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## COMPANY INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN

MR. OMER BAIG

#### MANAGING DIRECTOR

MR. TARIQ BAIG

MRS. NAIMA SHAHNAZ BAIG

MR. MANSOOR IRFANI

MR. AKBAR BAIG

MR. DAVID JULIAN

MR. NAEEM NAZIR

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. NAEEM NAZIR

MR. OMER BAIG

MR. DAVID JULIAN

CHAIRMAN

MEMBER

MEMBER

#### AUDITORS

KPMG TASEER HADI & CO.  
CHARTERED ACCOUNTANTS, LAHORE.

#### 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	BANK ALFALAH LTD
HABIB BANK LTD	FAYSAL BANK LTD
UNITED BANK LTD	SINDH BANK LTD
THE BANK OF PUNJAB	BANKISLAMI PAKISTAN LTD
MCB BANK LTD	NIB BANK LTD
THE BANK OF KHYBER	SAMBA BANK LTD
ASKARI BANK LTD	ALBARAKA BANK (PAK) LTD
MEEZAN BANK LTD	STANDARD CHARTERED BANK (PAK) LTD

#### SHARES REGISTRAR

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

#### REGISTERED OFFICE

128-J, MODEL TOWN, LAHORE.  
UAN : 042-111-34-34-34  
FAX : 042-35857692 - 35857693  
E MAIL : [info@tariqglass.com](mailto:info@tariqglass.com)  
WEB: [www.tariqglass.com](http://www.tariqglass.com)

#### WORKS

33-KM, LAHORE/SHEIKHUPURA ROAD  
TEL: (042) 37925652, (056) 3500635-7  
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## DIRECTORS' REPORT

We are pleased to present the financial information for the 1st quarter ended September 30, 2015.

### Financial and Operational Performance

By the grace of Almighty Allah, all components of the business contributed positively and the Company has maintained its position as far as the sales and profitability is concerned for the period under review. The Company has registered net sales of Rs. 2,074 million with a gross profit margin of 23.92% as compared to the corresponding period's figure of Rs. 2,054 million and 23% respectively. The after tax profit margin and EPS for the period under review reported as 7.90% and Rs. 2.23 whereas restated figures of same period of last year were 7.57% and Rs. 2.12 respectively.

The continuing gas and power shutdowns have resulted in usage of alternate but expensive fuels in the shape of diesel, LPG, and furnace oil. Although the lower price of furnace oil contributed positively in lowering down the cost of production but only upto the extent of furnace firing, however the use of diesel for generation of uninterrupted electricity supply and LPG for fire polishing on Tableware moulding machines are still the major liquid cost elements.

A brief summary of the financial results for the period under report is as under:

	(Million Rupees)	
	Three Months Ended September 30	
	FY2015-2016	FY2014-2015 (Restated)
<b>Net Sales</b>	2,074	2,054
<b>Gross Profit</b>	496	473
<b>Profit Before Tax</b>	178	154
<b>Profit After Tax</b>	164	156
<b>Earnings per share - Rupees</b>	2.23	2.12

### Future Outlook

It is anticipated that the Sui Gas shut down spans will become adverse in the upcoming winter and the Stakeholders ought to consider that this phenomenon may affect the cost of production of the second and third quarters of this financial year. In order to meet the power and energy requirements we will be forced to use furnace oil, diesel and LPG albeit at much higher costs. To mitigate the burden of higher costs of power and fuel, the Company is focusing on the production of value added goods. For this purpose a state of the art machine capable of manufacturing jugs of international acceptable standards has been ordered. Simultaneously, another machine for manufacturing of light weight tempered plates and bowls useable in microwave ovens will be in place for production and sales during the third quarter of this financial year (Insha Allah).

The tableware market is over supplied with both local and imported stuff at lower prices. In order to maintain the market position of Company's tableware products effective marketing campaign is in progress. The extra budget for marketing campaign, promotional schemes for retailers and distributors, and attractive price strategy have been earmarked.

The profitability of the accosting quarter will also be affected due to the closure of one of the tableware producing furnaces which is expected to close for major repair in December this year.

**For and on behalf of the Board**

**TARIQ BAIG  
MANAGING DIRECTOR**

Lahore: October 30, 2015



## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

	(Un-audited) 30 September 2015 Rupees	(Audited) 30 June 2015 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b><u>Share capital and reserves</u></b>		
Authorized share capital 100,000,000 (2015: 100,000,000) ordinary shares of Rs. 10 each	<b>1,000,000,000</b>	1,000,000,000
Issued, subscribed and paid up capital 73,458,000 ordinary shares of Rs.10/- each	<b>734,580,000</b>	734,580,000
Share premium	<b>410,116,932</b>	410,116,932
Equity portion of shareholders' loan	<b>122,554,936</b>	135,008,111
Unappropriated profit	<b>1,598,349,860</b>	1,421,943,134
	<b>2,865,601,728</b>	2,701,648,177
Surplus on revaluation of land	<b>355,002,638</b>	355,002,638
	<b>3,220,604,366</b>	3,056,650,815
<b><u>Non current liabilities</u></b>		
Long term finances:		
- Secured	<b>416,956,450</b>	517,922,514
- Unsecured	<b>628,763,258</b>	610,449,765
	<b>1,045,719,708</b>	1,128,372,279
Liabilities against assets subject to finance lease	<b>25,726,536</b>	28,894,893
Long term deposits	<b>254,415,023</b>	263,239,437
Deferred taxation	<b>62,640,749</b>	48,196,463
	<b>1,388,502,016</b>	1,468,703,072
<b><u>Current Liabilities</u></b>		
Trade and other payables	<b>712,597,291</b>	683,620,647
Accrued mark-up	<b>88,479,985</b>	68,293,715
Short term borrowings - secured	<b>2,106,653,576</b>	1,899,914,518
Current portion of long term liabilities	<b>429,362,031</b>	345,008,877
	<b>3,337,092,883</b>	2,996,837,757
	<b>7,946,199,265</b>	7,522,191,644
<b>Contingencies and commitments</b>		

The annexed notes from 1 to 5 form an integral part of this condensed interim financial information.



## AS AT 30 SEPTEMBER 2015

	(Un-audited) 30 September 2015 Rupees	(Audited) 30 June 2015 Rupees
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	<b>4,136,978,989</b>	4,233,476,883
Intangibles	<b>6,266,577</b>	6,614,720
Long term deposits	<b>49,359,957</b>	44,659,957
<b><u>Current Assets</u></b>		
Stores and spares parts	<b>629,774,177</b>	610,956,489
Stock in trade	<b>1,506,180,585</b>	1,260,778,593
Trade debts - considered good	<b>771,030,441</b>	756,203,935
Advances, deposits, prepayments and other receivables	<b>490,178,550</b>	434,670,644
Cash and bank balances	<b>356,429,989</b>	174,830,423
	<b>3,753,593,742</b>	3,237,440,084
	<b><u>7,946,199,265</u></b>	<b><u>7,522,191,644</u></b>

TARIQ BAIG  
MANAGING DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	<b>30 September 2015</b>	30 September 2014
	<b>Rupees</b>	Rupees
		(Restated)
Sales - net	<b>2,074,198,717</b>	2,054,397,722
Cost of sales	<b>(1,578,063,526)</b>	(1,581,840,814)
<b>Gross profit</b>	<b>496,135,191</b>	472,556,908
Administrative expenses	<b>(45,371,452)</b>	(29,382,049)
Selling and distribution expenses	<b>(176,087,213)</b>	(170,044,236)
	<b>(221,458,665)</b>	(199,426,285)
	<b>274,676,526</b>	273,130,623
Other income	<b>488,855</b>	2,137,287
Finance cost	<b>(87,403,925)</b>	(112,689,384)
Other expenses	<b>(9,363,630)</b>	(8,672,162)
<b>Profit before taxation</b>	<b>178,397,826</b>	153,906,364
Taxation	<b>(14,444,275)</b>	1,597,487
<b>Profit after taxation</b>	<b>163,953,551</b>	155,503,851
Earnings per share - basic & diluted	<b>2.23</b>	2.12

The annexed notes from 1 to 5 form an integral part of this condensed interim financial information.



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

	<b>30 September 2015</b>	30 September 2014
	<b>Rupees</b>	Rupees (Restated)
<b>Profit after taxation</b>	<b>163,953,551</b>	155,503,851
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the Period</b>	<b><u>163,953,551</u></b>	<b><u>155,503,851</u></b>

The annexed notes from 1 to 5 form an integral part of this condensed interim financial information.



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	30 September 2015	30 September 2014
	Rupees	Rupees
<b><u>Cash flow from operating activities</u></b>		
Profit before taxation	178,397,826	153,906,364
Adjustments for:		
Depreciation	108,062,530	119,476,984
Amortization of intangibles	348,143	-
Gain on disposal of property, plant and equipment	-	(1,021,309)
Finance cost	87,403,925	112,689,384
Provision for Workers' profit participation fund	9,363,630	8,672,162
	<u>205,178,229</u>	<u>239,817,221</u>
<b>Operating profit before working capital changes</b>	<b>383,576,055</b>	<b>393,723,585</b>
Changes in:		
Stores and spare parts	(18,817,688)	(16,244,077)
Advances, deposits, prepayments and other receivables	(20,305,958)	92,366,059
Stock in trade	(245,401,992)	(169,528,982)
Trade debts - considered good	(14,826,506)	(50,654,646)
Trade and other payables	20,277,855	(145,262,948)
	<u>(279,074,289)</u>	<u>(289,324,594)</u>
<b>Cash generated from / (used in) operating activities</b>	<b>104,501,766</b>	<b>104,398,991</b>
Income tax paid	(35,866,779)	(120,360,741)
	<u>(35,866,779)</u>	<u>(120,360,741)</u>
<b>Net cash generated from / (used in) operating activities</b>	<b>68,634,987</b>	<b>(15,961,750)</b>
<b><u>Cash flow from investing activities</u></b>		
Fixed capital expenditure	(11,564,635)	(8,079,359)
Proceeds from sale of property, plant and equipment	-	2,900,000
Long term deposits	(4,700,000)	(817,900)
<b>Net cash used in investing activities</b>	<b>(16,264,635)</b>	<b>(5,997,259)</b>
<b><u>Cash flow from financing activities</u></b>		
Repayments of long term finances	(21,599,203)	(40,915,795)
Proceeds / (Repayments of) short term borrowings - net	92,453,768	(33,393,768)
Payments against long term deposits	(8,824,414)	(4,430,440)
Finance cost paid	(47,086,227)	(90,182,648)
<b>Net cash generated from / (used in) financing activities</b>	<b>14,943,924</b>	<b>(168,922,651)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>67,314,276</b>	<b>(190,881,660)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(1,238,332,280)</b>	<b>(1,044,640,587)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(1,171,018,004)</b>	<b>(1,235,522,247)</b>

The annexed notes from 1 to 5 form an integral part of this condensed interim financial information.



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Share capital	Capital Reserve			Revenue Reserve	Total Equity
		Share premium	Equity portion of shareholders' loan	Sub-total	Un-appropriated profit	
-----Rupees-----						
Balance as at 30 June 2014	734,580,000	410,116,932	169,565,066	579,681,998	984,679,146	2,298,941,144
<b>Total comprehensive income</b>						
Profit after tax for the quarter ended 30 September 2014	-	-	-	-	155,503,851	155,503,851
<b>Total comprehensive income</b>	-	-	-	-	<b>155,503,851</b>	<b>155,503,851</b>
<b>Transactions with the owners of the Company</b>						
Transferred on unwinding for the quarter ended 30 September 2014 - net of tax	-	-	(10,863,739)	(10,863,739)	10,863,739	-
Tax rate adjustment for the quarter ended 30 September 2014	-	-	2,224,501	2,224,501	-	2,224,501
<b>Balance as at 30 September 2014 - restated</b>	<b>734,580,000</b>	<b>410,116,932</b>	<b>160,925,827</b>	<b>571,042,759</b>	<b>1,151,046,736</b>	<b>2,456,669,496</b>
Final dividend for the year ended 30 June 2014 at the rate of Rs. 0.50 (5%) per ordinary share	-	-	-	-	(14,411,230)	(14,411,230)
<b>Total comprehensive income</b>						
Profit after tax for the period ended 30 June 2015	-	-	-	-	252,716,410	252,716,410
<b>Total comprehensive income</b>	-	-	-	-	<b>252,716,410</b>	<b>252,716,410</b>
Transferred on unwinding for the period ended 30 June 2015 - net of tax	-	-	(32,591,218)	(32,591,218)	32,591,218	-
Tax rate adjustment for the period ended 30 June 2015	-	-	6,673,502	6,673,502	-	6,673,502
<b>Balance as at 30 June 2015</b>	<b>734,580,000</b>	<b>410,116,932</b>	<b>135,008,111</b>	<b>545,125,043</b>	<b>1,421,943,134</b>	<b>2,701,648,177</b>
<b>Total comprehensive income</b>						
Profit after tax for the quarter ended 30 September 2015	-	-	-	-	163,953,551	163,953,551
<b>Total comprehensive income</b>	-	-	-	-	<b>163,953,551</b>	<b>163,953,551</b>
Transferred on unwinding for the period ended 30 September 2015 - net of tax	-	-	(12,453,175)	(12,453,175)	12,453,175	-
<b>Balance as at 30 September 2015</b>	<b>734,580,000</b>	<b>410,116,932</b>	<b>122,554,936</b>	<b>532,671,868</b>	<b>1,598,349,860</b>	<b>2,865,601,728</b>

The annexed notes from 1 to 5 form an integral part of this condensed interim financial information.



## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

1. These interim condensed financial statements are un-audited and are being submitted to the shareholders in accordance with the section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting" as applicable in Pakistan.

The condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 30 June 2015

2. The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding Audited Financial Statements for the year ended 30 June 2015.
3. There is no significant change in the contingencies and commitments status since the last annual balance sheet date.
4. Figures have been rounded off to the nearest rupee.
5. This condensed interim financial information was authorized for issue by the Board of Directors on 30 October 2015.



**TARIQ GLASS INDUSTRIES LTD.**



**TARIQ GLASS INDUSTRIES LTD.**