



3rd 31st Mar. 2007
(Un - Audited)
**QUARTERLY
REPORT**



An ISO 9001:2000 Certified Company

TARIQ GLASS INDUSTRIES LTD.



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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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DIRECTORS' REPORT

It gives me pleasure to present you the accounts for the quarter and the accumulated for the nine months ended March 31, 2007.

Operating Performance:

By the Grace of Almighty Allah, your company has earned a net profit of Rs. 63.935 million after taxation for the period of nine months ended March 31, 2007 as compared to the net profit of Rs. 46.497 million for corresponding period of previous year. The net profit for the third quarter is low because of interruption in the supply of natural gas during the quarter under review which resulted in lower production. In addition furnace oil was consumed to maintain the minimum temperature levels of the furnaces, hence extra expenditure. The mark up rates of the financial facilities were revised upwards due to change in KIBOR resulting in increase in the finance costs.

The net sales of the current nine months increased by Rs. 51.392 million over the corresponding period of nine months showing a growth of 6.7 %. The earnings per share have also improved.

A comparative summary of the financial results for the nine months ended March 31, 2007 is as follows:

	March 31, 2007 Rupees	March 31, 2006 Rupees
Profit before taxation	69,245,183	59,126,449
Taxation	<u>5,310,195</u>	<u>12,629,290</u>
Profit after taxation	<u>63,934,988</u>	<u>46,497,159</u>
Earnings per Share	Rs. 5.54	4.03

Future Outlook:

As reported earlier the works on Third Furnace is in hand. Major portion of the imported Furnace Refractories have arrived at the works, civil works of the furnace foundation and new warehouse is in full swing and Inshallah it is hoped that the commercial production will commence before the end of current calendar year.

Besides good financial results, we are providing a large range of products which are of very high quality, catering for local and export markets. We would like to thank all the members of our team and distributors whose efforts are playing major role in the growth of the company and urge them for their continuous support and cooperation for the growth of the company.

For and on behalf of the Board

(TARIQ BAIG)

Chairman and Managing Director

Lahore: April 26, 2007



BALANCE SHEET AS AT MARCH 31, 2007
(Unaudited)

	31 March 2007 (Un-Audited) Rupees	30 June 2006 (Audited) Rupees
LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
25,000,000 ordinary shares of Rs 10 each	<u>250,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid up capital		
11,550,000 (2006:11,000,000) ordinary shares of Rs 10 each	115,500,000	110,000,000
Unappropriated profit	<u>189,826,618</u>	<u>135,743,328</u>
	305,326,618	245,743,328
NON - CURRENT LIABILITIES		
Long term finances		
- Secured	142,455,562	46,089,502
- Unsecured	149,005,514	129,005,514
	291,461,076	175,095,016
Liabilities against assets subject to finance lease	9,235,520	10,927,634
Long term security deposits	5,360,691	5,167,203
Deferred liabilities	35,785,310	34,928,774
	341,842,597	226,118,627
CURRENT LIABILITIES		
Short term borrowings - secured	108,849,206	93,805,787
Current maturity of long term liabilities	28,788,064	47,374,652
Trade and other payables	175,913,572	154,155,241
Provision for taxation	9,059,152	5,054,381
	322,609,994	300,390,061
CONTINGENCIES AND COMMITMENTS		
	<u>969,779,209</u>	<u>772,252,016</u>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	492,304,359	446,858,434
Long term deposits	9,956,303	7,467,740
	502,260,662	454,326,174
CURRENT ASSETS		
Stores and spares	170,319,473	146,888,174
Stock in trade	102,936,717	78,882,179
Trade debtors - unsecured, considered good	26,949,240	9,238,710
Advances, deposits, prepayments and other receivables	153,910,937	75,132,890
Cash and bank balances	13,402,180	7,783,889
	467,518,547	317,925,842
	<u>969,779,209</u>	<u>772,252,016</u>

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

Lahore: April 26, 2007

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR



**PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2007
(Unaudited)**

	<u>Nine Months Ended 31 March</u>		<u>Quarter Ended 31 March</u>	
	<u>2007</u> Rupees	<u>2006</u> Rupees	<u>2007</u> Rupees	<u>2006</u> Rupees
Sales - Net	817,249,571	765,857,770	279,405,572	270,745,012
Cost of sales	(657,637,411)	(624,685,310)	(231,451,976)	(225,921,853)
Gross profit	159,612,160	141,172,460	47,953,596	44,823,159
Administration expenses	(20,728,942)	(21,643,514)	(6,147,254)	(6,434,821)
Distribution and marketing expenses	(39,776,072)	(41,763,583)	(12,978,587)	(10,852,068)
Other operating expenses	(3,567,993)	(3,111,918)	(949,843)	(1,003,216)
Other income	970,705	2,921,425	-	55,325
Profit from operations	96,509,858	77,574,870	27,877,912	26,588,379
Finance cost	(27,264,675)	(18,448,421)	(9,830,888)	(7,527,273)
Profit before taxation	69,245,183	59,126,449	18,047,024	19,061,106
Provision for taxation	(5,310,195)	(12,629,290)	(1,911,052)	(1,353,725)
Profit after taxation	63,934,988	46,497,159	16,135,972	17,707,381
Earnings per share - basic and diluted	5.54	4.03	1.40	1.53

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

Lahore: April 26, 2007

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR



**CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31 2007
(Unaudited)**

	Nine months ended	
	31 March 2007 Rupees	31 March 2006 Rupees
Cash flows from operating activities		
Profit before taxation	69,245,183	59,126,449
Adjustments for non cash and other items:		
Depreciation	42,148,534	41,401,297
Finance cost	27,264,675	18,448,421
Workers' profit participation fund	3,567,993	3,111,918
Gain on sale of fixed assets	(970,705)	(2,921,425)
	<u>72,010,497</u>	<u>60,040,211</u>
Operating profit before working capital changes	141,255,680	119,166,660
Increase in current assets:		
Stores and spares	(23,431,299)	(36,817,613)
Stock in trade	(24,054,538)	(3,403,092)
Trade debtors	(17,710,530)	(3,069,510)
Advances, deposits, prepayments and other receivables	(71,475,450)	(7,181,350)
	<u>(136,671,817)</u>	<u>(50,471,565)</u>
Increase/(decrease) in current liabilities:		
Short term borrowings	15,043,419	(23,390,790)
Trade and other payables	14,225,078	27,596,082
	<u>29,268,497</u>	<u>4,205,292</u>
Cash generated from operations	33,852,360	72,900,387
Financial charges paid	(20,574,536)	(13,936,406)
Taxes paid	(7,708,021)	(2,525,063)
WPPF paid	(3,383,547)	(2,417,824)
Staff gratuity	(43,464)	(10,300)
	<u>(31,709,568)</u>	<u>(18,889,593)</u>
Net cash generated from operating activities	2,142,792	54,010,794
Cash flows from investing activities		
Additions to fixed assets	(90,123,756)	(84,491,594)
Proceeds from sale of fixed assets	3,500,000	5,437,002
Long term security deposits	(2,488,563)	(5,964,941)
Net cash used in investing activities	(89,112,319)	(85,019,533)
Cash flows from financing activities		
Long term loans	99,889,218	30,150,743
Liabilities against assets subject to finance lease	(3,801,860)	9,430,902
Long term deposits	193,488	60,000
Dividend paid	(3,693,028)	(5,330,999)
Net cash generated from / (used in) financing activities	92,587,818	34,310,646
Net increase in cash and cash equivalents during the period	5,618,291	3,301,907
Cash and cash equivalents at the beginning of the period	7,783,889	6,724,286
Cash and cash equivalents at the end of the period	13,402,180	10,026,193

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

TARIQ BAIG

CHAIRMAN & MANAGING DIRECTOR

OMER BAIG

DIRECTOR

Lahore: April 26, 2007

**STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31 2007
(Unaudited)**

	Share Capital Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at 30 June 2005	100,000,000	101,630,602	201,630,602
Final dividend for the year ended 30 June 2005 at the rate of Rs 0.5 (5%) per share	-	(5,000,000)	(5,000,000)
Bonus shares issued for the year ended 30 June 2005 at the rate of 10%	10,000,000	(10,000,000)	-
Profit for the nine months ended 31 March 2006	-	46,497,159	46,497,159
Balance as at 31 March 2006	<u>110,000,000</u>	<u>133,127,761</u>	<u>243,127,761</u>
Profit for the three months ended June 30 2006	-	2,615,567	2,615,567
Balance as at 30 June 2006	<u>110,000,000</u>	<u>135,743,328</u>	<u>245,743,328</u>
Final dividend for the year ended 30 June 2006 at the rate of Rs 0.1 (10%) per share	-	(4,351,698)	(4,351,698)
Bonus shares issued for the year ended 30 June 2006 at the rate of 5%	5,500,000	(5,500,000)	-
Profit for the nine months ended 31 March 2007		63,934,988	63,934,988
Balance as at 31 March 2007	<u>115,500,000</u>	<u>189,826,618</u>	<u>305,326,618</u>

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

Lahore: April 26, 2007

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR



**NOTES TO THE ACCOUNTS
FOR THE PERIOD OF NINE MONTHS ENDED MARCH 31, 2007
(UN-AUDITED)**

1. These financial statements are un-audited and are being 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 accounts of the company.
3. These accounts have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting".
4. There is no significant change in contingent liabilities of the company since last annual balance sheet date.
5. Provisions in respect of taxation and workers profit participation fund are estimated and final liability will be determined on the basis of annual results.
6. Figures have been rounded off to the nearest rupee. Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison.

TARIQ BAIG

CHAIRMAN & MANAGING DIRECTOR

OMER BAIG

DIRECTOR

Lahore: April 26, 2007

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NASIC
GLASSWARE



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