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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

MRS. NAIMA SHAHNAZ BAIG

MANAGING DIRECTOR

MR. TARIQ BAIG

MR. OMER BAIG

MR. MANSOOR IRFANI

MR. DAVID JULIAN

MR. NAEEM NAZIR

MR. TAJAMMAL HUSSAIN BOKHAREE

INDEPENDENT DIRECTOR

CHIEF FINANCIAL OFFICER

MR. WAQAR ULLAH

COMPANY SECRETARY

MR. MOHSIN ALI

HUMAN RESOURCE & REMUNERATION COMMITTEE

MR. MANSOOR IRFANI

MR. TARIQ BAIG

MR. NAEEM NAZIR

CHAIRMAN

MEMBER

MEMBER

AUDIT COMMITTEE

MR. TAJAMMAL HUSSAIN BOKHAREE

MR. OMER BAIG

MR. DAVID JULIAN

CHAIRMAN

MEMBER

MEMBER

AUDITORS

KPMG TASEER HADI & CO.

CHARTERED ACCOUNTANTS

LEGAL ADVISOR

KASURI AND ASSOCIATES

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

THE BANK OF PUNJAB

MCB BANK LTD

THE BANK OF KHYBER

ASKARI BANK LTD

MEEZAN BANK LTD

BANK ALFALAH LTD

FAYSAL BANK LTD

J.S. BANK LTD

BANKISLAMI PAKISTAN LTD

NIB BANK LTD

SAMBA BANK LTD

ALBARAKA BANK (PAK) LTD

STANDARD CHARTERED BANK (PAK) LTD

SHARES REGISTRAR

SHEMAS INTERNATIONAL (PVT) LTD.

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DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited take pleasure in presenting the report, together with the unaudited financial statements of the company, duly reviewed by the external auditors with limited scope review in accordance with the Companies Ordinance 1984 for six months period ended December 31, 2016.

Operational & Financial Performance

By the grace of Almighty Allah, the Company with significant improvement is upholding the level of its sales and profitability for the period under report. The Company has recorded net sales of Rs. 4,655 million with a profit before tax of 11.66% as compared to the corresponding period's figure of Rs. 4,078 million and 6.72% respectively. The profit after tax and EPS for the period under review reported as 8.41% and Rs. 5.33 whereas figures of same period of last year were 5.78% and Rs. 3.21 respectively. The Management has undertaken sound measures in order to reduce the Selling & Distribution Expenses and the Finance Cost of the Company, consequently the expense under these heads have considerably reduced by 57% & 20% respectively during the period under report as compared to the similar period of previous year.

The Company's production facilities comprising of two furnaces for tableware production of 140 tons per day each and one furnace for float glass production of 550 tons per day were fully operative during the period under consideration. The newly built HFO based power plant is in its initial phase of operations, once the operational bottlenecks of generators are overcome it will be a major benefactor in cost savings for the Company. The winter season is usually bearish from the sales perspective of Company's Tableware products which has marginally affected the sales volume and subsequently the stocks of tableware products.

A brief summary of the financial results for the six months period ended on December 31, 2016 are as follows:

	(Million Rupees)	
	Half Year Ended December 31	
	FY2016-17	FY2015-16
Net Sales	4,655	4,078
Gross Profit	953	909
Operating Profit	681	446
Profit before Tax	543	274
Profit after Tax	391	236
Earnings per share (Rupees)	5.33	3.21

The following changes took place on the Board of Directors of the Company after the date of financial statements under review and before signing of this report i.e., on January 17, 2017:

Mrs. Naima Shahnaz Baig has been appointed as Chairman of the Board of Directors of M/s Tariq Glass Industries Limited w.e.f January 17, 2017 in place of Mr. Omer Baig. However, Mr. Omer Baig is a continuing Director of the Company.

Mr. Tajammal Husain Bokharee has co-opted as a Director on the Board of Directors of the Company to fill the casual vacancy following the resignation of Mr. Akbar Baig w.e.f. January 17, 2017. Mr. Bokharee being an independent director has also been appointed as Chairman of Audit Committee in place of Mr. Naeem Nazir. However, Mr. Naeem Nazir is a continuing Director of the Company.

Future Outlook

The Company is receiving satisfactory response from the market against the launch of newfangled tableware jugs, plates, bowls, blue color float glass and the sand blasted float glass.

A new production line for the manufacturing of Opal Glass Dinnerware is under active consideration and presently the feasibility and viability of the project is being adjudged.

The Management of the Company is optimistic about the future with further improved profitability in consideration of higher sales volumes, higher return from the sale of value added products and in house availability of low cost power.

For and on behalf of the Board

**Mrs. NAIMA SHAHNAZ BAIG
CHAIRPERSON**

Lahore: February 24, 2017

ڈائریکٹروں کی رپورٹ

طارق گلاس انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم مالیاتی سال جو کہ 30 جون 2017 کو ختم ہوگا اس کی دوسری سہ ماہی اور ششماہی جو کہ 31 دسمبر 2016ء کو اختتام پزیر ہو چکی ہے سے متعلق عبوری جائزہ پیش کرتے ہوئے سمرٹ محسوس کرتے ہیں۔

کاروباری اور مالیاتی حالات کے متعلق نقطہ نظر:

اللہ تعالیٰ کے فضل و کرم سے کہنے نے اپنی مجموعی فروختگی اور خالص منافع کے حوالے سے اپنی صورت حال کو نہ صرف مستحکم رکھا بلکہ اس میں خاطر خواہ اضافہ بھی ہوا۔ زیر جائزہ مدت کے دوران کہنے نے 4,655 ارب روپے کی خالص فروختگی حاصل کی اور ٹیکس سے پہلے مجموعی منافع کی شرح 11.66 فیصد رہی۔ جبکہ گزشتہ سال کی اسی مدت میں حاصل ہونے والی خالص فروختگی 4,078 ارب روپے تھی اور مجموعی منافع کی شرح 6.72 فیصد تھی۔ ٹیکس کی ادائیگی کے بعد مذکورہ مدت کے خالص منافع کی شرح 8.41 فیصد اور آمدنی فی حصص 5.33 روپے رہی جس کا اگر پچھلے سال کی اسی مدت سے موازنہ کیا جائے تو وہ بالترتیب 5.78 فیصد اور 3.21 روپے فی حصص تھی۔ کہنے کی انتظامیہ نے بڑھتے ہوئے مالیاتی اخراجات اور مصوعات کی فروختگی و تقسیم کاری کے اخراجات کو کم کرنے کے لیے موثر اقدامات اٹھائے ہیں جس کی وجہ سے مذکورہ مدت کے دوران ہونے والے اخراجات کا موازنہ اگر پچھلے سال کی اسی مدت سے کیا جائے تو ان میں بالترتیب 57 فیصد اور 20 فیصد کمی واقع ہوئی ہے۔

مذکورہ مدت کے دوران کہنے کی پیداواری صلاحیت مکمل طور پر کارگر ہیں۔ جن میں ٹیکس و دیگر بنانے والی 2 فرسز جن میں ہر ایک کی پیداواری صلاحیت 140 ٹن روزانہ اور فلٹو گلاس بنانے والی فرسز جن میں پیداواری صلاحیت 550 ٹن روزانہ شامل ہیں۔ کہنے کا نیا تعمیر شدہ HFO پمپنی پاور پلانٹ اپنی پیداوار کے ابتدائی مراحل سے گزر رہا ہے۔ جب اس پلانٹ کے جزئیہ زنگی تمام اہم اور باریک کامیوں پر قابو پایا جائے گا تو کہنے کے کھلی کے اخراجات کی مد میں خاطر خواہ کمی کا امکان ہے۔ سیرولین کا موسم عام طور پر کہنے کی ٹیکسٹائل و دیگر مصوعات کے لیے مہمندی کا باعث ہوتا ہے۔ اس امر کی بناء پر مذکورہ مدت کے دوران ٹیکسٹائل و دیگر مصوعات کی مجموعی فروختگی میں ہمیشگی واقع ہوئی ہے نتیجتاً ٹیکسٹائل و دیگر مصوعات کے اسٹاک بھی اثر انداز ہوئے ہیں۔

کہنے کے مالی سال 2016-17 کی دوسری ششماہی جو کہ 31 دسمبر 2016 کو اختتام پزیر ہوئی ہے اس میں مالیاتی کارکردگی کا ذیل میں خلاصہ پیش ہے:-

(رقم ملین روپوں میں)

ششماہی اختتام 31 دسمبر	ششماہی اختتام 31 دسمبر
2015-16	2016-17
4,078	4,655
909	953
446	681
274	543
236	391
3.21	5.33

حصص یافتگان کے لیے خیر امتیاز کی حالت ہے کہ مذکورہ مدت کے بعد یعنی مورخہ 17 جنوری 2017 کو کہنے کے بورڈ آف ڈائریکٹرز میں تبدیلیاں رونما ہوئی ہیں۔ سز لیمہ شہناز بیگ کو جناب عمر بیگ صاحب کی جگہ چیرمین مقرر کیا گیا ہے۔ جبکہ جناب عمر بیگ صاحب کہنے کے بدستور ڈائریکٹر ہیں۔

جناب اکبر بیگ صاحب اپنی ڈائریکٹری نشست سے مستعفی ہو گئے تھے اور اس خالی نشست پر جناب نجم حسین بخاری صاحب کو ڈائریکٹر مقرر کیا گیا ہے۔ جو کہ نجم حسین بخاری صاحب ایک آزاد ڈائریکٹر ہیں اس لیے انہیں جناب فہیم نذر صاحب کی جگہ پر تال کنندہ (آڈٹ) کہنے کی چیرمین بھی مقرر کیا گیا ہے۔ جبکہ جناب فہیم نذر صاحب کہنے کے بدستور ڈائریکٹر ہیں۔

مستقبل کے حوالے سے نقطہ نظر:

کہنے نے حال ہی میں جوئی ویلیو ایڈ مصوعات جن میں ٹیکسٹائل و دیگر جگ، پلیٹیں، پیالے، نیلے رنگ کا فلٹو گلاس اور سینڈ بلاسٹڈ فلٹو گلاس شامل ہیں مارکیٹ میں متعارف کرائے تھے۔ ان کے حوالے سے مارکیٹ نے حوصلہ افزاء آراء سے نوازا ہے۔ کہنے کے منتظمین اوپل گلاس ڈائریکٹرز بنانے کی بات سمجھنے اور عمل پزیر ہونے کے امکانات کا بھی جائزہ لے رہے ہیں۔

کہنے کے منتظمین کہنے کی مستقبل کے حوالے سے منافع کی صورت حال سے کافی پر امید ہیں اس کی وجہ کہنے کی نئی ویلیو ایڈ مصوعات سے متعلق مارکیٹ کی مثبت آراء اور HFO پاور پلانٹ سے مستقبل قریب میں سیکلی کا حصول ہے۔

برائے اور جناب بورڈ آف ڈائریکٹرز

سز لیمہ شہناز بیگ
چیرمین



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

Introduction

We have reviewed the accompanying condensed interim balance sheet of Tariq Glass Industries Limited ("the Company") as at 31 December 2016 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 accounts for the six month period then ended (here-in-after referred as the "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 condensed 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.

Other matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 31 December 2016, have not been reviewed as we are required to review only the cumulative figures for the half year ended 31 December 2016.



CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

		(Un-audited) 31 December 2 016 Rupees	(Audited) 30 June 2016 Rupees
EQUITY AND LIABILITIES	<i>Note</i>		
<u>Share capital and reserves</u>			
<i>Authorised share capital</i>			
100,000,000 (30 June 2016: 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		734,580,000	734,580,000
Share premium		410,116,932	410,116,932
Equity portion of shareholder's loan		44,896,785	76,048,284
Accumulated profit		<u>2,179,544,559</u>	<u>1,961,364,217</u>
		3,369,138,276	3,182,109,433
Surplus on revaluation of land		<u>766,482,138</u>	766,482,138
		<u>4,135,620,414</u>	<u>3,948,591,571</u>
<u>Non-current liabilities</u>			
Long term finances:			
- Secured	5	249,415,991	324,103,615
- Unsecured	6	539,240,708	608,286,497
		788,656,699	932,390,112
Liabilities against assets subject to finance lease - secured	7	10,826,034	15,288,080
Long term deposits		252,415,023	252,415,023
Deferred taxation		246,060,246	164,221,224
		1,297,958,002	1,364,314,439
<u>Current liabilities</u>			
Trade and other payables		787,023,242	707,013,580
Accrued profit / interest / mark-up		74,635,864	72,080,535
Short term borrowings - secured	8	2,135,148,415	2,450,876,905
Current portion of long term liabilities	9	171,837,185	100,748,252
		3,168,644,706	3,330,719,272
Contingencies and commitments	10		
		<u>8,602,223,122</u>	<u>8,643,625,282</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



AS AT 31 DECEMBER 2016

		(Un-audited) 31 December 2016 Rupees	(Audited) 30 June 2016 Rupees
ASSETS	<i>Note</i>		
<u>Non-current assets</u>			
Property, plant and equipment	11	4,755,666,609	4,864,745,021
Intangibles		4,525,861	5,222,147
Long term deposits		46,372,983	66,771,431
		4,806,565,453	4,936,738,599
<u>Current assets</u>			
Stores, spare parts and loose tools		690,900,553	618,537,598
Stock-in-trade		1,687,934,608	1,492,207,643
Trade debts - <i>considered good</i>	12	669,020,889	852,939,050
Advances, deposits, prepayments and other receivables	13	442,974,938	479,994,107
Cash and bank balances		304,826,681	263,208,285
		3,795,657,669	3,706,886,683
		8,602,223,122	8,643,625,282



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2016

	Half year ended 31 December 2016	Half year ended 31 December 2015	Quarter ended 31 December 2016	Quarter ended 31 December 2015
----- Rupees -----				
Sales - net	4,654,693,766	4,078,100,654	2,541,314,242	2,003,901,937
Cost of sales	(3,701,893,131)	(3,169,326,836)	(2,023,412,635)	(1,591,263,310)
Gross profit	952,800,635	908,773,818	517,901,607	412,638,627
Administrative expenses	(87,049,727)	(81,516,368)	(42,331,477)	(36,144,916)
Selling and distribution expenses	(158,047,757)	(369,204,241)	(78,260,351)	(193,117,028)
Other expenses	(33,502,139)	(14,285,218)	(16,272,848)	(4,921,588)
	(278,599,623)	(465,005,827)	(136,864,676)	(234,183,532)
Other income	6,506,582	2,452,118	2,864,933	1,963,263
Profit from operations	680,707,594	446,220,109	383,901,864	180,418,358
Finance cost	(137,715,234)	(172,348,864)	(68,196,049)	(84,944,939)
Profit before taxation	542,992,360	273,871,245	315,705,815	95,473,419
Taxation	14 (151,658,329)	(37,983,084)	(112,475,417)	(23,538,809)
Profit after taxation	391,334,031	235,888,161	203,230,398	71,934,610
Earnings per share - basic and diluted	5.33	3.21	2.77	0.98

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Lahore: February 24, 2017

Mrs. NAIMA SHAHNAZ BAIG
CHAIRPERSON

TARIQ BAIG
MANAGING DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2016

	Half year ended 31 December 2016	Half year ended 31 December 2015	Quarter ended 31 December 2016	Quarter ended 31 December 2015
----- Rupees -----				
Profit after taxation	391,334,031	235,888,161	203,230,398	71,934,610
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	391,334,031	235,888,161	203,230,398	71,934,610

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Lahore: February 24, 2017

Mrs. NAIMA SHAHNAZ BAIG
CHAIRPERSON

TARIQ BAIG
MANAGING DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Half year ended	
	31 December 2016	31 December 2015
	Rupees	Rupees
<u>Cash flows from operating activities</u>		
Profit before taxation	542,992,360	273,871,245
<i>Adjustments for:</i>		
Depreciation	254,924,984	225,205,945
Amortization	696,286	696,286
Gain on disposal of property, plant and equipment - net	(4,948,393)	(417,687)
Finance cost	137,715,234	172,348,864
Provision for Workers' Welfare Fund	5,002,743	-
Provision for Workers' Profit Participation Fund	28,499,396	14,285,218
	421,890,250	412,118,626
Operating profit before working capital changes	964,882,610	685,989,871
<i>(Increase) / decrease in current assets</i>		
Stores and spares parts	(72,362,955)	(82,299,859)
Advances, deposits, prepayments and other receivables	27,688,266	21,428,632
Stock in trade	(195,726,965)	(361,817,260)
Trade debtors - considered good	183,918,161	51,415,425
<i>Increase in current liabilities</i>		
Trade and other payables	29,835,690	47,234,027
	(26,647,803)	(324,039,035)
Net cash generated from operations	938,234,807	361,950,836
Taxes paid	(57,396,649)	(69,331,764)
Net cash generated from operating activities	880,838,158	292,619,072
<u>Cash flows from investing activities</u>		
Capital expenditure	(150,258,179)	(27,403,987)
Proceeds from disposal of property, plant and equipment	9,360,000	500,000
Decrease / (increase) in long term deposits	20,398,448	(5,541,264)
Net cash used in investing activities	(120,499,731)	(32,445,251)
<u>Cash flow from financing activities</u>		
Repayment of long term finances	(120,160,728)	(205,568,000)
Increase in short term borrowings - net	136,241,145	293,595,971
Payment of liabilities against assets subject to finance lease	(2,815,555)	(5,827,871)
Decrease in long term deposits	-	(8,824,414)
Finance cost paid	(98,350,341)	(129,107,699)
Dividend paid	(181,664,917)	-
Net cash used in financing activities	(266,750,396)	(55,732,013)
Net increase in cash and cash equivalents	493,588,031	204,441,808
Cash and cash equivalents at beginning of the period	(1,181,263,351)	(1,238,332,280)
Cash and cash equivalents at end of the period	(687,675,320)	(1,033,890,472)
<i>Cash and cash equivalents comprise of the following:</i>		
- Cash and bank balances	304,826,681	303,280,018
- Running finances	(992,502,001)	(1,337,170,490)
	(687,675,320)	(1,033,890,472)

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Share capital	Capital Reserve		Subtotal	Revenue Reserve	Total
		Share premium	Equity portion of shareholders' loan		Accumulated profit	
----- Rupees -----						
Balance as at 30 June 2015 - audited	734,580,000	410,116,932	135,008,111	545,125,043	1,421,943,134	2,701,648,177
<u>Total comprehensive income</u>						
Profit for the six months period ended 31 December 2015	-	-	-	-	235,888,161	235,888,161
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	235,888,161	235,888,161
<u>Transactions with the owners of the Company:</u>						
Transferred on unwinding for the period ended 31 December 2015 - net of tax	-	-	(24,906,350)	(24,906,350)	24,906,350	-
Balance as at 31 December 2015 - un-audited	734,580,000	410,116,932	110,101,761	520,218,693	1,682,737,645	2,937,536,338
<u>Total comprehensive income</u>						
Profit for the six months period	-	-	-	-	254,178,163	254,178,163
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	254,178,163	254,178,163
<u>Transactions with the owners of the Company:</u>						
Transferred on unwinding for the period - net of tax	-	-	(24,448,409)	(24,448,409)	24,448,409	-
Adjustment due to repayment - net of tax	-	-	(9,605,068)	(9,605,068)	-	(9,605,068)
Balance as at 30 June 2016 - audited	734,580,000	410,116,932	76,048,284	486,165,216	1,961,364,217	3,182,109,433
<u>Total comprehensive income</u>						
Profit after tax for the period ended 31 December 2016	-	-	-	-	391,334,031	391,334,031
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	391,334,031	391,334,031
Final dividend for the year ended 30 June 2016 at the rate of Rs 2.7 (27%) per ordinary share	-	-	-	-	(198,336,750)	(198,336,750)
<u>Transactions with the owners of the Company:</u>						
Transferred on unwinding for the period ended 31 December 2016 - net of tax	-	-	(25,183,061)	(25,183,061)	25,183,061	-
Adjustment due to repayment - net of tax	-	-	(5,968,438)	(5,968,438)	-	(5,968,438)
Balance as at 31 December 2016 - un-audited	734,580,000	410,116,932	44,896,785	455,013,717	2,179,544,559	3,369,138,276

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1 Reporting entity

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 Pakistan Stock Exchange Limited (formerly Karachi, Lahore and Islamabad Stock Exchanges). The Company is principally engaged in the manufacture and sale of glass containers, tableware and float glass. The registered office of the Company is situated at 128- J, Model Town, Lahore.

2 Basis of preparation

2.1 Basis of accounting

2.1.1 This condensed interim financial information comprises the condensed interim balance sheet of the Company, as at 31 December 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

2.1.2 This condensed interim financial information of the Company for the six months period ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and 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.

2.1.3 This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2016.

2.1.4 Comparative balance sheet numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2016, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the six months period ended 31 December 2015.

2.1.5 This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 Judgments and estimates

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2016.

4 Statement of consistency in accounting policies

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements for the year ended 30 June 2016.



- 4.2 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below :

Standard		Effective date (accounting periods beginning on or after)	
		Un-audited 31 December 2016 Rupees	Audited 30 June 2016 Rupees
IAS 12 - Income taxes			01 January 2017
IAS 7 - Statement of Cash Flows			01 January 2017
IFRS 2 - Share-based Payments			01 January 2017
IAS 40 - Investment Property			01 January 2017
IFRS 12 - Disclosure of Interest in other Entities			01 January 2017
IAS 28 - Investments in Associates and Joint Ventures			01 January 2018
IFRIC 25 - Foreign Currency Transactions and advance and Discontinued Operations			01 January 2018
5 Long term finances - secured			
Demand finance	5.1	374,415,991	411,603,615
Current maturity		(125,000,000)	(87,500,000)
		<u>249,415,991</u>	<u>324,103,615</u>
5.1 Demand finance			
Balance at beginning of the period / year		412,500,000	493,750,000
Less: Repayments during the period / year		(37,500,000)	(81,250,000)
		<u>375,000,000</u>	<u>412,500,000</u>
Transaction cost		(584,009)	(896,385)
		<u>374,415,991</u>	<u>411,603,615</u>
6 Long term finances - unsecured			
Loan from sponsor directors	6.1	539,240,708	578,017,077
Industrial Products Investments Limited (IPI)	6.1	31,942,442	30,269,420
Less: Current maturity		(31,942,442)	-
		<u>539,240,708</u>	<u>608,286,497</u>
6.1			
This represent interest free loans received from the shareholders of the Company. These loans were discounted using discount rates as mentioned in financial statements of the Company for the year ended 30 June, 2016 and the resulted difference was transferred to equity. Change during the year is due to unwinding of loan.			
7 Liabilities against assets subject to finance lease			
During the period, the Company repaid Rs. 6.56 million and obtained Rs. 3.76 million additional lease facility			
		Un-audited 31 December 2016 Rupees	Audited 30 June 2016 Rupees
8 Short term borrowings - secured			
<i>Mark-up based borrowings from conventional banks</i>			
Short term running finance and cash finance		1,530,030,195	1,777,080,507
<i>Islamic mode of financing</i>			
Short term Islamic finance		605,118,220	673,796,398
		<u>2,135,148,415</u>	<u>2,450,876,905</u>



	Note	Un-audited 31 December 2016 Rupees	Audited 30 June 2016 Rupees
9 Current portion of long term liabilities			
Long term finances - secured	5	125,000,000	87,500,000
Long term finances - unsecured	6	31,942,442	-
Liabilities against assets subject to finance lease - secured		14,894,743	13,248,252
		<u>171,837,185</u>	<u>100,748,252</u>
10 Contingencies and commitments			
10.1 Contingencies			
There is no change in the status of contingencies as highlighted the financial statements of the Company for the year ended 30 June 2016 except the following:			
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. 325.2 million (30 June 2016 : 360.20 million).			
-			
Collector of Customs, Karachi against import of gas cylinders amounting to Rs. NIL (30 June 2016 : Rs. 1.39 million). The said guarantee was secured by way of 100% cash margin.			
10.2 Commitments			
-			
Letters of credit for capital expenditure amounting to Rs. 133.73 million (30 June 2016: Rs. 9.74 million).			
-			
Letters of credit for other than capital expenditure amounting to Rs. 21.44 million (30 June 2016: Rs. 28.80 million).			
-			
The amount of future ljarah rentals for ljarah financing and the period in which these payments will become due are as follows:			
	Note	Un-audited 31 December 2016 Rupees	Audited 30 June 2016 Rupees
Not later than one year		62,755,163	76,833,078
Later than one year and not later than five years		74,618,852	102,069,167
		<u>137,374,015</u>	<u>178,902,245</u>
11 Property, plant and equipment			
Operating fixed assets	11.1	4,709,145,244	4,824,401,360
Capital work in progress		46,521,365	40,343,661
		<u>4,755,666,609</u>	<u>4,864,745,021</u>
11.1 Operating fixed assets			
Net book value at the beginning of the period / year		4,824,401,360	4,232,875,943
<u>Additions (Cost)</u>			
Freehold land		-	463,029,336
Factory building - freehold		19,296,760	51,961,140
Plant and machinery		72,916,776	475,362,243
Furniture and fixtures		342,377	429,340
Electric installation		7,760,182	5,804,243
Vehicles		21,827,181	5,734,900
Moulds		21,911,199	54,871,717
Fire fighting equipment		26,000	1,632,881
		144,080,475	1,058,825,800
<u>Disposals (net book value)</u>			
Vehicles		(4,411,607)	(3,310,848)
Depreciation charge for the period / year		(254,924,984)	(463,989,535)
Closing written down value		<u>4,709,145,244</u>	<u>4,824,401,360</u>



12 Trade debts - considered good

This includes un-secured balance amounting to Rs. 4.82 million (30 June 2016: Rs. 4.82 million) receivable from associated undertaking (Omer Glass Industries Limited).

13 Advances, deposits, prepayments and other receivables

This includes unsecured balance amounting to Rs. 0.33 million (30 June 2016: Rs. 0.42 million) receivable from associated undertaking (Omer Glass Industries Limited).

14 The Finance Act, 2015 introduced a tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or Modarba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ended 30 June 2017 to comply with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been made in this condensed interim financial information.

15 Transactions with related parties

Related parties comprises of associated companies, staff retirement fund, directors, key management personnel and other companies where directors have significant influence. Balances with the related parties are shown in respective notes to the condensed interim financial information. Significant transactions with related parties other than those disclosed elsewhere in the condensed interim financial information are as follows:

		Six months ended (Un-audited)	
Name and nature of parties	Nature of transaction	31 December 2016	31 December 2015
----- Rupees -----			
<u>Associated company</u>			
Omer Glass Industries Limited	Sale of glass lids	-	367,203
	Purchase of Decorating Lehr with Accessories	3,068,610	-
	Dividend paid during the period	20,881,152	-
<u>Directors</u>			
	Dividend paid during the period	80,956,319	-
	Repayment of long term loan	82,660,728	-
<u>Shareholder</u>			
Industrial Products			
Investment Limited	Interest cost for the period	470,310	381,613
<u>Employee benefit plan</u>			
Provident fund	Contributions	9,374,106	8,042,041
<u>Key management personnel and executive employees</u>			
	Remuneration	38,439,993	29,526,655
	House rent	16,998,396	13,286,995
	Conveyance	236,200	189,400
	Contribution to provident fund	3,102,818	2,389,481
	Medical and others	3,777,421	3,519,898
	Utilities	3,777,421	2,952,665
		66,332,249	51,865,094



16 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Fair Value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note ----- Rupees -----						
On-Balance sheet financial instruments						
31 December 2016 (Un-audited)						
Financial assets measured at fair value						
	-	-	-	-	-	-
Financial assets not measured at fair value						
Long term deposits	46,372,983	-	46,372,983	-	-	-
Trade debts	669,020,889	-	669,020,889	-	-	-
Security deposit	22,047,486	-	22,047,486	-	-	-
Bank balances	299,561,884	-	299,561,884	-	-	-
16.1	<u>1,037,003,242</u>	-	<u>1,037,003,242</u>	-	-	-
Financial liabilities measured at fair value						
	-	-	-	-	-	-
Financial liabilities not measured at fair value						
Long term finances - Secured	-	374,415,991	374,415,991	-	-	-
Long term finances - Unsecured	-	635,206,670	635,206,670	-	-	-
Liabilities against assets subject to finance lease	-	25,720,777	25,720,777	-	-	-
Trade and other payables	-	519,486,641	519,486,641	-	-	-
Accrued mark up	-	74,635,864	74,635,864	-	-	-
Short term borrowing	-	2,135,148,415	2,135,148,415	-	-	-
16.1	-	<u>3,764,614,358</u>	<u>3,764,614,358</u>	-	-	-

	Carrying Amount			Fair value (Audited)		
	Loans and receivables at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
----- Rupees -----						
On-Balance sheet financial instruments						
30 June 2016 (Audited)						
Financial assets measured at fair value						
	-	-	-	-	-	-
Financial assets not measured at fair value						
Long term deposits	66,771,431	-	66,771,431	-	-	-
Trade debts	852,939,050	-	852,939,050	-	-	-
Security deposits	19,301,131	-	19,301,131	-	-	-
Bank balances	259,228,383	-	259,228,383	-	-	-
16.1	<u>1,198,239,995</u>	-	<u>1,198,239,995</u>	-	-	-
Financial liabilities measured at fair value						
	-	-	-	-	-	-
Financial liabilities not measured at fair value						
Long term finances - Secured	-	411,603,615	411,603,615	-	-	-
Long term finances - Unsecured	-	635,206,670	635,206,670	-	-	-
Liabilities against assets subject to finance lease	-	28,536,332	28,536,332	-	-	-
Trade and other payables	-	484,921,852	484,921,852	-	-	-
Accrued mark-up	-	72,080,535	72,080,535	-	-	-
Short term borrowing	-	2,450,876,905	2,450,876,905	-	-	-
16.1	-	<u>4,083,225,909</u>	<u>4,083,225,909</u>	-	-	-

16.1 Fair value versus carrying amounts

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

16.2 Fair value of freehold land

Freehold land has been carried at revalued amount determined by independent professional valuer (level 3 measurement) based on their assessment of the market values as disclosed. The valuation expert used a market based approach to arrive at the fair value of the Company's land. The revaluation of the freehold land was based on inquiries from real estate agents and property dealers in near vicinity of the freehold land. Different valuation methods and exercises were adopted according to location and other usage of freehold land considering all other relevant factors. The effect of changes in the unobservable inputs used in valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been given in this condensed interim financial information.

17 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended 30 June 2016.

18 Date of authorization

This un-audited condensed interim financial information for the half year ended 31 December 2016 was authorized for issue by the Board of Directors on 24 February 2017.

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