



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

SECRETARY

MR. MOHSIN ALI

HUMAN RESOURCES & REMUNERATION COMMITTEE

MR. MANSOOR IRFANI
MR. TARIQ BAIG
MR. DAVID JULIAN

CHAIRMAN
MEMBER
MEMBER

AUDIT COMMITTEE

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

CHAIRMAN
MEMBER
MEMBER

AUDITORS

KPMG TASEER HADI & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

KASURI AND ASSOCIATES

TAX CONSULTANTS

YOUSAF ISLAM ASSOCIATES
LAHORE

INFORMATION TECHNOLOGY CONSULTANTS

CHARTAC BUSINESS SERVICES (PVT) LTD.
LAHORE

BANKERS

NATIONAL BANK OF PAKISTAN	BANK ALFALAH LTD
HABIB BANK LTD	FAYSAL BANK LTD
UNITED BANK LTD	SINDH BANK LTD
THE BANK OF PUNJAB	BANK ISLAMI PAKISTAN LTD
MCB BANK LTD	NIB BANK LTD
THE BANK OF KHYBER	SAMBA BANK LTD
ASKARI BANK LTD	

SHARE REGISTRAR

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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 six months period ended December 31, 2013.

Operational & Financial Performance

Pakistan's economy continued to face numerous challenges during the period under report mainly from the impact of devaluation, agitated security situation and vulnerable energy crisis resulting in shortages and higher costs of utilities. The input costs further aggravated due to complete shutdown of natural gas which compelled for utilization of alternative expensive fuels in shape of Furnace Oil, Diesel, and LPG.

The float glass business was turbulent during the period under review and it sustained cuts at both ends, the sale prices were extremely bearish and on the other hand bullheaded costs due to usage of three times expensive alternate fuels. At this juncture, the maintenance of stock levels for all varieties of float glass products has also affected in shape of high inventory holding costs and blockage of funds.

Your Company was able to register the highest ever net sales of Rs. 3,353 million for the six months period under report representing 102% growth over the corresponding period of previous year.

A brief summary of the financial results for the period ended December 31, 2013 are as follows:

	(Million Rupees)	
	Half Year Ended December 31	
	Y2013	Y2012
Net Sales	3,353	1,657
Gross Profit	524	268
Profit before Tax	126	97
Profit after Tax	88	94
Earnings per share (Rupees) - basic	1.27	1.35
- diluted	1.20	1.35

Future Outlook

It is anticipated that demand and supply gap of natural gas will narrow down in the approaching summer season resulting in minimal consumption of expensive alternate fuels particularly the Furnace Oil and LPG that will lead to control the cost of production.

The market of Company's tableware products became more responsive and 9% growth in revenues is observed as compared to the corresponding period of the last year. The management remain fully focused on development of new designs and value addition.

The management remains optimistic about the improvement in overall business segments of the Country. The growth in tableware and float glass products augurs well and we will strive to penetrate and retain our strong market position.

For and on behalf of the Board

TARIQ BAIG

CHAIRMAN AND MANAGING DIRECTOR

Lahore: February 28, 2014



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 2013, 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 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the three months period ended 31 December 2013 and 31 December 2012, 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 on them.



CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

	Note	(Un-audited) 31 December 2013 Rupees	(Audited) 30 June 2013 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 100,000,000 (30 June 2013: 100,000,000) ordinary shares of Rs 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital 69,300,000 (30 June 2013: 69,300,000) ordinary shares of Rs. 10 each		693,000,000	693,000,000
Share premium		263,697,120	263,697,120
Equity portion of Shareholder loan		256,835,327	244,169,568
Unappropriated profit		1,056,310,082	968,191,016
		2,269,842,529	2,169,057,704
Surplus on revaluation of land		355,002,638	355,002,638
Advance against issuance of shares other than right	5	197,600,000	-
Non current liabilities			
Long term finances			
Secured	6	1,128,397,523	1,191,949,344
Unsecured		463,491,492	375,157,251
		1,591,889,015	1,567,106,595
Liability against asset subject to finance lease		46,123,321	43,695,545
Long term deposits		252,619,877	252,568,437
Long term payables to suppliers - unsecured	5	-	197,600,000
Current liabilities			
Current maturity of non current liabilities		333,768,666	288,977,000
Short term borrowings - secured		1,149,547,054	669,399,178
Trade and other payables		904,833,455	760,551,613
Accrued markup		61,703,886	47,126,695
Current portion of liability against asset subject to finance lease		8,822,265	6,304,455
Provision for taxation		3,838,970	3,838,970
		2,462,514,296	1,776,197,911
Contingencies and commitments	7		
		7,175,591,676	6,361,228,830

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



AS AT 31 DECEMBER 2013

		(Un-audited) 31 December 2013 Rupees	(Audited) 30 June 2013 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	8	4,443,619,454	4,451,424,803
Long term deposits		39,553,545	42,767,022
Deferred taxation		5,359,625	43,028,633
Current assets			
Stores and spares		934,255,486	708,817,116
Stock in trade		959,770,401	605,900,900
Trade debtors, considered good		477,972,747	218,370,100
Advances, deposits, prepayments and other receivables		230,951,206	223,809,833
Cash and bank balances		84,109,212	67,110,423
		2,687,059,052	1,824,008,372

7,175,591,676 **6,361,228,830**

OMER BAIG
DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED 31 DECEMBER 2013

	Note	Six Months Ended		Three Months Ended	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
		Rupees	Rupees	Rupees	Rupees
Sales - net	9	3,352,774,432	1,657,375,044	1,815,299,910	826,771,585
Cost of sales		2,828,545,246	1,389,684,901	1,519,588,511	704,414,371
Gross profit		524,229,186	267,690,143	295,711,399	122,357,214
Operating expenses					
Administrative expenses		46,266,369	35,511,229	20,146,692	18,694,955
Selling and distribution expenses		202,764,692	105,667,902	108,133,850	51,106,423
		249,031,061	141,179,131	128,280,542	69,801,378
		275,198,125	126,511,012	167,430,857	52,555,836
Other operating income		7,536,107	6,961,331	5,758,144	3,904,944
Operating profit		282,734,232	133,472,343	173,189,001	56,460,780
Finance cost		150,320,202	29,528,521	125,728,834	20,790,503
Other expenses		6,625,956	7,354,708	2,467,161	4,093,850
Profit before taxation		125,788,074	96,589,114	44,993,006	31,576,427
Taxation		37,669,008	2,785,403	22,294,263	(7,721,231)
Profit after taxation		88,119,066	93,803,711	22,698,743	39,297,658
Earnings per share - basic		1.27	1.35	0.33	0.57
- diluted		1.20	1.35	0.31	0.57

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED 31 DECEMBER 2013

	Six months ended		Three months ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	88,119,066	93,803,711	22,698,743	39,297,658
Other comprehensive income				
<i>Other comprehensive income for the period</i>	-	-	-	-
Total comprehensive income for the period	88,119,066	93,803,711	22,698,743	39,297,658

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Lahore: February 28, 2014

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Share capital	Share premium	Equity portion of shareholder	Unappropriated Profit	Total
	Rupees				
Balance as at 30 June 2012	693,000,000	263,697,120	120,150,117	600,833,834	1,677,681,071
Total comprehensive income for the period	-	-	-	93,803,711	93,803,711
Balance as at 31 December 2012 - (Un-audited)	693,000,000	263,697,120	120,150,117	694,637,545	1,771,484,782
Total comprehensive income for the period	-	-	-	273,553,471	273,553,471
Equity portion of shareholders loan received during the year	-	-	152,429,423	-	152,429,423
Notional interest on shareholders' loan	-	-	(28,409,972)	-	(28,409,972)
Balance as at 30 June 2013 - (Audited)	693,000,000	263,697,120	244,169,568	968,191,016	2,169,057,704
Total comprehensive income for the period	-	-	-	88,119,066	88,119,066
Equity portion of shareholders loan received during the period	-	-	38,590,572	-	38,590,572
Notional interest on shareholders' loan	-	-	(25,924,813)	-	(25,924,813)
Balance as at 31 December 2013 - (Un-audited)	693,000,000	263,697,120	256,835,327	1,056,310,082	2,269,842,529

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Lahore: February 28, 2014

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Six months ended	
	31 December 2013	31 December 2012
	Rupees	Rupees
Cash flows from operating activities		
Profit before taxation	125,788,074	96,589,114
Adjustments for:		
Depreciation	227,836,719	60,839,418
Profit on disposal of property, plant and equipment	(6,810,966)	(886,389)
Ijara rentals	20,369,269	14,445,901
Finance cost	150,320,202	29,528,521
Provision for Workers' Profit Participation Fund	6,625,956	5,174,470
Provision for Workers' Welfare Fund	-	1,631,265
	398,341,180	110,733,186
Operating profit before working capital changes	524,129,254	207,322,300
Changes in working capital		
Stores and spares	(225,438,370)	(297,919,021)
Advances, deposits, prepayments and other receivables	15,892,768	(4,118,805)
Stock in trade	(353,869,501)	(92,563,363)
Trade debtors	(259,602,647)	(67,702,145)
Trade and other payables	140,611,885	38,031,297
	(682,405,865)	(424,272,037)
Cash used in operations	(158,276,611)	(216,949,737)
Finance cost paid	(135,743,011)	(28,879,873)
Payments to Workers Profit Participation Fund	(2,956,000)	(17,297,299)
Ijara rentals paid	(20,369,269)	(13,587,424)
Income tax paid	(23,034,142)	(43,362,612)
	(182,102,422)	(103,127,208)
Net cash used in operating activities	(340,379,033)	(320,076,945)
Cash flows from investing activities		
Fixed capital expenditure	(222,720,407)	(1,418,819,069)
Proceeds from sale of property, plant and equipment	9,500,000	1,355,000
Long term deposits	3,213,477	(86,802)
Net cash used in investing activities	(210,006,930)	(1,417,550,871)
Cash flows from financing activities		
Loan received from sponsor directors	101,000,000	149,300,000
Payment of long term finances - secured	(18,760,145)	929,218,580
Proceeds from short term borrowings	480,147,876	157,358,849
Payment of liabilities against assets subject to finance lease	4,945,586	-
Proceeds from long term deposits	51,435	131,421,162
Payable to supplier	-	194,239,200
Net cash generated from financing activities	567,384,752	1,561,537,791
Net increase / (decrease) in cash and cash equivalents	16,998,789	(176,090,025)
Cash and cash equivalents at the beginning of the period	67,110,423	331,574,476
Cash and cash equivalents at the end of the period	84,109,212	155,484,451

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED 31 DECEMBER 2013

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, tableware and float glass. The registered office of Tariq Glass Industries Limited is situated at 128- J, Model Town, Lahore.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim financial information of the Company for six months ended 31 December 2013 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting Standards issued by the International Accounting Standards Board, Islamic Financial Reporting Standards issued by the Institute of Chartered Accountants of Pakistan and provisions of and the directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges. This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with audited financial statements of the Company, for the year ended 30 June 2013.

2.2 Functional and presentation currency

This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency.

3 Statement of consistency in accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2013.

3.2 There were certain new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed except as follows:

3.2.1 The amendment to IAS 34 clarifies that the Company needs to disclose the measures of total assets and liabilities for a particular reportable segment only if the amounts are regularly provided to the Company's chief operating decision maker, and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. Since the condensed interim financial information of the Company are prepared on the basis of single reportable segment, the said amendment is not expected to have any impact.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2014:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRIC 21 Levies	01 January 2014
IAS 32 Financial Instruments: Presentation	01 January 2014
IAS 36 Impairment of Assets	01 January 2014
IAS 39 Financial Instruments: Recognition and Measurement	01 January 2014
IAS 19 Employee Benefits	01 July 2014
Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles	01 July 2014

4 Significant estimates

The preparation of this condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of



assets, liabilities, income and expense and related disclosures at the date of financial statements. Actual results may differ from these estimates. In preparing this condensed interim unconsolidated financial information, the significant judgments made by management in applying accounting policies, key estimates and uncertainty includes:

- Depreciation method, residual values and useful life of depreciable assets
- Taxation
- Provisions and Contingencies

5 Advance against issuance of shares other than right

This represents the balance amount payable of USD 2 million out of the total contract amount of USD 15 million to Qinuangdao Yaohua Glass Machine Manufacture Company Ltd. ("the Supplier") for supply of equipment and material for the float glass plant of the Company. By virtue of the agreement the Company has option to issue 4,158,000 fully paid ordinary shares of the Company after 31 December 2013 subject to regulatory approvals or alternatively pay USD 2 million in cash subsequent to 30 June 2014. The prospective issue of share capital to the Supplier is approved by the shareholders in their Annual General Meeting held on 24 October 2012. The Company applied for approval to Securities and Exchange Commission of Pakistan ("SECP") for issuance of shares other than right and the approval has successfully been granted by SECP on 29 January 2014. Company is now in the process of issuing shares and getting them registered with State Bank of Pakistan.

		(Un-audited)	(Audited)
		31 December	30 June
		2013	2013
		Rupees	Rupees
6 Long term finances - secured			
Syndicate facility	6.1	1,157,550,745	1,318,681,691
Demand finance		6,666,666	10,000,016
Demand finance	6.2	297,948,778	147,244,633
Demand finance		-	5,000,004
Current maturity		(333,768,666)	(288,977,000)
		<u>1,128,397,523</u>	<u>1,191,949,344</u>
6.1 Syndicate facility			
Opening balance		1,344,536,002	1,344,536,002
Payment during the period		(168,068,000)	-
Transaction cost		(18,917,257)	(25,854,311)
		<u>1,157,550,745</u>	<u>1,318,681,691</u>
6.2 Demand finance			
Opening balance		150,000,000	150,000,000
Disbursements during the period		150,000,000	-
Transaction cost		(2,051,222)	(2,755,367)
		<u>297,948,778</u>	<u>147,244,633</u>
7 Contingencies and commitments			
7.1 Contingencies			
		There has been no significant change in contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2013.	
7.2 Commitments			
		- Letter of credit for capital expenditure amounting to Nil (2013: Rs. 14.364 million).	
		- The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:	



		(Un-audited) 31 December 2013 Rupees	(Audited) 30 June 2013 Rupees
	Note		
Not later than one year		32,363,569	27,269,681
Later than one year and not later than five years		80,766,545	93,572,044
8 Property, plant and equipment			
Operating assets	8.1	4,216,747,661	4,437,531,663
Capital work in progress	8.2	226,871,793	13,893,140
		4,443,619,454	4,451,424,803
8.1 Operating assets			
Net book value at the beginning of the period / year		4,437,531,663	1,254,022,710
Additions (Cost)			
Freehold land		-	3,878,000
Factory building - freehold		-	989,634,936
Plant machinery		276,750	2,342,455,951
Plant machinery - Leased		-	50,000,000
Furniture and fixtures		277,851	763,657
Electric installation		5,291,050	3,424,348
Vehicles		3,896,100	1,620,493
Moulds		-	12,077,772
		9,741,751	3,403,855,157
Disposals (net book value)			
Plant and machinery		-	(11,250,000)
Vehicles		(2,689,034)	(468,612)
		(2,689,034)	(11,718,612)
Depreciation charge for the period / year		(227,836,719)	(208,627,592)
Closing written down value		4,216,747,661	4,437,531,663
8.2 Capital work in progress			
Civil works		130,412,419	10,808,034
Plant and machinery		80,336,259	-
Advance against float glass project		16,078,016	-
Others		45,099	3,085,106
		226,871,793	13,893,140
8.3 Movement in capital work in progress			
Opening balance		13,893,140	1,527,810,270
Additions during the period		212,978,653	1,800,605,943
Transfers during the period		-	(3,314,523,073)
		226,871,793	13,893,140



	Six months ended (Un-audited)		Three months ended (Un-audited)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Rupees	Rupees	Rupees	Rupees
9 Sales - net				
Local sales	3,734,050,098	1,893,528,594	1,993,777,140	925,380,890
Export sales	488,693,360	206,625,899	282,771,285	117,414,198
Gross sales	4,222,743,458	2,100,154,493	2,276,548,425	1,042,795,088
Less: Trade discount	355,057,322	207,729,965	194,331,039	100,960,147
Sales tax	514,911,704	235,049,484	266,917,476	115,063,356
	869,969,026	442,779,449	461,248,515	216,023,503
	3,352,774,432	1,657,375,044	1,815,299,910	826,771,585

10 Transactions with related parties

The related parties comprise associated company, directors of the Company, key employees and staff retirement funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim financial information is as follows:

Name and nature of parties	Nature of transaction	(Un-audited)	
		Six months ended	
		31 December 2013	31 December 2012
		Rupees	Rupees
Associated company:			
Omer Glass Industries Limited	Purchase of raw material	-	3,874,400
	Sale of glass lids	897,328	655,185
Directors:			
Mr. Tariq Baig	Loan from director	55,300,000	91,400,000
Mr. Omer Baig	Loan from director	55,700,000	57,900,000
Employee benefit plan:			
Provident fund	Contributions	6,157,495	4,263,813
Key Management Personnel:			
	Remuneration	26,120,806	20,667,695
	House rent	11,754,363	9,300,463
	Conveyance	230,400	122,400
	Contribution to provident fund	2,432,081	1,886,769
	Medical and others	2,817,027	2,288,832
	Utilities	2,612,081	2,066,769
		45,966,758	36,332,928

11 Operating segments

11.1 These financial statements have been prepared on the basis of single reportable segment.

11.2 Revenue from sale of glass represents 100% (31 December 2012 : 100%) of the total revenue of the Company.

11.3 88.4% (31 December 2012: 87.6 %) sales of the Company relate to customers in Pakistan.

11.4 All non-current assets of the Company as at 31 December 2013 are located in Pakistan.

12 Date of authorization

This un-audited condensed interim financial information for the half year ended 31 December 2013 was authorized for issue by the board of directors on February 28, 2014.

13 Corresponding figures

Figures have been rounded off to nearest Rupee.