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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

HABIB BANK LTD

UNITED BANK LTD

THE BANK OF PUNJAB

MCB BANK LTD

THE BANK OF KHYBER

ASKARI BANK LTD

MEEZAN BANK LTD

J.S. BANK LTD

BANK ALFALAH LTD

FAYSAL BANK LTD

SINDH BANK LTD

BANKISLAMI PAKISTAN LTD

NIB BANK LTD

SAMBA BANK LTD

ALBARAKA BANK (PAK) LTD

STANDARD CHARTERED BANK (PAK) LTD

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DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited are pleased to present before you the review report along with the financial information for the nine months and third quarter ended March 31, 2016.

Financial and Operational Performance

By the Grace of Allah Almighty, the Company has magnificently achieved lucrative profitability for the period under report despite closure of one of the tableware producing furnaces for major repair since December 2015. The Company has crossed the momentous barrier of 6 billion by recording net sales of Rs. 6,046 million with a gross profit margin of 23% for the nine months period under review as compared to the corresponding period's figure of Rs. 5,946 million and 19% respectively. The profit after tax and EPS for the period under report arrived at Rs. 419 million and Rs. 5.71 whereas restated figures of same period of last year were Rs. 198 million and Rs. 2.69 respectively. The lucrative profitability is attributable to plummeted oil prices and remarkable market acceptability of Company's value added products.

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

| | (Million Rupees) | |
|------------------------------------|-----------------------------------|--------------------|
| | Nine Months Ended March 31 | |
| | FY2015-2016 | FY2014-2015 |
| Net Sales | 6,046 | 5,946 |
| Gross Profit | 1,389 | 1,119 |
| Profit Before Tax | 558 | 178 |
| Profit After Tax | 419 | 198 |
| Earnings per share – Rupees | 5.71 | 2.69 |

By the grace of Allah Almighty, the Tableware producing furnace which was closed for scheduled rebuild has been fired on April 20, 2016 with enhanced capacity of 140 metric tons per day (Before Rebuild: 110 metric tons per day). The commercial production will also be available in second week of May-2016 upon achievement of satisfactory quality assurance of the glass produce (Insha Allah).

Furthermore, with the blessings of Allah Almighty, the Company has prepaid in full its Long Term Syndicated LTFF Loan on April 14, 2016. The pricing of the said loan was fixed at 10.90% per annum with an outstanding amount of Rs. 420.217 million on the date of prepayment. This has become possible in consideration of better liquidity position and efficient funds management.

Future Outlook

In order to have uninterrupted and cheaper power supply for manufacturing activities at factory premises the Company is endeavoring to have its own thermal / fossil-fuel power plant of 10.50 MW based on furnace oil gensets. In this regard, The Bank of Punjab has established letter of credit for the import of three gensets and also sanctioned new loan amounting to Rs. 300 million to finance the said power plant. The civil works are at its full swing, shipment of gensets is on board and it is hoped that this power plant will be commissioned and operative in first quarter of next financial year.

Taking into consideration of Company's value addition strategy for its tableware products the Jug Making Machine has reached the site and in course of installation. The variety of jugs in competition to the imported range will be available to the customers shortly. The letter of credit for the import of Toughening Lehr for manufacturing of light weight tempered plates and bowls useable in microwave ovens has been established and it is scheduled to reach at site in June - 2016 (Insha Allah).

The Management of the Company outlook the future with further improved profitability in consideration of in house availability of low cost Power and value added sales through the induction of new state of the art Jug Making and Toughening Lehr machines.

For and on behalf of the Board

**OMER BAIG
CHAIRMAN**

Lahore: April 29, 2016



**CONDENSED INTERIM BALANCE SHEET
(UN-AUDITED)**

| | 31 March 2016 (Un-audited) Rupees | 30 June 2015 (Audited) Rupees |
|---|--|--|
| EQUITY AND LIABILITIES | | |
| <u>Share capital and reserves</u> | | |
| Authorized share capital 100,000,000 (30 June 2015: 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 73,458,000 ordinary shares of Rs. 10 each | 734,580,000 | 734,580,000 |
| Share premium | 410,116,932 | 410,116,932 |
| Equity portion of shareholders' loan | 97,648,590 | 135,008,111 |
| Unappropriated profit | 1,878,542,061 | 1,421,943,134 |
| | 3,120,887,583 | 2,701,648,177 |
| Surplus on revaluation of land | 355,002,638 | 355,002,638 |
| | <u>3,475,890,221</u> | <u>3,056,650,815</u> |
| <u>Non current liabilities</u> | | |
| Long term loans | | |
| - Secured | 163,836,191 | 517,922,514 |
| - Unsecured | 702,012,454 | 610,449,765 |
| | 865,848,645 | 1,128,372,279 |
| Liabilities against assets subject to finance lease | 19,119,139 | 28,894,893 |
| Long term deposits | 252,415,023 | 263,239,437 |
| Deferred liabilities | 143,931,370 | 48,196,463 |
| | 1,281,314,177 | 1,468,703,072 |
| <u>Current liabilities</u> | | |
| Trade and other payables | 643,759,568 | 683,620,647 |
| Accrued profit / interest / markup | 73,441,723 | 68,293,715 |
| Short term borrowings - secured | 1,955,602,708 | 1,899,914,518 |
| Current maturity of non current liabilities | 499,464,230 | 345,008,877 |
| | 3,172,268,229 | 2,996,837,757 |
| Contingencies and commitments | - | - |
| | <u>7,929,472,627</u> | <u>7,522,191,644</u> |

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



AS AT 31 MARCH 2016

| | 31 March 2016 (Un-audited) Rupees | 30 June 2015 (Audited) Rupees |
|---|--|--|
| ASSETS | | |
| <u>Non-current assets</u> | | |
| Property, plant and equipment | 4,083,369,065 | 4,233,476,883 |
| Intangibles | 5,570,290 | 6,614,720 |
| Long term deposits | 52,936,081 | 44,659,957 |
| <u>Current assets</u> | | |
| Stores and spares | 699,793,395 | 610,956,489 |
| Stock in trade | 1,506,037,434 | 1,260,778,593 |
| Trade debtors - considered good | 637,430,324 | 756,203,935 |
| Advances, deposits, prepayments and other receivables | 594,035,061 | 434,670,644 |
| Cash and bank balances | 350,300,977 | 174,830,423 |
| | 3,787,597,191 | 3,237,440,084 |
| | <u>7,929,472,627</u> | <u>7,522,191,644</u> |

**TARIQ BAIG
MANAGING DIRECTOR**



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016

| | Nine months ended | | Three months ended | |
|---------------------------------------|--------------------------|------------------------------------|--------------------------|------------------------------------|
| | 31 March 2016 | 31 March 2015 (Restated) | 31 March 2016 | 31 March 2015 (Restated) |
| | Rupees | Rupees | Rupees | Rupees |
| Sales - net | 6,045,561,880 | 5,946,100,502 | 1,967,461,226 | 1,814,982,843 |
| Cost of sales | (4,656,531,828) | (4,826,733,346) | (1,487,204,992) | (1,502,534,836) |
| Gross profit | 1,389,030,052 | 1,119,367,156 | 480,256,234 | 312,448,007 |
| Administrative expenses | (112,688,070) | (87,327,286) | (31,171,702) | (27,643,863) |
| Selling and distribution expenses | (441,376,324) | (525,443,165) | (72,172,083) | (184,263,096) |
| Other expenses | (29,157,461) | (8,987,511) | (14,872,243) | 57,848 |
| | (583,221,855) | (621,757,962) | (118,216,028) | (211,849,111) |
| Other income | 4,404,758 | 7,254,393 | 1,952,640 | 4,026,057 |
| Profit from operations | 810,212,955 | 504,863,587 | 363,992,846 | 104,624,953 |
| Finance cost | (251,816,438) | (326,846,484) | (79,467,574) | (101,698,010) |
| Profit before taxation | 558,396,517 | 178,017,103 | 284,525,272 | 2,926,943 |
| Taxation | (139,157,111) | 19,506,074 | (101,174,027) | (27,699,800) |
| Profit / (loss) after taxation | 419,239,406 | 197,523,177 | 183,351,245 | (24,772,857) |
| Earnings / (loss) per share - basic | 5.71 | 2.69 | 2.50 | (0.34) |
| - diluted | 5.71 | 2.69 | 2.50 | (0.34) |

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



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2016**

| | Nine months ended | | Three months ended | |
|--|--------------------------|----------------------|--------------------------|----------------------|
| | 31 March 2016 | 31 March 2015 | 31 March 2016 | 31 March 2015 |
| | Rupees | Rupees (Restated) | Rupees | Rupees (Restated) |
| Profit / (loss) after taxation | 419,239,406 | 197,523,177 | 183,351,245 | (24,772,857) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 419,239,406 | 197,523,177 | 183,351,245 | (24,772,857) |

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



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2016

| | Nine months ended | |
|---|----------------------------|--|
| | 31 March 2016 Rupees | 31 March 2015 Rupees (Restated) |
| <u>Cash flows from operating activities</u> | | |
| Profit before taxation | 558,396,517 | 178,017,103 |
| Adjustments for: | | |
| Depreciation | 338,297,357 | 340,639,434 |
| Amortization | 1,044,429 | - |
| Profit on disposal of property, plant and equipment | (969,997) | (4,873,881) |
| Ijara rentals | 32,935,034 | 35,216,073 |
| Finance cost | 251,816,438 | 326,846,484 |
| Provision for Workers' Profit Participation Fund | 29,157,461 | 8,987,511 |
| | 652,280,723 | 706,815,621 |
| Operating profit before working capital changes | 1,210,677,240 | 884,832,724 |
| Changes in: | | |
| Stores and spares | (88,836,906) | 19,887,474 |
| Advances, deposits, prepayments and other receivables | (64,101,084) | 19,516,713 |
| Stock in trade | (245,258,841) | (73,363,859) |
| Trade debtors - considered good | 118,773,611 | 100,222,752 |
| Trade and other payables | (64,237,866) | (123,918,251) |
| | (343,661,086) | (57,655,171) |
| Cash generated from operations | 867,016,154 | 827,177,553 |
| Payments to Workers' Profit Participation Fund | - | (3,598,783) |
| Ijara rentals paid | (32,935,034) | (35,216,073) |
| Income tax paid | (100,044,130) | (87,893,438) |
| | (132,979,164) | (126,708,294) |
| Net cash generated from operating activities | 734,036,990 | 700,469,259 |
| <u>Cash flows from investing activities</u> | | |
| Fixed capital expenditure | (188,414,542) | (117,803,251) |
| Proceeds from sale of property, plant and equipment | 1,195,000 | 8,851,000 |
| Decrease in long term deposits | (8,276,124) | (6,430,500) |
| Net cash used in investing activities | (195,495,666) | (115,382,751) |
| <u>Cash flows from financing activities</u> | | |
| Repayment of long term finances | (211,865,021) | (241,087,906) |
| (Repayments) / Proceeds of short term borrowings - net | 431,585,791 | (70,702,653) |
| Payment of liabilities against assets subject to finance lease | (9,775,754) | (8,632,183) |
| Decrease in long term deposits | (10,824,414) | (830,440) |
| Finance cost paid | (186,293,900) | (273,828,596) |
| Dividend paid | - | (11,740,736) |
| Net cash used in financing activities | 12,826,702 | (606,822,514) |
| Net increase / (decrease) in cash and cash equivalents | 551,368,026 | (21,736,006) |
| Cash and cash equivalents at the beginning of the period | (1,238,332,280) | (1,044,640,587) |
| Cash and cash equivalents at the end of the period | (686,964,254) | (1,066,376,593) |
| Cash and cash equivalents comprise of the following: | | |
| - Cash and bank balances | 350,300,977 | 177,451,468 |
| - Running Finances | (1,037,265,231) | (1,243,828,061) |
| | (686,964,254) | (1,066,376,593) |

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



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2016**

| | Share capital | Capital Reserve | | Subtotal | Reveune Reserve | Total |
|--|--------------------|--------------------|--------------------------------------|--------------------|-----------------------|----------------------|
| | | Share premium | Equity Portion of Shareholder's Loan | | Unappropriated profit | |
| -----Rupees----- | | | | | | |
| Balance as at 30 June 2014 - restated / audited | 734,580,000 | 410,116,932 | 169,565,066 | 579,681,998 | 984,679,146 | 2,298,941,144 |
| Total comprehensive income | | | | | | |
| Profit for the nine months period ended 31 March 2015 | - | - | - | - | 197,523,177 | 197,523,177 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | 197,523,177 | 197,523,177 |
| Transactions with the owners of the company: | | | | | | |
| Transferred on unwinding for the nine months ended 31 March 2015 - net of tax | - | - | (25,917,776) | (25,917,776) | 25,917,776 | - |
| Final Dividend for the year ended 30 June 2014 at the rate of Rs. 1 (10%) per ordinary share | - | - | - | - | (14,411,230) | (14,411,230) |
| Balance as at 31 March 2015 - restated | 734,580,000 | 410,116,932 | 143,647,290 | 553,764,222 | 1,193,708,869 | 2,482,053,091 |
| Total comprehensive income | | | | | | |
| Profit for the period ended 30 June 2015 | - | - | - | - | 210,697,084 | 210,697,084 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | 210,697,084 | 210,697,084 |
| Transactions with the owners of the company: | | | | | | |
| Transferred on unwinding for the period ended 30 June 2015 - net of tax | - | - | (17,537,181) | (17,537,181) | 17,537,181 | - |
| Tax rate adjustment | - | - | 8,898,002 | 8,898,002 | - | 8,898,002 |
| Balance as at 30 June 2015 | 734,580,000 | 410,116,932 | 135,008,111 | 545,125,043 | 1,421,943,134 | 2,701,648,177 |
| Total comprehensive income | | | | | | |
| Profit for the nine months period ended 31 March 2016 | - | - | - | - | 419,239,406 | 419,239,406 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | 419,239,406 | 419,239,406 |
| Transactions with the owners of the company: | | | | | | |
| Transferred on unwinding for the nine months period ended 31 March 2016 - net of tax | - | - | (37,359,521) | (37,359,521) | 37,359,521 | - |
| Balance as at 31 March 2016 | 734,580,000 | 410,116,932 | 97,648,590 | 507,765,522 | 1,878,542,061 | 3,120,887,583 |

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



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2016

1. This condensed interim financial information for the nine months and quarter ended 31 March 2016 is un-audited, being circulated to the shareholders in accordance with 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 financial information are the same as those applied in the preparation of preceding annual Audited Financial Statements for the year ended 30 June 2015.

3. Contingencies and commitments

3.1 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 2015.

3.2 Commitments

- Letters of credit for capital expenditure amounting to Rs. 270.086 million (30 June 2015: Rs. 51.99 million).
- Letters of credit for other than capital expenditure amounting to Rs. 74.243 million (30 June 2015: Rs. 23.99).
- The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

| | Un-audited | Audited |
|---|--------------------------|-------------------|
| | 31 March | 30 June |
| | 2016 | 2015 |
| | Rupees | Rupees |
| Not later than one year | <u>37,927,919</u> | <u>43,090,824</u> |
| Later than one year and not later than five years | <u>15,448,213</u> | <u>43,340,052</u> |

4. These financial statements were authorized for issuance by the Board of Directors of the Company on 29 April 2016.
5. Figures have been rounded off to the nearest rupee.



TARIQ GLASS INDUSTRIES LTD.



TARIQ GLASS INDUSTRIES LTD.