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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

#### **NOMINEE DIRECTOR IPI**

MR. MUJAHID ESHAI

#### **SECRETARY**

MR. MOHSIN ALI

#### **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

#### **REGISTERED OFFICE**

128-J, MODEL TOWN, LAHORE.  
UAN : 042-111-34-34-34  
FAX : 042-35857692 - 35857693  
E-mail: info@tariqglass.com

#### **WORKS**

33-KM, LAHORE/SHEIKHUPURA ROAD  
TEL: (042) 37925652, (056) 3500635-37  
FAX: (056) 3500633



## DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited take pleasure in presenting the financial information for the 3<sup>rd</sup> quarter and nine months period ended March 31, 2012.

### Financial and Operational Performance

By the grace of Almighty Allah, all components of the business contributed positively and phenomenal achievements were made during the period under review. The top line revenues of the Company for a cumulative period of nine months zenith to a momentous mark of Rs. 2.53 billion as compared to Rs. 1.86 billion of the corresponding period of the last year. This represents a 36% growth over the similar period of previous year and reflects a strong level of customers' confidence in the Company and its time tested products. The cost saving initiatives, reliable and efficient products, effective business plans, and clear strategy to move towards value added products have played a key role in this achievement. On the contrary, profit margins were radically eroded by high energy costs due to extended power and gas breakdowns resulting in usage of more expensive furnace oil, diesel and LPG. The costs saving initiatives were taken to partially offset the negative impact of escalating input costs.

Just for the information of members, current EPS of Rs. 3.08 is diluted due to 200% right issue exercised for the float glass project, had there been no impact of this right issue (since the reported revenues are from the existing business only) then the current EPS would have been Rs. 9.24.

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

	<b>(Million Rupees)</b>	
	<b>Nine Months Ended March 31</b>	
	<b>2012</b>	<b>2011</b>
<b>Net Sales</b>	<b>2,535</b>	1,861
<b>Gross Profit</b>	<b>509</b>	344
<b>Profit Before Tax</b>	<b>326</b>	156
<b>Profit After Tax</b>	<b>213</b>	125
<b>Earnings per share-Rupees</b>	<b>3.08</b>	(Re-stated) 5.24

### Future Outlook

We are aware that future growth and profitability is dependent on the augmentation of head line revenues for this fact the Company is tenacious by offering modern and innovative varieties in tableware product to the existing consumers and by focusing on exploration of new market segments both locally and internationally to enhance the products offering in order to create more demand for our tableware products.

The gas shut downs are continuing even in the summer season and this phenomenon has forced us to use alternative expensive LPG, Furnace and Diesel oils to keep the momentum of production, albeit at much higher cost. The inflation surge in the country cuts the industry in two ways, the rising cost of production and diminishing buying power of the consumer.

Going forward, besides the above enumerated abnormal factors, the management believes that economic prospects will improve in future and the Company shall continue its path in improving its performance

The Directors are pleased to report that work on the largest float glass manufacturing plant with a capacity of 550 tons per day is progressing satisfactorily and the plant is due for its first test run in the fourth quarter of this calendar year (Insha Allah).

For and on behalf of the Board

TARIQ BAIG

CHAIRMAN AND MANAGING DIRECTOR

Lahore: April 30, 2012



## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

	(Un-audited) Rupees 31 March 2012	(Audited) Rupees 30 June 2011
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
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
Unappropriated profit	522,067,633	334,911,442
	<u>1,478,764,753</u>	<u>1,291,608,562</u>
Surplus on revaluation of property, plant and equipment	<u>355,002,638</u>	355,002,638
	<u>1,833,767,391</u>	<u>1,646,611,200</u>
<b>Non current liabilities</b>		
Long term loans		
Secured	257,835,339	47,422,313
Unsecured	133,389,450	33,389,450
	<u>391,224,789</u>	80,811,763
Liabilities against assets subject to finance lease	<u>12,960,838</u>	4,276,594
Long term security deposits	<u>44,984,136</u>	5,283,066
Deferred liabilities	<u>131,746,432</u>	127,850,614
<b>Current liabilities</b>		
Current maturity of non current liabilities	45,413,373	49,055,847
Short term borrowings - secured	17,554,554	10,749,351
Trade and other payables	470,100,631	355,820,455
Accrued markup	32,165,985	34,747,900
Provision for taxation	135,723,316	27,157,725
	<u>700,957,859</u>	<u>477,531,278</u>
<b>Contingencies and commitments</b>	-	-
	<u>3,115,641,445</u>	<u>2,342,364,515</u>

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



**AS AT 31 MARCH 2012**

	<b>(Un-audited) Rupees 31 March 2012</b>	<b>(Audited) Rupees 30 June 2011</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	<b>1,947,451,629</b>	1,376,238,917
Long term security deposits	<b>12,094,509</b>	12,978,722
<b>Current assets</b>		
Stores and spares	<b>176,128,570</b>	162,629,586
Stock in trade	<b>175,106,164</b>	187,211,749
Trade debtors - unsecured, considered good	<b>43,897,162</b>	36,837,623
Advances, deposits, prepayments and other receivables	<b>180,586,919</b>	103,194,849
Cash and bank balances	<b>580,376,492</b>	463,273,069
	<b>1,156,095,307</b>	953,146,876
	<b><u>3,115,641,445</u></b>	<b><u>2,342,364,515</u></b>

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**OMER BAIG**  
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2012**

	Nine Months Ended 31 March		Quarter ended 31 March	
	2012	2011	2012	2011
	Rupees	Rupees	Rupees	Rupees
Sales - net	2,535,036,397	1,861,193,844	883,108,279	732,013,677
Cost of sales	2,026,201,487	1,517,117,094	715,674,123	621,624,654
<b>Gross profit</b>	<b>508,834,910</b>	<b>344,076,750</b>	<b>167,434,156</b>	<b>110,389,023</b>
<b>Operating expenses</b>				
Administrative	46,664,958	36,989,343	14,920,662	12,637,522
Selling and distribution	134,767,784	111,751,407	46,742,570	38,299,046
	181,432,742	148,740,750	61,663,232	50,936,568
	327,402,168	195,336,000	105,770,924	59,452,455
Other income	47,684,106	2,196,864	15,284,280	-
<b>Operating profit</b>	<b>375,086,274</b>	<b>197,532,864</b>	<b>121,055,204</b>	<b>59,452,455</b>
Finance cost	27,077,188	29,568,562	7,944,141	8,718,983
Other expenses	22,132,299	11,589,537	7,077,918	3,500,610
<b>Profit before taxation</b>	<b>325,876,787</b>	<b>156,374,765</b>	<b>106,033,145</b>	<b>47,232,862</b>
Taxation	112,461,410	31,871,959	33,532,692	10,320,137
<b>Profit after taxation</b>	<b>213,415,377</b>	<b>124,502,806</b>	<b>72,500,453</b>	<b>36,912,725</b>
Earnings per share - basic and diluted	3.08	Restated 5.24	1.05	Restated 1.55

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 AND NINE MONTHS ENDED 31 MARCH 2012**

	Nine months ended 31 March		Quarter ended 31 March	
	2012	2011	2012	2011
	Rupees	Rupees	Rupees	Rupees
Profit for the period	213,415,377	124,502,806	72,500,453	36,912,725
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>213,415,377</b>	<b>124,502,806</b>	<b>72,500,453</b>	<b>36,912,725</b>

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



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	Nine months ended	
	31 March 2012 Rupees	31 March 2011 Rupees
<b>Cash flow from operating activities</b>		
Profit before taxation	325,876,787	156,374,765
Adjustments for non cash and other items:		
Depreciation	90,540,210	83,709,969
Finance cost	27,077,188	29,568,562
Workers' profit participation fund	15,915,421	8,398,215
Workers' welfare fund	6,216,878	3,191,322
Profit on disposal of property, plant and equipment	(5,254,014)	(2,196,864)
	<b>134,495,683</b>	<b>122,671,205</b>
<b>Operating profit before working capital changes</b>	<b>460,372,470</b>	<b>279,045,970</b>
<b>(Increase) / Decrease in current assets:</b>		
Stores and spares	(13,498,984)	(20,958,540)
Stock in trade	12,105,585	(8,137,409)
Trade debtors	(7,059,539)	(31,373,829)
Advances, deposits, prepayments and other receivables	(50,247,807)	(22,720,808)
	<b>(58,700,745)</b>	<b>(83,190,586)</b>
<b>Increase/(Decrease) in current liabilities:</b>		
Trade and other payables	102,848,610	48,482,397
<b>Cash generated from operations</b>	<b>504,520,335</b>	<b>244,337,781</b>
Finance cost paid	(29,659,104)	(28,246,451)
Workers' profit participation fund paid	(11,052,688)	(9,955,174)
Income tax paid	(27,144,254)	(11,999,214)
	<b>(67,856,046)</b>	<b>(50,200,839)</b>
<b>Net cash generated from operating activities</b>	<b>436,664,289</b>	<b>194,136,942</b>
<b>Cash flow from investing activities</b>		
Fixed capital expenditure	(667,800,907)	(169,988,254)
Proceeds from sale of property, plant and equipment	11,302,000	1,420,000
Long term security deposits	884,213	(4,756,618)
<b>Net cash used in investing activities</b>	<b>(655,614,694)</b>	<b>(173,324,872)</b>
<b>Cash flow from financing activities</b>		
Long term finances	302,468,852	(135,146,702)
Short term borrowings	6,805,203	20,878,493
Share deposit money	-	318,440,000
Liabilities against assets subject to finance lease	12,985,934	(4,607,727)
Long term security deposits	39,701,070	200,000
Dividend paid	(25,907,231)	(25,447,336)
<b>Net cash inflow from financing activities</b>	<b>336,053,828</b>	<b>174,316,728</b>
<b>Net increase in cash and cash equivalents</b>	<b>117,103,423</b>	<b>195,128,798</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>463,273,069</b>	<b>14,555,887</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>580,376,492</b>	<b>209,684,685</b>

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 AND NINE MONTHS ENDED 31 MARCH 2012**

	Share capital Rupees	Share premium Rupees	Unappropriated profit Rupees	Total Rupees
Balance as at 30 June 2010	231,000,000	173,250,000	214,194,301	618,444,301
Final dividend for the year ended 30 June 2010 at the rate of Rs 1/- (10%) per ordinary share	-	-	(23,100,000)	(23,100,000)
Total comprehensive income for the nine months period ended 31 March 2011	-	-	124,502,806	124,502,806
<b>Balance as at 31 March 2011</b>	<b>231,000,000</b>	<b>173,250,000</b>	<b>315,597,107</b>	<b>719,847,107</b>
Right issue of 46,200,000 ordinary shares of Rs 12.50 each (inclusive of premium) fully paid in cash - net of issue costs	462,000,000	90,447,120	-	552,447,120
Total comprehensive income for the period ended 30 June 2011	-	-	19,314,335	19,314,335
<b>Balance as at 30 June 2011</b>	<b>693,000,000</b>	<b>263,697,120</b>	<b>334,911,442</b>	<b>1,291,608,562</b>
Final dividend for the year ended 30 June 2011 at the rate of Rs 1/- (10%) per ordinary share	-	-	(26,259,186)	(26,259,186)
Total comprehensive income for the period ended 31 March 2012	-	-	213,415,377	213,415,377
<b>Balance as at 31 March 2012</b>	<b>693,000,000</b>	<b>263,697,120</b>	<b>522,067,633</b>	<b>1,478,764,753</b>

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 MARCH 31, 2012**

1. This condensed interim financial information for the quarter and nine months period ended March 31, 2012 is un-audited, being circulated 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 condensed interim financial information 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 audited financial statements as at June 30, 2011.

2. The accounting policies adopted for the preparation of this financial information are the same as those applied in the preparation of preceding annual audited financial statements for the year ended June 30, 2011.
3. There is no significant change in the contingencies and commitments status since the last annual balance sheet date.
4. This un-audited condensed interim financial information for the quarter and nine months period ended March 31, 2012 was authorized for issuance by the Board of Directors on April 30, 2012.
5. Figures have been rounded off to the nearest rupee.



*TARIQ GLASS INDUSTRIES LTD.*

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