



## CONTENTS

COMPANY INFORMATION	_____	2
DIRECTORS' REPORT	_____	3
BALANCE SHEET	_____	4
PROFIT AND LOSS ACCOUNT	_____	6
STATEMENT OF COMPREHENSIVE INCOME	_____	7
CASH FLOW STATEMENT	_____	8
STATEMENT OF CHANGES IN EQUITY	_____	9
NOTES TO THE FINANCIAL INFORMATION	_____	10



## COMPANY INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN

MR. OMER BAIG

#### MANAGING DIRECTOR

MR. TARIQ BAIG

MRS. NAIMA SHAHNAZ BAIG

MR. MANSOOR IRFANI

MR. AKBAR BAIG

MR. DAVID JULIAN

MR. NAEEM NAZIR

INDEPENDENT DIRECTOR

#### CHIEF FINANCIAL OFFICER

MR. WAQAR ULLAH

#### COMPANY SECRETARY

MR. MOHSIN ALI

#### HUMAN RESOURCE

#### & REMUNERATION COMMITTEE

MR. MANSOOR IRFANI

MR. TARIQ BAIG

MR. NAEEM NAZIR

CHAIRMAN

MEMBER

MEMBER

#### AUDIT COMMITTEE

MR. NAEEM NAZIR

MR. OMER BAIG

MR. DAVID JULIAN

CHAIRMAN

MEMBER

MEMBER

#### AUDITORS

KPMG TASEER HADI & CO.

CHARTERED ACCOUNTANTS

#### LEGAL ADVISOR

KASURI AND ASSOCIATES

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

THE BANK OF PUNJAB

MCB BANK LTD

THE BANK OF KHYBER

ASKARI BANK LTD

MEEZAN BANK LTD

BANK ALFALAH LTD

FAYSAL BANK LTD

SINDH BANK LTD

BANKISLAMI PAKISTAN LTD

NIB BANK LTD

SAMBA BANK LTD

ALBARAKA BANK (PAK) LTD

STANDARD CHARTERED BANK (PAK) LTD

#### SHARES REGISTRAR

SHEMAS INTERNATIONAL (PVT) LTD.

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69 - The Mall Lahore.

Ph: 042 - 36280067, Fax: 042 - 36280068

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#### REGISTERED OFFICE

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## DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited are pleased to present before you the review report along with the financial information for the third quarter and nine months period ended March 31, 2015.

### Financial and Operational Performance

The sales revenue of the Company are continuing to rise and reached the momentous mark of Rs. 5,946 million despite the fact that one of the tableware producing furnaces was closed for scheduled repair. The sale of float glass aggregated to Rs. 3,735 million which represents a growth of 30.30%. However, the tableware sales is lower by 20.04% as compared to the same period of previous year, due to the closure of the furnace as mentioned above.

The overall industry is in a state of disarray due to the continuing short of supplies of gas and power. However, the plummeted global oil prices remained marginally supportive to control the cost of production. There is a significant improvement in financial performance of the Company which can be gauged from the figures of Short Term Bank Borrowings, Stores & Spares and Stock in Trade remaining almost at the same levels while impressive reduction accomplished in Long Term Loans by 14.35%, Trade and Other Payables by 14.07% and Trade Debtors by 14.28% as compared to the financial position at the close of last financial year. Moreover, the Gross Profit and Net Profit/(Loss) ratios for the nine months period ended March 31, 2015 have risen to 18.83% & 4.10% as compared to 12.30% & (2.72%) respectively of the corresponding period of the last financial year. Resultantly the bottom line for the period under report converted to Earnings per Share of Rs. 3.32 from the Loss per Share of Rs. (2.09) of the similar period of last year.

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

	(Million Rupees)	
	Nine Months Ended March 31	
	FY2014-2015	FY2013-2014
<b>Net Sales</b>	<b>5,946</b>	5,631
<b>Gross Profit</b>	<b>1,119</b>	693
<b>Profit / (Loss) Before Tax</b>	<b>224</b>	(99)
<b>Profit / (Loss) After Tax</b>	<b>244</b>	(153)
<b>Earnings / (Loss) per share – Rupees</b>	<b>3.32</b>	(2.09)

One of the tableware producing furnaces which was closed for a scheduled rebuild was fired on April 22, 2015 with enhanced capacity of 140 metric tons per day (Before Rebuild: 110 metric tons per day). By the grace of Allah Almighty, the commercial production will be available in first week of May-2015 upon achievement of satisfactory quality assurance of the glass produce.

### Future Outlook

The tableware business is facing competition from the new local entrants and the Chinese imported tableware. The sales mix was also affected because of the closure of one tableware producing furnace causing shorter inventories and lesser variety of stocks which will now be succeeded with the availability of commercial production of newly rebuilt furnace in first week of May-2015. The incremental capacities of local market players and imported stocks created a supply glut, which led to reduction in both the product price and margin over the tableware products. Our focus will also be directed towards capturing the tableware export potential by having a combination of Goblets, Light Weight Tumblers and state of the art Eight Colour Printed Range.

It was anticipated that the Government will organize the accomplishment of LNG during the third quarter of this financial year and some relief would be available to the industry in the province of Punjab which so far is on the wait list. The power and gas are the basic needs of industry in Punjab, the Government must play its role to resolve the energy issues for the survival and endurance of industrial sector particularly in the province of Punjab.

With the expansion and dedication to work, the Management is hopeful that your Company will register a substantial growth in profitability in the periods to come.

**For and on behalf of the Board**

**OMER BAIG  
CHAIRMAN**

**Lahore: April 30, 2015**



## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

	31 March 2015 (Un-audited) Rupees	30 June 2014 (Audited) Rupees
<b>EQUITY AND LIABILITIES</b>		
<b><u>Share capital and reserves</u></b>		
Authorized share capital 100,000,000 (30 June 2014: 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 73,458,000 ordinary shares of Rs. 10 each	734,580,000	734,580,000
Share premium	410,116,932	410,116,932
Equity portion of shareholders' loan	226,935,055	260,869,343
Unappropriated profit	1,214,002,521	984,679,146
	<b>2,585,634,508</b>	2,390,245,421
Surplus on revaluation of land	355,002,638	355,002,638
	<b>2,940,637,146</b>	<b>2,745,248,059</b>
<b><u>Non current liabilities</u></b>		
Long term loans		
Secured	618,908,334	921,846,042
Unsecured	633,865,909	545,591,621
	<b>1,252,774,243</b>	<b>1,467,437,663</b>
Liabilities against assets subject to finance lease	31,980,256	40,612,439
Long term deposits	258,139,437	258,969,877
Deferred liabilities	-	8,082,908
	<b>1,542,893,936</b>	<b>1,775,102,887</b>
<b><u>Current liabilities</u></b>		
Trade and other payables	690,063,902	803,490,749
Accrued markup	85,648,751	81,274,471
Short term borrowings - secured	1,841,782,755	1,843,437,453
Current maturity of non current liabilities	344,698,084	337,188,282
Provision for taxation	3,838,970	3,838,970
	<b>2,966,032,462</b>	<b>3,069,229,925</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>-</b>
	<b>7,449,563,544</b>	<b>7,589,580,871</b>

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



**AS AT 31 MARCH 2015**

	<b>31 March 2015 (Un-audited) Rupees</b>	<b>30 June 2014 (Audited) Rupees</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	<b>4,235,219,285</b>	4,462,032,583
Long term deposits	<b>55,791,195</b>	49,360,695
Deferred taxation	<b>11,423,166</b>	-
<b><u>Current assets</u></b>		
Stores and spares	<b>721,367,349</b>	741,254,823
Stock in trade	<b>1,302,281,698</b>	1,228,917,839
Trade debtors - considered good	<b>599,988,971</b>	700,211,723
Advances, deposits, prepayments and other receivables	<b>346,040,412</b>	277,663,688
Cash and bank balances	<b>177,451,468</b>	130,139,520
	<b>3,147,129,898</b>	3,078,187,593
	<b><u>7,449,563,544</u></b>	<b><u>7,589,580,871</u></b>

**TARIQ BAIG  
MANAGING DIRECTOR**



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2015**

	Nine months ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees	Rupees	Rupees	Rupees
Sales - net	<b>5,946,100,502</b>	5,631,472,685	<b>1,814,982,843</b>	2,141,933,526
Cost of sales	<b>(4,826,733,346)</b>	(4,938,769,733)	<b>(1,502,534,836)</b>	(2,110,224,487)
<b>Gross profit</b>	<b>1,119,367,156</b>	692,702,952	<b>312,448,007</b>	31,709,039
Administrative expenses	<b>(87,327,286)</b>	(70,123,046)	<b>(27,643,863)</b>	(23,856,677)
Selling and distribution expenses	<b>(525,443,165)</b>	(510,633,142)	<b>(184,263,096)</b>	(171,103,723)
	<b>(612,770,451)</b>	(580,756,188)	<b>(211,906,959)</b>	(194,960,400)
	<b>506,596,705</b>	111,946,764	<b>100,541,048</b>	(163,251,361)
Other income	<b>7,254,393</b>	18,719,440	<b>4,026,057</b>	11,183,333
Finance cost	<b>(278,202,876)</b>	(229,983,079)	<b>(85,483,474)</b>	(79,662,877)
Other expenses	<b>(11,419,691)</b>	-	<b>(752,878)</b>	6,625,956
<b>Profit/(Loss) before taxation</b>	<b>224,228,531</b>	(99,316,875)	<b>18,330,753</b>	(225,104,949)
Taxation	<b>19,506,074</b>	(54,013,788)	<b>(16,998,206)</b>	(16,344,780)
<b>Profit/(Loss) after taxation</b>	<b>243,734,605</b>	(153,330,663)	<b>1,332,547</b>	(241,449,729)
Earnings per share - basic	<b>3.32</b>	(2.09)	<b>0.02</b>	(3.29)
- diluted	<b>3.32</b>	(2.09)	<b>0.02</b>	(3.29)

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



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2015**

	<u>Nine months ended</u>		<u>Three months ended</u>	
	<b>31 March</b>	31 March	<b>31 March</b>	31 March
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
Profit after taxation	<b>243,734,605</b>	(153,330,663)	<b>1,332,547</b>	(241,449,729)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>243,734,605</b>	<b>(153,330,663)</b>	<b>1,332,547</b>	<b>(241,449,729)</b>

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



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2015

	Nine months ended	
	31 March 2015 Rupees	31 March 2014 Rupees
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	224,228,531	(99,316,875)
Adjustments for:		
Depreciation	340,639,434	341,909,392
Profit on disposal of property, plant and equipment	(4,873,881)	(6,810,966)
Ijara rentals	35,216,073	31,213,116
Finance cost	278,202,876	229,983,079
Foreign exchange gain	-	(9,600,188)
Provision for Workers' Profit Participation Fund	11,419,691	-
	660,604,193	586,694,433
<b>Operating profit before working capital changes</b>	884,832,724	487,377,558
<b>Changes in:</b>		
Stores and spares	19,887,474	(90,180,860)
Advances, deposits, prepayments and other receivables	19,516,713	29,380,890
Stock in trade	(73,363,859)	(501,300,620)
Trade debtors - considered good	100,222,752	(336,785,686)
Trade and other payables	(123,918,251)	(9,227,739)
	(57,655,171)	(908,114,015)
<b>Cash generated from / (used in) operations</b>	827,177,553	(420,736,457)
Payments to Workers' Profit Participation Fund	(3,598,783)	(2,956,000)
Ijara rentals paid	(35,216,073)	(31,213,116)
Income tax paid	(87,893,438)	(52,687,261)
	(126,708,294)	(86,856,377)
<b>Net cash generated from / (used in) operating activities</b>	700,469,259	(507,592,834)
<b>Cash flows from investing activities</b>		
Fixed capital expenditure	(117,803,251)	(269,807,286)
Proceeds from sale of property, plant and equipment	8,851,000	9,500,000
Long term deposits (paid) / received	(6,430,500)	838,027
<b>Net cash used in investing activities</b>	(115,382,751)	(259,469,259)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	187,999,812
(Repayments) of / Proceeds from long term finances	(241,087,906)	114,611,301
(Repayments) of / Proceeds from short term borrowings - net	(1,654,699)	791,388,411
Liabilities against assets subject to finance lease	(8,632,183)	2,832,416
Long term deposits (paid) / obtained	(830,440)	2,651,440
Finance cost paid	(273,828,596)	(176,886,552)
Payable to supplier	-	(187,999,812)
Dividend paid	(11,740,736)	-
<b>Net cash (used in) / generated from financing activities</b>	(537,774,560)	734,597,016
<b>Net increase / (decrease) in cash and cash equivalents</b>	47,311,948	(32,465,077)
<b>Cash and cash equivalents at the beginning of the period</b>	130,139,520	67,110,423
<b>Cash and cash equivalents at the end of the period</b>	177,451,468	34,645,346

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





**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	Share capital Rupees	Share premium Rupees	Equity portion of shareholders' loan Rupees	Unappropriated profit Rupees	Total Rupees
<b>Balance as at 30 June 2013</b>	<b>693,000,000</b>	<b>263,697,120</b>	<b>244,169,568</b>	<b>968,191,016</b>	<b>2,169,057,704</b>
Total comprehensive income for the period	-	-	-	(153,330,663)	(153,330,663)
<b><u>Transactions with the owners of the company:</u></b>					
Equity portion of shareholders loan received during the period	-	-	99,751,060	-	99,751,060
Notional interest on shareholders' loan	-	-	(37,492,034)	-	(37,492,034)
Issuance of shares against purchase of machinery	41,580,000	146,419,812	-	-	187,999,812
<b>Balance as at 31 March 2014</b>	<b>734,580,000</b>	<b>410,116,932</b>	<b>306,428,594</b>	<b>814,860,353</b>	<b>2,265,985,879</b>
Total comprehensive income for the period ended 30 June 2014	-	-	-	169,818,793	169,818,793
<b><u>Transactions with the owners of the company:</u></b>					
Equity portion of shareholders' loan received during the period	-	-	(31,043,264)	-	(31,043,264)
Notional interest on shareholders' loan	-	-	(14,515,987)	-	(14,515,987)
<b>Balance as at 30 June 2014</b>	<b>734,580,000</b>	<b>410,116,932</b>	<b>260,869,343</b>	<b>984,679,146</b>	<b>2,390,245,421</b>
Total comprehensive income for the nine months period ended 31 March 2015	-	-	-	243,734,605	243,734,605
<b><u>Transactions with the owners of the company:</u></b>					
Final Dividend for the year ended 30 June 2014 at the rate of Rs. 0.50 (5%) per ordinary share	-	-	-	(14,411,230)	(14,411,230)
Equity portion of shareholders' loan received during the period	-	-	17,416,518	-	17,416,518
Notional interest on shareholders' loan	-	-	(51,350,806)	-	(51,350,806)
<b>Balance as at 31 March 2015</b>	<b>734,580,000</b>	<b>410,116,932</b>	<b>226,935,055</b>	<b>1,214,002,521</b>	<b>2,585,634,508</b>

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



## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2015**

1. This condensed interim financial information for the quarter and nine months period ended March 31, 2015 is un-audited, being circulated to the shareholders in accordance with 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 financial statements as at June 30, 2014.

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, 2014.
3. There is no significant change in the contingencies and commitments status since the last annual balance sheet date.
4. These financial statements were authorized for issuance by the Board of Directors on April 30, 2015.
5. Figures have been rounded off to the nearest rupee.



**TARIQ GLASS INDUSTRIES LTD.**



**TARIQ GLASS INDUSTRIES LTD.**