



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

COMPANY SECRETARY

MR. WAQAR ULLAH

AUDIT COMMITTEE

MR. OMER BAIG
MR. AKBAR BAIG
MR. DAVID JULIAN

CHAIRMAN
MEMBER
MEMBER

AUDITORS

KPMG TASEER HADI & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

MUBASHAR LATIF AHMAD
LAHORE

TAX CONSULTANTS

YOUSAF ISLAM ASSOCIATES
LAHORE

INFORMATION TECHNOLOGY CONSULTANTS

CHARTAC BUSINESS SERVICES (PVT) LTD.
LAHORE

BANKERS

NATIONAL BANK OF PAKISTAN
HABIB BANK LTD
UNITED BANK LTD

SHARE REGISTRAR

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DIRECTOR'S REPORT

The Directors of Tariq Glass Industries Limited take pleasure in presenting the report together with the un-audited financial statements of the company duly reviewed by the external auditors with limited scope review in accordance with the Companies Ordinance 1984 for the second quarter and six months ended December 31, 2010.

Financial and Operational Performance

The operational results of your company for the second quarter reflect a slight improvement with Profit After Tax of Rs. 87.59 million and EPS of Rs. 3.79 as compared to Profit After Tax of Rs. 80.58 million and EPS of Rs. 3.49 of corresponding period of the last year.

The operating results of the out gone quarter could be better to a great extent if there is not complete shut down of Sui Gas that was started from the month of October which is two months earlier if compare to the corresponding period of the last year. This phenomenon has forced us to use alternative expensive LPG and Furnace Oil to keep the momentum of production. Although the addition of Goblets in production mix is successfully managed to bring the price of value addition in the yields but major portion of profit swept by the costs of expensive fuels.

A brief summary of the financial results for period ended December 31, 2010 are as follows:

	(Rupees)	
	Half Year Ended December 31	
	2010	2009
Net Sales	1,129,180,168	986,203,718
Gross Profit	233,687,728	214,362,596
Profit before Tax	109,141,904	110,301,268
Profit after Tax	87,590,081	80,582,884
Earnings per share	3.79	3.49

Future Outlook

The sales volume for the period under report has increased by 14.50% as compared to the corresponding period of the last year which reflects increasing demand for value added products of your company. In the tableware the main focus is on developing new varieties of Goblet range and extension of production facilities for the same.

For and on behalf of the Board



INDEPENDENT AUDITORS REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of Tariq Glass Industries Limited ("the Company") as at 31 December 2010, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-months period then ended (here-in-after referred as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended 31 December 2010 and 31 December 2009, in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.



CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

	(Un-audited) 31 December 2010 Rupees	(Audited) 30 June 2010 Rupees
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized capital		
100,000,000 ordinary shares of Rs 10 each	<u>1,000,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid up capital		
23,100,000 ordinary shares of Rs. 10 each	231,000,000	231,000,000
Share premium	173,250,000	173,250,000
Unappropriated profit	278,684,382	214,194,301
	682,934,382	618,444,301
Surplus on revaluation of property, plant and equipment	355,002,638	-
	1,037,937,020	618,444,301
Non current liabilities		
Long term finances		
Secured	69,037,197	94,429,565
Unsecured	166,141,849	122,366,849
	235,179,046	216,796,414
Liabilities against assets subject to finance lease	3,672,559	3,824,374
Long term deposits	5,533,066	5,133,066
Deferred liabilities	99,088,827	89,238,827
Current liabilities		
Trade and other payables	330,677,515	284,725,931
Accrued markup	31,548,350	30,032,679
Short term borrowings - secured	76,907,139	38,823,750
Current maturity of non current liabilities	57,822,231	66,423,552
Provision for taxation	22,627,873	11,336,071
	519,583,108	431,341,983
Contingencies and commitments	5	
	<u>1,900,993,626</u>	<u>1,364,778,965</u>

The annexed notes 1 to 10 form an integral part of this interim financial information.



AS AT 31 DECEMBER 2010

		(Un-audited) 31 December 2010 Rupees	(Audited) 30 June 2010 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,319,470,983	901,411,012
Long term deposits		11,457,704	8,210,104
Current assets			
Stores and spares		188,699,356	163,245,306
Stock in trade		192,596,629	144,941,944
Trade debtors - Unsecured, considered good		43,388,920	35,157,670
Advances, deposits, prepayments and other receivables		115,360,119	97,257,042
Cash and bank balances		30,019,915	14,555,887
		570,064,939	455,157,849
		<u>1,900,993,626</u>	<u>1,364,778,965</u>

OMER BAIG
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	Note	Six months ended 31 December		Quarter ended 31 December	
		2010	2009	2010	2009
		Rupees	Rupees	Rupees	Rupees
Sales - net	7	1,129,180,168	986,203,718	588,204,590	508,590,132
Cost of sales		895,492,440	771,841,122	469,381,437	381,728,053
Gross profit		233,687,728	214,362,596	118,823,153	126,862,079
Operating expenses					
Administrative		24,351,821	18,155,243	10,925,257	9,026,430
Selling and distribution		73,452,361	53,374,661	36,625,476	27,998,722
		97,804,182	71,529,904	47,550,733	37,025,152
		135,883,546	142,832,692	71,272,420	89,836,927
Other operating income		2,196,864	225,180	2,045,730	225,180
Operating profit		138,080,410	143,057,872	73,318,150	90,062,107
Finance cost		20,849,579	24,645,734	11,521,554	11,359,241
Other expenses		8,088,927	8,110,870	4,284,617	5,385,724
Profit before taxation		109,141,904	110,301,268	57,511,979	73,317,142
Taxation		21,551,823	29,718,384	18,120,413	16,804,683
Profit after taxation		87,590,081	80,582,884	39,391,566	56,512,459
Earnings per share rupees - basic and diluted		3.79	3.49	1.71	2.45

The annexed notes 1 to 10 form an integral part of this interim financial information.



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	Six months ended 31 December		Quarter ended 31 December	
	2010	2009	2010	2009
	Rupees	Rupees	Rupees	Rupees
Profit for the period	87,590,081	80,582,884	39,391,566	56,512,459
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	87,590,081	80,582,884	39,391,566	56,512,459

The annexed notes 1 to 10 form an integral part of this interim financial information.



**CONDENSED INTERIM CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	Six months ended	
	31 December 2010	31 December 2009
	Rupees	Rupees
Cash flow from operating activities		
Profit before taxation	109,141,904	110,301,268
Adjustments for non cash and other items:		
Depreciation	54,067,235	51,864,612
Finance cost	20,849,579	24,645,733
Workers' profit participation fund	5,861,542	5,909,348
Workers' welfare fund	2,227,385	2,201,522
Profit on disposal of property, plant and equipment	(417,053)	(225,180)
	<u>82,588,688</u>	<u>84,396,035</u>
Operating profit before working capital changes	191,730,592	194,697,303
Increase in current assets:		
Stores and spares	(25,454,050)	(35,649,872)
Stock in trade	(47,654,685)	(39,733,320)
Trade debtors	(8,231,250)	(3,766,721)
Advances, deposits, prepayments and other receivables	(10,828,904)	(10,785,513)
	<u>(92,168,889)</u>	<u>(89,935,426)</u>
Increase in current liabilities:		
Trade and other payables	38,116,941	27,250,962
Cash generated from operations	137,678,644	132,012,839
Finance cost paid	(19,333,908)	(28,167,252)
Staff retirement benefits paid	-	(436,634)
Income tax paid	(7,684,194)	-
	<u>(27,018,102)</u>	<u>(28,603,886)</u>
Net cash generated from operating activities	110,660,542	103,408,953
Cash flow from investing activities		
Fixed capital expenditure	(117,249,515)	(8,727,477)
Proceeds from sale of property, plant and equipment	1,420,000	350,000
Long term deposits	(3,247,600)	2,062,200
Net cash outflow from investing activities	(119,077,115)	(6,315,277)
Cash flow from financing activities		
Long term finances	12,995,465	3,072,034
Short term borrowings	38,083,389	(80,991,983)
Liabilities against assets subject to finance lease	(4,243,969)	(1,386,670)
Long term deposits	400,000	100,000
Dividend paid	(23,354,284)	-
Net cash inflow from financing activities	23,880,601	(79,206,619)
Net increase in cash and cash equivalents	15,464,028	17,887,057
Cash and cash equivalents at the beginning of the period	14,555,887	9,646,935
Cash and cash equivalents at the end of the period	30,019,915	27,533,992

The annexed notes 1 to 10 form an integral part of this interim financial information.



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	Share capital Rupees	Share premium Rupees	Unappropriated profit Rupees	Total Rupees
Balance as at 30 June 2009	231,000,000	173,250,000	89,794,943	494,044,943
Total comprehensive income for the six months period ended 31 December 2009	-	-	80,582,884	80,582,884
Balance as at 31 December 2009	231,000,000	173,250,000	170,377,827	574,627,827
Interim dividend for the 3rd quarter ended 31 March 2010 at the rate of Rs. 0.75/- (7.5%) per ordinary share	-	-	(17,325,022)	(17,325,022)
Total comprehensive income for the six months period ended 30 June 2010	-	-	61,141,496	61,141,496
Balance as at 30 June 2010	231,000,000	173,250,000	214,194,301	618,444,301
Final dividend for the year ended 30 June 2010 at the rate of Rs. 1/- (10%) per ordinary share	-	-	(23,100,000)	(23,100,000)
Total comprehensive income for the six months period ended 31 December 2010	-	-	87,590,081	87,590,081
Balance as at 31 December 2010	231,000,000	173,250,000	278,684,382	682,934,382

The annexed notes 1 to 10 form an integral part of this interim financial information.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2010

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. Its shares are listed on Karachi, Lahore and Islamabad Stock Exchanges. The Company is principally engaged in manufacturing and sale of glass container and tableware. The registered office of Tariq Glass Industries Limited is situated at 128- J, Model Town, Lahore.

2 Basis of preparation

The condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2010.

3 Accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the preceding year ended 30 June 2010.

4 Estimates

The preparation of this interim financial information requires management to make judgments, estimates and assumption that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2010.

5 Contingencies and commitments

5.1 Commitments under letters of credit at the period end amounted to Rs 26.495 million (30 June 2010: Rs 33.990 million).

5.2 Commercial banks have issued guarantees in the ordinary course of business on behalf of the Company. The unexpired guarantees at the year end amounted to Rs. 109.700 million (30 June 2010: Rs 109.700 million).



	Notes	(Un-audited) 31 December 2010 Rupees	(Audited) 30 June 2010 Rupees
6 Property, plant and equipment			
Operating assets	6.1	1,213,352,487	762,243,584
Capital work in progress	6.2	106,118,496	139,167,428
		<u>1,319,470,983</u>	<u>901,411,012</u>
6.1 Operating assets			
Net book value at the beginning of the period		762,243,584	806,500,412
Add: Additions during the period/year		151,176,447	62,348,501
Add: Surplus on revaluation of property, plant and equipment	6.1.1	355,002,638	-
Less: Disposals during the period/ year (at net book value)		(1,002,947)	(124,819)
Less: Depreciation charged during the period/year		(54,067,235)	(106,480,510)
		<u>1,213,352,487</u>	<u>762,243,584</u>
6.1.1	During the period ended 31 December 2010, Iqbal A. Nanjee and Co. Valuation Consultants, carried out revaluations of freehold land , which resulted in an aggregate surplus on revaluation of Rs 355.002 million thereon over cost.		
6.2 Capital work in progress			
Civil works		42,344,743	11,043,226
Plant and machinery		-	76,450,464
Stores held for capital expenditure		32,997,806	38,022,336
Advances to suppliers		29,690,841	-
Others		1,085,106	13,651,402
		<u>106,118,496</u>	<u>139,167,428</u>
6.3 Movement in capital work in progress			
Opening balance		139,167,428	-
Add : Additions during the period/ year		68,187,478	139,167,428
Less: Transfers during the period/ year		(101,236,410)	-
		<u>106,118,496</u>	<u>139,167,428</u>



	Six months ended 31 December		Quarter Ended 31 December	
	2010	2009	2010	2009
	Rupees	Rupees	Rupees	Rupees
7 Sales - net				
Local sales	1,319,346,722	1,144,603,424	702,806,021	583,094,419
Export sales	108,064,877	94,328,262	44,762,823	48,376,251
Gross sales	1,427,411,599	1,238,931,686	747,568,844	631,470,670
Less: Trade discount	113,172,834	100,328,412	59,813,109	53,147,014
Sales tax & special excise duty	185,058,597	152,399,556	99,551,145	69,733,524
	298,231,431	252,727,968	159,364,254	122,880,538
	1,129,180,168	986,203,718	588,204,590	508,590,132

8 Transactions with related parties	31 December	31 December
	2010	2009
	Rupees	Rupees

The Company in the normal course of business carries out transaction with the related parties.

Name	Relationship	Nature of Transaction	31 December 2010	31 December 2009
Omer Glass Industries Limited	Associated company	Purchases	409,500	5,417,280
		Sales	1,840,983	4,004,640
Provident fund	Employee benefit plan	Contributions	2,973,910	2,351,284
Key Management Personnel:				
Remuneration			8,279,459	8,640,352
House rent			3,668,712	3,806,314
Conveyance			39,600	54,000
Contribution to provident fund			993,051	738,075
Medical and others			662,838	736,394
Utilities			993,051	862,354
			14,636,711	14,837,489

9 Date of authorization

These unaudited interim financial information for the six months period ended 31 December 2010 were authorized for issue by the Board of Directors on February 28, 2011.

10 Figures

Figures have been rounded off to nearest rupee.