



TARIQ GLASS INDUSTRIES LTD.

An ISO 9001:2000 Certified Company



2nd **QUARTERLY** **REPORT**

31st Dec. 2006
(Un - Audited)



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 ESHAH

SECRETARY

MR. WAQAR ULLAH, FCA

AUDIT COMMITTEE

MR. OMER BAIG CHAIRMAN
MR. AKBAR BAIG MEMBER
MR. DAVID JULIAN MEMBER

AUDITORS

KPMG TASEER HADI & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

MUBASHAR LATIF AHMAD
LAHORE

TAX CONSULTANTS

YOUSAF ISLAM ASSOCIATES
LAHORE

INFORMATION TECHNOLOGY CONSULTANTS

CHARTAC BUSINESS SERVICES (PVT) LTD
LAHORE

BANKERS

NATIONAL BANK OF PAKISTAN
HABIB BANK LTD.
UNITED BANK LTD.

REGISTERED OFFICE

128-J, MODEL TOWN, LAHORE.
UAN: 042-111-34-34-34
FAX: 042-5857692 - 5857693
E MAIL: info@tariqglass.com

WORKS

33-KM LAHORE/SHEIKHUPURA ROAD,
TEL: (042) 7925652, (056) 3785441-3
FAX: (056) 3783912



DIRECTORS' REPORT

On behalf of the Board, I feel pleasure in presenting the accounts for the half year ended December 31, 2006 duly reviewed by the statutory auditors of the Company:

Operating Performance:

The period under review reflects a significant growth in the sales by 8.6% as compared to the figures for the same period of the preceding year. Your Company has also maintained the momentum of profit earnings despite the substantial increase of 7% in the fuel and gas prices. The Company earned a net profit of Rs. 50.10 million with an EPS of Rs. 4.04 as compared to Net Profit of Rs. 48.20 million and EPS of Rs. 3.35 of the corresponding year, showing a growth of 4% in Net Profit and 20% in the EPS. This is not only concurrent to the increase in sales but also the result of rationalized and commitments of Management for maximization of value added production and extensive efforts made to have control over the costs.

A comparative summary of the financial results for the half year ended December 31, 2006 is as follows:

	December 31, 2006 Rupees	December 31, 2005 Rupees
Profit Before Taxation	50,102,984	48,201,987
Taxation	<u>3,399,143</u>	<u>9,475,564</u>
Profit After Taxation	46,703,841	38,726,423
Unappropriated Profit B/F	<u>125,891,630</u>	<u>96,630,602</u>
Accumulated Profit C/F	<u>172,595,471</u>	<u>135,357,025</u>
EPS	4.04	3.35

The recently added double gob tableware making machine is in production and the yields from it became a prominent part of sale volumes.

Future Outlook:

As informed earlier about the installation of third furnace, the progress on civil works is as per plan. The major portion of refractory and its ancillary equipment has reached. The Management hopes that by the grace of Almighty Allah the furnace will be in production by the end of this financial year.

With the expansion and dedication to the work, the Management is hopeful that your Company will register a substantial growth in the profitability in the years to come.

February 26, 2007
Lahore

(TARIQ BAIG)
Chairman and Managing Director



REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed condensed interim balance sheet of **Tariq Glass Industries Limited** ("the Company") as at 31 December 2006 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the half year then ended. These condensed interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on review engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed interim financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed condensed interim financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

The figures of the condensed interim profit and loss account for the quarters ended 31 December 2005 and 31 December 2006 were not subject to review, as we are required to review only the cumulative figures for the half year ended 31 December 2006.



CONDENSED INTERIM BALANCE SHEET (Unaudited)

	Note	31December 2006 (Un-audited) Rupees	30 June 2006 (Audited) Rupees
LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
25,000,000 ordinary shares of Rs 10 each		250,000,000	120,000,000
Issued, subscribed and paid up capital			
11,550,000 (2006: 11,000,000) ordinary shares of Rs 10 each		115,500,000	110,000,000
Un-appropriated profit		172,595,471	135,743,328
		288,095,471	245,743,328
NON-CURRENT LIABILITIES			
Long term finances			
- Secured		109,212,297	46,089,502
- Un-secured		134,005,514	129,005,514
		243,217,811	175,095,016
Liabilities against assets subject to finance lease		10,349,237	10,927,634
Long term security deposits		5,360,691	5,167,203
Deferred liabilities		35,785,310	34,928,774
		294,713,049	226,118,627
CURRENT LIABILITIES			
Short term borrowings - secured		98,828,970	93,805,787
Current maturity of long term liabilities		35,527,250	47,374,652
Trade and other payables		176,779,633	154,155,241
Provision for taxation		7,556,808	5,054,381
		318,692,661	300,390,061
CONTINGENCIES AND COMMITMENTS	5		
		901,501,181	772,252,016

The attached notes 1 to 10 form an integral part of these accounts.

**AS AT 31 DECEMBER 2006**

	<i>Note</i>	31December 2006 (Un-audited) Rupees	30 June 2006 (Audited) Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	488,815,994	446,858,434
Long term deposits		<u>10,262,803</u>	<u>7,467,740</u>
		499,078,797	454,326,174
CURRENT ASSETS			
Stores and spares		161,486,020	146,888,174
Stock in trade		98,815,991	78,882,179
Trade debtors - Un-secured, considered good		16,457,308	9,238,710
Advances, deposits, prepayments and other receivables		113,915,658	75,132,890
Cash and bank balances		<u>11,747,407</u>	<u>7,783,889</u>
		402,422,384	317,925,842
		<u>901,501,181</u>	<u>772,252,016</u>

OMER BAIG
Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE HALF YEAR ENDED 31 DECEMBER 2006

Note	Six months ended 31 December		Quarter Ended 31 December		
	2006	2005	2006	2005	
	Rupees	Rupees	Rupees	Rupees	
Sales-Net	7	537,843,999	495,112,758	281,489,757	256,216,199
Cost of sales		(426,185,435)	(395,135,183)	(224,010,105)	(196,980,679)
Gross profit		111,658,564	99,977,575	57,479,652	59,235,520
Administrative expenses		(14,581,688)	(15,196,841)	(7,514,179)	(8,708,909)
Distribution and marketing expenses		(26,797,485)	(25,988,103)	(13,966,158)	(14,049,761)
Other operating expenses		(3,713,325)	(2,536,947)	(1,354,278)	(1,577,521)
Other income		970,705	2,866,100	970,705	
Profit from operations		67,536,771	59,121,784	35,615,742	34,899,329
Finance cost		(17,433,787)	(10,919,797)	(9,884,454)	(4,926,434)
Profit before taxation		50,102,984	48,201,987	25,731,288	29,972,895
Provision for taxation		(3,399,143)	(9,475,564)	(2,730,710)	(8,281,080)
Profit after taxation		46,703,841	38,726,423	23,000,578	21,691,815
Earnings per share-basic and diluted		4.04	3.35	1.99	1.88

The attached notes 1 to 10 form an integral part of these accounts.

February 26, 2007
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR



**CONDENSED INTERIM CASH FLOW
STATEMENT (Unaudited) FOR THE HALF YEAR
ENDED 31 DECEMBER 2006**

	Six months ended	
	31 December 2006 Rupees	31 December 2005 Rupees
Cash flows from operating activities		
Profit before taxation	50,102,984	48,201,987
Adjustments for non cash and other items		
Depreciation	27,776,114	27,153,133
Finance cost	17,433,787	10,919,797
Workers' profit participation fund	2,690,815	2,536,947
Workers' welfare fund	1,022,510	-
Gain on sale of fixed assets	(970,704)	(2,866,100)
	<u>47,952,522</u>	<u>37,743,777</u>
Operating profit before working capital changes	98,055,506	85,945,764
Increase in current assets:		
Stores and spares	(14,597,846)	(879,457)
Stock in trade	(19,933,812)	(5,323,124)
Trade debtors	(7,218,598)	(12,455,673)
Advances, deposits, prepayments and other receivables	(36,603,470)	(272,202)
	<u>(78,353,726)</u>	<u>(18,930,456)</u>
Increase/(decrease) in current liabilities:		
Short term borrowings	5,023,183	(504,193)
Trade and other payables	15,786,792	2,927,707
	<u>20,809,975</u>	<u>2,423,514</u>
Cash generated from operations	40,511,755	69,438,822
Financial charges paid	(13,217,864)	(8,401,814)
Taxes paid	(2,176,014)	(2,525,257)
WPPF paid	(1,883,390)	(2,417,824)
Staff gratuity	(43,472)	(10,300)
	<u>(17,320,740)</u>	<u>(13,355,195)</u>
Net cash generated from operating activities	23,191,015	56,083,627
Cash flows from investing activities		
Additions to fixed assets	(72,262,970)	(43,527,386)
Proceeds from sale of fixed assets	3,500,000	4,937,002
Long term security deposits	(2,795,063)	(4,059,141)
Net cash used in investing activities	<u>(71,558,033)</u>	<u>(42,649,525)</u>
Cash flows from financing activities		
Long term loans	57,280,912	(12,503,681)
Liabilities against assets subject to finance lease	(1,583,916)	4,701,201
Long term deposits	193,488	10,000
Dividend paid	(3,569,948)	(4,717,266)
Net cash generated from/(used in) financing activities	<u>52,330,536</u>	<u>(12,509,946)</u>
Net increase in cash and cash equivalents during the period	3,963,518	924,156
Cash and cash equivalents at the beginning of the period	7,783,889	6,724,286
Cash and cash equivalents at the end of the period	<u>11,747,407</u>	<u>7,648,442</u>

The attached notes 1 to 10 form an integral part of these accounts.

February 26, 2007
Lahore

TARIQ BAIG
CHAIRMAN AND MANAGING DIRECTOR

OMER BAIG
DIRECTOR



**STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	Share capital Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at 30 June 2005	100,000,000	101,630,602	201,630,602
Final dividend for the year ended 30 June 2005 at the rate of Rs 0.5 (5%) per share	-	(5,000,000)	(5,000,000)
Bonus shares issued for the year ended 30 June 2005 at the rate of 10%	10,000,000	(10,000,000)	-
Profit for the six months period ended 31 December 2005	-	38,726,423	38,726,423
Balance as at 31 December 2005	<u>110,000,000</u>	<u>125,357,025</u>	<u>235,357,025</u>
Profit for the six months period ended 30 June 2006	-	10,386,303	10,386,303
Balance as at 30 June 2006	<u>110,000,000</u>	<u>135,743,328</u>	<u>245,743,328</u>
Final dividend for the year ended 30 June 2006 at the rate of Re 1.0 (10%) per share	-	(4,351,698)	(4,351,698)
Bonus shares issued for the year ended 30 June 2006 at the rate of 5%	5,500,000	(5,500,000)	-
Profit for the six months period ended 31 December 2006	-	46,703,841	46,703,841
Balance as at 31 December 2006	<u>115,500,000</u>	<u>172,595,471</u>	<u>288,095,471</u>

The attached notes 1 to 10 form an integral part of these accounts.

February 26, 2007
Lahore

TARIQ BAIG
CHAIRMAN AND MANAGING DIRECTOR

OMER BAIG
DIRECTOR



CONDENSED NOTES TO THE ACCOUNTS FOR THE HALF YEAR ENDED 31 DECEMBER 2006

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 and Lahore Stock Exchanges. The Company is principally engaged in manufacturing and sale of glass containers and tableware. The registered office of Tariq Glass Industries Limited is situated at 128-J, Model Town, Lahore.

2 BASIS OF PREPARATION

These condensed interim financial statements are un-audited but subject to limited scope review by auditors and have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan. These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2006.

These condensed financial statements are being submitted to the shareholders as required by section 245 of the companies ordinance, 1984.

3 ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in preparation of annual audited financial statements of the Company for the year ended 30 June 2006.

4 ESTIMATES

The Preparation of condensed interim financial statements requires management to make judgements, estimates and assumption that affect 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 judgements 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 2006.

5 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingent liabilities since the last annual balance sheet date. Commitments under letter of credit at the period end amounted to Rs 41.8 million (30 June 2006: Rs 18.1 million).



		31 December 2006	
			(Un-audited)
		Notes	Rupees
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating assets	6.1	450,419,478
	Capital work in progress	6.2	38,396,516
			<u>488,815,994</u>
6.1	Operating assets		
	Net book value at the beginning of the period		437,223,236
	Add: Additions during the period		43,501,652
	Less: Disposals during the period (at book value)		(2,529,296)
	Less: Depreciation charged during the period		(27,776,114)
			<u>450,419,478</u>
6.2	Capital work in progress		
	Opening balance		9,635,198
	Add : Additions during the year		28,761,318
			<u>38,396,516</u>

	Six months ended 31 December		Quarter Ended 31 December	
	2006 Rupees	2005 Rupees	2006 Rupees	2005 Rupees
7 SALES-Net				
Local sales	650,977,346	544,452,567	334,117,600	283,794,483
Export sales	40,785,074	44,485,062	23,070,941	24,086,402
Gross sales	<u>691,762,420</u>	<u>588,937,629</u>	<u>357,188,541</u>	<u>307,880,885</u>
Less: Trade discount	69,008,332	22,817,230	32,118,227	14,648,014
Sales tax	84,910,089	71,007,641	43,580,557	37,016,672
	<u>153,918,421</u>	<u>93,824,871</u>	<u>75,698,784</u>	<u>51,664,686</u>
Net Sales	<u>537,843,999</u>	<u>495,112,758</u>	<u>281,489,757</u>	<u>256,216,199</u>



			Six months ended 2006 Rupees	Six months ended 2005 Rupees
8 TRANSACTIONS WITH RELATED PARTIES				
Name	Relationship	Nature of Transaction		
Omer Glass Industries Limited	Associated Company	Purchases	<u>1,094,540</u>	<u>697,750</u>
		Sales	<u>854,112</u>	<u>864,047</u>
Provident fund	Employee benefit plan	Contributions	<u>1,349,115</u>	<u>1,186,176</u>

9 DATE OF AUTHORISATION

These unaudited condensed interim financial statements for the half year ended 31 December 2006 were authorized for issue by the Board of Directors on February 26, 2007.

10 FIGURES

Figures have been rounded off to nearest rupee.

February 26, 2007
Lahore

TARIQ BAIG
CHAIRMAN AND MANAGING DIRECTOR

OMER BAIG
DIRECTOR



TOYO[®]
NASIC
GLASSWARE

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TARIQ GLASS INDUSTRIES LTD.



128 - J, Model Town, Lahore, Pakistan.

Tel: (+92 42) 111 343 434

Fax: (+92 42) 5857692, 5857693