mailto:info@tariglass.com)

**WORKS**

33-KM LAHORE/SHEIKHUPURA ROAD,  
TEL: (042) 7925652, (056) 3785441-3  
FAX: (056) 3783912



## DIRECTORS' REPORT

It gives me great pleasure to present you the accounts (un-audited) for the first quarter ending September 30, 2007

### Significant Achievements:

Al Hamdolillah, by the grace of Almighty Allah the task of Right Share issue completed successfully. The management is extremely thankful to the shareholders for their continued support and confidence shown in the management of the Company.

The proceeds have been utilised for the repayment of loans obtained for expansion purposes and this will help in curtailing the financial cost substantially thus improving the profitability in the years to come.

### Operating Performance:

Your company has earned profit of Rs. 28.005 million before taxation for the period under review as compared to the profit of Rs. 25.394 million for corresponding period of previous year.

The net sales increased by Rs. 29.224 million from Rs. 256.354 million to Rs. 285.578 million over the corresponding period of three months showing a growth of 11.40%. The earning per share is negative because of reinstatement of conditionally waived off loans and provision for taxation.

A comparative summary of the financial results for the three months ending September 30, as follows:

	2007 Rupees	2006 Rupees
Profit before taxation	28,004,493	25,394,206
Taxation	<u>8,766,713</u>	<u>1,077,141</u>
Profit after taxation	<u>19,237,780</u>	<u>24,317,065</u>

Earning Per Share after adjustment	(1.28)	2.11
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Loans of Industrial Products Investments Ltd and Managing Director amounting to Rs.20 Million and 14 Million respectively which were conditionally waived off during the financial year 1996 & 1997 have been reinstated as the Company issued Right Shares and both the above opted for the conversion.

### Future Outlook:

- Work on third furnace is near completion and Insha Allah the trial and commercial production will commence before the end of current calendar year.
- Routine rebuild of furnace no. 2 is due shortly and your Company has already imported furnace refractory of which major portion has already reached at the site.

We would like to thank all the shareholders, workers and customers of the Company, whose efforts play major role in the growth of the company and urge them for their continued support and cooperation in the years to come.

**For and on behalf of the Board**

**(TARIQ BAIG)**

Chairman and Managing Director

Lahore: October 30, 2007



**BALANCE SHEET AS AT SEPTEMBER 30, 2007  
(Un-Audited)**

	30.09.2007 Rupees	30.06.2007 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorised Capital</b>		
25,000,000 Ordinary Shares of Rs. 10 each	250,000,000	250,000,000
Issued, subscribed & paid up capital	115,500,000	115,500,000
Un-appropriated Profit	161,455,666	176,217,886
	<u>276,955,666</u>	<u>291,717,886</u>
<b>Share Deposit Money</b>	180,042,201	
<b>NON CURRENT LIABILITIES</b>		
Long Term Loans		
Secured	154,539,233	137,288,299
Un Secured	38,394,964	164,305,514
Liabilities against assets subject to finance lease	5,258,148	8,389,353
Long term security deposits	5,305,257	5,255,257
Deferred liabilities	52,400,741	52,982,788
	<u>255,898,343</u>	<u>368,221,211</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	119,410,452	82,569,095
Current maturity of long term liabilities	45,109,950	41,345,741
Trade and other payables	176,921,321	176,140,914
Provision for taxation	17,761,331	8,994,618
	<u>359,203,054</u>	<u>309,050,368</u>
<b>CONTINGENCIES AND COMMITMENTS (note 4)</b>		
	-	-
	<u>1,072,099,264</u>	<u>968,989,465</u>
<b>ASSETS</b>		
Property, plant and equipment	634,601,675	613,788,046
<b>LONG TERM SECURITY DEPOSITS</b>	9,958,198	9,113,303
<b>CURRENT ASSETS</b>		
Stores and spares	179,264,320	169,038,950
Stock in trade	96,248,187	79,543,999
Trade debtors- Unsecured	22,283,995	14,302,719
Advances, deposits & other receivables	100,110,580	71,751,633
Cash & bank balances	29,632,309	11,450,815
	<u>427,539,391</u>	<u>346,086,116</u>
	<u>1,072,099,264</u>	<u>968,989,465</u>

The annexed notes form an integral part of these accounts

**TARIQ BAIG**

CHAIRMAN & MANAGING DIRECTOR

**OMER BAIG**

DIRECTOR

Lahore: October 30, 2007



**PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2007  
(Un-Audited)**

	Note	30.09.2007 Rupees	30.09.2006 Rupees
Sales		285,577,707	256,354,242
Cost of Goods Sold		224,601,233	202,175,330
Gross Profit		60,976,474	54,178,912
<b>Operating Expenses</b>			
Administrative		7,377,050	7,067,509
Selling and Distribution		13,236,465	12,831,327
		20,613,515	19,898,836
<b>Operating Profit</b>		40,362,959	34,280,076
Financial charges		10,604,936	7,549,333
		29,758,023	26,730,743
Other Income		309,959	-
		30,067,982	26,730,743
Other expenses		2,063,489	1,336,539
Profit before taxation		28,004,493	25,394,204
Provision for taxation		8,766,713	1,077,141
Profit after taxation		19,237,780	24,317,063
Adjustment	5	34,000,000	-
<b>Net Profit / (Loss) for the period</b>		(14,762,220)	24,317,063
Earning Per Share		(1.28)	2.11

The annexed notes form an integral part of these accounts



**CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 30 2007**  
**(Un-Audited)**

	30.09.2007 Rupees	30.09.2006 Rupees
<b>Cash Flow From Operating Activities</b>		
Net Profit before taxation	28,004,493	25,394,204
Adjustments for:		
Depreciation	13,479,949	13,838,920
Gain on disposal of fixed assets	(309,959)	-
Financial Charges	10,804,936	7,549,333
Provision for W.P.P.F	1,503,399	1,336,537
Provision for WWF	560,090	-
Provision for staff retirement fund	74,095	-
Adjustment	(34,000,000)	-
	<u>(8,087,490)</u>	<u>22,724,790</u>
	19,917,003	48,118,994
<b>(Increase)/Decrease in Current Assets</b>		
Stores and spares	(10,225,371)	(19,735,230)
Advances, deposits & other receivables	(28,358,948)	(10,581,241)
Stock in trade	(16,704,188)	(4,126,973)
Trade debtors	(7,981,276)	130,669
	<u>(63,269,783)</u>	<u>(34,312,775)</u>
<b>Increase/(Decrease) in Current Liabilities</b>		
Short term borrowings	36,841,357	(769,925)
Creditors, accruals & other liabilities	(3,208,200)	19,892,805
	<u>33,633,157</u>	<u>19,122,880</u>
<b>Cash Generated From Operations</b>	(9,719,623)	32,929,099
Financial Charges paid	(8,679,811)	(4,776,494)
Staff gratuity paid	(656,140)	(14,550)
Taxes paid	-	(5,054,381)
	<u>(9,335,951)</u>	<u>(9,845,425)</u>
	(19,055,574)	23,083,674
<b>Net Cash from Operating Activities</b>		
<b>Cash Flow From Investing Activities</b>		
Fixed capital expenditure	(34,808,626)	(28,577,433)
Proceed from sale of fixed assets	825,017	-
Long term security deposits	(844,895)	(168,100)
<b>Net cash used in Investing Activities</b>	(34,828,504)	(28,925,533)
<b>Cash Flow From Financing Activities</b>		
Long term debts	(108,072,384)	10,798,454
Liabilities against assets subject to finance lease	45,755	(1,033,266)
Deposits against Right Shares	180,042,201	-
Long term security deposits	50,000	-
<b>Net cash used in Financing Activities</b>	72,065,572	9,765,188
Net increase in Cash & Cash equivalent	18,181,494	3,923,329
<b>Cash &amp; Cash equivalent at the beginning of the year</b>	11,450,815	7,783,889
<b>Cash &amp; Cash equivalent at the end of the period</b>	<u>29,632,309</u>	<u>11,707,218</u>
The annexed notes form an integral part of these accounts		

TARIQ BAIG

OMER BAIG

Lahore: October 30, 2007

CHAIRMAN &amp; MANAGING DIRECTOR

DIRECTOR



**STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED SEPTEMBER 30 2007  
(Un-Audited)**

	Share Capital	Profit & Appropriation	Total
	Rupees	Rupees	Rupees
Balance as at June 30, 2006	110,000,000	135,743,328	245,743,328
Net Profit for the quarter	-	24,317,063	24,317,063
Balance as at September 30, 2006	<u>110,000,000</u>	<u>160,060,391</u>	<u>270,060,391</u>
Balance as at June 30, 2007	115,500,000	176,217,886	291,717,886
Net Profit/(Loss) for the quarter	-	(14,762,220)	(14,762,220)
Balance as at September 30, 2007	<u>115,500,000</u>	<u>161,455,666</u>	<u>276,955,666</u>

The annexed notes form an integral part of these accounts



**NOTES TO THE ACCOUNTS**

1. These financial statements are un-audited, prepared and submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.
2. The accounting policies adopted for the preparation of these quarterly accounts are the same as those applied in the preparation of preceding Audited Financial Statements for the year ended June 30, 2007.
3. These accounts have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting".
4. Contingencies and commitments: Loans given by Industrial Products Investments Ltd and Managing Director amounting to Rs.20 Million and 14 Million respectively waived off during the financial year 1996 & 1997 with the condition of reinstatement when the company issues Right shares or the company has sufficient funds to repay.

On June 20, 2007, the company had announced the issuance of Right shares. Industrial Products Investments Ltd and Managing Director both have opted for conversion of their loans against Right Shares entitlement. Consequently, the conditional waived off loans have been reinstated on September 01, 2007.

Apart from the above, there is no significant change in the contingencies and commitment status since the last annual balance sheet date.

5. Adjustment denotes the reinstatement of waived off loans as mentioned in the note No. 4 above.
6. Provisions in respect of taxation and workers' profit participation fund are estimates only and final liabilities will be determined on the basis of annual results.
7. Figures have been rounded off to the nearest rupee.
8. These financial statements were authorized for issuance by' the Board of Directors on October 30, 2007

TOYO<sup>®</sup>  
NASIC  
GLASSWARE



## TARIQ GLASS INDUSTRIES LTD.



128 - J, Model Town, Lahore, Pakistan.

Tel: (+92 42) 111 343 434

Fax: (+92 42) 5857692, 5857693