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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	128-J, MODEL TOWN, LAHORE UAN: 042-111-34-34-34 FAX: 042-5857692 - 5857693 E MAIL: info@tariqglass.com
WORKS	33-KM LAHORE/SHEIKHUPURA ROAD TEL: (042) 7925652, (056) 3785441-3 FAX: (056) 3783912

Our Mission

To be a world class and leading company continuously providing quality glass tableware and containers by utilizing best blend of state of the art technologies, high performance people, excellent business processes and synergetic organizational culture.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the members of the Company will be held on Tuesday, the September 02, 2008 at 11:00 AM at the Defence Services Officers' Mess, 71 – Tufail Road, Lahore Cantt to transact the following business:

1. To confirm the minutes of the 29th Annual General Meeting of the members held on October 25, 2007.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2008 together with the Reports of the Auditors and Directors thereon.
3. To appoint Auditors of the company for the year ending June 30, 2009 and fix their remuneration. The retiring Auditors M/S KPMG Taseer Hadi & Co., Chartered Accountants being eligible offer themselves for re-appointment.
4. To elect directors of the Company in accordance with the provisions of the Companies Ordinance, 1984 for a period of three years from September 03, 2008. The number of elected Directors of the Company fixed by the Board of Directors in their meeting held on July 28, 2008 is SEVEN. The following are the retiring Directors:

   i) MR. TARIQ BAIG
   ii) MR. OMER BAIG
   iii) MRS. NAIMA TARIQ
   iv) MR. MANSOOR IRFANI
   v) MR. AKBAR BAIG
   vi) MR. DAVID JULIAN
   vii) MR. SYED TUFAIL HUSSAIN

   Nominee Director being not subject to election will continue as nominee director.

5. To transact any other business with the permission of the Chairman.

BY ORDER OF THE BOARD

August 11, 2008
Lahore

(WAQAR ULLAH)
COMPANY SECRETARY

NOTES

1. The Register of Members and Share Transfer Books of the Company will remain closed from August 27, 2008 to September 02, 2008 (both days inclusive). Transfer received in order upto the close of business hours on August 26, 2008 at registered office of the company at 128-J Block, Model Town, Lahore, will be treated in time for the purpose of transfer of shares.
2. A member of the Company entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given personally or by proxy or by Attorney or in case of corporation by representative. The instrument of proxy duly executed should be lodged at the Registered Office of the Company not later than 48 hours before the time of meeting.
3. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are advised to bring their ORIGINAL National Identity Card along with CDC Participant ID and Account Number at the meeting venue.
4. Any member who seeks to contest the election to the office of Director shall file with the Company at its registered office not later than 14 days before the date of meeting his / her intention to offer himself / herself for the election of the Directors in terms of Section 178 (3) of the Companies Ordinance, 1984 together with:
   a.) Consent on Form 28.
   b.) A declaration with consent to act as directors in the prescribed form under clause (ii) of the Code of Corporate Governance.
   c.) A declaration in terms of clause (iii) and (iv) of the Code of Corporate Governance.
5. The members are requested to notify the Company of the change in their address, if any.

DIRECTORS' REPORT

The directors are pleased to present their report together with annual audited financial statements of the company alongwith the auditors' report thereon, for the year ended June 30, 2008.

National Economy

During the year under review the national political and economic scene underwent radical changes. The political unrest and instability, power crises and complete stoppage of gas supply to the industry in the winter season severely affected the national economy. The drastic increase in oil prices, devaluation of Pak Rupee and inflation have adversely affected the economic roots of the country.

Company Performance

By the grace of Almighty Allah, we have successfully completed the expansion project. The project completion was a challenging task especially due to non availability of the services of foreign technical experts because of the law and order situation in the country, capacities and capabilities of local vendors and shortage of gas and power which were additional factors. However, despite these odds the successful completion of the project is a remarkable achievement for which the whole credit goes to commitment, hard work and dedication of all members of the project. We believe, this project will not only help to maintain company's leadership in the market but also bring improvements in the efficiencies and product quality with economies of scale.

There is improvement in the net sales by Rs. 66 million as compared to the last year. Despite that, the financial results do not exhibit the healthy condition due to the following main factors:

a) The complete stoppage of gas supply during winter season and continuous power load shedding
b) Exorbitant increase in gas tariff, furnace & diesel oil prices
c) Significant increase in basic raw material cost like soda ash, chemicals, packing materials and colours
d) Increase in bank borrowing cost

The stoppage of gas supply and electric load shedding affected the production efficiencies and the resultant increase in the production costs added to the losses. All these factors bode negatively on the cost of production and put the industry in a very difficult situation. During the year, a small portion of the increased cost was passed on to the customers / clients, while another small percentage has also been passed in the beginning of July 2008.

The financial results in brief are as under:

	2008 Rupees	2007 Rupees
(Loss) / Profit before tax for the year	(5,096,231)	77,367,875
Taxation	(12,054,694)	(27,041,619)
(Loss) / Profit after tax	(17,150,925)	50,326,256
Dividend paid during the year	(4,569,284)	(4,351,698)
Bonus shares issued during the year	-	(5,500,000)
Reinstatement of waived off loans	(34,000,000)	-
	(55,720,509)	40,474,558
Un-appropriated Profit brought forward	176,217,886	135,743,328
Un-appropriated Profit carried forward	120,497,677	176,217,886
(Loss) / Earning per share – Basic & Diluted	(0.83)	3.85

Because of heavy capital expenditure incurred for the expansion phase and further import of latest state of the art machines for BMR the liquidity position of the Company do not permit for recommendation of dividend for the year under report.

Right Issue

Based on the tableware demand in the local as well as in the international market the company started capacity expansion in 2006 by availing the banking facilities. The Board of Directors decided to repay the loans availed for expansion purposes with the injection of fresh equity by the issuance of 100% right shares. The task of Right Issue was completed in October 2007 and the proceeds were used for the premature retirement of long term debts.

Code of Corporate Governance

In compliance with the provisions of the listing regulations of Stock Exchanges, the Board members are pleased to place the following statements on record:

- The financial statements for the year ended June 30, 2008 present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance as detailed in the Listing Regulations.
- Key operating and financial data for last six years is given in this report.

Board Meetings

During the year, no casual vacancy occurred on the Board of Directors, and 6 meetings of the board were held. The attendance of the Board members was as follows:

S.No.	Name of Director	Meetings Attended
1.	Mr. Tariq Baig	6
2.	Mr. Omer Baig	6
3.	Mrs. Naima Tariq	6
4.	Mr. Mansoor Irfani	6
5.	Mr. Akbar Baig	6
6.	Mr. David Julian	6
7.	Mr. Syed Tufail Hussain	6

Audit Committee

The Board constituted an audit committee in compliance with the code of Corporate Governance with the following members:

1.	Mr. Omer Baig	Chairman
2.	Mr. Akbar Baig	Member
3.	Mr. David Julian	Member

The Audit Committee reviewed the quarterly, half yearly and annual financial statements before submission to the board and their publication. The audit committee also reviewed internal audit findings and held separate meetings with internal and external auditors. The audit committee had detailed discussions with external auditors on their letter to the management.

Future Outlook

- The company is keeping focus on innovation, value addition and best quality products. In order to meet the high quality glassware demand in the market, order for a brand new Stretch Machine for making stemware has been placed. Letter of credit for this machine has been established and hopefully the machine will reach at the works in the beginning of October this year, moreover, another lightweight glass making machine has been imported and will be installed together with the Stretch Machine.

- The complete stoppage of gas during the winter season and continuous load shedding severally effects glass industry in particular. We are of the view that these problems will not end in the near future. The management is looking for the alternatives.

Auditors

The present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants retire and offer themselves for reappointment. As suggested by the audit committee the board of directors have recommended their reappointment as auditors of the company for the financial year ended June 30, 2009 at a fee to be mutually agreed.

Pattern of Shareholdings

The pattern of shareholding and categories of shareholders are annexed.

Acknowledgement

We would like to thank our valued distributors, clients, banks and financial institutions and also the shareholders of the company for their continued trust and confidence. We also appreciate the efforts and dedication shown by the staff for managing the company's affairs successfully and all the workers who worked hard to achieve higher goals.

For and on behalf of the Board

August 11, 2008
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance in the listing regulations of Karachi and Lahore stock exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of governance.

The company has applied the principles contained in the Code in the following manner:

1. The company encourages the representation of independent non-executive directors on its Board of Directors. At present, the Board includes three independent non-executive directors. However, there is no representation of minority shareholders on the Board.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payments of any loan to a banking company, a DFI or an NBFI. None of the Directors is a member of any of the stock exchanges on which the Company's shares are listed.

4. No casual vacancy occurred in the Board during the year.

5. The company has prepared a "Statement of Ethics and Business Practices" which has been signed by all directors and employees of the company.

6. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions have been taken by the Board. There were no new appointments of CEO and other executive director during the year.

8. The meetings of the Board were presided over by the Chairman and Managing Director and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranged one orientation course for its directors to apprise them of their duties and responsibilities.

10. There were no new appointments of CFO, Company Secretary or Head of Internal Audit during the year.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with the corporate and financial reporting requirements of the Code.

15. The Board has formed an audit committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has set up an effective internal audit function.

18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. We confirm that all other material principles contained in the Code have been complied with.

August 11, 2008
Lahore

(TARIQ BAIG)
CHAIRMAN & MANGING DIRECTOR

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the statement of compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Tariq Glass Industries Limited ("the Company")** to comply with the Listing Regulations of the respective Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the statement of compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

August 11, 2008
Lahore

KPMG TASEER HADI & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Tariq Glass Industries Limited** ("the Company") as at 30 June 2008 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2008 and of the loss, its cash flows and changes in equity for the year then ended; and

d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

August 11, 2008
Lahore

KPMG TASEER HADI & CO.
CHARTERED ACCOUNTANTS

Balance Sheet

	Note	2008 Rupees	2007 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
25,000,000 ordinary shares of Rs 10 each		250,000,000	250,000,000
Issued, subscribed and paid-up capital			
23,100,000 (2007: 11,550,000) ordinary shares of Rs 10 each	4	**231,000,000**	115,500,000
Share Premium		**173,250,000**	-
Unappropriated profit		**120,497,677**	176,217,886
		524,747,677	291,717,886
Non current liabilities			
Long term loans			
Secured		**104,677,431**	137,288,299
Unsecured		**69,120,240**	164,305,514
	5	**173,797,671**	301,593,813
Liabilities against assets subject to finance lease	6	**6,087,354**	8,389,353
Long term security deposits	7	**5,431,657**	5,255,257
Deferred liabilities	8	**61,411,730**	52,982,788
		246,728,412	368,221,211
Current liabilities			
Short term borrowings - secured	9	**118,912,649**	82,569,095
Current maturity of long term liabilities	10	**36,363,316**	41,345,741
Trade and other payables	11	**232,403,035**	176,140,914
Provision for taxation		**6,193,143**	8,994,618
		393,872,143	309,050,368
Contingencies and commitments	12		
		1,165,348,232	968,989,465

The annexed notes 1 to 32 form an integral part of these financial statements.

August 11, 2008
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

As at 30 June 2008

	Note	2008 Rupees	2007 Rupees
ASSETS			
Property, plant and equipment	13	**747,073,880**	613,788,046
Long term security deposits	14	**8,667,454**	9,113,303
Current assets			
Stores and spares	15	**217,031,670**	169,038,950
Stock in trade	16	**97,510,876**	79,543,999
Trade debtors - Unsecured, considered good		**16,527,324**	14,302,719
Advances, deposits, prepayments and other receivables	17	**72,628,655**	71,751,633
Cash and bank balances	18	**5,908,373**	11,450,815
		409,606,898	346,088,116
		1,165,348,232	968,989,465

OMER BAIG
DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 Rupees	2007 Rupees
Sales	19	**1,174,459,701**	1,108,446,723
Cost of sales	20	**1,054,201,600**	908,757,268
Gross profit		**120,258,101**	199,689,455
Operating expenses			
Administrative	21	**31,917,516**	29,340,674
Selling and distribution	22	**54,069,253**	54,551,193
		85,986,769	83,891,867
Operating profit		**34,271,332**	115,797,588
Financial charges	23	**34,636,004**	33,699,627
Profit on disposal of property, plant and equipment	13.1.1	**478,110**	970,704
Other expenses	24	**5,209,669**	5,700,790
(Loss) / Profit before taxation		**(5,096,231)**	77,367,875
Provision for taxation	25	**12,054,694**	27,041,619
(Loss) / Profit after taxation		**(17,150,925)**	50,326,256
Basic and diluted earnings per share (restated)	30	**(0.83)**	3.85

The annexed notes 1 to 32 form an integral part of these financial statements.

August 11, 2008 **Lahore**	**TARIQ BAIG** **CHAIRMAN & MANAGING DIRECTOR**	**OMER BAIG** **DIRECTOR**

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 Rupees	2007 Rupees
Cash flow from operating activities			
(Loss)/profit before taxation		(5,096,231)	77,367,875
Adjustments for:			
Depreciation		63,211,645	56,758,732
Profit on disposal of property, plant and equipment		(478,110)	(970,704)
Financial charges		34,636,004	33,699,627
Provision for workers' profit participation fund		-	4,153,433
Provision for workers' welfare fund		-	1,547,357
Provision for staff retirement benefits		410,988	74,095
		97,780,527	95,262,540
Operating profit before working capital changes		92,684,296	172,630,415
(Increase)/decrease in current assets			
Stores, spares and loose tools		(47,992,720)	(22,150,776)
Advances, deposits, prepayments and other receivables		(877,022)	3,381,257
Stock in trade		(17,966,877)	(661,820)
Trade debtors		(2,224,605)	(5,064,009)
		(69,061,224)	(24,495,348)
Increase/(decrease) in current liabilities			
Short term borrowings		36,343,554	(11,236,692)
Trade and other payables		57,793,222	10,673,435
		94,136,776	(563,257)
Cash generated from operations		117,759,848	147,571,810
Financial charges paid		(31,413,257)	(24,611,487)
WPPF paid		(4,344,976)	(3,383,547)
Staff gratuity paid		(582,046)	(67,082)
Income Tax		(6,256,170)	(5,054,381)
		(42,596,449)	(33,116,497)
Net cash generated from operating activities		75,163,399	114,455,313
Cash flow from investing activities			
Fixed capital expenditure incurred		(197,144,371)	(223,082,361)
Proceeds from sale of property, plant and equipment		1,125,000	3,499,995
Long term security deposits		445,849	(1,645,563)
Net cash used in investing activities		(195,573,522)	(221,227,929)
Cash flow from financing activities			
Long term loans		(1,400,778)	123,706,164
Liabilities against assets subject to finance lease		1,753,012	(8,735,559)
Long term security deposits		176,400	88,054
Receipt from issue of Right Shares		119,317,200	-
Dividend paid		(4,978,153)	(4,619,117)
Net cash generated from financing activities		114,867,681	110,439,542
Net(decrease)/ increase in cash and cash equivalents		(5,542,442)	3,666,926
Cash and cash equivalents at the beginning of the year		11,450,815	7,783,889
Cash and cash equivalents at the end of the year	18	5,908,373	11,450,815

The annexed notes 1 to 32 form an integral part of these financial statements.

August 11, 2008
Lahore:

(TARIQ BAIG)
CHAIRMAN & MANGING DIRECTOR

OMER BAIG
DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Share Capital Rupees	Share Premium Rupees	Unappropriated Profit Rupees	Total 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)	-
Net profit for the year	-	-	50,326,256	50,326,256
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)
Reinstatement of waived off loans	-	-	(34,000,000)	(34,000,000)
Net loss for the year	-	-	(17,150,925)	(17,150,925)
Balance as at 30 June 2008	**231,000,000**	**173,250,000**	**120,497,677**	**524,747,677**

The annexed notes 1 to 32 form an integral part of these financial statements.

August 11, 2008
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR

NOTES TO THE FINACIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1 Nature and status of the Company

Tariq Glass Industries Limited ("the Company") was incorporated in Pakistan in 1978 and converted into a Public Limited Company in the year 1980. The Company is listed on Karachi and Lahore Stock Exchanges. The Company is principally engaged in the manufacture and sale of glass containers and tableware.

2 Statement of compliance

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards as notified under the provisions of the Companies Ordinai ce, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Standards, interpretations and amendments to published approved accounting standards that are yet not effective

Certain amendments to IAS 23 "Borrowing Costs" has been revised and is effective for the Company's accounting period beginning after 01 July 2009. Adoption of this standard will have no impact on the Company's financial statements.
Other Standards, interpretations and amendments to published approved accounting standards are not relevant to the Company.

3 Summary of significant accounting policies

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Provision for taxation
b) Accrued liabilities
c) Provision for doubtful debts

3.2 Fixed assets

Owned

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss except freehold land and capital work in progress, which are stated at cost less any identified impairment loss. Depreciation on operating fixed assets except furnace refractories is charged to income on reducing balance method whereas depreciation on furnace refractories is charged on straight line method, so as to write off the written down value of an asset over its estimated useful life at rates disclosed in the note 13.1 to the accounts.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.
Profit or loss on disposal of property, plant and equipment represented by the difference between the sale proceeds and the carrying amount of the asset is included in income.

Leased

Leased assets held under finance leases are stated at the lower of cost or present value of minimum lease payments less accumulated depreciation at the rates and basis applied to the Company's owned assets. The outstanding obligations relating to assets subject to finance lease are accounted for at the net present value of liabilities.

The financial charges are calculated at the finance rates implicit in the lease and are charged to income.

3.3 Staff retirement benefits

Defined contribution plan

The Company operates an approved defined contributory provident fund for all its eligible employees, in which the Company and the employees make equal monthly contributions at the rate of 10 % of basic salary.

Defined benefit plan

The Company also operated an un-funded gratuity scheme, which ceased on 30 June 1995. However, the liability in respect of gratuity payable to employees who were employed before 30 June 1995 is revised each year on the basis of last drawn salaries of such employees.

3.4 Receivables

Receivables are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

3.5 Stores and spares

These are valued at the lower of weighted average cost and net realizable value, except for items in transit, which are valued at cost comprising invoice value and related expenses.

3.6 Stock in trade

These are valued at the lower of weighted average cost and net realizable value except for stock in transit, which is valued at cost comprising invoice value and related expenses incurred thereon.

Cost is determined as follows:

- Raw materials, chemicals, colours and packing materials	at weighted average cost
- Work-in-process and finished goods	at weighted average cost and related manufacturing expenses

Net realizable value signifies the estimated selling price in the ordinary course of business less other costs necessary to be incurred to make the sale.

3.7 Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer i.e. on delivery of goods to the customers.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of Cash Flow Statement, cash and cash equivalents comprise of cash in hand and bank balances.

3.9 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates.

Deferred

The Company accounts for deferred taxation, using the liability method, on all temporary differences. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

3.10 Provisions

Provisions are recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.11 Financial instruments

Financial assets and liabilities are recognized when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognized when the Company looses control of the contractual rights that comprise the financial asset.

Financial liabilities are de-recognized when they are extinguished i.e., when the obligation specified in the contract is discharged, cancelled or expired. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.12 Borrowing costs

Borrowing costs are charged to income as and when incurred, except that costs borrowed for capital expenditure, which are capitalized.

3.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.14 Foreign currencies

Foreign currency transactions are converted into Pak Rupees using the rates prevailing on the date of transaction while monetary assets and liabilities are converted into Pak Rupees using the rates of exchange prevailing at the balance sheet date. Exchange differences on conversion are charged to income.

3.15 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized.

3.16 Dividend

Dividends declared after the balance sheet date are recognised as a liability in the period in which it is approved.

	2008 Rupees	2007 Rupees
4 Issued, subscribed and paid-up capital		
21,550,000 (2007:10,000,000) Ordinary shares of Rs. 10 each fully paid in cash	**215,500,000**	100,000,000
1,550,000 Ordinary shares of Rs. 10/- each issued as bonus shares	**15,500,000**	15,500,000
	231,000,000	115,500,000

5 Long term loans

	Note	2008 Rupees	2007 Rupees	Mark-up rate	Number of instalments	Mark-up payable
Loans from banks and financial institutions						
Secured						
Habib Bank Limited						
I Demand finance	5.1	**30,530,775**	26,226,529	3 Months Kibor + 2.5%	43 equal monthly instalments ending August 2011	Quarterly
II Demand finance		-	6,666,676	6 Months Kibor + 1.5%	36 equal monthly instalments ending February 2008	Monthly
		30,530,775	32,893,205			
National Bank of Pakistan						
III Demand finance	5.2	**28,234,619**	36,922,619	3 Months Kibor + 2% with a floor of 5% p.a	60 monthly instalments ending September 2011	Monthly
IV Demand finance		-	2,500,000	3 Months Kibor + 2% with a floor of 5% p.a	16 quarterly instalments ending June 2008	Quarterly
		28,234,619	39,422,619			
United Bank Limited						
V Demand finance		-	99,459,756	6 Months Kibor + 1.5%	60 equal monthly instalments ending August 2012. Repaid premature	Monthly
VI Demand finance	5.3	**22,222,222**	1,601,684	3 Months Kibor + 1.5%	54 monthly instalments ending June 2012	Monthly
VII Demand finance		**19,000,000**	-	3 Months Kibor + 1.5%	54 monthly instalments ending March 2013	Monthly
VIII Demand finance		**31,741,344**	-	3 Months Kibor + 1.5%	54 monthly instalments ending February 2013	Monthly
		72,963,566	101,061,440			
		131,728,960	173,377,264			
Less: Current maturity	10	**27,051,529**	36,088,965			
		104,677,431	137,288,299			
Loan from related party						
Unsecured						
Industrial Products Investment Limited (IPI)	5.4	**33,389,450**	100,000,000	Libor + 1.5%	16 equal quarterly installments commencing July, 2009	Quarterly
Loan from Directors	5.5	**35,730,790**	64,305,514	Mark-up free	-	-
		173,797,671	301,593,813			

5.1 Securities for loans I and II

These loans are secured by first ranking equitable mortgage charge for Rs 70 million on land and buildings, ranking pari passu hypothecation charge on plant, machinery and equipment for Rs 75 million, ranking pari passu hypothecation charge on all present and future current assets of the Company for Rs. 80 million and personal guarantees of Directors of the Company.

5.2 Securities for loan III and IV

These loans are secured by first parri passu charge on land and buildings for Rs 65 million, plant and machinery for Rs 75 million, current assets for Rs 67 million and personal guarantees of Directors of the Company.

5.3 Securities for loan V to VIII

These loans are secured by first pari Passu charge on land and buildings for Rs. 70 million, plant and machinery for Rs. 100 million and current assets for Rs. 40 million along with personal guarantees of Directors of the Company.

5.4 The foreign currency loan is frozen at the rate of exchange prevailing on 31 December 1993.

On 20 June 2007 the Company has announced the issuance of right shares and pursuant to this issuance IPI has opted for conversion of the loan against its right shares entitlement. The conditional waiver of the loan in the year 1997 amounting to Rs. 20 million is reinstated on 01 September 2007 and Rs. 86.61 million has been converted into equity through right issue.

5.5 The directors have personally financed a portion of the expansion project and is interest free.

On 20 June 2007 the Company has announced the issuance of right shares and pursuant to this issuance the directors have opted for conversion of he loan amounting to Rs. 65.21 million against its right shares entitlement. The conditional waiver of the loan in the year 1996 amounting to Rs. 14 million is reinstated on 01 September 2007 and out of the total loan amount as of that date an amount of Rs. 65.21 million has been converted into equity through right issue

5.6 Loans given by Industrial Products Investment Limited in the amount of Rs. 20 million and that given by the Managing Director of the Company in the amount of Rs. 14 million were waived off in the year 1997 and 1996 respectively with the condition of reinstatement against the issue of right shares or the Company having sufficient funds for repayment. On 20 June 2007, the Company announced issuance of right shares. Industrial Products Investment Limited and Directors opted for conversion of their loans against right shares entitlement and consequently the conditional waiver was reinstated on 01 September 2007. The reinstatement of loan was recognized in interim financial information of the current year through profit and loss account however, considering that the waiver of loan was recognized in accumulated loss in year 1997 and 1996, the reinstatement has been recognized in equity in these financial statements to currently reflect the reinstatement.

6 Liabilities against assets subject to finance lease

The amount of future minimum lease payments along with their present value and the periods during which they will fall due are:

	2008			2007		
	Minimum lease payments	Financial charges for future periods	Present value	Minimum lease payments	Financial charges for future periods	Present value
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Not later than one year	**9,999,777**	**687,990**	**9,311,787**	5,929,113	672,337	5,256,776
Later than one year and not later than three years	**6,380,047**	**292,693**	**6,087,354**	8,587,597	198,244	8,389,353
	16,379,824	**980,683**	**15,399,141**	14,516,710	870,581	13,646,129

The Company has entered into various lease agreements for machinery and vehicles. Lease rentals are payable in monthly equal instalments and include finance charge ranging from 6 months KIBOR + 2.65% & a flat charge of 14 % per annum (2007: 7.51% to 14%), which has been used as discounting factor. The Company has the option to purchase the assets upon completion of lease period and has the intention to exercise such option. There are no financial restrictions imposed by lessors.

7 Long term security deposits

These are security deposits from distributors which by virtue of agreements are interest free and used in Company's business.

	Note	2008 Rupees	2007 Rupees
8 Deferred liabilities			
Deferred taxation	*8.1*	**60,888,046**	52,288,046
Staff gratuity		**523,684**	694,742
		61,411,730	52,982,788

8.1 The liability for deferred taxation comprises timing differences relating to accelerated tax depreciation.

9 Short term borrowings - secured

	Note	2008 Rupees	2007 Rupees
Short term running finance	*9.1*	**47,098,615**	27,806,024
Short term cash finance	*9.2*	**61,200,771**	46,586,205
Finance against imported merchandise	*9.3*	**10,613,263**	8,176,866
		118,912,649	82,569,095

9.1 Short term running finance

Short term running finance facility under mark up arrangements of Rs. 60 million (2007: 60 million) has been availed from commercial banks. The rate of mark up is 3 months Karachi Inter Bank Offered Rate (ask rate) plus 2.25% per annum. This facility is secured by joint pari pasu hypothecation charge on current assets of the Company.

9.2 Short term cash finance

Short term cash finance facility under mark up arrangements of Rs. 80 million (2007: Rs. 80 million) has been availed from commercial banks. The rate of mark up is 3 months Karachi Inter Bank Offered Rate (ask rate) plus 1.5% per annum. This facility is secured by joint pari pasu hypothecation charge on current assets of the Company.

9.3 Finance against imported merchandise

The Company has obtained finance against imported merchandises of Rs. 15 million (2007: Rs. 15 million) from commercial banks. The rate of mark up ranges from 3 months Karachi Inter Bank Offered Rate (ask rate) plus 2.25% per annum. The facility is secured by lien over import documents and pledge of imported goods.

	Note	2008 Rupees	2007 Rupees
10 Current maturity of long term liabilities			
Long term loans	5	**27,051,529**	36,088,965
Liabilities against assets subject to finance lease	6	**9,311,787**	5,256,776
		36,363,316	41,345,741
11 Trade and other payables			
Trade creditors		**92,077,454**	63,621,952
Advances from customers		**52,985,510**	33,616,399
Accrued mark up on:			
Short term loans - Secured		**4,420,828**	3,515,158
Long term loans - Secured		**1,929,055**	2,303,075
Long term loans - Unsecured		**24,790,195**	22,104,515
Leases		**30,642**	25,225
Accrued expenses		**46,301,610**	37,575,824
Sales tax payable		**5,776,766**	4,663,717
Unclaimed dividend		**1,488,260**	1,897,129
Workers' Profit Participation Fund payable	11.1	**200,044**	4,344,976
Payable to provident fund		**292,313**	562,774
Workers welfare fund		**1,747,313**	1,747,313
Others		**363,045**	162,857
		232,403,035	176,140,914

	Note	2008	2007
		Rupees	Rupees

11.1 Workers' Profit Participation Fund

Opening balance	**4,344,976**	3,383,547
Add: Allocation for the year	**-**	4,153,433
Interest on funds utilized by the Company	**200,044**	191,543
	4,545,020	7,728,523
Less: Amount paid to the fund	**4,344,976**	3,383,547
Closing balance	**200,044**	4,344,976

12 Contingencies and commitments

Commercial banks have issued guarantees in the ordinary course of business on behalf of the Company. The un-expired guarantees at the year end amounted to Rs. 91 million (2007: Rs. 93.50 million).

Commitments under letters of credit at the year end amounted to Rs. 71.595 million (2007: Rs. 60.094 million).

13 Property, plant and equipment

	Note	2008	2007
Operating assets	*13.1*	**743,456,473**	446,392,719
Capital work in progress	*13.2*	**3,617,407**	167,395,327
		747,073,880	613,788,046

13.1 Operating assets

	Cost						Depreciation					Net book value as at 30 June 2008
	As at 1 July 2007	Additions during the year	Transfers/ adjustments	Disposals during the year	As at 30 June 2008	Rate	As at 1 July 2007	Transfers/ adjustments	For the year	On Disposals	As at 30 June 2008	
	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Owned												
Freehold land	13,784,362	-	-	-	13,784,362	-	-	-	-	-	-	**13,784,362**
Factory building -freehold	77,771,835	79,400,392	-	-	157,172,227	10	43,775,718	-	5,372,118	-	49,147,836	**108,024,391**
Office building - freehold	49,281,810	-	-	-	49,281,810	5	35,427,764	-	692,702	-	36,120,466	**13,161,344**
Plant and machinery	837,088,482	259,067,585	-	-	1,096,156,067	10 - 20	497,796,369	-	45,967,305	-	543,763,674	**552,392,393**
Furniture and fixtures	3,342,094	598,133	-	-	3,940,227	10	2,673,614	-	74,280	-	2,747,894	**1,192,333**
Tools and equipment	761,525	-	-	-	761,525	10	658,734	-	10,279	-	669,013	**92,512**
Electric installation	13,391,839	1,226,968	-	-	14,618,807	10	9,227,308	-	454,986	-	9,682,294	**4,936,513**
Vehicles	31,258,766	1,928,890	4,144,470	1,870,180	35,461,946	20	15,609,560	2,306,137	3,367,431	1,223,289	20,059,839	**15,402,107**
Moulds	62,009,314	10,254,521	-	-	72,263,835	30	53,326,520	-	3,602,660	-	56,929,180	**15,334,655**
Fire fighting equipment	39,606	-	-	-	39,606	10	30,063	-	954	-	31,017	**8,590**
	1,088,729,633	352,476,489	4,144,470	1,870,180	1,443,480,412		658,525,650	2,306,137	59,542,715	1,223,289	719,151,213	**724,329,200**
Leased												
Plant and machinery	5,000,000	-	-	-	5,000,000	10	650,000	-	435,000	-	1,085,000	**3,915,000**
Vehicles	17,776,364	8,445,800	(4,144,470)	-	22,077,694	20	5,937,628	(2,306,137)	3,233,930	-	6,865,421	**15,212,273**
	22,776,364	8,445,800	(4,144,470)	-	27,077,694		6,587,628	(2,306,137)	3,668,930	-	7,950,421	**19,127,273**
2008	1,111,505,997	360,922,289	-	1,870,180	1,470,558,106		665,113,278	-	63,211,645	1,223,289	727,101,634	**743,456,473**
2007	1,048,763,381	68,457,506	-	5,714,890	1,111,505,997		611,540,145	-	56,758,732	3,185,599	665,113,278	446,392,719

Depreciation charge for the year has been allocated as follows:

	Note	2008	2007
		Rupees	Rupees
Cost of sales	20.1	**57,968,756**	51,381,351
Administrative expenses	21	**3,791,178**	3,845,572
Selling and distribution	22	**1,451,711**	1,531,809
		63,211,645	56,758,732

13.1.1 Disposal of property, plant and equipment

Particulars of assets	Sold to	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit	Mode of disposal
		Rupees	Rupees	Rupees	Rupees	Rupees	
Vehicles							
	Mr. Syed Usman Wasti	1,300,785	785,752	515,033	825,000	309,968	Negotiation
	Mr. Saeed Hassan	569,395	437,537	131,858	300,000	168,142	-do-
2008		1,870,180	1,223,289	646,891	1,125,000	478,110	
2007		5,714,890	3,185,599	2,529,291	3,499,995	970,704	

		Note	2008 Rupees	2007 Rupees
13.2 Capital work in progress				
Opening balance			**167,395,327**	9,635,198
Add:	Additions during the year		**68,179,399**	58,543,174
	Transfer from stores and spares - Net		**34,002,296**	119,368,626
			102,181,695	177,911,800
			269,577,022	187,546,998
Less:	Transferred to operating assets		**265,959,615**	20,151,671
			3,617,407	167,395,327

13.3 Capital work in progress includes borrowing cost capitalized Rs.3,615,773 (2007: Rs. 6,564,764).

14 Long term security deposits

This mainly comprise of security deposits with leasing companies in respect of facilities availed and the margins held by banks against the guarantees issued.

15 Stores and spares

Stores	**187,839,850**	133,736,628
Spares	**29,191,820**	35,302,322
	217,031,670	169,038,950

15.1 Most of the items of stores and spares are of an interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores and spares until their actual usage.

16 Stock in trade

Raw materials	**25,607,367**	23,888,459
Chemical and ceramic colours	**17,840,574**	15,104,332
Packing material	**24,272,248**	11,325,911
Material in process	**7,425,414**	5,466,576
Finished goods	**22,365,273**	23,758,721
	97,510,876	79,543,999

	Note	2008 Rupees	2007 Rupees
17 Advances, deposits, prepayments and other receivables			
Advances to suppliers- unsecured, considered good	17.1	**10,999,658**	16,743,892
Advances to staff - Un secured, considered good		**933,500**	723,612
Advances against letters of credit		**27,882,220**	14,140,945
Prepaid expenses		**726,858**	487,322
Advance income tax		**8,110,575**	8,885,826
Income tax refund		**9,155,144**	20,871,197
Sales tax refundable		**3,393,708**	3,292,939
Security deposits		**7,956,700**	2,696,600
Prepaid insurance		**3,015,292**	2,454,300
Advisory fee for right shares		-	1,000,000
Others		**455,000**	455,000
		72,628,655	71,751,633

17.1 Advances includes a sum of Rs. 0.417 million (2007: Rs. 2.5 million) due from an associated undertaking (Omer Glass Industries Limited).

	Note	2008 Rupees	2007 Rupees
18 Cash and bank balances			
Cash in hand		**759,191**	1,244,062
Cash at bank - current accounts		**5,149,182**	10,206,753
		5,908,373	11,450,815
19 Sales			
Local		**1,416,382,793**	1,309,083,124
Export		**64,168,911**	91,783,505
Gross sales		**1,480,551,704**	1,400,866,629
Less: Sales Tax and Special Excise Duty		**180,932,812**	162,009,916
Trade discounts		**125,159,191**	130,409,990
		306,092,003	292,419,906
Net Sales		**1,174,459,701**	1,108,446,723
20 Cost of sales			
Cost of goods manufactured	20.1	**1,052,808,152**	912,641,525
Finished goods			
Opening		**23,758,721**	19,874,464
Closing		**(22,365,273)**	(23,758,721)
		1,393,448	(3,884,257)
		1,054,201,600	908,757,268

	Note	2008 Rupees	2007 Rupees
20.1 Cost of goods manufactured			
Raw material consumed		**277,538,301**	249,131,532
Packing material consumed		**117,462,993**	121,307,354
Stores and spares consumed		**73,354,553**	43,225,138
Salaries, wages and other benefits	20.1.1	**177,168,480**	140,182,082
Fuel and power		**323,853,591**	289,128,308
Depreciation	13.1	**57,968,756**	51,381,351
Carriage and freight		**5,957,782**	3,832,906
Repair and maintenance		**5,037,167**	4,169,813
Traveling and conveyance		**7,585,491**	4,306,285
Insurance		**2,647,275**	2,242,276
Postage and telephone		**850,956**	687,974
Rent, rates and taxes		**1,845,518**	959,138
Printing and stationery		**111,425**	110,903
Entertainment		**131,200**	96,198
Others		**3,253,502**	2,340,084
		1,054,766,990	913,101,342
Work in process			
Opening stock		**5,466,576**	5,006,759
Closing stock		**(7,425,414)**	(5,466,576)
		(1,958,838)	(459,817)
		1,052,808,152	912,641,525

20.1.1 Salaries, wages and other benefits include Rs. 2,548,615 (2007: Rs. 2,460,978) in respect of staff retirement benefits.

21 Administrative expenses

	Note	2008 Rupees	2007 Rupees
Salaries, wages and other benefits	21.1	**13,754,675**	11,868,459
Travelling expenses		**3,020,263**	2,126,227
Depreciation	13.1	**3,791,178**	3,845,572
Legal and professional charges		**905,000**	1,361,835
Postage and telephone		**1,135,859**	1,035,969
Rent, rates and taxes		**2,079,000**	1,965,000
Motor vehicle expenses		**1,073,508**	893,727
Repair and maintenance		**612,073**	445,662
Printing and stationery		**425,677**	343,046
Auditors' remuneration	21.2	**330,000**	300,000
Advertisement		**592,387**	774,838
Utilities		**735,271**	502,663
Entertainment		**299,041**	270,455
Insurance		**1,040,564**	1,522,410
Subscription, news papers and periodicals		**644,199**	700,477
Miscellaneous		**1,478,821**	1,384,334
		31,917,516	29,340,674

21.1 Salaries, wages and other benefits include Rs. 427,113 (2007: Rs 368,346) in respect of staff retirement benefits.

	Note	2008 Rupees	2007 Rupees
21.2 Auditors' remuneration			
Audit fee		**200,000**	180,000
Half yearly review fee		**60,000**	60,000
Certifications fee		**40,000**	40,000
Out of pocket expenses		**30,000**	20,000
		330,000	300,000

22 Selling and distribution expenses

	Note	2008 Rupees	2007 Rupees
Salaries and other benefits	22.1	**11,571,561**	10,287,734
Local freight and forwarding		**21,888,875**	21,733,000
Export freight and forwarding		**6,348,684**	9,323,775
Travelling expenses		**3,779,010**	3,254,708
Advertisement, exhibitions and sales promotion		**2,943,138**	3,775,488
Postage and telephone		**1,136,194**	1,126,799
Depreciation	13.1	**1,451,711**	1,531,809
Rent, rates and taxes		**558,199**	520,500
Printing and stationery		**230,075**	277,110
Motor vehicle expenses		**2,185,232**	1,787,715
Breakage and incidental charges		**1,976,574**	932,555
		54,069,253	54,551,193

22.1 Salaries, wages and other benefits include Rs. 457,344 (2007: Rs. 381,160) in respect of staff retirement benefits.

23 Financial charges

	Note	2008 Rupees	2007 Rupees
Mark-up on			
Long term loans - secured		**12,252,555**	8,510,376
Long term loans - unsecured		**3,003,180**	7,100,000
Short term borrowings - secured		**15,193,192**	11,991,524
		30,448,927	27,601,900
Mark-up on lease finances		**1,181,477**	1,297,978
Interest on WPPF balance		**200,044**	191,543
Bank charges		**2,536,605**	4,571,950
LC discounting charges		**268,951**	36,256
		34,636,004	33,699,627

24 Other expenses

	Note	2008 Rupees	2007 Rupees
Workers' profit participation fund	11.1	-	4,153,433
Workers' welfare fund		-	1,547,357
Preliminary expenses against right issue		**5,209,669**	-
		5,209,669	5,700,790

	Note	2008 Rupees	2007 Rupees

25 Taxation

	Note	2008 Rupees	2007 Rupees
Income tax - Current	25.1	**6,193,143**	8,994,618
Income tax - Prior year		**(2,738,449)**	-
		3,454,694	8,994,618
Deferred tax	25.2	**8,600,000**	18,047,001
		12,054,694	27,041,619

25.1 The current year's provision for taxation represents tax chargeable under section 113 of Income Tax Ordinance 2001, hence tax charge reconciliation has not been prepared and presented.

25.2 Deferred tax expense relates to origination and reversal of temporary difference.

26 Financial instruments

	Effective mark-up rates %	Interest bearing: Maturity upto one year Rupees	Interest bearing: Maturity after one year Rupees	Non-interest bearing: Maturity upto one year Rupees	Non-interest bearing: Maturity after one year Rupees	Total Rupees
Financial assets						
Trade debts		-	-	16,527,324	-	**16,527,324**
Advances, deposits and other receivables		-	-	37,227,420	-	**37,227,420**
Cash and bank balances		-	-	5,908,373	-	**5,908,373**
		-	-	59,663,117	-	**59,663,117**
Financial liabilities						
Long term loans	10.80 - 12.89	27,051,529	104,677,431	-	69,120,240	**200,849,200**
Liabilities against assets subject to finance lease	7.51 - 14	9,311,787	6,087,354	-	-	**15,399,141**
Short term borrowings	11.09 - 12.64	118,912,649	-	-	-	**118,912,649**
Trade and other payables		-	-	179,417,525	-	**179,417,525**
		155,275,965	110,764,785	179,417,525	69,120,240	**514,578,515**
Net financial liabilities 2008		**(155,275,965)**	**(110,764,785)**	**(119,754,408)**	**(69,120,240)**	**(454,915,398)**
Net finanical liabilities 2007		(123,914,836)	(145,677,652)	(98,754,824)	(164,305,514)	(532,652,826)

26.1 Concentration of credit risk

Credit risk represents the loss that would result if counter parties failed to perform as contracted. Out of total financial assets of Rs.59,663,117 (2007: Rs 43,769,691), the financial assets which are subject to credit risk amount to Rs. 53,299,744 (2007: Rs 31,863,876). The Company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, the Company applies approved credit limits to its customers.

26.2 Interest rate risk

The Company usually borrows funds at market based rates, as such the risk is minimized.

26.3 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available.

26.4 Fair value of the financial instruments

The carrying values of all the financial instruments reflected in the financial statements are approximately their fair values. This assessment is based upon settlement/realizable values.

26.5 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of Company's business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of total debt to equity.

There were no changes in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

27 Remuneration of directors and executives

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the Chairman and Managing Director, Directors and Executives of the Company are as follows:

	Chairman and Managing Director		Directors		Executives	
	2008 Rupees	2007 Rupees	**2008 Rupees**	2007 Rupees	**2008 Rupees**	2007 Rupees
Remuneration	**1,786,400**	1,786,400	**1,116,800**	969,000	**4,616,400**	1,746,000
House rent	**671,360**	671,360	**502,660**	436,050	**2,077,380**	785,700
Conveyance	**3,600**	3,600	**10,800**	10,800	**28,800**	10,800
Medical and other allowances	**-**	-	**117,700**	103,953	**550,425**	218,160
Utilities	**178,640**	178,640	**108,693**	94,030	**451,062**	171,828
	2,640,000	2,640,000	**1,856,653**	1,613,833	**7,724,067**	2,932,488
Number of persons	**1**	1	**3**	3	**8**	3

In addition to the above, some of the Executives are provided with free use of Company maintained cars.

28 Transactions with related parties

The Company, in the normal course of business carries out transactions with related parties. Amounts due from related parties are shown under advances, deposits, prepayments and other receivables in note 17. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment disclosed above, are as follows:

Name	Relationship	Nature of transactions	2008 Rupees	2007 Rupees
Omer Glass Industries Limited	Associated company	Purchases	**4,136,550**	539,350
		Sales	**9,510,533**	4,031,861
		Reimbursement of selling and distribution expenses	**4,843,216**	4,779,906
Provident fund	Employee benefit plan	Contributions	**3,433,072**	2,819,832

29 Capacity and production

The production capacity and the actual packed production achieved during the year are as follows:

	2008 M. Tons	2007 M. Tons
Furnaces capacity		
Containers	**25,569**	20,051
Tableware	**39,080**	39,151
	64,649	59,202
Actual packed production		
Containers	**19,687**	14,817
Tableware	**23,421**	25,924
	43,108	40,741

The under capacity utilization during the year is mainly due to non-availability of natural gas during winter season.

		2008	2007
30 Basic and diluted earnings per share			
Net (loss)/ profit after tax	*Rupees*	**(17,150,925)**	50,326,256
Weighted average number of ordinary shares	*Numbers*	**20,589,030**	13,056,120
Basic and diluted earnings per share	*Rupees*	**(0.83)**	3.85

31 Date of authorization for issue

These financial statements were authorized for issue on August 11, 2008 by the Board of Directors of the Company.

32 Figures

- have been rounded off to the nearest rupee.

August 11, 2008
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR

FINANCIAL STATISTICAL SUMMARY

	2008	2007	2006	2005	2004	2003
Investment Measures				(Amount in Million Rupees)		
Share Capital	231.00	115.50	110.00	100.00	100.00	100.00
Shareholders equity	524.75	291.72	245.70	201.60	177.40	139.80
(Loss)/Profit before tax	(5.10)	77.37	62.20	40.00	43.50	9.20
(Loss)/Profit after tax	(17.15)	50.33	49.10	34.20	37.60	3.50
					(Amount in Rupees)	
Dividend per share	-	1.00	1.00	0.50	1.00	1.00
(Loss)/Earning per share	(0.83)	3.85	4.46	3.43	3.76	0.35
Break up value	22.72	25.26	22.23	20.16	16.74	13.98
Price earning ratio	(18.25)	15.89	8.70	7.70	9.70	84.40
Measure of financial status						
Current assets to current liabilities	1.04:1	1.1:1	1.07:1	1.02:1	1.06:1	0.97:1
Number of days stock	31	32	34	35	30	36
Number of days trade debts	5	5	3	3	5	11
Measure of performance						
Return on capital employed	(0.72)%	12.86%	18.50%	30.31%	22.50%	2.50%
Gross Profit Ratio	10.24%	18.02%	17.40%	15.04%	16.60%	14.10%
(Loss)/Profit before tax to sales ratio	(0.43)%	6.98%	6.16%	5.00%	6.18%	1.80%
(Loss)/Profit after tax to sales ratio	(1.46)%	4.54%	4.86%	4.28%	5.34%	0.70%
Debt equity ratio	24.88%	50.83%	42.00%	45.00%	53.00%	59.00%

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2008

Number of Shareholders	Categories of Shareholding		Total Shares Held
	From	To	
320	1	100	19,457
830	101	500	183,009
246	501	1,000	225,668
371	1,001	5,000	930,141
82	5,001	10,000	632,220
18	10,001	15,000	219,208
9	15,001	20,000	158,307
7	20,001	25,000	161,800
6	25,001	30,000	161,200
2	30,001	35,000	65,500
6	35,001	40,000	228,110
1	45,001	50,000	50,000
2	50,001	55,000	107,600
1	55,001	60,000	57,750
1	85,001	90,000	85,500
1	95,001	100,000	100,000
2	120,001	125,000	243,512
1	185,001	190,000	189,172
1	235,001	240,000	235,388
1	340,001	345,000	344,190
1	485,001	490,000	485,442
1	640,001	645,000	640,396
1	850,001	855,000	852,600
1	995,001	1,000,000	1,000,000
1	1,510,001	1,515,000	1,514,222
1	2,020,001	2,025,000	2,021,904
1	2,575,001	2,580,000	2,577,920
1	2,680,001	2,685,000	2,680,940
1	6,995,001	7,000,000	6,928,844
1917	**TOTAL**		**23,100,000**

Categories of Shareholders	Number	Shares Held	Percentage
GENERAL PUBLIC	1869	10,674,011	46.21%
INVESTMENT COMPANY	3	2,776	0.01%
INSURANCE COMPANY	3	15,230	0.07%
JOINT STOCK COMPANIES	33	2,889,802	12.51%
FINANCIAL INSTITUTIONS	4	2,566,695	11.11%
NIT AND ICP	1	22,621	0.10%
FOREIGN COMPANY	1	6,928,844	29.99%
OTHERS	1	21	0.0001%
TOTAL	**1915**	**23,100,000**	**100%**

CATEGORIES OF SHAREHOLDERS
ADDITIONAL INFORMATION AS AT JUNE 30, 2008

	ASSOCIATED COMPANY	
1	M/S Omer Glass Industries Limited	2,577,920
	NIT AND ICP	
2	Investment Corporation of Pakistan	22,621
	DIRECTORS, CEO, THEIR SPOUSE & MINOR CHILDREN	
3	Mr. Tariq Baig	2,680,940
	Mr. Omer Baig	1,514,222
	Mrs. Naima Tariq	640,396
	Mr. Mansoor Irfani	1,154
	Mr. Syed Tufail Hussain	1,154
	Mr. Akbar Baig	1,154
	Mr. David Julian	1,154
		4,840,174
4	**PUBLIC SECTOR COMPANIES AND CORPORATIONS**	314,658
5	**BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS, AND MUTUAL FUNDS**	9,510,769
6	**GENERAL PUBLIC**	5,833,837
7	**OTHERS**	21
		23,100,000
8	**SHAREHOLDERS HOLDING 10% OR MORE**	
	Mr. Tariq Baig	2,680,940
	Omer Glass Industries Limited	2,577,920
	Industrial Products Investment Limited	6,928,844
9	**TRADES DONE BY CEO, DIRECTORS AND ASSOCIATED COMPANY**	
	Purchases Through Right Issue	
	Mr. Tariq Baig	1,440,470
	Mr. Omer Baig	847,556
	Mrs. Naima Tariq	320,198
	Mr. Mansoor Irfani	577
	Mr. Syed Tufail Hussain	577
	Mr. Akbar Baig	577
	Mr. David Julian	577
	M/S Omer Glass Industries Limited	1,288,960

TARIQ GLASS INDUSTRIES LIMITED

128-J BLOCK, MODEL TOWN, LAHORE.

FORM OF PROXY

Folio No. ________________

No. of Shares_____________

I / We ____

of ____

being a member of **TARIQ GLASS INDUSTRIES LIMITED** hereby appoint;

Mr. ____

of ____

failing him Mr. ______________________ of ______________________

(being a member of the Company) as my / our proxy to attend, act and vote for me/us and on my / our behalf at the 30th Annual General Meeting of the Members of the Company to be held at Defence Services Officers' Mess, 71 – Tufail Road, Lahore Cantt On Tuesday the September 02, 2008 at 11:00 AM and at every adjournment thereof.

As witness my/our hands(s) this______________________day of______________________2008.

WITNESS:

Signature:______________________

Name:______________________

Address:______________________

SIGNATURE AND REVENUE STAMP

NOTE: Proxies, in order to be effective, must be received, by the Company not later than 48 hours before the meeting and must be duly stamped, signed and witnessed.