

An ISO 9001:2000 Certified Company



TARIQ GLASS INDUSTRIES LTD.



3rd QUARTERLY REPORT

*31st March 2008
(Un - Audited)*



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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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DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to submit the quarterly report comprising of the financial statements for the period ended March 31, 2008.

Company's Performance and future outlook

We are pleased to inform you that the expansion work undertaken for the enhancement of production facilities, by the Grace of Almighty Allah has been completed successfully. The trial production was started from the second week of April 2008 and gradually the production efficiencies are improving and Insha Allah in a couple of weeks shall achieve desired results.

The summer season has started and the demand of tableware articles is touching its peak therefore no sales problem is foreseen. Keeping in view the present marketing scenario the management is very much confident that the rainy season is over and the losses incurred during the nine months period will be substantially reduced.

As, it was conveyed previously, the gas supply was resorted in the beginning of March 2008 and till that time alternative fuel arrangement in the form of furnace oil was made at exorbitant prices which is almost three times higher than the gas prices. The use of furnace oil dropped the production efficiencies, thus adding to the losses. In addition to decrease in production efficiencies, sales volumes were also dropped during the period because of economic instability, law and order situation and the general elections in the country.

The financial results for the quarter under review are depressing but Insha Allah, we are very confident that the financial results for the last quarter of the current financial year will show much improved situation.

A comparative summary of the financial results for the nine months ended March 31, 2008 is as follows.

	March 31, 08 Rupees	March 31, 07 Rupees
(Loss) / Profit before taxation & Extra Ordinary items	(6,818,787)	69,245,183
Re-instatement of waived off loans	<u>(34,000,000)</u>	-
	(40,818,787)	<u>69,245,183</u>
Provision for Taxation	(5,685,909)	(5,310,195)
(Loss) / Profit after Taxation	<u>(46,504,696)</u>	<u>63,934,988</u>
(Loss) / Earning Per Share basic & diluted	Rs. (2.01)	2.77

For and on behalf of the Board



**BALANCE SHEET AS AT MARCH 31, 2008
(UN-AUDITED)**

	31 March 2008 (Un-Audited) Rupees	30 June 2007 (Audited) Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
25,000,000 ordinary shares of Rs 10 each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid up capital		
23,100,000 (2007: 11,550,000) ordinary shares of Rs 10 each	231,000,000	115,500,000
Share Premium Account	173,250,000	-
Un-appropriated profit	<u>125,143,906</u>	<u>176,217,886</u>
	<u>529,393,906</u>	<u>291,717,886</u>
NON - CURRENT LIABILITIES		
Long term loans		
- Secured	82,073,978	137,288,299
- Unsecured	<u>60,972,714</u>	<u>164,305,514</u>
	143,046,692	301,593,813
Liabilities against assets subject to finance lease	7,562,087	8,389,353
Long term security deposits	5,356,657	5,255,257
Deferred liabilities	<u>52,400,741</u>	<u>52,982,788</u>
	<u>208,366,177</u>	<u>368,221,211</u>
CURRENT LIABILITIES		
Short term borrowings - secured	134,800,237	82,569,095
Current maturity of long term liabilities	35,434,413	41,345,741
Trade and other payables	199,583,301	176,140,914
Provision for taxation	<u>14,680,527</u>	<u>8,994,618</u>
	384,498,478	309,050,368
CONTINGENCIES AND COMMITMENTS		
	<u>1,122,258,561</u>	<u>968,989,465</u>
ASSETS		
Property, plant and equipment	728,872,561	613,788,046
Long term security deposits	7,998,253	9,113,303
CURRENT ASSETS		
Stores and spares	207,723,998	169,038,950
Stock in trade	73,587,847	79,543,999
Trade debtors - unsecured, considered good	26,193,013	14,302,719
Advances, deposits, prepayments and other receivables	67,053,832	71,751,633
Cash and bank balances	<u>10,829,057</u>	<u>11,450,815</u>
	385,387,747	346,088,116
	<u>1,122,258,561</u>	<u>968,989,465</u>

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

April 29, 2008
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR



**PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2008
(UN-AUDITED)**

	<u>Nine Months Ended 31 March</u>		<u>Quarter Ended 31 March</u>	
	2008 Rupees	2007 Rupees	2008 Rupees	2007 Rupees
Sales - Net	823,061,290	817,249,571	278,851,071	279,405,572
Cost of sales	744,268,088	657,637,411	283,952,234	231,451,976
Gross Profit / (Loss)	78,793,202	159,612,160	(5,101,163)	47,953,596
Operating expenses				
Administrative	22,145,124	20,728,942	7,501,787	6,147,254
Selling and Distribution	38,558,352	39,776,072	11,817,333	12,978,587
	60,703,475	60,505,014	19,319,119	19,125,841
Operating Profit / (Loss)	18,089,727	99,107,146	(24,420,282)	28,827,755
Financial charges	25,386,624	27,264,675	9,368,221	9,830,888
Reinstatement of waived off loan	34,000,000	-	-	-
Other income	478,110	970,705	168,151	-
Other expenses	-	3,567,993	1,839,323	949,843
(Loss) / Profit before taxation	(40,818,787)	69,245,183	(35,459,675)	18,047,024
Provision for taxation	5,685,909	5,310,195	116,905	1,911,052
(Loss) / Profit after taxation	(46,504,696)	63,934,988	(35,576,580)	16,135,972
Earnings per share - basic and diluted	(2.01)	2.77	(1.54)	0.70

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



**CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2008
(UN-AUDITED)**

	Nine months ended	
	31 March 2008 Rupees	31 March 2007 Rupees
Cash flows from operating activities		
(Loss) / Profit before taxation	(6,350,831)	69,245,183
Adjustments for non cash and other items:		
Depreciation	40,057,822	42,148,534
Finance cost	25,386,624	27,264,675
Workers' profit participation fund	(467,956)	3,567,993
Reinstatement of Waived loan	(34,000,000)	-
Gain on sale of fixed assets	(478,110)	(970,705)
	30,498,380	72,010,497
Operating profit before working capital changes	24,147,549	141,255,680
Increase in current assets:		
Stores and spares	(38,685,048)	(23,431,299)
Stock in trade	5,956,152	(24,054,538)
Trade debtors	(11,890,294)	(17,710,530)
Advances, deposits, prepayments and other receivables	4,697,801	(71,475,450)
	(39,921,389)	(136,671,817)
Increase/(decrease) in current liabilities:		
Short term borrowings	52,231,142	15,043,419
Trade and other payables	25,908,940	14,225,078
	78,140,082	29,268,497
Cash generated from operations	62,366,242	33,852,360
Financial charges paid	(23,652,697)	(20,574,536)
Taxes paid	-	(7,708,021)
WPPF paid	(4,344,976)	(3,383,547)
Staff gratuity	(582,046)	(43,464)
	(28,579,719)	(31,709,568)
Net cash generated from operating activities	33,786,523	2,142,792
Cash flows from investing activities		
Additions to fixed assets	(155,789,233)	(90,123,756)
Proceeds from sale of fixed assets	1,125,018	3,500,000
Long term security deposits	1,115,050	(2,488,563)
Net cash used in investing activities	(153,549,165)	(89,112,319)
Cash flows from financing activities		
Long term loans	834,009	99,889,218
Receipt from issue of right shares	119,317,199	-
Liabilities against assets subject to finance lease	3,313,057	(3,801,860)
Long term deposits	101,400	193,488
Dividend paid	(4,424,781)	(3,693,028)
Net cash generated from financing activities	119,140,884	92,587,818
Net increase in cash and cash equivalents during the period	(621,758)	5,618,291
Cash and cash equivalents at the beginning of the period	11,450,815	7,783,889
Cash and cash equivalents at the end of the period	10,829,057	13,402,180

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



**STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2008
(UN-AUDITED)**

	Share capital	Share Premium	Un-appropriated profit	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2006	110,000,000	-	135,743,328	245,743,328
Final dividend for the year ended 30 June 2006 at the rate of Re. 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 period ended 31 March 2007	-	-	63,934,988	63,934,988
Balance as at 31 March 2007	115,500,000	-	189,826,618	305,326,618
Loss for the three months period ended June 30, 2007	-	-	(13,608,732)	(13,608,732)
Balance as at 30 June 2007	115,500,000	-	176,217,886	291,717,886
Right shares issued	115,500,000	173,250,000	-	288,750,000
Final dividend for the year ended 30 June 2007 at the rate of Re. 1 (10%) per share	-	-	(4,569,284)	(4,569,284)
Loss for the nine months period ended 31 March 2008	-	-	(46,504,696)	(46,504,696)
Balance as at 31 March 2008	231,000,000	173,250,000	125,143,906	529,393,906

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



**NOTES TO THE ACCOUNTS
FOR THE PERIOD OF NINE MONTHS ENDED MARCH 31, 2008
(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. **CONTINGENCIES AND COMMITMENTS**
Commitments under letters of credit at the period end amounted to Rs. 24.509 million (30 June 2007: Rs. 60.09 million).
On 20 June 2007, the Company announced issuance of right shares. Industrial Products Investment Limited and Directors have opted for conversion of loans against right shares entitlement and consequently the conditional waiver of loan has been reinstated on 01 September 2007. Further, the Company issued right shares during the period.
Apart from above, there is no significant change in the contingencies and commitment since the 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.



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