

**(Unaudited)**

# **Interim Financial Report**

**1<sup>st</sup> Quarter Ended 30 September 2012**



**TARIQ GLASS INDUSTRIES LTD.**

**An ISO 9001:2008 Certified Company**



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN & MANAGING DIRECTOR

MR. TARIQ BAIG

#### DIRECTORS:

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

#### NOMINEE DIRECTOR IPI

MR. MUJAHID ESHAH

#### SECRETARY

MR. MOHSIN ALI

#### HUMAN RESOURCES & REMUNERATION COMMITTEE

MR. MANSOOR IRFANI  
MR. TARIQ BAIG  
MR. DAVID JULIAN

CHAIRMAN  
MEMBER  
MEMBER

#### 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  
E-mail: [info@shemas.com](mailto:info@shemas.com)

#### REGISTERED OFFICE

128-J, MODEL TOWN, LAHORE.  
UAN : 042-111-34-34-34  
FAX : 042-35857692 - 35857693  
E MAIL : [info@tariqglass.com](mailto:info@tariqglass.com)

#### WORKS

33-KM, LAHORE/SHEIKHUPURA ROAD  
TEL: (042) 37925652, (056) 3500635-7  
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## DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited take pleasure in presenting the interim financial report of the Company for the first quarter ended September 30, 2012.

### Financial and Operational Performance

The operational results of the company for the first quarter reflect encouraging improvement with Profit After Tax of Rs. 54.51 million and EPS of Rs. 0.79 as compared to Profit After Tax of Rs. 53.50 million and EPS of Rs. 0.77 for the corresponding period of last year.

The operating performance remained under stress due to the factors like energy crisis which has risen exponentially in the country. The demand and supply gap of natural gas is widening, resulting in shortages to the tune of 5 billion cubic feet per day. Under the circumstances Company had to resort to more expensive alternate fuel resources including LPG, furnace oil and diesel that increased the cost of production thus reducing margins.

Despite the above mentioned challenges, the company remains focused in its resolve to achieve the best possible results for its shareholders who have bestowed their confidence on the management of the company. The overall increase in the top line and net profit as compared to corresponding period last year speak for the efforts being placed in by the Company.

A brief summary of the financial results for the quarter ended September 30, 2012 is as follows:

	<b>(Rupees)</b>	
	<b>Quarter ended September 30</b>	
	<b>2012</b>	2011 (Restated)
Sales - Net	830,603,458	814,164,189
Gross Profit	145,332,928	158,455,193
Profit before Taxation	65,012,686	95,838,895
Profit after Taxation	54,506,052	53,496,725
Earning per share - basic and diluted	0.79	0.77

### Future Outlook

Being cognizant of the fact that product modernization and innovation in the tableware product line is absolutely necessary for the future growth, continuous research and development activities are carried out to out perform other market players. Furthermore new markets, both nationally and internationally, are being explored to achieve the sales growth.

The Float Glass project is fast approaching its completion. The management is putting in all humanly efforts to make the project a big success. The marketing team has developed a strong network of major glass dealers who are all set to create the required market space for the Company's product.

**For and on behalf of the Board**

**TARIQ BAIG**

**CHAIRMAN AND MANAGING DIRECTOR**

**Lahore: October 31, 2012**



## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

	(Un-audited) 30 September 2012 Rupees	(Audited) 30 June 2012 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorized capital 100,000,000 ordinary shares of Rs 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up capital 69,300,000 ordinary shares of Rs 10 each	693,000,000	693,000,000
Share premium	263,697,120	263,697,120
Un-appropriated profit	<u>655,339,886</u>	<u>600,833,834</u>
	<b>1,612,037,006</b>	<b>1,557,530,954</b>
Surplus on revaluation of property, plant and equipment	<u>355,002,638</u>	<u>355,002,638</u>
	<b>1,967,039,644</b>	<b>1,912,533,592</b>
<b>NON - CURRENT LIABILITIES</b>		
Long term loans		
- Secured	1,035,449,732	469,318,424
- Unsecured	339,448,352	281,148,352
	<b>1,374,898,084</b>	<b>750,466,776</b>
Long term security deposits	138,734,136	85,034,136
Deferred liabilities	145,976,107	143,775,508
	<b>1,659,608,327</b>	<b>979,276,420</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	509,006,799	482,533,106
Accrued markup	37,660,958	35,821,752
Short term borrowings - secured	194,449,057	43,274,840
Current maturity of long term finances	348,599,016	246,708,047
Provision for taxation	139,364,688	131,058,653
	<b>1,229,080,518</b>	<b>939,396,398</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	-	-
	<b>4,855,728,489</b>	<b>3,831,206,410</b>

The annexed notes 1 to 5 form an integral part of these financial statements.



## AS AT 30 September 2012

	<b>(Un-audited)</b>	(Audited)
	<b>30 September</b>	30 June
	<b>2012</b>	2012
	<b>Rupees</b>	Rupees
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	<b>3,543,699,682</b>	2,781,832,980
Long term security deposits	<b>33,402,987</b>	32,042,092
<b>CURRENT ASSETS</b>		
Stores and spares	<b>396,547,128</b>	163,174,592
Stock in trade	<b>343,444,400</b>	278,749,957
Trade debtors - unsecured, considered good	<b>49,252,231</b>	35,649,534
Advances, deposits, prepayments and other receivables	<b>226,605,175</b>	208,182,779
Cash and bank balances	<b>262,776,886</b>	331,574,476
	<b>1,278,625,820</b>	1,017,331,338
	<b><u>4,855,728,489</u></b>	<b><u>3,831,206,410</u></b>

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**OMER BAIG**  
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	<b>30 September 2012</b>	30 September 2011
	<b>Rupees</b>	Rupees
		(Restated)
Sales - net	<b>830,603,458</b>	814,164,189
Cost of sales	<b>(685,270,530)</b>	(655,708,996)
<b>Gross profit</b>	<b>145,332,928</b>	158,455,193
<b>Operating expenses</b>		
Administration	<b>(16,816,274)</b>	(16,887,689)
Selling and distribution	<b>(54,561,479)</b>	(43,771,845)
	<b>(71,377,753)</b>	(60,659,533)
	<b>73,955,175</b>	97,795,659
Other operating income	<b>3,056,387</b>	15,130,226
<b>Operating profit</b>	<b>77,011,562</b>	112,925,885
Finance cost	<b>(8,738,018)</b>	(9,996,519)
Other expenses	<b>(3,260,858)</b>	(7,090,471)
<b>Profit before taxation</b>	<b>65,012,686</b>	95,838,895
Provision for taxation	<b>(10,506,634)</b>	(42,342,170)
<b>Net profit for the period</b>	<b>54,506,052</b>	53,496,725
Earnings per share - basic and diluted	<b>0.79</b>	0.77

The annexed notes 1 to 5 form an integral part of these financial statements.



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	<b>30 September 2012</b>	30 September 2011
	<b>Rupees</b>	Rupees
		(Restated)
<b>Profit after taxation</b>	<b>54,506,052</b>	53,496,725
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the Period</b>	<b><u>54,506,052</u></b>	<b><u>53,496,725</u></b>

The annexed notes 1 to 5 form an integral part of these financial statements.





## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	30 September 2012 Rupees	30 September 2011 Rupees (Restated)
<b>Cash flow from operating activities</b>		
Profit before taxation	65,012,686	95,838,895
Adjustments for :		
Depreciation	28,200,044	27,630,364
(Profit) on disposal of property, plant and equipment	-	(366)
Finance cost	8,738,018	9,996,519
Provision for Workers' profit participation fund	3,260,858	5,165,914
Provision for Worker' welfare fund	-	1,924,556
Ijara rentals	2,039,133	649,173
	<b>42,238,053</b>	<b>45,366,160</b>
<b>Operating profit before working capital changes</b>	<b>107,250,739</b>	<b>141,205,055</b>
<b>(Increase)/Decrease in current assets:</b>		
Stores and spares	(233,372,536)	(9,223,322)
Advances, deposits, prepayments and other receivables	(18,422,404)	(30,723,389)
Stock in trade	(64,694,443)	28,277,430
Trade debtors	(13,602,697)	10,727,008
	<b>(330,092,080)</b>	<b>(942,273)</b>
<b>Increase/(Decrease) in current liabilities:</b>		
Trade and other payables	23,212,836	16,802,556
<b>Cash generated from operations</b>	<b>(199,628,505)</b>	<b>157,065,339</b>
Finance cost paid	(6,898,813)	(10,561,994)
Ijara rentals paid	(2,039,133)	(502,272)
	<b>(8,937,946)</b>	<b>(11,064,266)</b>
<b>Net cash generated from operating activities</b>	<b>(208,566,451)</b>	<b>146,001,073</b>
<b>Cash flow from investing activities</b>		
Fixed capital expenditure	(790,066,738)	(175,734,985)
Proceeds from sales of property, plant and equipment	-	249,995
Long term deposits	(1,360,895)	(400,687)
<b>Net cash used in investing activities</b>	<b>(791,427,633)</b>	<b>(175,885,677)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long term finances	726,322,277	96,215,060
Short term borrowings	151,174,217	77,318,777
Long term deposits	53,700,000	-
<b>Net cash generated from financing activities</b>	<b>931,196,494</b>	<b>173,533,837</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(68,797,590)</b>	<b>143,649,233</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>331,574,476</b>	<b>463,273,069</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>262,776,886</b>	<b>606,922,302</b>

The annexed notes 1 to 5 form an integral part of these financial statements.



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	Share capital Rupees	Share Premium Rupees	Un-appropriated profit Rupees	Total Rupees
<b>Balance as at 30 June 2011</b>	<b>693,000,000</b>	<b>263,697,120</b>	<b>334,332,745</b>	<b>1,291,029,865</b>
Total comprehensive income for the period ended 30 September 2011 (Restated)	-	-	53,496,725	53,496,725
<b>Balance as at September 30, 2011 (Restated)</b>	<b>693,000,000</b>	<b>263,697,120</b>	<b>387,829,470</b>	<b>1,344,526,590</b>
Final dividend for the year ended 30 June 2011 at the rate of Rs 1 (10%) per share	-	-	(26,259,186)	(26,259,186)
Total comprehensive income for the period ended 30 June 2012	-	-	239,263,550	239,263,550
<b>Balance as at 30 June 2012</b>	<b>693,000,000</b>	<b>263,697,120</b>	<b>600,833,834</b>	<b>1,557,530,954</b>
Total comprehensive income for the period ended 30 September 2012	-	-	54,506,052	54,506,052
<b>Balance as at 30 September 2012</b>	<b>693,000,000</b>	<b>263,697,120</b>	<b>655,339,886</b>	<b>1,612,037,006</b>

The annexed notes 1 to 5 form an integral part of these financial statements.



## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

1. 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 required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at June 30, 2012.
2. The accounting policies adopted for the preparation of the these quarterly accounts are the same as those applied in the preparation of preceding Audited Financial Statements for the year ended June 30, 2012.
3. There is no significant change in the contingencies and commitments status since the last annual balance sheet date.
4. Figures have been rounded off to the nearest rupee.
5. Theses financial statements were authorized for issuance by the Board of Directors on October 31, 2012.



If undelivered, please return to:



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