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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

CHIEF FINANCIAL OFFICER

MR. WAQAR ULLAH

COMPANY 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	BANK ALFALAH LTD
HABIB BANK LTD	FAYSAL BANK LTD
UNITED BANK LTD	SINDH BANK LTD
THE BANK OF PUNJAB	BANK ISLAMI PAKISTAN LTD
MCB BANK LTD	NIB BANK LTD
THE BANK OF KHYBER	STANDARD CHARTERED BANK LTD

SHARES 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

REGISTERED OFFICE

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WEB: www.tariqglass.com

WORKS

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FAX: (056) 3500633



DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited take pleasure in presenting the financial information for the first quarter ended September 30, 2013.

Operational & Financial Performance

The business remained under pressure both on international and domestic fronts for the period under review as the rumors of US Government's default were distorting the confidence of business community and the volatile parity value of Pak rupee created immense pressure over the import bill of local industry. Moreover, the recent increase in electricity and gas tariffs have adversely affected the cost of production making it extremely difficult to compete in the domestic as well as international markets.

With the blessings of Allah Almighty the production operations of float glass project are continuing smoothly and glass sheets of optimum quality ranging from 2 mm to 12 mm, were manufactured. Recently, the production of coloured float glass has been started and the shades being produced are compatible with international quality standards. Your Company was able to register the highest ever net sales of Rs. 1,537 million representing 85% top line robust growth over the corresponding period of last year. This is mainly accredited to the revenues generated from the sales of float glass, indexed at Rs. 707 million for the quarter under report.

However, the profits remain under pressure attributable to our compulsion for the usage of expensive alternate fuels in the shape of Furnace oil, Diesel, and LPG in the absence of Natural Gas and ever increasing prices of electricity, raw materials and packing materials which have affected the profits for the period under report.

A brief summary of the financial results for the period under report is as under:

	(Million Rupees)	
	First Quarter Ended September 30	
	FY 2013-2014	FY 2012-2013
Net Sales	1,537	831
Gross Profit	229	145
Profit Before Tax	81	65
Profit After Tax	65	55
Earnings per share – Rupees	0.94	0.79

Future Outlook

The newly installed state of the art plant of float glass is evincing its strengths of being capable of producing excellent quality of glass as far as the clarity, colour, shades and thickness of glass sheet (ranging from 2 mm to 12 mm) are concerned but sturdiness of manufacturing the CVD Coated Reflective glass and Mirror glass are still to be demonstrated, which will be achieved as per international quality standards very soon (Insha'Allah).

The growth in sales revenue is likely to continue in the forthcoming quarters of this financial year but profits will remain under pressure as Sui Gas shut down spans will elongate in the approaching winter and this phenomenon shall force us to use alternative expensive LPG, Furnace and Diesel oils to keep the momentum of production.

Going forward, we expect that economy will turn up and economic activities flourish in the future (Insha'Allah).

For and on behalf of the Board

TARIQ BAIG

CHAIRMAN & MANAGING DIRECTOR

Lahore: October 31, 2013



**CONDENSED INTERIM BALANCE SHEET
(UN-AUDITED)**

	(Un-audited) 30 September 2013 Rupees	(Audited) 30 June 2013 Rupees
EQUITY AND LIABILITIES		
Share capital and reserves		
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
Equity portion of shareholders loan	256,062,611	244,169,568
Un-appropriated profit	<u>1,033,611,339</u>	<u>968,191,016</u>
	<u>2,246,371,070</u>	<u>2,169,057,704</u>
Surplus on revaluation of property, plant and equipment	<u>355,002,638</u>	<u>355,002,638</u>
	<u>2,601,373,708</u>	<u>2,524,060,342</u>
NON - CURRENT LIABILITIES		
Long term finances		
- Secured	1,207,915,344	1,191,949,344
- Unsecured	413,264,208	375,157,251
	<u>1,621,179,552</u>	<u>1,567,106,595</u>
Liabilities against assets subject to finance lease	48,114,793	43,695,545
Long term security deposits	241,568,437	252,568,437
Long term payable to supplier - unsecured	<u>197,600,000</u>	<u>197,600,000</u>
	<u>2,108,462,782</u>	<u>2,060,970,577</u>
CURRENT LIABILITIES		
Trade and other payables	771,190,069	760,551,613
Accrued markup	48,415,560	47,126,695
Short term borrowings - secured	991,202,822	669,399,178
Current maturity of long term finances	368,844,333	288,977,000
Current portion of liabilities against asset subject to finance lease	8,530,380	6,304,455
Provision for taxation	<u>3,838,970</u>	<u>3,838,970</u>
	<u>2,192,022,134</u>	<u>1,776,197,911</u>
CONTINGENCIES AND COMMITMENTS		
	<u>-</u>	<u>-</u>
	<u>6,901,858,624</u>	<u>6,361,228,830</u>

The annexed notes 1 to 5 form an integral part of this financial information.



AS AT 30 SEPTEMBER 2013

	(Un-audited) 30 September 2013 Rupees	(Audited) 30 June 2013 Rupees
ASSETS		
Non-current assets		
Property, plant and equipment	4,501,900,598	4,451,424,803
Long term deposits	42,786,045	42,767,022
Deferred taxation	27,653,518	43,028,633
CURRENT ASSETS		
Stores and spares	598,347,403	708,817,116
Stock in trade	912,232,807	605,900,900
Trade debts - considered good	344,055,295	218,370,100
Advances, deposits, prepayments and other receivables	281,529,982	223,809,833
Cash and bank balances	193,352,976	67,110,423
	2,329,518,463	1,824,008,372
	<u>6,901,858,624</u>	<u>6,361,228,830</u>

**OMER BAIG
DIRECTOR**



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

	30 September 2013	30 September 2012
	Rupees	Rupees
Sales - net	1,537,474,522	830,603,458
Cost of sales	(1,308,956,735)	(685,270,530)
Gross profit	228,517,787	145,332,928
Operating expenses		
Administrative	(26,119,677)	(16,816,274)
Selling and distribution	(94,630,842)	(54,561,479)
	(120,750,519)	(71,377,753)
	107,767,268	73,955,175
Other income	1,777,963	3,056,387
Operating profit	109,545,231	77,011,562
Finance cost	(24,591,368)	(8,738,018)
Other expenses	(4,158,795)	(3,260,858)
Profit before taxation	80,795,068	65,012,686
Taxation	(15,374,745)	(10,506,634)
Profit after taxation	65,420,323	54,506,052
Earnings per share - basic	0.94	0.79
- diluted	0.89	0.79

The annexed notes 1 to 5 form an integral part of this financial information.



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

	30 September 2013	30 September 2012
	Rupees	Rupees
Profit after taxation	65,420,323	54,506,052
Other comprehensive income	-	-
Total comprehensive income for the period	<u>65,420,323</u>	<u>54,506,052</u>

The annexed notes 1 to 5 form an integral part of this financial information.



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2013

	30 September 2013 Rupees	30 September 2012 Rupees
Cash flows from operating activities		
Profit before taxation	80,795,068	65,012,686
Adjustments for :		
Depreciation	112,504,176	28,200,044
Profit on disposal of property, plant and equipment	(1,392,701)	-
Ijara rentals	10,074,944	2,039,133
Finance cost	24,591,368	8,738,018
Provision for Workers' profit participation fund	4,158,795	3,260,858
	149,936,582	42,238,053
Operating profit before working capital changes	230,731,650	107,250,739
(Increase)/Decrease in current assets:		
Stores and spares	110,469,713	(233,372,536)
Advances, deposits, prepayments and other receivables	(82,278,575)	(18,422,404)
Stock in trade	(306,331,907)	(64,694,443)
Trade debtors	(125,685,195)	(13,602,697)
	(403,825,964)	(330,092,080)
Increase/(Decrease) in current liabilities:		
Trade and other payables	32,760,275	23,212,836
Cash used in operations	(140,334,039)	(199,628,505)
Finance cost paid	(23,302,503)	(6,898,813)
Ijara rentals paid	(10,074,944)	(2,039,133)
Income tax paid	(1,721,819)	-
	(35,099,266)	(8,937,946)
Net cash used in operating activities	(175,433,305)	(208,566,451)
Cash flows from investing activities		
Fixed capital expenditure	(163,787,269)	(790,066,738)
Proceeds from sales of property, plant and equipment	2,200,000	-
Long term deposits	(19,023)	(1,360,895)
Net cash used in investing activities	(161,606,292)	(791,427,633)
Cash flows from financing activities		
Proceeds from long term finances-net	152,478,506	726,322,277
Proceeds from short term borrowings	321,803,644	151,174,217
Proceeds from long term deposits	(11,000,000)	53,700,000
Net cash generated from financing activities	463,282,150	931,196,494
Net increase/(decrease) in cash and cash equivalents	126,242,553	(68,797,590)
Cash and cash equivalents at the beginning of the year	67,110,423	331,574,476
Cash and cash equivalents at the end of the period	193,352,976	262,776,886

The annexed notes 1 to 5 form an integral part of this financial information.



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

	Share capital	Share premium	Equity portion of shareholders loan	Un-appropriated profit	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2012 - restated	693,000,000	263,697,120	120,150,117	600,833,834	1,677,681,071
Total comprehensive income for the quarter ended 30 September 2012	-	-	-	54,506,052	54,506,052
Equity portion of shareholders loan received during quarter ended 30 September 2012	-	-	38,107,356	-	38,107,356
Notional interest on shareholders loan	-	-	(7,102,493)	-	(7,102,493)
Balance as at 30 September 2012 - restated	693,000,000	263,697,120	151,154,980	655,339,886	1,763,191,986
Total comprehensive income for the period ended 30 June 2013	-	-	-	312,851,130	312,851,130
Equity portion of shareholders loan received during the period ended 30 June 2013	-	-	114,322,067	-	114,322,067
Notional interest on shareholders loan	-	-	(21,307,479)	-	(21,307,479)
Balance as at 30 June 2013	693,000,000	263,697,120	244,169,568	968,191,016	2,169,057,704
Total comprehensive income for the quarter ended 30 September 2013	-	-	-	65,420,323	65,420,323
Equity portion of shareholders loan received during quarter ended 30 September 2013	-	-	55,753,658	-	55,753,658
Notional interest on shareholders loan	-	-	(43,860,615)	-	(43,860,615)
Balance as at 30 September 2013	693,000,000	263,697,120	256,062,611	1,033,611,339	2,246,371,070

The annexed notes 1 to 5 form an integral part of this financial information.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2013

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, 2013.

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, 2013.
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, 2013.



TARIQ GLASS INDUSTRIES LTD.



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