



CONTENTS

COMPANY INFORMATION_____	2
DIRECTORS' REPORT_____	3
BALANCE SHEET_____	4
PROFIT AND LOSS ACCOUNT_____	6
STATEMENT OF COMPREHENSIVE INCOME_____	7
CASH FLOW STATEMENT_____	8
STATEMENT OF CHANGES IN EQUITY _____	9
NOTES TO THE FINANCIAL STATEMENTS _____	10



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
MR. AKBAR BAIG
MR. DAVID JULIAN

CHAIRMAN
MEMBER
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

SHARE REGISTRAR

SHEMAS INTERNATIONAL (PVT) LTD.
Suite No. 31, 2nd Floor, Sadiq Plaza,
69 - The Mall Lahore.
Ph: 042 - 36280067, Fax: 042 - 36280068
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REGISTERED OFFICE

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WORKS

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DIRECTORS' REPORT

On behalf of the Board of Directors of Tariq Glass Industries Limited, I present before you the 1st quarterly performance report together with the un-audited financial statements of the company for the period ended September 30, 2010.

Financial and Operational Performance

The outgoing span of time has been the toughest duration in terms of inflationary pressures on household consumables and general necessities of life due to the recent devastating flood in the country. The said factors have seriously affected the revenue targets particularly in the regions of Khyber Pakhtunkhwa, South Punjab, and Interior Sind which are now being tackled by formulating effectual marketing plans and strategies. Moreover by concentrating on value addition strategy your Company has successfully added the Goblets in its production mix which has given amiable support to maintain ascendant revenue tendency.

The operational results of your company for the quarter under report reflect a marked improvement with increase in Net Sales by 13% versus increase of only 9% in Cost of Sales as compared to the results of corresponding period of the last financial year. Resultantly the EPS for the first quarter has risen to Rs. 2.09 as compared to Rs. 1.04 of the corresponding period of the last financial year. This is indicative of the efforts made towards increasing capacity utilization to get benefit of economies of scale coupled with value addition.

A brief summary of the financial results for period ended September 30, 2010 are as under:

	(Million Rupees)	
	1st Quarter Ended September 30	
	2010	2009
Net Sales	541	478
Gross Profit	115	88
Profit before Tax	52	37
Profit after Tax	48	24
Earnings per share - Rupees	2.09	1.04

Future Outlook

The Management believes that economic prospects will improve in the future and the company shall continue improving its performance. The value addition is opening new horizons and market segments for penetration in the local as well as international markets. Your Company is endeavouring to capture the export potential by having a combination of product mix i.e, Goblets, Light Weight Tumblers and state of the art Eight Colour Printed Range.

The company by way of horizontal integration is also launching state of the art Float Glass Plant for which the land has been acquired and credit lines have been approved by the Management. This expansion will benefit the Company in shape of economies of scale by reduction in costs and higher revenues, economies of scope by synergy and sharing common expertise and resources to different products, and increase market power.

The gas supply and demand imbalance is expected to widen in the approaching quarter which can affect the profitability as in the absence of Sui Gas, we shall be forced to use LPG, furnace oil and diesel to keep the flow of production, albeit at a much higher cost.

For and on behalf of the Board

TARIQ BAIG

CHAIRMAN AND MANAGING DIRECTOR

Lahore: October 29, 2010



CONDENSED INTERIM BALANCE SHEET

	30 September 2010 Rupees	30 June 2010 Rupees
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized capital		
100,000,000 ordinary shares of Rs 10 each (2009: 25,000,000 ordinary shares of Rs 10 each)	<u>1,000,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid up capital		
23,100,000 ordinary shares of Rs 10 each	231,000,000	231,000,000
Share premium account	173,250,000	173,250,000
Un-appropriated profit	<u>239,292,816</u>	<u>214,194,301</u>
	643,542,816	618,444,301
Non current liabilities		
Long term loans		
- Secured	79,844,640	94,429,565
- Unsecured	122,366,849	122,366,849
	202,211,489	216,796,414
Liabilities against assets subject to finance lease	3,312,117	3,824,374
Long term security deposits	5,333,066	5,133,066
Deferred liabilities	89,238,827	89,238,827
	300,095,499	314,992,681
Current liabilities		
Trade and other payables	319,267,582	284,725,931
Accrued markup	30,245,421	30,032,679
Short term borrowings - secured	62,757,442	38,823,750
Current maturity of non-current liabilities	64,162,958	66,423,552
Provision for taxation	14,357,459	11,336,071
	490,790,864	431,341,983
Contingencies and commitments	-	-
	<u>1,434,429,179</u>	<u>1,364,778,965</u>

The attached notes 1 to 6 form an integral part of these financial statements.



AS AT 30 SEPTEMBER 2010 (UN-AUDITED)

	30 September 2010 Rupees	30 June 2010 Rupees
ASSETS		
Non current assets		
Property, plant and equipment	903,916,046	901,411,012
Long term security deposits	8,797,704	8,210,104
Current assets		
Stores and spares	168,298,969	163,245,306
Stock in trade	162,013,280	144,941,944
Trade debtors - unsecured, considered good	39,439,405	35,157,670
Advances, deposits, prepayments and other receivables	128,369,506	97,257,042
Cash and bank balances	23,594,268	14,555,887
	521,715,429	455,157,849
	<u>1,434,429,179</u>	<u>1,364,778,965</u>

OMER BAIG
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)**

	30 September 2010	30 September 2009
	Rupees	Rupees
Sales - net	540,975,578	477,613,586
Cost of sales	426,111,003	390,113,069
Gross profit	114,864,575	87,500,517
Operating expenses		
Administration	13,426,564	9,128,813
Selling and distribution	36,826,885	25,375,940
	50,253,449	34,504,753
	64,611,126	52,995,764
Other operating income	151,134	-
Operating profit	64,762,260	52,995,764
Finance cost	9,328,025	13,286,492
Other expenses	3,804,310	2,725,146
Profit before taxation	51,629,925	36,984,126
Provision for taxation	3,431,410	12,913,701
Net profit for the period	48,198,515	24,070,425
Earnings per share - basic and diluted	2.09	1.04

The attached notes 1 to 6 form an integral part of these financial statements.



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)**

	30 September 2010	30 September 2009
	Rupees	Rupees
Profit for the period	48,198,515	24,070,425
Other comprehensive income	-	-
Total comprehensive income for the period	48,198,515	24,070,425

The attached notes 1 to 6 form an integral part of these financial statements.

Lahore: October 29, 2010

TARIQ BAIG
CHAIRMAN AND MANAGING DIRECTOR

OMER BAIG
DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (UN-AUDITED)

	30 September 2010 Rupees	30 September 2009 Rupees
Cash flow from operating activities		
Profit before taxation	51,629,925	36,984,126
Adjustments for :		
Depreciation	26,097,915	25,943,094
Profit on disposal of property, plant and equipment	(151,134)	-
Finance cost	9,328,025	13,286,492
Provision for workers' profit participation fund	2,771,712	1,985,464
Provision for worker' welfare fund	1,032,598	739,683
	39,079,116	41,954,733
Operating profit before working capital changes	90,709,041	78,938,859
(Increase)/decrease in current assets		
Stores and spares	(5,053,663)	(6,353,381)
Advances, deposits, prepayments and other receivables	(31,112,464)	(9,249,916)
Stock in trade	(17,071,336)	(6,733,283)
Trade debtors	(4,281,735)	(15,800,261)
	(57,519,198)	(38,136,841)
Increase/(decrease) in current liabilities		
Trade and other payables	11,518,323	16,593,014
Cash generated from operations	44,708,166	57,395,032
Finance cost paid	(9,115,283)	(14,652,001)
Income tax paid	(410,022)	-
	(9,525,305)	(14,652,001)
Net cash generated from operating activities	35,182,861	42,743,031
Cash flow from investing activities		
Fixed capital expenditure	(16,471,815)	(7,328,254)
Proceeds from sales of property, plant and equipment	1,020,000	-
Long term deposits	(587,600)	1,049,950
Net cash used in investing activities	(16,039,415)	(6,278,304)
Cash flow from financing activities		
Long term finances	(15,389,767)	(12,999,100)
Liabilities against assets subject to finance lease	(1,968,008)	(1,061,711)
Short term borrowings	23,933,692	(10,904,976)
Long term deposits	200,000	-
Dividend paid	(3,880,981)	-
Net cash generated from financing activities	2,894,936	(24,965,787)
Net increase/(decrease) in cash and cash equivalents	22,038,381	11,498,940
Cash and cash equivalents at the beginning of the year	14,555,887	9,646,935
Cash and cash equivalents at the end of the period	23,594,268	21,145,875

The attached notes 1 to 6 form an integral part of these financial statements.



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30 2010 (UN-AUDITED)**

	Share capital Rupees	Share Premium Rupees	Un-appropriated profit Rupees	Total Rupees
Balance as at 30 June 2009	231,000,000	173,250,000	89,794,943	494,044,943
Total comprehensive income for the period ended 30 September 2009	-	-	24,070,425	24,070,425
Balance as at September 30, 2009	<u>231,000,000</u>	<u>173,250,000</u>	<u>113,865,368</u>	<u>518,115,368</u>
Interim dividend for the 3rd quarter ended 31 March 2010 at the rate of Rs 0.75 (7.5%) per ordinary share	-	-	(17,325,022)	(17,325,022)
Total comprehensive income for the period ended 30 June 2010	-	-	117,653,955	117,653,955
Balance as at 30 June 2010	<u>231,000,000</u>	<u>173,250,000</u>	<u>214,194,301</u>	<u>618,444,301</u>
Final dividend for the year ended 30 June 2010 at the rate of Re.1/- (10%) per ordinary share	-	-	(23,100,000)	(23,100,000)
Total comprehensive income for the period ended 30 September 2010	-	-	48,198,515	48,198,515
Balance as at 30 September 2010	<u>231,000,000</u>	<u>173,250,000</u>	<u>239,292,816</u>	<u>643,542,816</u>

The attached notes 1 to 6 form an integral part of these financial statements.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2010

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, 2010.
3. These interim condensed financial statements are un-audited and are being submitted to the shareholders in accordance with the Section 245 of the Companies Ordinance, 1984 and, have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan.

The interim condensed financial statements do not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2010.

4. There is no significant change in the contingencies and commitments status since the last annual balance sheet date.
5. Figures have been rounded off to the nearest rupee.
6. Theses financial statements were authorized for issuance by the Board of Directors on October 29, 2010.