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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, FCA

#### 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](mailto:info@tariqglass.com)

#### WORKS

33-KM LAHORE/SHEIKHUPURA ROAD  
TEL: (042) 7925662, (0561) 3785441-3  
FAX: (056) 3783912



## DIRECTORS' REPORT

I feel pleasure to present you the un-audited accounts of the company for the first quarter ended September 30, 2006.

### Operating Performance:

By the grace of Almighty Allah your company has maintained its momentum of profit earning and earned a net profit of Rs. 24.317 million after taxation for the quarter ended September 30, 2006 as compared to the net profit of Rs. 17.035 million for corresponding period of previous year.

The net sales for the quarter increased from Rs. 238.897 million to Rs. 256.354 million thus showing a growth of Rs. 17.458 million. The earnings per share have also improved to Rs. 2.21 per share from Rs. 1.70 per share of the corresponding period.

A comparative summary of the financial results for the quarter ended September 30, 2006 is as follows:

|                        | Sep. 30, 2006<br>Rupees | Sep. 30, 2005<br>Rupees |
|------------------------|-------------------------|-------------------------|
| Profit before taxation | 25,394,206              | 18,229,092              |
| Taxation               | <u>1,077,141</u>        | <u>1,194,484</u>        |
| Profit after taxation  | <u>24,317,065</u>       | <u>17,034,608</u>       |
| Earnings per share     | Rs. 2.21                | 1.70                    |

### Future Outlook:

- Two tableware making machines of which one is a double job have been imported and installed. These machines are at present under trial run and Insha Allah commercial production would be available for sale in coming weeks.
- As reported in the annual report the civil works for the third furnace & warehouses is in hand and Insha Allah it will be completed as per schedule.
- The management of your company is hopeful to maintain this momentum of profit earnings in the periods to come by utilizing its best efforts with the resources available.

For and on behalf of the Board

October 27, 2006  
Lahore

**(TARIQ BAIG)**  
Chairman and Managing Director



**BALANCE SHEET AS AT SEPTEMBER 30, 2006**  
(UN-AUDITED)

|   | 30.09.2006<br>Rupees | 30.06.2006<br>Rupees |
|---|----------------------|----------------------|
| <b>EQUITY AND LIABILITIES</b>                         |                      |                      |
| <b>SHARE CAPITAL AND RESERVES</b>                     |                      |                      |
| Authorised capital                                    |                      |                      |
| 12,000,000 ordinary shares of Rs. 10 each             | 120,000,000          | 120,000,000          |
| Issue, subscribed and paid-up capital                 | 110,000,000          | 110,000,000          |
| Unapportioned profit                                  | 160,060,391          | 135,743,328          |
|   | 270,060,391          | 245,743,328          |
| <b>NON CURRENT LIABILITIES</b>                        |                      |                      |
| Long term loans                                       |                      |                      |
| Secured   | 63,147,572           | 48,039,502           |
| Unsecured   | 129,005,514          | 129,005,514          |
|   | 192,153,086          | 175,095,016          |
| Liabilities against assets subject to finance lease   | 10,559,187           | 10,927,634           |
| Long term security deposits                           | 5,167,203            | 5,167,203            |
| Deferred liabilities                                  | 35,814,224           | 34,928,774           |
|   | 243,693,700          | 225,118,627          |
| <b>CURRENT LIABILITIES</b>                            |                      |                      |
| Short term borrowings - secured                       | 93,035,862           | 93,805,787           |
| Current maturity of long term liabilities             | 40,450,217           | 47,374,652           |
| Trade and other payables                              | 178,157,422          | 154,155,241          |
| Provision for taxation                                | 177,141              | 5,054,361            |
|   | 311,820,642          | 300,390,051          |
| <b>CONTINGENCIES AND COMMITMENTS</b>                  |                      |                      |
|   | -                    | -                    |
|   | 825,574,733          | 772,252,016          |
| <b>ASSETS</b>   |                      |                      |
| Property, plant and equipment                         | 461,776,947          | 446,858,434          |
| LONG TERM SECURITY DEPOSITS                           | 7,635,840            | 7,467,740            |
| <b>CURRENT ASSETS</b>                                 |                      |                      |
| Stores and spares                                     | 166,623,404          | 146,868,174          |
| Stock in trade  | 83,009,152           | 76,862,175           |
| Trade debtors - Unsecured, considered good            | 9,168,041            | 9,238,710            |
| Advances, deposits, prepayments and other receivables | 85,714,132           | 75,132,890           |
| Cash and bank balances                                | 11,707,217           | 7,783,689            |
|   | 356,161,946          | 317,525,642          |
|   | 825,574,733          | 772,252,016          |

The annexed notes form an integral part of these accounts.

October 27, 2006  
Lahore

TARIQ BAIG  
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG  
DIRECTOR

**PROFIT AND LOSS ACCOUNT FOR THE QUARTER  
ENDED SEPTEMBER 30, 2006  
(UN-AUDITED)**

|   | September 30,<br>2006 | September 30,<br>2005 |
|---|-----------------------|-----------------------|
|   | Rupees                | Rupees                |
| Sales                                       | 256,354,242           | 238,896,559           |
| Cost of sales                               | 202,175,330           | 198,154,504           |
| <b>Gross profit</b>                         | <b>54,178,912</b>     | <b>40,742,055</b>     |
| Operating expenses                          |                       |                       |
| Administrative                              | 7,067,509             | 8,487,932             |
| Selling and distribution                    | 12,831,327            | 11,938,342            |
|   | 19,898,836            | 18,426,274            |
| <b>Operating profit</b>                     | <b>34,280,076</b>     | <b>22,315,781</b>     |
| Financial expenses                          | 7,549,333             | 5,993,363             |
|   | 26,730,743            | 16,322,418            |
| Other income                                | -                     | 2,866,100             |
|   | 26,730,743            | 19,188,518            |
| Other expenses                              | 1,336,539             | 959,426               |
| <b>Profit before taxation</b>               | <b>25,394,204</b>     | <b>18,229,092</b>     |
| Provision for taxation                      | 1,077,141             | 1,194,484             |
| <b>Profit after taxation</b>                | <b>24,317,063</b>     | <b>17,034,608</b>     |
| <br>  |                       |                       |
| <b>Basic and diluted earnings per share</b> | <b>2.21</b>           | <b>1.70</b>           |

The annexed notes form an integral part of these accounts.

October 27, 2006  
Lahore

TARIQ BAIG  
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG  
DIRECTOR



**CASH FLOW STATEMENT FOR THE QUARTER  
ENDED SEPTEMBER 30, 2006  
(UN-AUDITED)**

|   | Sept. 30,<br>2006<br>Rupees | Sept. 30,<br>2005<br>Rupees |
|---|-----------------------------|-----------------------------|
| <b>Cash flow from operating activities</b>                      |                             |                             |
| Profit before taxation  | 25,394,204                  | 18,229,392                  |
| Adjustments for:  |                             |                             |
| Depreciation  | 13,838,920                  | 12,019,793                  |
| Profit/(Loss) on disposal of property, plant and equipment      | -                           | (2,886,100)                 |
| Financial expenses  | 7,549,333                   | 5,955,955                   |
| Provision for workers' profit participation fund                | 1,336,537                   | 569,425                     |
|   | 22,724,790                  | 18,106,462                  |
| <b>Operating profit before working capital changes</b>          | 48,118,994                  | 34,225,874                  |
| (Increase)/decrease in current assets:                          |                             |                             |
| Stores, spares and loose tools                                  | (19,735,230)                | (6,135,240)                 |
| Advances, deposits, prepayments and other receivables           | (10,581,241)                | (7,692,979)                 |
| Stock in trade  | (4,126,973)                 | 15,111,281                  |
| Trade debtors   | 139,669                     | (5,072,385)                 |
|   | (34,312,775)                | (8,890,323)                 |
| <b>Increase in current liabilities:</b>                         |                             |                             |
| Short term borrowings   | (769,925)                   | (12,976,256)                |
| Trade and other payables  | 19,892,805                  | 6,916,805                   |
|   | 19,122,880                  | (6,059,451)                 |
| <b>Cash generated from operations</b>                           | 32,929,099                  | 27,288,802                  |
| Financial charges paid  | (4,775,494)                 | (4,724,423)                 |
| Staff gratuity paid   | (14,550)                    | (10,303)                    |
| Taxes paid  | (5,054,381)                 | (3,327,127)                 |
|   | (9,845,425)                 | (8,061,853)                 |
| <b>Net cash generated from operating activities</b>             | 23,083,674                  | 19,226,955                  |
| <b>Cash flow from investing activities</b>                      |                             |                             |
| Fixed capital expenditure incurred                              | (28,757,433)                | (12,346,354)                |
| Proceeds from sale of property, plant and equipment             | -                           | 4,937,002                   |
| Long term security deposits                                     | (158,100)                   | 10,000                      |
| <b>Net cash used in investing activities</b>                    | (28,925,533)                | (7,399,352)                 |
| <b>Cash flow from financing activities</b>                      |                             |                             |
| Long term loans   | 10,798,454                  | (11,379,303)                |
| Liabilities against assets subject to finance lease             | (1,033,256)                 | 1,944,224                   |
| Long term security deposits                                     | -                           | (669,141)                   |
| Dividend paid   | -                           | (570,000)                   |
| <b>Net cash generated from financing activities</b>             | 9,765,198                   | (11,171,823)                |
| <b>Net increase in cash and cash equivalents</b>                | 3,923,339                   | 655,789                     |
| <b>Cash and cash equivalents at the beginning of the period</b> | 7,783,889                   | 6,724,286                   |
| <b>Cash and cash equivalents at the end of the period</b>       | 11,707,218                  | 7,380,066                   |

The annexed notes form an integral part of these accounts.

October 27, 2006  
Lahore

**TARIQ BAIG**  
CHAIRMAN AND MANAGING DIRECTOR

**OMER BAIG**  
DIRECTOR



**STATEMENT OF CHANGES IN EQUITY FOR  
THE QUARTER ENDED SEPTEMBER 30, 2006  
(UN-AUDITED)**

|                                  | Share<br>capital | Reserve for<br>issuance of<br>bonus<br>shares | Unappropriated<br>profit | Total       |
|----------------------------------|------------------|---|--------------------------|-------------|
|                                  | Rupees           | Rupees  | Rupees                   | Rupees      |
| Balance as at 30 June 2005       | 100,000,000      | -   | 101,630,602              | 201,630,602 |
| Net profit for the year          | -                | -   | 17,034,608               | 17,034,608  |
| Balance as at September 30, 2005 | 100,000,000      | -   | 118,665,210              | 218,665,210 |
| Balance as at 30 June 2006       | 110,000,000      | -   | 135,743,328              | 245,743,328 |
| Net profit for the period        | -                | -   | 24,317,063               | 24,317,063  |
| Balance as at September 30, 2006 | 110,000,000      | -   | 135,743,328              | 270,060,391 |

October 27, 2008  
Lahore

**TARIQ BAIG**  
CHAIRMAN AND MANAGING DIRECTOR

**OMER BAIG**  
DIRECTOR



## **NOTES TO THE ACCOUNTS**

1. These financial statements are un-audited and are being prepared and submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.
2. The accounting policies adopted for the preparation of these quarterly accounts are the same as those applied in the preparation of preceding Audited Financial Statements for the year ended June 30, 2006.
3. These accounts have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting'.
4. There is no significant change in contingent liabilities of the company since last annual balance sheet date.
5. Provisions in respect of taxation and workers' profit participation fund are estimates only and final liabilities will be determined on the basis of annual results.
6. Figures have been rounded off to the nearest rupee. Corresponding figures have been rearranged, wherever necessary, for the purposes of comparison.

October 27, 2006  
Lahore

**TARIQ BAIG**  
CHAIRMAN AND MANAGING DIRECTOR

**OMER BAIG**  
DIRECTOR