

# 3<sup>rd</sup> QUARTERLY REPORT

31<sup>st</sup> March 2010 (Un - Audited)



*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  
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) 3785441-3  
FAX: (056) 3783912



## DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited take pleasure in presenting the review report together with the un-audited financial statements of the Company for the third quarter and nine months ended March 31, 2010.

### Operating Performance:

Your Company continued its forward march and demonstration of profits by registering after tax profit of Rs. 84.935 million for the period of first nine months. The sales revenue also kept its trend of growth with robust increase of 44% for the period under report as compared to the same period of the corresponding year. This became possible only through the hard work, dedication and devotion of the entire production team who devised and developed the infrastructure for LPG to be used during the suspension of gas supply by SNGPL. This development has played a pivotal role in getting the continuous production yields. Previously, only the furnaces were kept alive with the usage of the furnace oil with no production as the remainder production process can only operate with gas. The cost of LPG is almost five times higher than the cost of natural gas yet the uninterrupted production bore the fruits, although with thin margins, during the quarter under report. The management is very confident that the improvised system of LPG will play a positive role in production during the years to come.

Another factor for lower profitability was the usage of furnace oil and diesel (which are almost three to four times the cost of gas) due to complete stoppage of gas after every three days and electricity load shedding. These are the key factors of the increased cost of manufacturing for the period under review.

Even in this challenging environment the Earnings Per Share for the nine months of the current year has been recorded at Rs. 3.68 and by the grace of Almighty Allah, the Board of Directors have recommended the payment of 7.5 % interim cash dividend. The Directors hope that the pay out process Inshallah, will continue with the momentum of growth in profitability.

A comparative summary of the financial results for the period ended March 31, 2010 is as follows:

	(Rupees)	
	For the period ended March 31	
	2010	2009
Sales - Net	1,508,534,038	1,050,667,998
Gross Profit	1,231,723,971	965,768,330
Profit / (Loss) Before Taxation	117,504,770	(35,335,584)
Taxation	32,569,642	(7,407,515)
Profit / (Loss) After Taxation	84,935,128	(27,928,069)
Earnings Per Share	3.68	(1.21)

### Future Outlook:

The Management is concentrating on the value added production by maximizing the production of higher yield items.

Management is also making rationalized efforts for the maximization of profits and in this regard extensive efforts are being made on continuous basis to control the operating costs.

With profound gratitude to the blessings of Allah Almighty, the Board is of the opinion that the Company shall remain on its way to success.

For and on behalf of the Board



## CONDENSED INTERIM BALANCE SHEET

	31 March 2010 (Un-audited) Rupees	30 June 2009 (Audited) Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
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 ordinary shares of Rs. 10 each	231,000,000	231,000,000
Share premium	173,250,000	173,250,000
Unappropriated profit	174,730,070	89,794,943
	578,980,070	494,044,943
<b>Non current liabilities</b>		
Long term loans		
Secured	109,819,334	130,988,645
Unsecured	126,820,449	124,620,449
	236,639,783	255,609,094
Liabilities against assets subject to finance lease	3,457,289	3,973,958
Long term security deposits	5,133,066	5,333,066
Deferred liabilities	78,457,492	54,578,401
<b>Current liabilities</b>		
Trade and other payables	248,715,713	199,031,401
Accrued markup	31,380,675	34,784,952
Short term borrowings - secured	74,977,608	140,929,848
Current maturity of non current liabilities	66,912,851	58,764,436
Provision for taxation	9,462,030	1,208,112
	431,448,877	434,718,749
<b>Contingencies and commitments</b>	-	-
	<u>1,334,116,577</u>	<u>1,248,258,211</u>

The annexed notes 1 to 6 form an integral part of these financial statements.

TARIQ BAIG

CHAIRMAN AND MANAGING DIRECTOR

Lahore: April 30, 2010



## AS AT 31 MARCH 2010 (UN-AUDITED)

	31 March 2010 (Un-audited) Rupees	30 June 2009 (Audited) Rupees
<b>ASSETS</b>		
Property, plant and equipment	762,507,779	806,500,412
Long term security deposits	7,935,104	6,926,054
<b>Current assets</b>		
Stores and spares	273,764,993	243,597,488
Stock in trade	136,518,970	97,992,741
Trade debtors - unsecured, considered good	32,336,343	20,039,775
Advances, deposits, prepayments and other receivables	94,981,714	63,554,806
Cash and bank balances	26,071,674	9,646,935
	563,673,694	434,831,745
	<u>1,334,116,577</u>	<u>1,248,258,211</u>

OMER BAIG  
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2010 (UN-AUDITED)**

	Nine Months Ended 31 March		Quarter ended 31 March	
	2010	2009	2010	2009
	Rupees	Rupees	Rupees	Rupees
Sales - Net	1,508,534,038	1,050,667,998	522,330,320	339,097,789
Cost of sales	1,231,723,971	965,768,330	459,882,849	329,610,709
<b>Gross profit</b>	<b>276,810,067</b>	<b>84,899,668</b>	<b>62,447,471</b>	<b>9,487,080</b>
<b>Operating expenses</b>				
Administrative	28,908,154	25,966,248	10,752,911	8,553,051
Selling and distribution	85,635,440	57,588,713	32,260,779	19,247,392
	114,543,594	83,554,960	43,013,690	27,800,442
<b>Operating Profit / (Loss)</b>	<b>162,266,473</b>	<b>1,344,708</b>	<b>19,433,781</b>	<b>(18,313,362)</b>
Financial charges	36,345,229	36,862,417	11,699,496	12,125,628
Other income	225,180	182,125	-	-
Other expenses	8,541,654	-	530,784	-
<b>Profit / (Loss) before taxation</b>	<b>117,504,770</b>	<b>(35,335,584)</b>	<b>7,203,501</b>	<b>(30,438,990)</b>
Provision for taxation	32,569,642	(7,407,515)	2,851,258	268,591
<b>Profit / (Loss) after taxation</b>	<b>84,935,128</b>	<b>(27,928,069)</b>	<b>4,352,243</b>	<b>(30,707,581)</b>
Earnings per share	3.68	(1.21)	0.19	(1.33)

The annexed notes 1 to 6 form an integral part of these financial statements.



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2010 (UN-AUDITED)**

	Nine months ended 31 March		Quarter ended 31 March	
	2010	2009	2010	2009
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) for the period	<b>84,935,128</b>	(27,928,069)	<b>4,352,243</b>	(30,707,581)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>84,935,128</b>	<b>(27,928,069)</b>	<b>4,352,243</b>	<b>(30,707,581)</b>

The annexed notes 1 to 6 form an integral part of these financial statements.

TARIQ BAIG

CHAIRMAN AND MANAGING DIRECTOR

OMER BAIG

DIRECTOR

Lahore: April 30, 2010





## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 31 MARCH 2010 (UN-AUDITED)

	Nine months ended	
	31 March 2010 Rupees	31 March 2009 Rupees
<b>Cash flow from operating activities</b>		
Profit/(Loss) before taxation	117,504,770	(35,335,584)
Adjustments for non cash and other items:		
Depreciation	78,270,666	68,286,328
Financial Charges	36,345,229	36,862,417
Workers' profit participation fund	6,296,062	-
Workers' welfare fund	2,345,592	-
Gain on sale of fixed assets	(225,180)	(182,125)
	123,032,369	104,966,620
<b>Operating profit before working capital changes</b>	240,537,139	69,631,036
<b>Increase/(Decrease) in current assets:</b>		
Stores and spares	(30,167,505)	(38,753,229)
Stock in trade	(38,526,229)	(1,010,137)
Trade debtors	(12,296,568)	(17,146,114)
Advances, deposits, prepayments and other receivables	(31,426,908)	13,216,057
	(112,417,210)	(43,693,423)
<b>Increase/(Decrease) in current liabilities:</b>		
Trade and other payables	41,042,557	(15,799,166)
<b>Cash generated from operations</b>	169,162,586	10,138,447
<b>Financial charges paid</b>	(39,749,506)	(29,849,181)
<b>Staff gratuity</b>	(436,633)	(154,590)
	(40,186,139)	(30,003,751)
<b>Net cash generated from operating activities</b>	128,976,447	(19,865,304)
<b>Cash flow from investing activities</b>		
Fixed capital expenditure incurred	(34,402,853)	(107,148,301)
Proceeds from sale of fixed assets	350,000	625,000
Long term security deposits	(1,009,050)	(3,100,600)
<b>Net cash used in investing activities</b>	(35,061,903)	(109,623,901)
<b>Cash flow from financing activities</b>		
Long term loans	(12,302,635)	46,618,948
Short term borrowings	(65,952,240)	66,957,316
Liabilities against assets subject to finance lease	965,070	21,303,573
Long term security deposits	(200,000)	(98,591)
<b>Net cash inflow from financing activities</b>	(77,489,805)	134,781,246
<b>Net increase in cash and cash equivalents</b>	16,424,739	5,292,041
<b>Cash and cash equivalents at the beginning of the period</b>	9,646,935	5,908,373
<b>Cash and cash equivalents at the end of the period</b>	26,071,674	11,200,414

The annexed notes 1 to 6 form an integral part of these financial statements.



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 31 MARCH 2010 (UN-AUDITED)**

	Share capital Rupees	Share premium Rupees	Unappropriated profit Rupees	Total Rupees
<b>Balance as at 30 June 2008</b>	231,000,000	173,250,000	120,497,677	524,747,677
(Loss) for the nine months period ended 31 March 2009	-	-	(27,928,069)	(27,928,069)
<b>Balance as at 31 March 2009</b>	231,000,000	173,250,000	92,569,608	496,819,608
(Loss) for the three months period ended 30 June 2009	-	-	(2,774,665)	(2,774,665)
<b>Balance as at 30 June 2009</b>	231,000,000	173,250,000	89,794,943	494,044,943
Profit for the nine months period ended 31 March 2010	-	-	84,935,128	84,935,128
<b>Balance as at 31 March 2010</b>	<u>231,000,000</u>	<u>173,250,000</u>	<u>174,730,070</u>	<u>578,980,070</u>

The annexed notes 1 to 6 form an integral part of these financial statements.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2010

1. These financial statements are un-audited, 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 Financial Statements for the year ended June 30, 2009.
3. 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, 2009.

4. There is no significant change in the contingencies and commitments status since the last annual balance sheet date.
5. Figures have been rounded off to the nearest rupee.
6. These financial statements were authorized for issuance by the Board of Directors on April 30, 2010.



## TARIQ GLASS INDUSTRIES LTD.

128 - J, Model Town, Lahore, Pakistan.

Tel: (+92 42) 111 343 434

Fax: (+92 42) 35857692, 35857693

