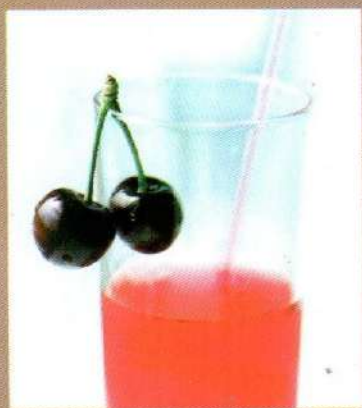


# 2<sup>nd</sup> QUARTERLY REPORT

31<sup>st</sup> Dec. 2007  
(Un - Audited)



**TARIQ GLASS INDUSTRIES LTD.**  
An ISO 9001:2000 Certified Company



## 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 ESHAJ

**SECRETARY**

MR. WAQAR ULLAH

**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](mailto: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 of Directors, I am pleased to submit the half-yearly report comprising of the financial statements for the period ended December 31, 2007 duly reviewed by the external auditors.

### Company's Performance:

The period under review was a difficult one. The political unrest and instability in the country, power crises, and complete stoppage of gas supply from the month of December and so on, severely affected the economy of the country, which had a trickledown effect on the economy as a whole.

In order to keep furnaces alive during the power and gas stoppages, furnace oil and diesel had to be used at exorbitant prices, which not only severely decreased the production efficiencies but also increased the production costs. On the other hand, the raw material costs and in particular the soda ash prices were revised upwards adding further to the costs thus decreasing the profitability.

Comparing with the same period of second quarter of corresponding period the net sales decreased from Rs. 281.500 Million to Rs. 258.600 Million but there is a slight improvement in the total sales for the period of six months.

A comparative summary of the financial results for the six months ended December 31, 2007 is as follows:

	December 31,2007 Rupees	December 31, 2006 Rupees
Profit/ (Loss) Before Taxation	(9,037,758)	50,102,984
Taxation	<u>5,569,004</u>	<u>3,399,143</u>
Profit/ (Loss) After Taxation	<u>(14,606,762)</u>	<u>46,703,841</u>
Earning/ (Loss) Per Share	Rs. (0.81)	3.58

### **Future Outlook:**

To date, the gas supply has not been fully restored, however, keeping in view the weather conditions it is hoped that the gas supply will be fully resorted shortly. As communicated previously the management undertook the work for the expansion of the production facility which by the Grace of Almighty Allah is complete in all respects and is pending start up because of gas supply.

As discussed above the financial results for the third quarter will also be depressed but Insha Allah, we are very confident that the financial results for the fourth quarter will be much better and will reverse the affects of the two quarters i.e. second and third.



## **Independent Report on Review of Condensed 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 2007 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended (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 relating to interim financial reporting in Pakistan. 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 as at and for the six months period ended 31 December 2007 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.



## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

	(Un-audited) 31 December 2007 Rupees	(Audited) 30 June 2007 Rupees
<b>LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital	<u>250,000,000</u>	<u>250,000,000</u>
25,000,000 ordinary shares of Rs 10 each		
Issued, subscribed and paid up capital	5 231,000,000	115,500,000
Share Premium	173,250,000	-
Unappropriated profit	157,041,840	176,217,886
	<u>561,291,840</u>	<u>291,717,886</u>
<b>NON CURRENT LIABILITIES</b>		
Long term loans		
Secured	73,213,710	137,288,299
Unsecured	43,872,714	164,305,514
	117,086,424	301,593,813
Liabilities against assets subject to finance lease	7,521,527	8,389,353
Long term security deposits	5,356,657	5,255,257
Deferred liabilities	52,400,781	52,982,788
	<u>182,365,389</u>	<u>368,221,211</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings - secured	131,803,613	82,569,095
Current maturity of long term liabilities	32,961,202	41,345,741
Trade and other payables	206,751,033	176,140,914
Provision for taxation	14,563,596	8,994,618
	386,079,444	309,050,368
<b>CONTINGENCIES AND COMMITMENTS</b>	6 -	-
	<u>1,129,736,673</u>	<u>968,989,465</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

**AS AT 31 DECEMBER 2007**

	<i>Note</i>	(Un-audited) 31 December 2007 Rupees	(Audited) 30 June 2007 Rupees
<b>ASSETS</b>			
Property, plant and equipment	7	722,944,481	613,788,046
Long term security deposits		7,948,253	9,113,303
<b>CURRENT ASSETS</b>			
Stores and spares		175,031,513	169,038,950
Stock in trade		104,373,050	79,543,999
Trade debtors - Unsecured, considered good		17,489,505	14,302,719
Advances, deposits, prepayments and other receivables		92,595,391	71,751,633
Cash and bank balances		11,354,480	11,450,815
		398,843,939	346,088,116
		<u>1,129,736,673</u>	<u>968,989,465</u>

OMER BAIG  
Director



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	Six months ended 31 December		Quarter Ended 31 December	
		2007	2006	2007	2006
		Rupees	Rupees	Rupees	Rupees
Sales-Net	8	544,210,219	537,843,999	258,632,512	281,489,757
Cost of sales		460,315,854	426,185,435	235,714,621	224,010,105
<b>Gross profit</b>		<b>83,894,365</b>	<b>111,658,564</b>	<b>22,917,891</b>	<b>57,479,652</b>
Operating expenses					
Administrative		14,643,337	14,581,688	7,266,287	7,514,179
Selling and distribution		26,741,019	26,797,485	13,504,554	13,966,158
		41,384,356	41,379,173	20,770,841	21,480,337
<b>Operating Profit</b>		<b>42,510,009</b>	<b>70,279,391</b>	<b>2,147,050</b>	<b>35,999,315</b>
Financial charges		16,018,403	17,433,787	5,413,467	9,884,454
Reinstatement of waived off Loans		34,000,000	-	34,000,000	-
Other income		309,959	970,705	309,959	970,705
Other expenses		1,839,323	3,713,325	(224,166)	1,354,278
<b>(Loss)/Profit before taxation</b>		<b>(9,037,758)</b>	<b>50,102,984</b>	<b>(36,732,292)</b>	<b>25,731,288</b>
Provision for taxation		5,569,004	3,399,143	(3,197,709)	2,730,710
<b>(Loss)/Profit after taxation</b>		<b>(14,606,762)</b>	<b>46,703,841</b>	<b>(33,534,583)</b>	<b>23,000,578</b>
Earnings per share - basic and diluted		(0.81)	3.58	(2.57)	1.76

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

February 27, 2008  
Lahore

**TARIQ BAIG**  
CHAIRMAN & MANAGING DIRECTOR

**OMER BAIG**  
DIRECTOR



**CONDENSED INTERIM CASH FLOW  
STATEMENT (Unaudited) FOR THE HALF YEAR  
ENDED 31 DECEMBER 2007**

	Six months ended	
	31 December 2007 Rupees	31 December 2006 Rupees
<b>Cash flow from operating activities</b>		
(Loss)/Profit before taxation	(9,037,758)	50,102,984
Adjustments for non cash and other items:		
Depreciation	27,052,481	27,776,114
Financial charges	16,018,403	17,433,787
Workers' profit participation fund	1,340,079	2,690,815
Reinstatement of waived loan	34,000,000	-
Workers' welfare fund	499,244	1,022,510
Gain on sale of fixed assets	(309,959)	(970,704)
	<u>78,600,248</u>	<u>47,952,522</u>
<b>Operating profit before working capital changes</b>	<b>69,562,490</b>	<b>98,055,506</b>
<b>Decrease/(increase) in current assets:</b>		
Stores and spares	(3,992,563)	(14,597,846)
Stock in trade	(24,829,051)	(19,933,812)
Trade debtors	(3,186,786)	(7,218,598)
Advances, deposits, prepayments and other receivables	(20,343,758)	(36,603,470)
	<u>(52,852,158)</u>	<u>(78,353,726)</u>
<b>Increase/(decrease) in current liabilities:</b>		
Short term borrowings	49,234,518	5,023,183
Trade and other payables	28,557,540	15,786,792
	<u>77,792,058</u>	<u>20,809,975</u>
<b>Cash generated from operations</b>	<b>94,502,390</b>	<b>40,511,755</b>
Financial charges paid	(15,433,514)	(13,217,864)
Taxes paid	-	(2,176,014)
WPPF paid	(3,125,963)	(1,883,390)
Staff gratuity	(582,007)	(43,472)
	<u>(19,141,484)</u>	<u>(17,320,740)</u>
<b>Net cash generated from operating activities</b>	<b>75,360,906</b>	<b>23,191,015</b>
<b>Cash flow from investing activities</b>		
Fixed capital expenditure incurred	(136,723,959)	(72,262,970)
Proceeds from sale of fixed assets	825,018	3,500,000
Long term security deposits	1,165,050	(2,795,063)
<b>Net cash used in investing activities</b>	<b>(134,733,891)</b>	<b>(71,558,033)</b>
<b>Cash flow from financing activities</b>		
Long term loans	(61,384,982)	57,280,912
Receipt from issue of right shares	119,317,199	-
Liabilities against assets subject to finance lease	3,558,010	(1,583,916)
Long term security deposits	101,400	193,488
Dividend paid	(1,814,977)	(3,559,948)
<b>Net cash inflow from financing activities</b>	<b>59,276,650</b>	<b>52,330,536</b>
<b>Net increase in cash and cash equivalents</b>	<b>(96,335)</b>	<b>3,963,518</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>11,450,815</b>	<b>7,783,889</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11,354,480</b>	<b>11,747,407</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

February 27, 2008  
Lahore

TARIQ BAIG  
CHAIRMAN AND MANAGING DIRECTOR

OMER BAIG  
DIRECTOR





**STATEMENT OF CHANGES IN EQUITY (Unaudited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Share capital Rupees	Share Premium Rupees	Unappropriated profit Rupees	Total Rupees
Balance as at 30 June 2006	110,000,000	-	135,743,328	245,743,328
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
<b>Balance as at 31 December 2006</b>	<b>115,500,000</b>	<b>-</b>	<b>172,595,471</b>	<b>288,095,471</b>
Profit for the six months period ended 30 June 2007	-	-	3,622,415	3,622,415
<b>Balance as at 30 June 2007</b>	<b>115,500,000</b>	<b>-</b>	<b>176,217,886</b>	<b>291,717,886</b>
Right shares issued	115,500,000	173,250,000	-	288,750,000
Final dividend for the year ended 30 June 2007 at the rate of Re. 1.0 (10%) per share	-	-	(4,569,284)	(4,569,284)
(Loss) for the six months period ended 31 Dec 2007	-	-	(14,606,762)	(14,606,762)
<b>Balance as at 31 December 2007</b>	<b>231,000,000</b>	<b>173,250,000</b>	<b>157,041,840</b>	<b>561,291,840</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

February 27, 2008  
Lahore

TARIQ BAIG  
CHAIRMAN AND MANAGING DIRECTOR

OMER BAIG  
DIRECTOR



## CONDENSED NOTES TO THE ACCOUNTS FOR THE HALF YEAR ENDED 31 DECEMBER 2007

### 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 information are un-audited but subject to limited scope review by auditors and have been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. The condensed interim financial information does not include all 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 2007.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

### 3 ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of the condensed interim financial information are the same as those applied in preparing the financial statements for the year ended 30 June 2007.

### 4 ESTIMATES

The preparation of 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 2007

	(Un-Audited) 31 December 2007 Rupees	(Audited) 30 June 2007 Rupees
<b>5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>		
11,550,000 ordinary shares of Rs. 10/- each fully paid in cash	115,500,000	110,000,000
Nil (2007: 550,000) ordinary shares of Rs. 10 issued as bonus shares	-	5,500,000
11,550,000 (2007: Nil) ordinary shares of Rs. 10/- issued as Right shares	115,500,000	-
	<b>231,000,000</b>	<b>115,500,000</b>



**6 CONTINGENCIES AND COMMITMENTS**

Commitments under letters of credit at the period end amounted to Rs 24.509 million (30 June 2007: Rs 60.09 million).

On 20 June 2007, the Company announced issuance of right shares. Industrial Products Investment Limited and Directors have opted for conversion of loans against right shares entitlement and consequently the conditional waiver of loan has been reinstated on 01 September 2007. Further, the Company issued right shares during the period.

Apart from above, there is no significant change in the contingencies and commitment since the last annual balance sheet date.

	Notes	(Un-audited) Six months ended 31 Dec. 2007 Rupees
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	7.1	430,588,201
Capital work in progress	7.2	<u>292,356,280</u>
		<u><u>722,944,481</u></u>

**7.1 Operating assets**

Net book value at the beginning of the period	446,392,719
Add: Additions during the period	11,763,006
Less: Disposals during the period (at book value)	(1,300,786)
Less: Depreciation charged during the period	<u>(26,266,738)</u>
	<u><u>430,588,201</u></u>

**7.2 Capital work in progress**

Opening balance	167,395,327
Add : Additions during the year	<u>124,960,953</u>
	<u><u>292,356,280</u></u>

	Six months ended 31 December		Quarter Ended 31 December	
	2007 Rupees	2006 Rupees	2007 Rupees	2006 Rupees
<b>8 SALES-NET</b>				
Local sales	652,039,600	650,977,346	318,467,299	334,117,600
Export sales	39,308,832	40,785,074	13,341,271	23,070,941
Gross sales	<u>691,348,432</u>	<u>691,762,420</u>	<u>331,808,570</u>	<u>357,188,541</u>
Less: Trade discount	62,089,569	69,008,332	31,636,845	32,118,227
Sales tax	<u>85,048,644</u>	<u>84,910,089</u>	<u>41,539,213</u>	<u>43,580,557</u>
	<u>147,138,213</u>	<u>153,918,421</u>	<u>73,176,058</u>	<u>75,698,784</u>
Net Sales	<u><u>544,210,219</u></u>	<u><u>537,843,999</u></u>	<u><u>258,632,512</u></u>	<u><u>281,489,757</u></u>



**9 REINSTATEMENT OF WAIVED OFF LOANS**

This adjustment denotes the reinstatement of waived off loans given by Industrial Product Investment Limited and Managing Director in the amount of Rs. 20 million and Rs. 14 million respectively.

			Six months ended 2007 Rupees	Six months ended 2006 Rupees
<b>10 TRANSACTIONS WITH RELATED PARTIES</b>				
Name	Relationship	Nature of Transaction		
Omer Glass Industries Limited	Associated company	Purchases	<u>1,136,550</u>	<u>1,094,540</u>
		Sales	<u>4,706,755</u>	<u>854,112</u>
		Issuance of shares against receipt of loan	<u>17,616,650</u>	<u>-</u>
		Issuance of shares against share deposit money	<u>14,607,350</u>	<u>-</u>
Provident fund	Employee benefit plan	Contributions	<u>1,602,244</u>	<u>1,349,115</u>
Directors	Key management personnel	Reinstatement of loan	<u>14,000,000</u>	<u>-</u>
		Issuance of shares against loan	<u>65,205,600</u>	<u>-</u>

**11 DATE OF AUTHORIZATION**

These unaudited condensed interim financial information for the half year ended 31 December 2007 were authorized for issue by the Board of Directors on February 27, 2008.

**12 FIGURES**

Figures have been rounded off to nearest rupee.

February 27, 2008  
Lahore

**TARIQ BAIG**  
CHAIRMAN AND MANAGING DIRECTOR

**OMER BAIG**  
DIRECTOR



*TARIQ GLASS INDUSTRIES LTD.*

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## TARIQ GLASS INDUSTRIES LTD.



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