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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN	MR. MANSOOR IRFANI	
MANAGING DIRECTOR / CEO	MR. OMER BAIG	
DIRECTORS	MR. MOHAMMAD BAIG MR. SAAD IQBAL MS. RUBINA NAYYAR MR. TAJAMMAL HUSSAIN BOKHAREE MR. FAIZ MUHAMMAD	INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR
CHIEF FINANCIAL OFFICER	MR. WAQAR ULLAH	
COMPANY SECRETARY	MR. MOHSIN ALI	
HUMAN RESOURCE & REMUNERATION COMMITTEE	MR. TAJAMMAL HUSSAIN BOKHAREE MR. OMER BAIG MR. MANSOOR IRFANI	CHAIRMAN MEMBER MEMBER
AUDIT COMMITTEE	MR. TAJAMMAL HUSSAIN BOKHAREE MS. RUBINA NAYYAR MR. MANSOOR IRFANI	CHAIRMAN MEMBER MEMBER
AUDITORS	KPMG TASEER HADI & CO. CHARTERED ACCOUNTANTS, LAHORE	
LEGAL ADVISOR	KASURI AND ASSOCIATES, LAHORE	
CORPORATE CONSULTANTS	MR. RASHID SADIQ, M/S R.S. CORPORATE ADVISORY, LAHORE	
TAX CONSULTANTS	YOUSAF ISLAM ASSOCIATES, LAHORE	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LTD UNITED BANK LTD THE BANK OF PUNJAB MCB BANK LTD THE BANK OF KHYBER ASKARI BANK LTD MEEZAN BANK LTD ALLIED BANK LTD	BANK ALFALAH LTD FAYSAL BANK LTD MCB ISLAMIC BANK LTD BANKISLAMI PAKISTAN LTD BANK ALHABIB LTD SAMBA BANK LTD AL-BARAKA BANK (PAK) LTD STANDARD CHARTERED BANK (PAK) LTD
SHARES REGISTRAR	SHEMAS INTERNATIONAL (PVT) LTD. 533 - Main Boulevard, Imperial Garden Block, Paragon City, Barki Road, Lahore. Ph: +92-42-37191262 E-mail: info@shemasinternational.com	
REGISTERED OFFICE	128-J, MODEL TOWN, LAHORE. UAN : 042-111-34-34-34 FAX : 042-35857692 - 35857693 E MAIL : info@tariqglass.com WEB: www.tariqglass.com	
WORKS	33-KM, LAHORE/SHEIKHUPURA ROAD TEL: (042) 37925652, (056) 3500635-7 FAX: (056) 3500633	



DIRECTORS' REPORT

The directors of the Company present before you their report together with the un-audited financial statements of the company duly reviewed by the external auditors with limited scope review for the six months period ended December 31, 2018.

Operational & Financial Performance

By the grace of Almighty Allah, the Company is maintaining its trend of growth and recorded marvelous increase in sales and the profitability. The Company has registered net sales of Rs. 6,987 million with a net profit of Rs. 713 million for the period under report as compared to the corresponding period's figure of Rs. 5,454 million and Rs. 496 million respectively. The EPS for the period under review is Rs. 9.70 as against Rs. 6.75 of the same period of last year. The results of period under report in comparison to the corresponding period reveals that the growth in top line revenues is 28% and increase in the bottom-line profitability and EPS is 44%. The profitability is attributable to remarkable acceptability of Company's value added products and sound measures taken by the Management to enhance the productivity by focusing on modernizing the business processes.

The brief of financial results for the six months period ended on December 31, 2018 are as under:

	(Million Rupees)	
	Half Year Ended December 31	
	FY2018-19	FY2017-18
Net Sales	6,987	5,454
Gross Profit	1,285	1,068
Profit before Tax	882	727
Profit after Tax	713	496
Earnings per share (Rupees)	9.70	6.75

Alhamdulillah, all the Company's production facilities were fully operational during the period under report.

Future Outlook

With the blessings of Almighty Allah, the Company held the earth breaking ceremony of the proposed Float Glass Plant (Unit-II) on September 12, 2018. The civil works of the project is at its full swing and most of the letters of credit for import of main plant along with the ancillary machinery have been established and some are in the pipeline.

Due to the tight monetary policy the base rate continuously has been revising upward which will result in higher finance cost in the future. The competitors are increasing their production capacities which may affect the prices and cost of sales in the future. Our media campaign will continue from time to time on television and radio channels to motivate people and increase brand loyalty.

Good results are first and foremost attributable to the contribution made by all the employees, suppliers, distributors, creditors and all the stakeholders whose efforts are playing pivotal role in the growth of the Company and we seek their continuous support and cooperation in times to come.

For and on behalf of the Board

MANSOOR IRFANI
CHAIRMAN

OMER BAIG
MANAGING DIRECTOR / CEO

Lahore: February 27, 2019

ڈائریکٹروں کی رپورٹ

ملازمتی گلاس انڈسٹریز لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2018 کو ختم ہونے والی ششماہی برائے مالی سال 2018-2019 کیلئے اپنی جائزہ رپورٹ مع کھٹی کے غیر آڈٹ شدہ مجموعی مالیاتی گوشوارے جو کہ آڈیٹرز کے محدود جائزہ پر مشتمل ہیں پیش کرتے ہوئے عسرت محسوس کرتے ہیں۔

کاروباری اور مالیاتی کارکردگی سے متعلق نقطہ نظر:

اللہ تعالیٰ کے فضل و کرم سے کھٹی نے ترقی کے رجحان کو برقرار رکھتے ہوئے مجموعی فروختگی اور خالص منافع میں شاندار کامیابیاں حاصل کی ہیں۔ زیر جائزہ مدت کے دوران کھٹی نے 6,987 ملین روپے کی خالص فروختگی حاصل کی اور ٹیکس کی ادائیگی کے بعد کا منافع 713 ملین روپے رہا۔ جبکہ گزشتہ سال کی اسی مدت میں حاصل ہونے والی خالص فروختگی 5,454 ملین روپے اور ٹیکس کی ادائیگی کے بعد کا منافع 496 ملین روپے تھا۔ کھٹی کی آمدنی فی حصص 9.70 روپے رہی جس کا اگر پچھلے سال کی اسی مدت سے موازنہ کیا جائے تو وہ 6.75 روپے فی حصص تھی۔ اگر اس مدت کا پچھلے سال کی اسی مدت سے موازنہ کیا جائے تو مجموعی فروختگی میں 28 فیصد اضافہ ہوا جبکہ خالص منافع اور آمدنی فی حصص میں 44 فیصد اضافہ ہوا ہے۔ کھٹی کی ویلیو ایڈڈ مصنوعات نے مارکیٹ میں حدود درجہ مقبولیت حاصل کی ہے۔ سرمایہ برآں کھٹی کی انتظامیہ نے کاروباری عمل کو جدید بنانے پر توجہ مرکوز رکھی جس کی وجہ سے کھٹی مجموعی پیداواری شرح میں اضافہ حاصل کرنے میں کامیاب رہی۔ کھٹی کی پہلی ششماہی جو کہ 31 دسمبر 2018 کو اختتام پزیر ہوئی ہے اس میں مالیاتی کارکردگی کا ذیل میں خلاصہ پیش ہے۔

(رقم ملین روپوں میں)

ششماہی اختتام 31 دسمبر	ششماہی اختتام 31 دسمبر
2017-2018	2018-2019
5,454	6,987
1,068	1,285
727	882
496	713
6.75	9.70

خالص فروختگی

مجموعی منافع

ٹیکس کی ادائیگی سے پہلے کا منافع

ٹیکس کی ادائیگی کے بعد کا خالص منافع

آمدنی فی حصص بنیادی و مجموعی (روپوں میں)

الحمد للہ مذکورہ مدت کے دوران کھٹی کے تمام پیداواری پونٹ کھٹل طور پر اپریٹل رہے۔

مستقبل کے حوالے سے نقطہ نظر:

اللہ تعالیٰ کی رحمت اور کرم سے کھٹی نے مورخہ 12 ستمبر 2018 کو فلوٹ گلاس پلانٹ (ایونٹ -2) سے متعلق تیسری سرگرمیوں کا آغاز کر دیا ہے۔ پروجیکٹ کا سول ورک پورے سلسلے سے جاری ہے اور عصری مشینری کے ساتھ ساتھ مین پلانٹ کی درآمد کے لیے لیٹرز آف کریڈٹ مرتب کیے جا چکے ہیں اور مزید عمل پیروری کے مراحل میں ہیں۔ حکومت نے سخت مالیاتی پالیسی اپناتے ہوئے مارک اپ کی بنیادی شرح میں اضافہ کیا ہے جس بنا پر کاروبار کی مجموعی فنانس کا ست میں اضافہ واقع ہو رہا ہے۔ کمپنیشنرز نے حال ہی میں اپنی پیداواری استعداد میں اضافہ کیا ہے جس کی وجہ سے مصنوعات کی قیمتوں اور مجموعی فروختگی پر اثر پڑ سکتا ہے۔ کھٹی اپنی مصنوعات کی ترجیحی بیلز کے حوالے سے ٹی وی، ریڈیو وغیرہ پر اپنی اشتہاری مہم جاری رکھے گی تاکہ لوگوں کو اپنی مصنوعات کی طرف راغب کیا جاسکے اور براڈ لائٹی کو زیادہ سے زیادہ بڑھایا جاسکے۔ اچھے نتائج کے لیے ہم کھٹی کے تمام ملازمین، سپلائرز، ڈسٹریبیوٹرز، کریڈیٹرز اور تمام اسٹیک ہولڈرز کا شکریہ ادا کرنا چاہتے ہیں جن کی کوششیں کھٹی کی ترقی میں اہم کردار ادا کر رہی ہیں اور مستقبل میں بھی ہم ان کی مسلسل حمایت اور تعاون کے خواہاں ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

عمر بیگ

منصور عرفانی

تاریخ: 27 فروری 2019ء، لاہور

ٹیجنگ ڈائریکٹر/سی ای او

چیئرمین



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TARIQ GLASS INDUSTRIES LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Tariq Glass Industries Limited** as at 31 December 2018 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarter ended 31 December 2018 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent review report is M. Rehan Chughtai.



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 (UN-AUDITED)

	(Un-audited) 31 December 2018 Rupees	(Audited) 30 June 2018 Rupees	Note	(Un-audited) 31 December 2018 Rupees	(Audited) 30 June 2018 Rupees
EQUITY AND LIABILITIES					
Share capital and reserves					
Authorised share capital 150,000,000 (30 June 2018: 150,000,000) ordinary shares of Rs. 10 each	1,500,000,000	1,500,000,000			
Issued, subscribed and paid-up capital Share premium Unappropriated profit Surplus on revaluation of freehold land	734,580,000 410,116,932 3,633,525,629 766,482,138 5,544,704,699	734,580,000 410,116,932 3,361,590,726 766,482,138 5,272,762,796			
Non-current liabilities	470,308,591	590,620,311	5		
Long term finances - secured Liabilities against assets subject to finance lease Deferred taxation	- 395,142,734 865,451,325	1,238,793 410,813,723 1,002,672,827	6		
Current liabilities					
Trade and other payables Unclaimed dividend Accrued mark-up Short term borrowings Current portion of long term liabilities	1,163,010,408 8,896,474 62,625,791 3,073,608,709 193,419,708 4,501,561,090	1,203,328,327 5,370,450 30,839,016 1,094,922,101 127,474,663 2,461,934,557	7 8 9		
Contingencies and commitments	10,911,717,114	8,737,377,180	10		
	10,911,717,114	8,737,377,180		10,911,717,114	8,737,377,180
ASSETS					
Non-current assets					
Property, plant and equipment Intangibles Long term deposits	6,359,441,445 1,740,716 45,046,707 6,406,228,868	5,463,111,500 2,437,001 39,282,268 5,504,830,769	11		
Current assets					
Stores and spares Stock-in-trade Trade debts - considered good Advances, deposits, prepayments and other receivables Cash and bank balances	820,643,132 1,768,408,882 908,606,060 744,980,155 262,848,017 4,505,488,246	765,306,156 1,245,881,277 657,870,000 308,659,879 254,829,099 3,232,546,411			

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

February 27, 2019
Lahore

MANSOOR IRFANI
CHAIRMAN

OMER BAIG
MANAGING DIRECTOR / CEO

WAQAR ULLAH
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2018

	Half year ended 31 December 2018	Half year ended 31 December 2017	Quarter ended 31 December 2018	Quarter ended 31 December 2017
----- Rupees -----				
Sales - net	6,987,025,695	5,453,855,349	3,707,165,494	2,906,920,866
Cost of sales	(5,701,852,862)	(4,385,485,923)	(3,005,495,882)	(2,352,626,621)
Gross profit	1,285,172,833	1,068,369,426	701,669,612	554,294,245
Administrative expenses	(113,030,394)	(97,524,567)	(61,668,770)	(49,030,057)
Selling and distribution expenses	(143,178,523)	(115,739,120)	(82,469,005)	(57,599,142)
	(256,208,917)	(213,263,687)	(144,137,775)	(106,629,199)
Other income	29,211,847	2,450,164	4,732,441	564,217
Finance cost	(110,959,245)	(75,386,065)	(74,928,926)	(36,877,006)
Other expenses	(65,622,337)	(55,020,925)	(35,226,530)	(29,931,164)
Profit before taxation	881,594,181	727,148,913	452,108,822	381,421,093
Taxation	(168,911,278)	(231,431,890)	(72,544,471)	(133,218,258)
Profit after taxation	712,682,903	495,717,023	379,564,351	248,202,835
Earnings per share - basic and diluted	9.70	6.75	5.17	3.38

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

February 27, 2019
Lahore

MANSOOR IRFANI
CHAIRMAN

OMER BAIG
MANAGING DIRECTOR / CEO

WAQAR ULLAH
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2018

	Half year ended 31 December 2018	Half year ended 31 December 2017	Quarter ended 31 December 2018	Quarter ended 31 December 2017
----- Rupees -----				
Profit after taxation	712,682,903	495,717,023	379,564,351	248,202,835
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	712,682,903	495,717,023	379,564,351	248,202,835

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

February 27, 2019
Lahore

MANSOOR IRFANI
CHAIRMAN

OMER BAIG
MANAGING DIRECTOR / CEO

WAQAR ULLAH
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

		Six months ended	
		31 December 2018	31 December 2017
		Rupees	Rupees
<u>Cash flows from operating activities</u>			
	Note		
Profit before taxation		881,594,181	727,148,913
Adjustments for:			
Depreciation	11.1	245,106,069	246,196,210
Amortization of intangibles		696,285	696,286
Gain on disposal of property, plant and equipment-net		(25,720,805)	(1,541,299)
Finance cost		110,959,245	75,386,065
Provision for Workers' Welfare Fund		16,787,968	15,139,430
Provision for Workers' Profit Participation Fund		47,360,826	39,108,492
		395,189,588	374,985,184
Operating profit before working capital changes		1,276,783,769	1,102,134,097
Changes in :			
Stores and spares parts		(55,336,976)	(84,291,858)
Advances, deposits, prepayments and other receivables		(442,236,849)	77,279,201
Stock in trade		(522,527,605)	73,949,080
Trade debtors - considered good		(250,738,060)	(157,242,876)
Trade and other payables		(5,736,496)	26,820,555
		(1,276,575,986)	(63,485,898)
Cash generated from operating activities		207,783	1,038,648,199
Payments to Workers' Profit Participation Fund		(85,690,070)	(67,643,842)
Payments to Workers' Welfare Fund		(27,363,141)	(18,959,218)
Finance cost paid		(64,849,476)	(66,497,503)
Income tax paid		(178,665,696)	(27,543,079)
		(356,568,383)	(180,643,642)
Net cash (used in) / generated from operating activities		(356,360,600)	858,004,557
<u>Cash flows from investing activities</u>			
Fixed capital expenditure		(1,145,761,737)	(624,305,269)
Proceeds from disposal of property, plant and equipment		30,046,528	2,650,000
Long term deposits		(5,764,439)	2,003,583
Net cash used in investing activities		(1,121,479,648)	(619,651,686)
<u>Cash flows from financing activities</u>			
Net (repayments of) / receipts from long term finances - secured		(54,166,667)	295,965,011
Repayment of liabilities against assets subject to finance lease		(1,438,801)	(7,597,323)
Receipts from / (repayments of) short term borrowings - net		545,113,285	(475,655,736)
Dividend paid		(437,221,976)	(302,743,929)
Net cash flow from / (used in) financing activities	13	52,285,841	(490,031,977)
Net decrease in cash and cash equivalents		(1,425,554,407)	(251,679,106)
Cash and cash equivalents at beginning of the period		(622,613,501)	(355,776,787)
Cash and cash equivalents at end of the period		(2,048,167,908)	(607,455,893)
Cash and cash equivalents comprise of the following:			
- Cash and bank balances		262,848,017	103,248,240
- Running finances		(2,311,015,925)	(710,704,133)
		(2,048,167,908)	(607,455,893)

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

February 27, 2019
Lahore

MANSOOR IRFANI
CHAIRMAN

OMER BAIG
MANAGING DIRECTOR / CEO

WAQAR ULLAH
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Capital reserve			Revenue reserve	Total equity	
	Share premium	Surplus on revaluation of land	Sub-total	Unappropriated profit		
----- Rupees -----						
Balance as at 30 June 2017 - audited	734,580,000	410,116,932	766,482,138	1,176,599,070	2,569,318,501	4,480,497,571
<u>Total comprehensive income</u>						
Profit for the six months period ended 31 December 2017	-	-	-	-	495,717,023	495,717,023
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	495,717,023	495,717,023
<u>Transactions with the owners of the Company:</u>						
Final cash dividend for the year ended 30 June 2017 @ Rs. 4.15 (41.5%) per ordinary share	-	-	-	-	(304,850,710)	(304,850,710)
	-	-	-	-	(304,850,710)	(304,850,710)
Balance as at 31 December 2017 - un-audited	734,580,000	410,116,932	766,482,138	1,176,599,070	2,760,184,814	4,671,363,884
<u>Total comprehensive income</u>						
Profit for the six months period ended 30 June 2018	-	-	-	-	601,405,912	601,405,912
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	601,405,912	601,405,912
Balance as at 30 June 2018 - audited	734,580,000	410,116,932	766,482,138	1,176,599,070	3,361,590,726	5,272,769,796
<u>Total comprehensive income</u>						
Profit for the six months period ended 31 December 2018	-	-	-	-	712,682,903	712,682,903
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	712,682,903	712,682,903
<u>Transactions with the owners of the Company:</u>						
Final cash dividend for the year ended 30 June 2018 @ of Rs. 6.00 (60%) per ordinary share	-	-	-	-	(440,748,000)	(440,748,000)
	-	-	-	-	(440,748,000)	(440,748,000)
Balance as at 31 December 2018 - un-audited	734,580,000	410,116,932	766,482,138	1,176,599,070	3,633,525,629	5,544,704,699



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1 Reporting entity

Tariq Glass Industries Limited ("the Company") was incorporated in Pakistan in 1978 and converted into a Public Limited Company in the year 1980. The Company's shares are listed on Pakistan Stock Exchange. The Company is principally engaged in the manufacture and sale of glass containers, opal glass, tableware and float glass. The registered office of the Company is situated at 128-J, Model Town, Lahore. The production facilities of the Company are located at Kot Saleem, Sheikhpura location.

2 Basis of preparation and statement of compliance

This condensed interim financial information comprises the condensed interim statement of financial position of the Company, as at 31 December 2018 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the notes forming part thereof.

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 June 2018. Comparative statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2018, whereas comparatives of condensed interim statement of profit or loss, statement of other comprehensive income, statement of cash flow and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the six months period ended 31 December 2017.

This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

This condensed interim financial information is presented in Pakistan Rupees which is the Company's functional currency and all financial information presented has been rounded off to the nearest rupees, except otherwise stated.

3 Judgments and estimates

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2018.

4 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements for the year ended 30 June 2018 except for the adoption of new standards effective as of 01 July 2018 as stated below:

4.1 Changes in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' from 01 July 2018 which is effective from the annual periods beginning on or after 01 July 2018. There are other new standards which are effective from 01 July 2018 but they do not have a material effect on the Company's condensed interim financial information. The details of new significant accounting policy are explained in note 4.1.1 below:



4.1.1 IFRS 15 'Revenue from Contracts with Customers'

The Company is engaged in the sale of glass products. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer or when the goods are handed over to the carrier arranged by the Company on behalf of the customer. Adoption of IFRS 15 which replaces IAS 18 revenue recognition, IAS 11 'Construction contracts and related interpretations' at 01 July 2018, did not have material effect on the condensed interim financial information except for reclassification of freight and forwarding cost from selling and distribution to sales and cost of sales. The corresponding figures have been represented to reflect this change on adoption of IFRS 15. Accordingly, selling and distribution expense of Rs. 63.18 million and Rs. 18.40 million have been reclassified to sales and cost of sales respectively. This reclassification has no impact on the reported Earning per Share (EPS) of the corresponding period.

4.1.2 Standards, interpretations or amendments to approved accounting standards not yet effective

The following standards, interpretations or amendments of approved accounting standards will be effective for accounting periods as detailed below:

Standard or interpretation	Effective date (accounting periods beginning on or after)
- IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
- IFRS 16 - Leases	01 January 2019
- IAS 28 - Investments in Associates and Joint Ventures	01 January 2019
- IAS 19 - Employee Benefits	01 January 2019
- IFRS 3 - Business Combinations	01 January 2020
- IAS 1 - Presentation of Financial Statements	01 January 2020
- IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors	01 January 2020
- IFRS 11 - Joint ventures	01 January 2019
- IAS 12 - Income Taxes	01 January 2019
- IAS 23 - Borrowing cost	01 January 2019
- IFRS 9 - Financial instruments*	30 June 2019

* IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting and was effective for annual periods beginning on or after 01 July 2018. The Securities and Exchange Commission of Pakistan (SECP), vide its S.R.O. 229(I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 (Financial Instruments) for reporting period ended on 31 December 2018. IFRS 9 will now be applicable for reporting periods / year ending on or after 30 June 2019.

	Note	Un-audited 31 December 2018 Rupees	Audited 30 June 2018 Rupees
5 Long term finances - secured			
Markup bearing finances from conventional banks:			
Bank of Punjab - Demand finance 2	5.1	181,250,000	218,750,000
Bank of Punjab - Demand finance 3	5.2	296,870,311	296,870,311
Bank Alfalah Limited	5.3	183,333,333	200,000,000
		661,453,644	715,620,311
Less: Current maturity	9	(191,145,053)	(125,000,000)
		470,308,591	590,620,311



- 5.1** This represents demand finance facility availed from The Bank of Punjab to meet the capital expenditure requirements of the Company. The sanctioned limit of facility is Rs. 300 million (30 June 2018: Rs. 300 million) and is secured by way of combined security of joint pari passu charge over present and future fixed assets of the Company and ranking charge on all present and future fixed assets of the Company and personal guarantees of sponsor director of the Company. The outstanding principal is repayable in 29 equal monthly installments ending on 23 May 2021. This facility carries mark up at the rate of 3 months KIBOR plus 90 bps per annum (30 June 2018: 3 months KIBOR plus 90 bps per annum), payable on quarterly basis. In case, the Company is not regular in payment to bank, it shall not without prior written approval of the bank, pay any dividends or make any other capital distributions.
- 5.2** This represents demand finance facility availed from The Bank of Punjab for the purpose of purchase of plant and machinery for setting up a new Borosilicate Opal Glass manufacturing unit and including but not limited to finance of civil works / machinery installation, advance payment etc. The sanctioned limit of facility is Rs. 300 million (30 June 2018: Rs. 300 million) and is secured by way of combined security of first joint pari passu charge over present and future fixed assets of the Company and personal guarantee of sponsor director of the Company. The facility is repayable after last draw down date over a period of four years (including grace period of one year) in 36 equal monthly instalments ending on 06 June 2022. This facility carries mark up at the rate of 3 months KIBOR plus 90 bps per annum (30 June 2018: 3 months KIBOR plus 90 bps per annum) payable on quarterly basis.
- 5.3** This represents term finance facility availed from Bank Alfalah Limited for the purpose of financing new production line for setting up a new Borosilicate Opal Glass manufacturing unit. The sanctioned limit of this long term loan is Rs. 200 million (30 June 2018: Rs. 200 million) and is secured by way of first joint pari passu charge on fixed assets of the Company and personal guarantee of sponsor director of the Company. The outstanding principal is repayable in 11 equal quarterly installments ending on 04 July 2021. This facility carries mark up at the rate of 3 months KIBOR plus 85 bps per annum payable on quarterly basis.
- 5.4** During the period, the Company has repaid Rs. 54.16 million in respect of long term finances.

6 Liabilities against assets subject to finance lease

During the period, the Company has repaid principal amount of lease liability of Rs. 1.4 million.

7 Trade and other payables

This includes balance of Rs. 4.67 million (30 June 2018: Rs. 4.06 million) payable to employees provident fund, a related party.

	Note	Un-audited 31 December 2018 Rupees	Audited 30 June 2018 Rupees
8 Short term borrowings			
Mark-up based borrowings from conventional banks			
Short term running finance - secured		2,311,015,925	994,411,266
Short term loan - secured		150,000,000	-
Loan from directors - unsecured		11,541,767	7,024,706
Islamic mode of financing			
Short term Islamic finance - secured		601,051,017	93,486,129
		3,073,608,709	1,094,922,101
9 Current portion of long term liabilities			
Long term finances - secured	5	191,145,053	125,000,000
Liabilities against assets subject to finance lease		2,274,655	2,474,663
		193,419,708	127,474,663



10 Contingencies and commitments

10.1 Contingencies

There has been no significant changes in contingencies as reported in the annual audited financial statement of the company for the year ended 30 June 2018 except for the following:

The commercial banks have issued following guarantees on behalf of the Company in favour of :

- Sui Northern Gas Pipelines Limited against supply of gas for furnace amounting to Rs. 284.50 million (2018: Rs. 262.00 million)
- Sui Northern Gas Pipelines Limited against supply of gas for captive power amounting to Rs. 59.5 million (2018: Rs. 20.5 million)

The above guarantees are secured by way of charge on present and future fixed assets of the Company, counter guarantee of the Company and personal guarantees of sponsor directors of the Company.

10.2 Commitments

- Letters of credit for capital expenditure amounting to Rs. 828.99 million (30 June 2018: Rs. 264.59 million).
- Letters of credit for other than capital expenditure amounting to Rs. 221.13 million (30 June 2018: Rs. 118.26 million).
- The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

	Note	Un-audited 31 December 2018 Rupees	Audited 30 June 2018 Rupees
Not later than one year		44,919,604	57,219,975
Later than one year and not later than five years		20,987,104	33,335,872
		65,906,708	90,555,847

11 Property, plant and equipment

Operating fixed assets	11.1	5,043,848,185	5,173,924,120
Capital work in progress	11.2	1,315,593,260	289,187,380
		6,359,441,445	5,463,111,500

11.1 Operating fixed assets

Net book value at the beginning of the period / year

Additions (cost)

Freehold land		41,395,259	309,698,542
Factory building - freehold		31,717,813	232,244,839
Plant and machinery		34,266,122	468,479,757
Furniture and fixtures		6,284,560	12,797,370
Tools and Equipment		2,205,000	764,000
Electric installation		3,487,103	34,351,175
Vehicles		-	8,053,851
Moulds		-	27,890,468
Fire fighting equipment		-	315,688
		119,355,857	1,094,595,690

Disposals (net book value)

Vehicles		(2,565,217)	(3,270,423)
Plant and machinery		(1,760,506)	(27,774)
Depreciation charge for the period / year		(245,106,069)	(510,967,885)
Closing written down value		5,043,848,185	5,173,924,120

11.2 Capital work in progress

Plant & machinery and civil works		1,287,712,009	143,327,484
Advances	11.2.1	15,652,754	145,859,896
Software		12,228,497	-
		1,315,593,260	289,187,380

11.2.1 This includes advances amounting to Rs. 13.1 million (2018: Rs. 46 million) for purchase of land.



12 Transactions with related parties

Related parties comprises of associated companies, staff retirement fund, directors, key management personnel and other companies where directors have controlling interest. Significant transactions with related parties other than those disclosed elsewhere in the condensed interim financial information are as follows:

Name and nature of parties	Nature of transaction	Note	Six months ended (Un-audited)	
			31 December 2018	31 December 2017
			----- Rupees -----	
<u>Associated companies</u>				
Omer Glass Industries Limited	Dividend paid during the period		46,402,560	32,095,104
M & M Glass (Private) Limited	Dividend paid during the period		5,573,064	3,854,703
<u>Directors</u>				
Omer Baig (Managing Director)	Dividend paid during the period		199,995,240	60,879,155
	Remuneration paid	12.1	9,000,000	5,400,000
	Loan received from director		5,500,000	-
	Repayment of loan to director		982,939	293,047,601
Mohammad Baig (Director)	Dividend paid during the period		11,311,176	4,150,000
	Remuneration paid	12.1	3,000,000	-
Tajammal Husain Bokharee (Director)	Dividend paid during the period		93,000	2,075
	Meeting fee paid		25,000	50,000
Saad Iqbal (Director)	Dividend paid during the period		1,380,000	954,500
	Meeting fee paid		25,000	50,000
Rubina Nayyar (Director)	Dividend paid during the period		3,462	-
Faiz Muhammad (Director)	Dividend paid during the period		3,000	-
Mansoor Irfani (Chairman)	Dividend paid during the period		20,772	14,367
Naima Shahnaz Baig - Late (Ex-Director)	Dividend paid during the period		-	2,657,643
<u>Employee benefit plan</u>				
Provident fund	Contributions		13,232,457	11,050,546
<u>Key management personnel</u>				
	Remuneration paid	12.1	19,425,685	17,611,010

12.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including the Chief Financial Officer, Chief Executive Officer, Directors and Head of Departments to be its key management personnel.

13 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	For the half year ended 31 December 2018				
	Liabilities				
	Long term finances	Short term borrowings	Liabilities against assets subject to finance lease	Unclaimed dividend	Total
----- Rupees -----					
Balance as at 01 July 2018 (Audited)	715,620,311	217,479,499	3,713,456	5,370,450	942,183,716
<u>Changes from financing activities</u>					
Repayments of long term finances	(54,166,667)	-	-	-	(54,166,667)
Short term borrowings receipts net of payments	-	545,113,285	-	-	545,113,285
Repayments of finance lease liabilities	-	-	(1,438,801)	-	(1,438,801)
Dividend paid	-	-	-	(437,221,976)	(437,221,976)
Total changes from financing cash flows	(54,166,667)	545,113,285	(1,438,801)	(437,221,976)	52,285,841
<u>Other changes</u>					
Dividend for the year	-	-	-	440,748,000	440,748,000
Total liability related other changes	-	-	-	440,748,000	440,748,000
Closing as at 31 December 2018 (Un-audited)	661,453,644	762,592,784	2,274,655	8,896,474	1,435,217,557



For the half year ended 31 December 2017					
Liabilities					
Long term finances	Short term borrowings	Liabilities against assets subject to finance lease	Unclaimed dividend	Total	
Rupees					
Balance as at 01 July 2017 (Audited)	448,514,044	2,154,261,108	18,423,635	4,145,933	2,625,344,720
Changes from financing activities					
Receipts from long term finances - net of repayment	295,965,011	-	-	-	295,965,011
Short term borrowings repaid net of payments	-	(475,655,736)	-	-	(475,655,736)
Repayments of finance lease liabilities	-	-	(7,597,323)	-	(7,597,323)
Dividend paid	-	-	-	(302,743,929)	(302,743,929)
Total changes from financing cash flows	295,965,011	(475,655,736)	(7,597,323)	(302,743,929)	(490,031,977)
Other changes					
Dividend for the year	-	-	-	304,850,710	304,850,710
Total liability related other changes	-	-	-	304,850,710	304,850,710
Closing as at 31 December 2017 (Un-audited)	744,479,055	1,678,605,372	10,826,312	6,252,714	2,440,163,453

14 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

For the half year ended 31 December 2018						
Loans and receivables	Carrying Amount		Fair Value			Level 3
	Other financial liabilities	Total	Level 1	Level 2	Level 3	
Rupees						
On-Balance sheet financial instruments						
31 December 2018 - (Un-audited)						
Financial assets measured at fair value						
-	-	-	-	-	-	-
Financial assets not measured at fair value						
Cash and bank balances	262,848,017	262,848,017	-	-	-	-
Security deposit	13,035,449	13,035,449	-	-	-	-
Long term deposits	45,046,707	45,046,707	-	-	-	-
Trade debts - considered good	908,608,060	908,608,060	-	-	-	-
14.1	1,229,538,233	1,229,538,233	-	-	-	-
Financial liabilities measured at fair value						
-	-	-	-	-	-	-
Financial liabilities not measured at fair value						
Liabilities against assets subject to finance lease	-	2,274,655	2,274,655	-	-	-
Long term finances - secured	-	661,453,644	661,453,644	-	-	-
Trade and other payables	-	995,442,310	995,442,310	-	-	-
Unclaimed dividend	-	8,896,474	8,896,474	-	-	-
Short term borrowing	-	3,073,608,709	3,073,608,709	-	-	-
Accrued mark up	-	62,625,791	62,625,791	-	-	-
14.1	-	4,804,301,583	4,804,301,583	-	-	-
30 June 2018						
Loans and receivables	Carrying Amount		Fair Value			Level 3
	Other financial liabilities	Total	Level 1	Level 2	Level 3	
Rupees						
On-Balance sheet financial instruments						
30 June 2018 - (Audited)						
Financial assets measured at fair value						
-	-	-	-	-	-	-
Financial assets not measured at fair value						
Cash and bank balances	254,829,099	254,829,099	-	-	-	-
Security deposit	15,794,349	15,794,349	-	-	-	-
Long term deposits	39,262,268	39,262,268	-	-	-	-
Trade debts - considered good	657,870,000	657,870,000	-	-	-	-
14.1	967,775,716	967,775,716	-	-	-	-
Financial liabilities measured at fair value						
-	-	-	-	-	-	-
Financial liabilities not measured at fair value						
Liabilities against assets subject to finance lease	-	3,713,456	3,713,456	-	-	-
Long term finances - secured	-	715,620,311	715,620,311	-	-	-
Trade and other payables	-	969,437,396	969,437,396	-	-	-
Unclaimed dividend	-	5,370,450	5,370,450	-	-	-
Short term borrowing	-	1,094,922,101	1,094,922,101	-	-	-
Accrued mark up	-	30,839,016	30,839,016	-	-	-
14.1	-	2,819,902,730	2,819,902,730	-	-	-



- 14.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.
- 14.2 Freehold land has been carried at revalued amount determined by independent professional valuer (level 3 measurement) based on their assessment of the market values as disclosed. The valuation expert used a market based approach to arrive at the fair value of the Company's land. The revaluation of the freehold land was based on inquiries from real estate agents and property dealers in near vicinity of the freehold land. Different valuation methods and exercises were adopted according to location and other usage of freehold land considering all other relevant factors. The effect of changes in the unobservable inputs used in valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been given in this condensed interim financial information.
- 15 **Financial risk management**
The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended 30 June 2018.
- 16 **Date of authorization**
This un-audited condensed interim financial information for the half year ended 31 December 2018 was authorized for issue by the Board of Directors on February 27, 2019.

February 27, 2019
Lahore

MANSOOR IRFANI
CHAIRMAN

OMER BAIG
MANAGING DIRECTOR / CEO

WAQAR ULLAH
CHIEF FINANCIAL OFFICER