

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

September 30, 2008



**TARIQ GLASS INDUSTRIES LTD.**

An ISO 9001:2000 Certified Company



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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 ESHAI

### 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

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### WORKS

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FAX: (056) 3783912



## DIRECTORS' REPORT

It gives me great pleasure to present you the financial statements (un-audited) for the first quarter ended September 30, 2008.

### Operating Performance:

Net sales for the quarter under review increased by 33.56%, but at the same time input costs also increased due to unprecedented increase in Sui gas and electricity tariffs, petroleum products, soda ash, packaging and other integral material costs. Increase in petroleum prices escalated the freight charges for all the imported and local materials. The devaluation of Pak Rs. against other foreign currencies resulted in significant increase in over all raw material costs. On top of it the electric load shedding badly effected the production efficiencies.

A comparative summary of the financial results for the quarter ending September 30, 2008 is as follows:

	2008 Rupees	2007 Rupees
Profit before taxation	3,928,926	28,004,493
Taxation	<u>(8,207,373)</u>	<u>8,766,713</u>
Profit after taxation	<u>12,136,299</u>	<u>19,237,780</u>
Basic and diluted earnings per share	Rs: 0.53	0.95

### Future Outlook:

- Winter season is fast approaching and substantial shortfall in the supply of gas has been announced by the gas supplying authorities. Production of about ten days has already been lost during the month of October due to stoppage of gas supply to the industry. In order to keep the furnaces alive furnace oil is required during the gas curtailment period in winters but at exorbitant prices.
- As earlier conveyed, one of the furnaces due for rebuild, was closed down in mid of October. The rebuild will be completed by the end of current calendar year but keeping in view the shortage in gas supply during the winter is unlikely that it will be operational till the resumption of gas supply.
- Apart from the above scenario the management is confident that the last quarter of the current financial year will be to the entire satisfactory of the stakeholders as by that time the newly imported stretch machine will also be operational which produces much value added products.

I would like to express my gratitude to the distributors, clients, financial institutions for their continued support and confidence and employees for all their hard work and devotion.

For and on behalf of the Board



**BALANCE SHEET AS AT SEPTEMBER 30, 2008  
(UN- AUDITED)**

	30.09.2008 Rupees	30.06.2008 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	<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed & paid up capital	231,000,000	231,000,000
Share premium	173,250,000	173,250,000
Un-appropriated Profit	<u>132,633,976</u>	<u>120,497,677</u>
	536,883,976	524,747,677
<b>NON CURRENT LIABILITIES</b>		
Long Term Loans		
Secured	112,600,157	104,677,431
Un Secured	82,372,540	69,120,240
Liabilities against assets subject to finance lease	5,855,548	6,087,354
Long term security deposits	5,501,657	5,431,657
Deferred liabilities	<u>52,911,730</u>	<u>61,411,730</u>
	259,241,632	246,728,412
<b>CURRENT LIABILITIES</b>		
Short term borrowings - Secured		
Current maturity of long term liabilities	157,823,747	118,912,649
Trade and other payables	37,124,066	36,363,316
Provision for taxation	273,044,686	232,403,035
	<u>6,485,770</u>	<u>6,193,143</u>
	474,478,269	393,872,143
<b>CONTINGENCIES AND COMMITMENTS</b>		
	-	-
	<u>1,270,603,877</u>	<u>1,165,348,232</u>
<b>ASSETS</b>		
Property, plant and equipment		
	758,376,477	747,073,880
<b>LONG TERM SECURITY DEPOSITS</b>		
	9,118,354	8,667,454
<b>CURRENT ASSETS</b>		
Stores and spares		
Stock in trade	213,627,683	217,031,670
Trade debtors- Unsecured	144,546,084	97,510,876
Advances, deposits & other receivable	35,269,778	16,527,324
Cash & bank balances	99,237,508	72,628,655
	<u>10,427,993</u>	<u>5,908,373</u>
	503,109,046	409,606,898
	<u>1,270,603,877</u>	<u>1,165,348,232</u>

The annexed notes form an integral part of these accounts.



**PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2008**  
**(UN - AUDITED)**

	30.09.2008	Reinstated 30.09.2007
Note	Rupees	Rupees
<b>Sales</b>	381,421,200	285,577,707
<b>Cost of Sales</b>	<u>338,421,665</u>	<u>224,601,233</u>
<b>Gross Profit</b>	42,999,535	60,976,474
<b>Operating Expenses</b>		
Administrative	8,938,689	7,377,050
Selling and Distribution	19,703,430	13,236,465
	<u>28,642,119</u>	<u>20,613,515</u>
<b>Operating Profit</b>	14,357,416	40,362,959
Financial charges	<u>10,428,490</u>	<u>10,604,936</u>
	3,928,926	29,758,023
Other Income	-	309,959
	<u>3,928,926</u>	<u>30,067,982</u>
Other expenses	-	2,063,489
Profit before taxation	3,928,926	28,004,493
Provision for taxation	<u>(8,207,373)</u>	<u>8,766,713</u>
<b>Net Profit for the period</b>	<u>12,136,299</u>	<u>19,237,780</u>
Basic and diluted earnings per share	Rs. 0.53	0.95

The annexed notes form an integral part of these accounts.



**CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2008**  
**(UN- AUDITED)**

	30.09.2008 Rupees	Reinstated 30.09.2007 Rupees
<b>Cash Flow From Operating Activities</b>		
Profit before taxation	3,928,926	28,004,493
Adjustments for:		
Depreciation	22,468,437	13,479,949
Gain on disposal of fixed assets	-	(309,959)
Financial Charges	10,428,490	10,604,936
Provision for W.P.P.F	-	1,503,399
Provision for WWF	-	560,090
Provision for staff retirement fund	-	74,095
	<u>32,896,927</u>	<u>25,912,510</u>
	36,825,853	53,917,003
<b>(Increase)/ Decrease in Current Assets</b>		
Stores, spares and loose tools	3,403,987	(10,225,371)
Advances, deposits & other receivables	(26,608,853)	(28,358,948)
Stock in trade	(47,035,208)	(16,704,188)
Trade debtors	(18,742,453)	(7,981,276)
	<u>(88,982,527)</u>	<u>(63,269,783)</u>
<b>Increase/(Decrease) in Current Liabilities</b>		
Short term borrowings	38,911,098	36,841,357
Trade and other payables	37,400,157	(3,208,200)
	<u>76,311,255</u>	<u>33,633,157</u>
<b>Cash Generated From Operations</b>	<u>24,154,581</u>	<u>24,280,377</u>
Financial Charges paid	(6,986,953)	(8,679,811)
WPPF paid	(200,044)	(656,140)
	<u>(7,186,997)</u>	<u>(9,335,951)</u>
<b>Net Cash from Operating Activities</b>	16,967,584	14,944,426
<b>Cash Flow From Investing Activities</b>		
Fixed capital expenditure incurred	(33,771,035)	(34,808,626)
Proceed from sale of fixed assets	-	825,017
Long term security deposits	(450,900)	(844,895)
<b>Net cash used in Investing Activities</b>	<u>(34,221,935)</u>	<u>(34,828,504)</u>
<b>Cash Flow From Financing Activities</b>		
Long term loans	22,954,584	(142,072,384)
Liabilities against assets subject to finance lease	(1,250,613)	45,755
Receipt from issue of right shares	-	180,042,201
Long term security deposits	70,000	50,000
<b>Net cash used in Financing Activities</b>	<u>21,773,971</u>	<u>38,065,572</u>
<b>Net increase in Cash &amp; Cash equivalent</b>	4,519,620	18,181,494
<b>Cash &amp; Cash equivalent at the beginning of the year</b>	5,908,373	11,450,815
<b>Cash &amp; Cash equivalent at the end of the period</b>	<u>10,427,993</u>	<u>29,632,309</u>

The annexed notes form an integral part of these accounts.



**STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2008  
(UN - AUDITED)**

	Share Capital Rupees	Share Premium Rupees	Unappropriated Profit Rupees	Reinstated Total Rupees
Balance as at June 30, 2007	115,500,000	-	176,217,886	291,717,886
Net Profit for the quarter	-	-	19,237,780	19,237,780
Balance as at September 30, 2007	<u>115,500,000</u>	<u>-</u>	<u>195,455,666</u>	<u>310,955,666</u>
Balance as at June 30, 2008	231,000,000	173,250,000	120,497,677	524,747,677
Net Profit for the quarter	-	-	12,136,299	12,136,299
Balance as at September 30, 2008	<u>231,000,000</u>	<u>173,250,000</u>	<u>132,633,976</u>	<u>536,883,976</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, 2008.
3. These accounts have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting".
4. The conditional waived off loan of Rs. 34 million was reinstated on September 01, 2007 when the company announced issuance of right shares. The reinstatement of loan was recognized in the interim financial information of September 30, 2007 through profit and loss account. However, considering that the waived off loan was recognized in the accumulated loss in the year 1996 & 1997, the reinstatement was incorporated in the equity in the financial statements for the year ended June 30, 2008.
5. There is no significant change in the contingencies and commitments status since the last annual balance sheet date.
6. Figures have been rounded off to the nearest rupee.
7. These financial statements were authorized for issuance by the Board of Directors on October 30, 2008



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