



COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

MR. TARIQ BAIG

DIRECTORS:

MR. OMER BAIG
MRS. NAIMA SHAHNAZ BAIG
MR. MANSOOR IRFANI
MR. AKBAR BAIG
MR. DAVID JULIAN
MR. SYED TUFAIL HUSSAIN

NOMINEE DIRECTOR IPI

MR. MUJAHID ESHAI

SECRETARY

MR. 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

SHEMAS INTERNATIONAL (PVT) LTD.
Suite No. 31, 2nd Floor, Sadiq Plaza,
69 - The Mall Lahore.
Ph: 042 - 36280067, Fax: 042 - 36280068
E-mail: info@shemas.com

REGISTERED OFFICE

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

WORKS

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



DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited take pleasure in presenting the 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, 2011.

Financial and Operational Performance

By the Grace of Almighty Allah your company is maintaining track record of continuous growth in its sales revenue with almost same production capacities. Your Company has registered sales (net) of Rs. 1,652 million for the period under report which is 46% higher than the corresponding period of the last year. The export sales also embarked vertically by registering Rs. 138 million in the account which is 28% higher than the corresponding period of the last year. This became possible by the countrywide and international acceptability of Company's value added products particularly addition of goblets and the printed range which led to a considerable revenue growth.

On the contrary, the cost of sales also increased with same proportion as of sales, which is mainly due to shut down of Sui Gas, unjustified increase in oil and fuel prices, and plunging parity of Pak Rupee against US Dollar.

A brief summary of the financial results for period ended December 31, 2011 are as follows:

	(Rupees)	
	Half Year Ended December 31	
	2011	2010
Net Sales	1,651,928,117	1,129,180,168
Gross Profit	341,400,754	895,492,440
Profit before Tax	218,944,471	109,141,904
Profit after Tax	140,914,924	87,590,081
		(Re-stated)
Earnings per share	2.03	3.68

Future Outlook

In Glass Industry the major cost component comprises of fuel and power conversely the unjustified hyper price increase imposed by the government advertently affect the production costs. Further, no plan is on way for increase in Gas supply to the industry nor any plan announced for the captive power generation. These phenomenons have forced us to use alternative expensive LPG, Furnace Oil, and Diesel to keep the momentum of production, resultantly the cost of production will remain under pressure.

On the Float Glass front, the civil works are at its full swing, shipments from M/S Yaohua Glass (the principal machinery supplier) have started reaching at site and erection work is in progress.

For and on behalf of the Board



INDEPENDENT REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF TARIQ GLASS INDUSTRIES LIMITED

Introduction

We have reviewed the accompanying condensed interim balance sheet of Tariq Glass Industries Limited ("the Company") as at 31 December 2011, 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 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 2011 and 31 December 2010, 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 2011 Rupees	(Audited) 30 June 2011 Rupees
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized capital 100,000,000 (30 June 2011: 100,000,000) ordinary shares of Rs.10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up capital 69,300,000 ordinary shares of Rs.10 each	693,000,000	693,000,000
Share premium	263,697,120	263,697,120
Unappropriated profit	449,567,180	334,911,442
	1,406,264,300	1,291,608,562
Surplus on revaluation of property	<u>355,002,638</u>	<u>355,002,638</u>
	1,761,266,938	1,646,611,200
Non current liabilities		
Long term finances		
Secured	5 139,385,205	47,422,313
Unsecured	33,389,450	33,389,450
	172,774,655	80,811,763
Liabilities against assets subject to finance lease	15,893,737	4,276,594
Long term deposits	18,633,066	5,283,066
Deferred liabilities	130,709,699	127,850,614
Current liabilities		
Current maturity of non current liabilities	46,752,008	49,055,847
Short term borrowings - secured	67,879,838	10,749,351
Trade and other payables	419,912,834	355,820,455
Accrued markup	32,951,592	34,747,900
Provision for taxation	102,328,188	27,157,725
	669,824,460	477,531,278
Contingencies and commitments	6 <u>2,769,102,555</u>	<u>2,342,364,515</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.



AS AT 31 DECEMBER 2011

		(Un-audited) 31 December 2011 Rupees	(Audited) 30 June 2011 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,663,790,468	1,376,238,917
Long term deposits		16,411,709	12,978,722
Current assets			
Stores and spares		172,510,895	162,629,586
Stock in trade		173,640,808	187,211,749
Trade debtors - unsecured, considered good		54,626,857	36,837,623
Advances, deposits, prepayments and other receivables		124,906,367	103,194,849
Cash and bank balances		563,215,451	463,273,069
		1,088,900,378	953,146,876
		<u>2,769,102,555</u>	<u>2,342,364,515</u>

OMER BAIG
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	Note	Six months ended 31 December		Quarter ended 31 December	
		2011	2010	2011	2010
		Rupees	Rupees	Rupees	Rupees
Sales - net	8	1,651,928,118	1,129,180,168	837,763,928	588,204,590
Cost of sales		1,310,527,364	895,492,440	655,334,363	469,381,437
Gross profit		341,400,754	233,687,728	182,429,565	118,823,153
Operating expenses					
Administrative		31,744,296	24,351,821	14,871,201	10,925,257
Selling and distribution		88,025,215	73,452,361	44,261,747	36,625,476
		119,769,511	97,804,182	59,132,948	47,550,733
		221,631,243	135,883,546	123,296,617	71,272,420
Other operating income		32,399,826	2,196,864	17,269,600	2,045,730
Operating profit		254,031,069	138,080,410	140,566,217	73,318,150
Finance cost		19,133,046	20,849,579	8,986,482	11,521,554
Other expenses		15,953,552	8,088,927	8,863,081	4,284,617
Profit before taxation		218,944,471	109,141,904	122,716,654	57,511,979
Taxation		78,029,547	21,551,823	35,687,377	18,120,413
Profit after taxation		140,914,924	87,590,081	87,029,277	39,391,566
Earnings per share rupees - basic and diluted		2.03	Restated 3.68	1.26	Restated 1.66

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	<u>Six months ended 31 December</u>		<u>Quarter ended 31 December</u>	
	2011	2010	2011	2010
	Rupees	Rupees	Rupees	Rupees
Profit for the period	140,914,924	87,590,081	87,029,277	39,391,566
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	140,914,924	87,590,081	87,029,277	39,391,566

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011

	Six months ended	
	31 December 2011 Rupees	31 December 2010 Rupees
Cash flow from operating activities		
Profit before taxation	218,944,471	109,141,904
Adjustments for non cash and other items:		
Depreciation	59,517,782	54,067,235
Finance cost	19,133,046	20,849,579
Workers' profit participation fund	11,650,705	5,861,542
Workers' welfare fund	4,302,847	2,227,385
Profit on disposal of property, plant and equipment	(3,618,739)	(417,053)
	<u>90,985,641</u>	<u>82,588,688</u>
Operating profit before working capital changes	309,930,112	191,730,592
Increase in current assets:		
Stores and spares	(9,881,309)	(25,454,050)
Stock in trade	13,570,941	(47,654,685)
Trade debtors	(17,789,234)	(8,231,250)
Advances, deposits, prepayments and other receivables	4,747,058	(10,828,904)
	<u>(9,352,544)</u>	<u>(92,168,889)</u>
Increase in current liabilities:		
Trade and other payables	46,856,079	38,116,941
Cash generated from operations	347,433,647	137,678,644
Finance cost paid	(20,929,354)	(19,333,908)
Income tax paid	(26,458,575)	(7,684,194)
	<u>(47,387,929)</u>	<u>(27,018,102)</u>
Net cash generated from operating activities	300,045,718	110,660,542
Cash flow from investing activities		
Fixed capital expenditure	(351,030,592)	(117,249,515)
Proceeds from sale of property, plant and equipment	7,580,000	1,420,000
Long term deposits	(3,432,987)	(3,247,600)
Net cash outflow from investing activities	(346,883,579)	(119,077,115)
Cash flow from financing activities		
Long term finances	85,407,615	12,995,465
Short term borrowings	57,130,487	38,083,389
Liabilities against assets subject to finance lease	15,868,579	(4,243,969)
Long term deposits	13,350,000	400,000
Dividend paid	(24,976,438)	(23,354,284)
Net cash inflow from financing activities	146,780,243	23,880,601
Net increase in cash and cash equivalents	99,942,382	15,464,028
Cash and cash equivalents at the beginning of the period	463,273,069	14,555,887
Cash and cash equivalents at the end of the period	563,215,451	30,019,915

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	Share capital	Share premium	Unappropriated profit	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2010	231,000,000	173,250,000	214,194,301	618,444,301
Final dividend for the year ended 30 June 2010 at the rate of Rs.1 (10%) per ordinary share	-	-	(23,100,000)	(23,100,000)
Total comprehensive income for the 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
Right issue of 46,200,000 ordinary shares of Rs. 10 each fully paid in cash - net of issue cost	462,000,000	90,447,120	-	552,447,120
Total comprehensive income for the six months period ended 30 June 2011	-	-	56,227,060	56,227,060
Balance as at 30 June 2011	693,000,000	263,697,120	334,911,442	1,291,608,562
Final dividend for the year ended 30 June 2011 at the rate of Rs.1 (10%) per ordinary share	-	-	(26,259,186)	(26,259,186)
Total comprehensive income for the six months period ended 31 December 2011	-	-	140,914,924	140,914,924
Balance as at 31 December 2011	693,000,000	263,697,120	449,567,180	1,406,264,300

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

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

This condensed interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in these 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 2011.

3 Accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the preceding year ended 30 June 2011.

4 Estimates

The preparation of this condensed 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 2011.

	<i>Limit million</i>	<i>Note</i>	(Un-audited) 31 December 2011 Rupees	(Audited) 30 June 2011 Rupees
5 Long term finances - secured				
Syndicated loan (lead by HBL)	1,500	5.1	110,800,000	-
Demand finance	226	5.2	28,583,822	47,422,313
			<u>139,383,822</u>	<u>47,422,313</u>

5.1 This loan carries mark up at the rate of average 3 months KIBOR plus 280 bps . This loan is repayable in 42 equal monthly installments commencing from 01 January 2013 and ending on 31 August 2016. The loan is secured by first pari passu charge on present and future fixed assets of the Company, lien over the collection accounts and guarantees from sponsoring directors of the Company.



5.2 This loan has been obtained from various banks and carries mark up at the rate of 3 months KIBOR plus 150 - 300 bps. The loan is secured by way of first pari passu charge on all present and future fixed assets of the Company and personal guarantees of sponsoring directors of the Company. The loan is repayable in 60 equal monthly installments commenced from 31 October 2006 and ending on 30 June 2014.

6 Contingencies and commitments

6.1 Contingencies

The commercial banks have issued following guarantees on behalf of the Company in favour of:

- Sui Northern Gas Pipelines Limited against supply of gas for furnace amounting to Rs. 93,700,000 (2011: Rs. 93,700,000)
- Sui Northern Gas Pipelines Limited against supply of gas for captive power amounting to Rs.16,000,000 (2011: Rs. 16,000,000)

6.2 Commitments

- Letter of credit for capital expenditure amount to Rs. 1,161,581,299 (2011: Rs. 1,106,866,510)
- Letter of credit for other than capital expenditure amount to Rs. 22,682,374 (2011: Rs. 12,770,526)

7

Property, plant and equipment

	<i>Note</i>	(Un-audited) 31 December 2011 Rupees	(Audited) 30 June 2011 Rupees
Operating assets	7.1	1,211,662,813	1,226,294,577
Capital work in progress	7.2	452,127,655	149,944,340
		<u>1,663,790,468</u>	<u>1,376,238,917</u>

7.1 Operating assets

Net book value at the beginning of the period / year	1,226,294,577	762,243,584
Add: Additions during the period / year	48,847,278	225,922,336
Add: Surplus on revaluation of property	-	355,002,638
Less: Disposals during the period / year (at net book value)	(3,961,260)	(2,038,173)
Less: Depreciation charged during the period / year	(59,517,782)	(114,835,808)
	<u>1,211,662,813</u>	<u>1,226,294,577</u>

7.2 Capital work in progress

Civil works	64,791,264	58,806,414
Plant and machinery	106,600,021	19,325,637
Advance against float glass project	232,937,133	31,903,162
Stores held for capital expenditure	31,397,530	31,397,530
Others	16,401,707	8,511,597
	<u>452,127,655</u>	<u>149,944,340</u>

7.3 Movement in capital work in progress

Opening balance	149,944,340	139,167,428
Add : Additions during the period / year	314,184,665	113,613,598
Less: Transfers during the period / year	(12,001,350)	(102,836,686)
	<u>452,127,655</u>	<u>149,944,340</u>



(-----Un-audited-----)					
		Six months ended 31 December		Quarter Ended 31 December	
		2011	2010	2011	2010
		Rupees	Rupees	Rupees	Rupees
8	Sales - net				
	Local sales	1,926,029,500	1,319,346,722	971,598,071	702,806,021
	Export sales	137,663,173	108,064,877	71,412,267	44,762,823
	Gross sales	<u>2,063,692,673</u>	<u>1,427,411,599</u>	<u>1,043,010,338</u>	<u>747,568,844</u>
	Less: Trade discount	<u>167,610,677</u>	<u>113,172,834</u>	<u>81,668,181</u>	<u>59,813,109</u>
	Sales tax & special excise duty	<u>244,153,878</u>	<u>185,058,597</u>	<u>123,578,229</u>	<u>99,551,145</u>
		<u>411,764,555</u>	<u>298,231,431</u>	<u>205,246,410</u>	<u>159,364,254</u>
		<u>1,651,928,118</u>	<u>1,129,180,168</u>	<u>837,763,928</u>	<u>588,204,590</u>

9 Transactions with related parties

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

(-----Un-audited-----)				
			31 December	31 December
			2011	2010
			Rupees	Rupees
Name	Relationship	Nature of Transaction		
Omer Glass Industries Limited	Associated company	Purchases	-	409,500
		Sales	<u>1,331,226</u>	<u>1,840,983</u>
Provident fund	Employee benefit plan	Contributions	<u>3,131,076</u>	<u>2,973,910</u>
Key Management Personnel:				
		Remuneration	12,502,555	8,279,459
		House rent	5,822,170	3,668,712
		Conveyance	75,600	39,600
		Contribution to provident fund	1,113,816	993,051
		Medical and others	1,293,816	662,838
		Utilities	<u>1,433,851</u>	<u>993,051</u>
			<u>22,241,808</u>	<u>14,636,711</u>

All transactions with related parties have been carried out on commercial terms and conditions.

Period end balances

(-----Un-audited-----)			
		31 December	30 June
		2011	2011
		Rupees	Rupees
	Receivable from related parties	3,181,860	2,256,634

These are in the normal course of business and are interest free.

10 Date of authorization

These unaudited condensed interim financial information for the six months period ended 31 December 2011 were authorized for issue by the Board of Directors on February 29, 2012.

11 Figures

Figures have been rounded off to nearest rupee.