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COMPANY INFORMATION

BOARD OF DIRECTORS		
CHAIRMAN & MANAGING DIRECTOR	MR. TARIQ BAIG	
DIRECTORS:	MR. OMER BAIG MRS. NAIMA SHAHNAZ BAIG MR. MANSOOR IRFANI MR. AKBAR BAIG MR. DAVID JULIAN MR. SYED TUFAIL HUSSAIN	
NOMINEE DIRECTOR IPI	MR. MUJAHID ESHAI	
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	
SHARE 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	
REGISTERED OFFICE	128-J, MODEL TOWN, LAHORE. UAN : 042-111-34-34-34 FAX : 042-35857692 - 35857693 E MAIL : info@tariqglass.com	
WORKS	33-KM, LAHORE/SHEIKHUPURA ROAD TEL: (042) 37925652, (056) 3500635-7 FAX: (056) 3500633	

Our Mission

To be world class and leading company continuously providing quality tableware, containers and float glass by utilizing best blend of state of the art technologies, high performance people, excellent business processes and synergetic organizational culture.

NOTICE OF ANNUAL GENERAL MEETING

The Notice is hereby given that the 33rd Annual General Meeting of the members of the Company will be held on Saturday, the October 29, 2011 at 11:00 AM at the Defence Services Officers' Mess, 71 – Tufail Road, Lahore Cantt to transact the following business:

1. To confirm the minutes of the Extra Ordinary General Meeting of the members held on August 29, 2011.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2011 together with the Reports of the Auditors and Directors thereon.

3. To approve a cash dividend of Re. 1/- per Ordinary Share (i.e. 10%) as recommended by the Board. The directors of the company and associated undertakings have waived-off their rights to the cash dividend.

4. To appoint Auditors of the company for the year ending June 30, 2012 and fix their remuneration. The retiring Auditors M/S KPMG Taseer Hadi & Co., Chartered Accountants being eligible offer themselves for re-appointment.

5. To transact any other business with the permission of the Chairman.

BY ORDER OF THE BOARD

October 01, 2011
Lahore

(WAQAR ULLAH)
COMPANY SECRETARY

NOTES

1. The Register of Members and Share Transfer Books of the Company will remain closed from October 22, 2011 to October 29, 2011 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s Shemas International Pvt. Limited, Suit # 31, 2nd Floor, Sadiq Plaza, 69-Shahra-e-Quaid-e-Azam (The Mall), Lahore at the close of business hours on Friday the October 21, 2011 will be treated in time for the purpose of transfer of shares.
2. A Member of the Company entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given personally or by proxy or by Attorney or in case of corporation by representative. The instrument of proxy duly executed should be lodged at the Registered Office of the Company not later than 48 hours before the time of meeting.
3. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are advised to bring their ORIGINAL Computerized National Identity Card (CNIC) along with CDC Participant ID and Account Number at the meeting venue.
4. The Members are requested to notify the Company of the change in their address, if any.

DIRECTORS' REPORT

On behalf of the Board of Directors of Tariq Glass Industries Limited, I present before you the performance report together with annual audited financial statements of the company along-with the auditors' reports thereon, for the year ended June 30, 2011.

Economy Review:

The prospects of returning to macroeconomic stability improved in the financial year 2011 with most key indicators continuing the positive trend, like first time country's exports exceeded USD 24 billion mark, the remittances recorded a strong performance by crossing the double digit mark and touched to the historic level of USD 11 billion. However, second half of the year witnessed the worst ever floods in the country's history that negatively impacted the GDP growth, development spending was curtailed to provide the resources for reconstruction and rehabilitation of the flood affected areas. The worsening energy crises is causing more difficulties to the country by hampering the growth of every sector of the economy specially the industrial sector which needs urgent attention of the policy makers.

Business Review:

Despite the devastating floods that began in August and the worsening gas non-availability scenario prevailing throughout the year, your Company was able to register the highest ever gross sales of Rs. 3.3 billion representing 27% top line growth over last year. However, the gross margins are under immense pressure, consequent of extra spending of over Rs. 200 million due to the use of expensive LPG & Furnace Oil as compared to the last year's corresponding costs. The countrywide acceptability of Company's value added products particularly addition of goblets and the printed range led to a considerable revenue growth. A corresponding improvement of 12% in pre-tax profit is evident of the fact that earnings have emanated both from increase in revenues and reduction in other processing costs.

Your Company by way of horizontal integration has launched state of the art 550 tons per day Float Glass Plant for which credit lines have been approved, letter of credit has been established and civil works in progress. The Company successfully achieved issuance of 200% right shares at premium of Rs. 2.50 per share for its Float Glass project. The commencement of commercial operation of the Float Glass Plant is expected by the end of this financial year.

The financial results in brief are as under:

	2011	**2010**
	Rs in million	
Sales - net	2,602	2,071
Gross profit	457	399
Operating profit	266	247
Profit before tax	210	188
Profit after tax	144	142
		(Restated)
Earnings per share – basic and diluted - Rupees	5.71	6.69

Board of Directors:

Board of Directors has completed its tenure of three years on September 02, 2011 and the same Board was re-elected under the provision of section 178 of the Companies Ordinance, 1984 for next term by the shareholders of the company in the Extra Ordinary General Meeting held on August 29, 2011.

Corporate Governance:

The management of the company is committed to good corporate governance and complying with the best practices. As required under the Code of Corporate Governance the directors are pleased to state as follow.

- The financial statements for the year ended June 30, 2011 prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed..
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no departure from the best practices of Corporate Governance as detailed in the Listing Regulations.
- Statements regarding the following are annexed or are disclosed in the notes to the financial statements.
    - Number of board meetings held and attendance by directors
    - Key financial data for last seven years
    - Pattern of share holdings
    - Trading in shares of the company by its Directors, Managing Director, Chief Financial Officer and Company Secretary and their spouses and minor children

Board Meetings:

During the year, no casual vacancy occurred on the Board of Directors, and 8 meetings of the Board were held. The attendance of the Board members was as follows:

S.No.	Name of Director	Meetings Attended
1.	Mr. Tariq Baig	8
2.	Mr. Omer Baig	8
3.	Mrs. Naima Shahnaz Baig	8
4.	Mr. Mansoor Irfani	8
5.	Mr. Akbar Baig	8
6.	Mr. David Julian	8
7.	Mr. Syed Tufail Hussain	8

Audit Committee:

The Board constituted an audit committee in compliance with the code of Corporate Governance with the following members:

1.	Mr. Omer Baig	Chairman
2.	Mr. Akbar Baig	Member
3.	Mr. David Julian	Member

The Audit Committee reviewed the quarterly, half yearly and annual financial statements before submission to the Board and their publication. The audit committee also reviewed internal audit findings and held separate meetings with internal and external auditors. The audit committee had detailed discussions with external auditors on their letter to the management.

Dividends:

The Board of Directors is pleased to recommend the payment of cash divided at the rate of 10% for the year ended June 30, 2011. The Directors of the Comapny and associated undertakings have honoured the request of the management and consented to forego their right to cash dividend.

Future Outlook:

The continuous three to four days stoppage of gas supply in a week, unvarying load shedding and substantial increase in the prices of alternates like LPG & Furnace oil severally affecting the glass manufacturing industry. This phenomenon has forced the industry to use alternative expensive fuels to keep the momentum of production which consequently will continue to sweep the profits.

Despite of political, law and order unrest in the country, the management of the Company has optimistic view of the future that economic activities will flourish and the Company shall continue its path in improving its performance.

Auditors:

The present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants retire and offer themselves for reappointment. As suggested by the audit committee the Board of Directors have recommended their reappointment as Auditors of the company for the financial year ended June 30, 2012 at a fee to be mutually agreed.

Acknowledgement:

We would like to thank our valued distributors, clients, banks and financial institutions and also the shareholders of the company for their continued trust and confidence. We also appreciate the efforts and dedication shown by the staff for managing the company's affairs successfully and all the workers who worked hard to achieve higher goals.

For and on behalf of the Board

October 01, 2011
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance as contained in the Listing Regulations of the Stock Exchanges of Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The Board comprises seven directors including the Managing Director. The company encourages representation of independent non-executive Directors. At present the Board has two independent non-executive Directors.

2. The Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this company.

3. All the resident Directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a Banking Company, a DFI or an NBFI. None of them is a member of a Stock Exchange.

4. No casual vacancy occurred in the Board during the year.

5. The company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the Directors and employees of the Company.

6. The Board has developed a vision / mission statement and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The corporate strategy of the Company is reviewed and approved by the Board along with the annual plan.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Managing Director and Executive Directors have been taken by the Board.

8. All the meetings of the Board were presided over by the Chairman. The Board met 8 times during the year ended 30 June 2011 including once in every quarter to approve the financial statements of the Company. Following the Best Practices of Corporate Governance, the Board met to discuss with the key members of the management team with out the Chief Executive to access the adequacy of controls, alignment of key managers with overall objectives of the Company and to make an independent assessment of adequacy of succession. A separate meeting of the Board was held to approve the Annual plan/Budget. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days prior to the meetings. The minutes of the meetings were appropriately recorded and circulated in time.

9. In-house orientations for the Directors were made, as and when required, to apprise them of their duties and responsibilities and to brief them regarding amendments in the Companies Ordinance / Corporate Laws.

10. The Board has approved appointment of CFO / Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment, as. recommended by the Managing Director.

11 The Directors' Report for the year ended 30 June 2011 has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.

12 The financial statements of the Company were duly endorsed by the Managing Director and CFO before approval by the Board.

13 The Directors, Managing Director and Executives do not hold any interest in the shares of the Company, other than that disclosed in the pattern of shareholding.

14 The Company has complied with all the corporate and financial reporting requirements of the Code.

15 The related party transactions have been placed before the audit committee and approved by the Board of Directors with necessary justifications for non arm's length transactions and pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions only if such terms can be substantiated.

16 The Board has formed an Audit Committee. It comprises of three members, out of which two are non-executive Directors including the Chairman of the Committee. It requires that at least two members of the Audit Committee must be financially literate.

17 The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been framed and advised to the Committee for compliance.

18 The Board has set-up an effective internal audit function. This function has been outsourced to Eshai & Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company, and they (or their representatives) are involved in the internal audit function on a full time basis.

19 The statutory auditors of the Company have confirmed that they have been given a satisfactory rating wider the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

20 The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the Auditors have confirmed that they have observed IFAC guidelines in this regard.

21 The Management of the Company is committed to good corporate governance, and appropriate steps are taken to comply with the best practices.

22 We confirm that all other material principles contained in the Code have been complied with.

October 01, 2011
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Tariq Glass Industries Limited** ("the Company") to comply with the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code. As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub- Regulation (xiii a) of Listing Regulation No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee.

We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 June 2011.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

October 01, 2011
Lahore

Auditors' Report to the Members

We have audited the annexed balance sheet of **Tariq Glass Industries Limited** ("the Company") as at 30 June 2011 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
   ii) the expenditure incurred during the year was for the purpose of the Company's business; and
   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

October 01, 2011
Lahore

BALANCE SHEET

	Note	2011 Rupees	2010 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
100,000,000 (2010: 25,000,000) ordinary shares of Rs 10 each		**1,000,000,000**	250,000,000
Issued, subscribed and paid-up capital			
69,300,000 (2010: 23,100,000) ordinary shares of Rs 10 each	5	**693,000,000**	231,000,000
Share Premium	6	**263,697,120**	173,250,000
Unappropriated profit		**334,911,442**	214,194,301
		1,291,608,562	618,444,301
Surplus on revaluation of land		**355,002,638**	-
		1,646,611,200	618,444,301
Non current liabilities			
Long term finances			
Secured		**47,422,313**	94,429,565
Unsecured		**33,389,450**	122,366,849
	7	**80,811,763**	216,796,414
Liabilities against assets subject to finance lease	8	**4,276,594**	3,824,374
Long term deposits	9	**5,283,066**	5,133,066
Deferred liabilities	10	**127,850,614**	89,238,827
		218,222,037	314,992,681
Current liabilities			
Trade and other payables	11	**355,820,455**	284,725,931
Accrued markup	12	**34,747,900**	30,032,679
Short term borrowings - secured	13	**10,749,351**	38,823,750
Current maturity of non-current liabilities	14	**49,055,847**	66,423,552
Provision for taxation		**27,157,725**	11,336,071
		477,531,278	431,341,983
Contingencies and commitments	15	**-**	-
		2,342,364,515	1,364,778,965

The annexed notes 1 to 39 form an integral part of these financial statements.

October 01, 2011
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

AS AT 30 JUNE 2011

	Note	**2011 Rupees**	2010 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	*16*	**1,376,238,917**	901,411,012
Long term deposits	*17*	**12,978,722**	8,210,104
Current assets			
Stores and spares	*18*	**162,629,586**	163,245,306
Stock-in-trade	*19*	**187,211,749**	144,941,944
Trade debts,considered good-unsecured		**36,837,623**	35,157,670
Advances, deposits, prepayments and other receivables	*20*	**103,194,849**	97,257,042
Cash and bank balances	*21*	**463,273,069**	14,555,887
		953,146,876	455,157,849
		2,342,364,515	1,364,778,965

OMER BAIG
DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 Rupees	2010 Rupees
Sales - net	22	**2,601,937,668**	2,071,091,207
Cost of sales	23	**(2,144,768,799)**	(1,671,806,093)
Gross profit		**457,168,869**	399,285,114
Operating expenses			
Administrative	24	**(51,077,650)**	(40,269,825)
Selling and distribution	25	**(154,670,490)**	(111,914,579)
		(205,748,140)	(152,184,404)
		251,420,729	247,100,710
Other operating income	26	**14,858,632**	225,180
Operating profit		**266,279,361**	247,325,890
Finance cost	27	**(41,505,013)**	(45,223,300)
Other expenses	28	**(14,777,675)**	(13,945,079)
Profit before taxation		**209,996,673**	188,157,511
Provision for taxation	29	**(66,179,532)**	(46,433,131)
Profit after taxation		**143,817,141**	**141,724,380**
			Restated
Earnings per share - basic and diluted	36	**5.71**	6.69

The annexed notes 1 to 39 form an integral part of these financial statements.

October 01, 2011	**TARIQ BAIG**	**OMER BAIG**
Lahore	**CHAIRMAN & MANAGING DIRECTOR**	**DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Year ended 30 June	
	2011 Rupees	2010 Rupees
Profit after taxation	**143,817,141**	141,724,380
Other comprehensive income:		
Surplus on revaluation of land	**355,002,638**	-
Total comprehensive income for the year	**498,819,779**	**141,724,380**

The annexed notes 1 to 39 form an integral part of these financial statements.

October 01, 2011
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 Rupees	2010 Rupees
Cash flow from operating activities			
Profit before taxation		**209,996,673**	188,157,511
Adjustments for:			
Depreciation		**114,835,808**	106,480,510
Profit on disposal of property, plant and equipment		**(2,981,828)**	(225,180)
Finance costs		**41,505,013**	45,223,300
Provision for Workers profit participation fund		**10,506,487**	10,105,130
Provision for Workers welfare fund		**4,271,188**	3,839,949
		168,136,668	165,423,709
Operating profit before working capital changes		**378,133,341**	353,581,220
(Increase)/decrease in current assets			
Stores and spares		**615,720**	80,352,182
Advances, deposits, prepayments and other receivables		**(3,849,571)**	(14,113,348)
Stock in trade		**(42,269,805)**	(46,949,203)
Trade debtors		**(1,679,953)**	(15,117,895)
		(47,183,609)	4,171,736
Increase in current liabilities			
Trade and other payables		**72,862,644**	57,987,439
Cash generated from operations		**403,812,376**	415,740,395
Finance cost paid		**(36,789,792)**	(49,975,573)
Workers profit participation fund paid		**(10,302,971)**	-
Staff retirement benefits paid		**-**	(436,633)
Income tax paid		**(13,268,698)**	(20,797,000)
		(60,361,461)	(71,209,206)
Net cash generated from operating activities		**343,450,915**	344,531,189
Cash flow from investing activities			
Fixed capital expenditure		**(238,242,825)**	(201,515,929)
Proceeds from sale of property, plant and equipment		**5,020,000**	350,000
Long term deposits		**(4,768,618)**	(1,284,050)
Net cash used in investing activities		**(237,991,443)**	(202,449,979)
Cash flow from financing activities			
Proceeds from long term finances		**-**	32,200,000
Repayments of long term finances		**(150,536,469)**	(64,346,002)
Liabilities against assets subject to finance lease-net		**(5,225,667)**	842,854
Short term borrowings		**(28,074,399)**	(102,106,100)
Long term deposits		**150,000**	(200,000)
Receipt from issue of right shares		**552,447,120**	-
Dividend paid		**(25,502,875)**	(3,563,010)
Net cash generated from / (used in) financing activities		**343,257,710**	(137,172,258)
Net increase in cash and cash equivalents		**448,717,182**	4,908,952
Cash and cash equivalents at the beginning of the year		**14,555,887**	9,646,935
Cash and cash equivalents at the end of the year	21	**463,273,069**	14,555,887

The annexed notes 1 to 39 form an integral part of these financial statements.

October 01, 2011	**TARIQ BAIG**	**OMER BAIG**
Lahore	**CHAIRMAN & MANAGING DIRECTOR**	**DIRECTOR**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Share Capital	Share Premium	Surplus on revaluation of land	Unappropriated Profit	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2009	231,000,000	173,250,000	-	89,794,943	494,044,943
Interim dividend for the 3rd quarter ended 31 March 2010 at the rate of Rs. 0.75 (7.5%) per share	-	-		(17,325,022)	(17,325,022)
Total comprehensive income for the year	-	-	-	141,724,380	141,724,380
Balance as at 30 June 2010	**231,000,000**	**173,250,000**	**-**	**214,194,301**	**618,444,301**
Right issue of 46,200,000 ordinary shares of Rs 10 each fully paid in cash - net of issue costs	462,000,000	90,447,120	-	-	552,447,120
Final dividend for the year ended 30 June 2010 at the rate of Rs. 1/- (10%) per share	-	-	-	(23,100,000)	(23,100,000)
					-
Total comprehensive income for the year	-	-	355,002,638	143,817,141	498,819,779
Balance as at 30 June 2011	**693,000,000**	**263,697,120**	**355,002,638**	**334,911,442**	**1,646,611,200**

The annexed notes 1 to 39 form an integral part of these financial statements.

October 01, 2011	**TARIQ BAIG**	**OMER BAIG**
Lahore	**CHAIRMAN & MANAGING DIRECTOR**	**DIRECTOR**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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. The Company is listed on Karachi, Lahore and Islamabad Stock Exchanges. The Company is principally engaged in the manufacture and sale of glass containers and tableware. The registered office of the Company is situated at 128-J, Model Town, Lahore.

2 Statement of compliance

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Standard Board as are notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

2.2 Standards, Interpretations and Amendments not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning on or after 01 July 2011:

- IAS 24 Related Party Disclosures (revised 2009) – (effective for annual periods beginning on or after 1 January 2011). The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after 1 January 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. The amendment has no impact on financial statements of the Company.

- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment has no impact on Company's financial statements.

- Improvements to IFRSs 2010 – In May 2010 the IASB issued improvements to IFRSs 2010 which comprise of 11 amendments to 7 standards. Effective dates, early application and transitional requirements are addressed on a standard by standard basis. The majority of amendments are effective for annual periods beginning on or after 1 January 2011. The amendments include list of events or transactions that require disclosure in the interim financial statements, add an explicit statement that qualitative disclosure should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments and fair value of award credits under the customer loyalty programmes to take into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits. Certain of these amendments will result in increased disclosures in the financial statements.

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Company.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Company.

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) - (effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRSs continue to apply in this regard. The amendments have no impact on financial statements of the Company.

- Disclosures – Transfers of Financial Assets (Amendments to IFRS 7) - (effective for annual periods beginning on or after 1 July 2011). The amendments introduce new disclosure requirements about transfers of financial assets, including disclosures for financial assets that are not derecognised in their entirety; and financial assets that are derecognised in their entirety but for which the entity retains continuing involvement. The amendments have no impact on financial statements of the Company.

3 Basis of preparation

These accounts have been prepared under the historical cost convention.

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting policies, estimates and judgements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Provision for taxation
b) Accrued liabilities
c) Provision for doubtful debts
d) Residual values and useful lives of property, plant and equipment

4 Significant accounting policies

4.1 Property, plant and equipment

Owned

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost and borrowing costs as referred to in note 4.15.

Depreciation on all property, plant and equipment is charged to profit on the reducing balance method, except for furnace refractory which is being depreciated using the straight line method, so as to write off the historical cost of an asset over its estimated useful life at annual rates mentioned in note 16 after taking into account their residual values.

Residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalised, while no depreciation is charged for the month in which the asset is disposed off.

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in income currently. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

4.2 Leases

Finance leases

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. At inception, finance leases are capitalised at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets, less accumulated depreciation and impairment loss, if any.

The related rental obligations, net of finance costs, are included in liabilities against assets subject to finance lease as referred to in note 8. The liabilities are classified as current and non-current depending upon the timing of the payment.

Minimum lease payments made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments , if any are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed. The interest element of the rental is charged to income over the lease term.

Assets acquired under a finance lease are depreciated over the estimated useful life of the assets on reducing balance method at the rates mentioned in note 16. Depreciation of leased assets is charged to profit.

Residual values and the useful lives of the assets are reviewed at least at each financial year-end and adjusted if impact of depreciation is significant.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

4.3 Capital work-in-progress

Capital work in progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

4.4 Staff retirement benefits

Defined contribution plan

The Company operates an approved defined contributory provident fund for all its eligible employees, in which the Company and the employees make equal monthly contributions at the rate of 10 % of basic salary.

4.5 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

4.6 Stores and spares

Usable stores and spares are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

4.7 Stock in trade

Stock of raw materials, except for those in transit, work in process and finished goods are valued principally at the lower of weighted average cost and net realisable value. Cost of work in process and finished goods comprises cost of direct materials, labour and appropriate manufacturing overheads.

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

4.8 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts and sales tax. Revenue is recognized when the risks and rewards of ownership are transferred i.e. on dispatch in case of local sales and on preparation of bill of lading in case of exports and when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably.

4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4.10 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

4.11 Borrowings

Interest bearing borrowings are recognized initially at fair value less attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss over the period of the borrowings on an effective interest basis.

4.12 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.13 Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

4.14 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.15 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalised upto the date of commissioning of the related property, plant and equipment acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to profit in year in which they are incurred.

4.16 Trade and other payables

Financial liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently at amortized cost using effective interest rate method.

Other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

4.17 Foreign currencies

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the income currently.

4.18 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved.

4.19 Related party transactions

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so.

4.20 Impairment

The carrying amount of Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognised.

5 Issued, subscribed and paid-up capital

2011	2010		**2011**	2010
(Number of shares)			**Rupees**	Rupees
21,550,000	21,550,000	Ordinary shares of Rs. 10/- each fully paid in cash	**215,500,000**	215,500,000
1,550,000	1,550,000	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	**15,500,000**	15,500,000
46,200,000	-	Ordinary shares of Rs. 10/- each issued as fully paid in cash	**462,000,000**	-
69,300,000	23,100,000		**693,000,000**	231,000,000

5.1 Ordinary shares of the Company held by associated undertakings as at year end are as follows:

	2011	2010
	(Number of shares)	
Industrial Products Investments Limited	**6,928,844**	6,928,844
Omer Glass Industries Limited	**7,733,760**	2,577,920
	14,662,604	9,506,764

6 Share premium reserve

The share premium reserve can be utilised by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

7 Long term finances

	Note		
Loans from banking companies	*7.1*	**47,422,313**	94,429,565
Loans from related parties	*7.2*	**33,389,450**	122,366,849
		80,811,763	216,796,414

	Note	2011 Rupees	2010 Rupees	Mark-up rate per annum	Number of installments remaining	Mark-up payable	Securities
7.1 Loans from banking companies							
Secured							
Habib Bank Limited							
I Demand finance	*7.3.1*	**1,606,878**	11,248,176	3 Months KIBOR + 2.25% - 2.5%	2 equal monthly installments ending on August 2011	Monthly	These loans are secured by first ranking equitable mortgage charge for Rs 70 million on land and buildings including all future constructions of the Company, ranking pari passu hypothecation charge on plant, machinery and equipment for Rs 75 million and personal guarantees of Directors of the Company.
II Demand finance	*7.3.1*	**18,333,324**	24,999,996	3 Months KIBOR + 2.00%	33 equal monthly installments ending on March 2014	Monthly	-do--
		19,940,202	36,248,172				
National Bank of Pakistan							
III Demand finance	*7.3.2*	**2,170,619**	10,858,619	3 Months KIBOR + 2% with a floor of 5% p.a.	3 monthly installments ending on September 2011	Monthly	This loan is secured by first ranking equitable mortgage charge for Rs 65 million on land and buildings including all future constructions of the Company, ranking pari passu hypothecation charge on plant, machinery and equipment for Rs 75 million and personal guarantees of Directors of the Company.
		2,170,619	10,858,619				

	Note	2011 Rupees	2010 Rupees	Mark-up rate per annum	Number of installments remaining	Mark-up payable	Securities
United Bank Limited							
IV Demand finance	7.3.3	**5,555,554**	11,111,110	3 Months KIBOR + 1.5%	12 monthly installments ending on June 2012	Monthly	These loans are secured by first ranking equitable mortgage charge for Rs 70 million on land and buildings including all future constructions of the Company, ranking pari passu hypothecation charge on plant, machinery and equipment for Rs 240 million and personal guarantees of Directors of the Company.
V Demand finance	7.3.3	**7,388,884**	11,611,108	3 Months KIBOR + 1.5%	21 monthly installments ending on March 2013	Monthly	-do--
VI Demand finance	7.3.3	**29,374,317**	46,159,641	3 Months KIBOR + 1.5%	21 monthly installments ending on March 2013	Monthly	-do--
VII Demand finance	7.3.3	**30,000,008**	40,000,004	3 Months KIBOR + 1.5%	36 monthly installments ending on June 2014	Monthly	-do--
		72,318,763	108,881,863				
		94,429,584	155,988,654				
Less: Current maturity	14	**47,007,271**	61,559,089				
		47,422,313	94,429,565				

7.2 Loan from related party

Unsecured

	Note	2011 Rupees	2010 Rupees	Mark-up rate per annum	Number of installments remaining	Mark-up payable	Securities
Industrial Products Investment Limited (IPI)	7.4.1	**33,389,450**	33,389,450	Libor + 1.5%	16 quarterly installments starting from July 2013 and ending on June 2017	Quarterly	The loan was repayable in 16 equal quarterly installments commencing from 01 July 2011, however, this loan has been rescheduled by the lender and now the repayment will start from 01 July 2013 with same terms and conditions. This loan was originally obtained in foreign currency, however, the repayment of this loan is fixed at exchange rate prevailing on 31 December 1993.
Loan from Directors	7.4.2	**-**	88,977,399	Interest free	-	-	
		33,389,450	122,366,849				

7.3 The Company has negotiated a term loan of Rs 1,500 million from a consortium of banks led by Habib Bank Limited for its float glass project and no draw down was made during the year. This loan is secured against the present and future fixed assets of the Company and backed by the personal guarantees of the sponsoring Directors of the Company.

8 Liabilities against assets subject to finance lease

The minimum lease payments have been discounted at an implicit interest rate ranging from 6 months KIBOR + 2.65% to 3.75% (2010: 6 months KIBOR + 2.65 % to 3.75%) to arrive at their present value. Rentals are paid in monthly installments. The company has the option to purchase the assets after expiry of the lease term and has the intention to exercise such option. There are no financial restrictions imposed by lessors.

Taxes, repairs and insurance costs are to be borne by the Company. In case of termination of the agreement, the Company is to pay the entire rent for the unexpired period of lease agreement .

The amount of future minimum lease payments along with their present value and the periods during which they will fall due are:

	2011			2010		
	Minimum lease payments	**Finance cost for future periods**	**Present value**	Minimum lease payments	Finance cost for future periods	Present value
	Rupees			Rupees		
Not later than one year	**2,549,746**	**501,170**	**2,048,576**	5,319,636	455,173	4,864,463
Later than one year and not later than three years	**4,517,383**	**240,789**	**4,276,594**	4,095,889	271,515	3,824,374
	7,067,129	**741,959**	**6,325,170**	9,415,525	726,688	8,688,837

9 Long term deposits

These represent security deposits from distributors which by virtue of agreements are interest free and can be used in Company's business.

	Note	**2011 Rupees**	2010 Rupees
10 Deferred liabilities			
Deferred taxation	*10.1*	**127,850,614**	89,238,827
		127,850,614	89,238,827

10.1 The liability for deferred taxation comprises timing differences relating to:

	2011	2010
Deferred tax liability		
Accelerated tax depreciation	**142,265,612**	120,423,655
Deferred tax assets		
Liability against assets subject to finance lease	**198,466**	844,676
Unabsorbed tax credits	**(14,613,464)**	(32,029,504)
	127,850,614	89,238,827

11 Trade and other payables

	Note		
Trade creditors		**197,770,519**	145,673,703
Advances from customers		**69,593,201**	48,813,933
Accrued expenses		**47,682,575**	52,829,085
Sales tax payable		**11,462,147**	7,387,873
Unclaimed dividend		**12,840,364**	15,243,239
Workers' Profit participation fund payable	*11.1*	**10,508,690**	10,305,174
Workers welfare fund		**4,271,188**	3,839,949
Payable to provident fund		**1,028,126**	435,550
Others		**663,645**	197,425
		355,820,455	284,725,931

11.1 Workers' Profit Participation Fund

Balance as at 01 July	**10,305,174**	200,044
Add: Allocation for the year	**9,596,615**	10,105,130
Interest for the year	**909,872**	-
Less: Amount paid to the fund	**10,302,971**	-
Balance as at 30 June	**10,508,690**	10,305,174

12 Accrued markup

Long term finances - Secured	**37,185**	161,633
Long term finances - Unsecured	**28,276,615**	27,402,535
Short term borrowings - Secured	**6,411,818**	2,439,503
Finance leases	**22,282**	29,008
	34,747,900	30,032,679

13 Short term borrowings - secured

Short term running finance	*13.1*	**-**	10,894,427
Short term cash finance	*13.2*	**-**	17,669,960
Finance against imported merchandise	*13.3*	**10,749,351**	10,259,363
		10,749,351	38,823,750

13.1 Short term running finance - secured

Short term running finance facility under mark up arrangements of Rs. 30 million (2010: 30 million) has been availed from commercial banks. The rate of mark up is 3 months KIBOR plus 2.00% per annum (2010: 2.25 % above 3 months KIBOR). The facility is secured by joint pari pasu hypothecation charge on current assets of the Company.

13.2 Short term cash finance - secured

Short term cash finance facility under mark up arrangement of Rs. 180 million (2010: Rs. 130 million) has been availed from commercial banks. The rate of mark up ranges from 1.75% to 2 % above 3 months KIBOR (2010: 1.75% to 2.00% above 3 Months KIBOR). The facility is secured by joint pari pasu hypothecation charge on current assets of the Company.

13.3 Finance against imported merchandise - secured

The Company has obtained finance against imported merchandises of Rs. 15 million (2010: Rs. 15 million) from commercial banks. The rate of mark-up ranges from 3 months KIBOR plus 2.00% per annum (2010: 2.25 % above 3 months KIBOR). The facility is secured by lien over import documents and pledge of imported goods.

14 Current maturity of non-current liabilities

	Note	2011 Rupees	2010 Rupees
Long term finances	*7*	**47,007,271**	61,559,089
Liabilities against assets subject to finance lease	*8*	**2,048,576**	4,864,463
		49,055,847	66,423,552

15 Contingencies and commitments

15.1 Contingencies

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. 93,700,000 (2010: Rs. 93,700,000).
- Sui Northern Gas Pipelines Limited against supply of gas for captive power amounting to Rs. 16,000,000 (2010: Rs. 16,000,000).

15.2 Commitments

- Letter of credit for capital expenditure Rs. 1,106,866,510 (2010: Rs. 21,685,964).
- Letter of credit for other than capital expenditure Rs. 12,770,526 (2010: Rs. 12,303,861).

16 Property, plant and equipment

	Note	2011 Rupees	2010 Rupees
Operating assets	*16.1*	**1,226,294,577**	762,243,584
Capital work in progress	*16.2*	**149,944,340**	139,167,428
		1,376,238,917	901,411,012

16.1 Operating assets

	Cost: As at 1 July 2010	Cost: Additions during the year	Cost: Revaluation during the year	Cost: Transfers/ adjustments	Cost: Disposals during the year	Cost: As at 30 June 2011	Rate	Depreciation: As at 1 July 2010	Depreciation: Transfers/ adjustments	Depreciation: For the year	Depreciation: On Disposals	Depreciation: As at 30 June 2011	Net book value as at 30 June 2011
	----Rupees----						%	----Rupees----					Rupees
Owned													
Freehold land	13,784,362	28,358,000	355,002,638	-	-	397,145,000	-	-	-	-	-	-	**397,145,000**
Factory building -freehold	163,611,730	-	-	-	-	163,611,730	10	70,364,717	-	9,324,701	-	79,689,418	**83,922,312**
Office building - freehold	49,281,810	-	-	-	-	49,281,810	5	37,403,697	-	593,906	-	37,997,603	**11,284,207**
Plant and machinery	1,281,020,617	166,095,580	-	-	-	1,447,116,197	10 - 20	696,892,867	-	88,780,832	-	785,673,699	**661,442,498**
Furniture and fixtures	4,088,027	483,500	-	-	-	4,571,527	10	2,990,355	-	117,826	-	3,108,181	**1,463,346**
Tools and equipment	761,525	-	-	-	-	761,525	10	686,590	-	7,494	-	694,084	**67,441**
Electric installation	16,898,194	3,096,095	-	-	-	19,994,289	10	10,845,428	-	701,885	-	11,547,313	**8,446,976**
Vehicles	46,825,512	10,339,570	-	10,622,218	8,405,497	59,381,803	20	32,568,786	4,904,965	3,766,713	6,367,324	34,873,140	**24,508,663**
Moulds	95,623,968	14,687,591	-	-	-	110,311,559	30	69,238,405	-	9,991,430	-	79,229,835	**31,081,724**
Fire fighting equipment	39,606	-	-	-	-	39,606	10	32,649	-	696	-	33,345	**6,261**
	1,671,935,351	223,060,336	355,002,638	10,622,218	8,405,497	2,252,215,046		921,023,494	4,904,965	113,285,483	6,367,324	1,032,846,618	**1,219,368,428**
Leased													
Plant and machinery	845,000	-	-	-	-	845,000	10	147,875	-	69,713	-	217,588	**627,412**
Vehicles	15,572,218	2,862,000	-	(10,622,218)	-	7,812,000	20	4,937,616	(4,904,965)	1,480,612	-	1,513,263	**6,298,737**
	16,417,218	2,862,000	-	(10,622,218)	-	8,657,000		5,085,491	(4,904,965)	1,550,325	-	1,730,851	**6,926,149**
2011	1,688,352,569	225,922,336	355,002,638	-	8,405,497	2,260,872,046		926,108,985	-	114,835,808	6,367,324	1,034,577,469	**1,226,294,577**

	Cost							Depreciation					Net book
	As at 1 July 2009	Additions during the year	Revaluation during the year	Transfers/ adjustments	Disposals during the year	As at 30 June 2010	Rate	As at 1 July 2009	Transfers/ adjustments	For the year	On Disposals	As at 30 June 2010	value as at 30 June 2010
	---Rupees---						%	---Rupees---					Rupees
Owned													
Freehold land	13,784,362	-	-	-	-	13,784,362	-	-	-	-	-	-	13,784,362
Factory building -freehold	163,611,730	-	-	-	-	163,611,730	10	60,003,938	-	10,360,779	-	70,364,717	93,247,013
Office building - freehold	49,281,810	-	-	-	-	49,281,810	5	36,778,533	-	625,164	-	37,403,697	11,878,113
Plant and machinery	1,241,648,193	39,372,424	-	-	-	1,281,020,617	10 - 20	614,849,699	-	82,043,168	-	696,892,867	584,127,750
Furniture and fixtures	4,022,727	65,300	-	-	-	4,088,027	10	2,869,815	-	120,540	-	2,990,355	1,097,672
Tools and equipment	761,525	-	-	-	-	761,525	10	678,264	-	8,326	-	686,590	74,935
Electric installation	15,725,543	1,172,651	-	-	-	16,898,194	10	10,242,714	-	602,714	-	10,845,428	6,052,766
Vehicles	45,031,791	-	-	2,431,424	637,703	46,825,512	20	28,394,356	1,198,666	3,488,647	512,883	32,568,786	14,256,726
Moulds	78,835,842	16,788,126	-	-	-	95,623,968	30	62,038,418	-	7,199,987	-	69,238,405	26,385,563
Fire fighting equipment	39,606	-	-	-	-	39,606	10	31,876	-	773	-	32,649	6,957
	1,612,743,129	57,398,501	-	2,431,424	637,703	1,671,935,351		815,887,613	1,198,666	104,450,098	512,883	921,023,494	750,911,857
Leased													
Plant and machinery	845,000	-	-	-	-	845,000	10	70,417	-	77,458	-	147,875	697,125
Vehicles	13,053,642	4,950,000	-	(2,431,424)	-	15,572,218	20	4,183,328	(1,198,666)	1,952,954	-	4,937,616	10,634,602
	13,898,642	4,950,000	-	(2,431,424)	-	16,417,218		4,253,745	(1,198,666)	2,030,412	-	5,085,491	11,331,727
2010	1,626,641,771	62,348,501	-	-	637,703	1,688,352,569		820,141,358	-	106,480,510	512,883	926,108,985	762,243,584

	Note	2011 Rupees	2010 Rupees
Depreciation charge for the year has been allocated as follows:			
Cost of sales	*23*	**109,941,563**	101,942,364
Administrative expenses	*24*	**3,109,430**	2,883,192
Selling and distribution	*25*	**1,784,814**	1,654,954
		114,835,808	106,480,510

16.1.1 Disposal of property, plant and equipment

Particulars of assets	Sold to	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit	Mode of disposal
		Rupees					
Vehicle							
Honda Civic	Ms. Naz Parveen	1,688,000	819,134	868,866	1,020,000	151,134	Negotiation
Suzuki Cultus	Mr. Mohammad Ramzan	673,000	538,919	134,081	400,000	265,919	Negotiation
Toyota Land Cruiser	Mr. Shabbier Ahmed Qureshi	6,044,497	5,009,272	1,035,225	3,600,000	2,564,775	Negotiation
2011	**Rupees**	**8,405,497**	**6,367,325**	**2,038,172**	**5,020,000**	**2,981,828**	
2010		637,703	512,883	124,820	350,000	225,180	

	Note	2011 Rupees	2010 Rupees
16.2 Capital work in progress			
Civil work		**58,806,414**	11,043,226
Plant and machinery		**19,325,637**	76,450,464
Advances		**31,903,162**	-
Stores held for capital expenditure		**31,397,530**	38,022,336
Others		**8,511,597**	13,651,402
	16.2.1 & 16.2.2	**149,944,340**	139,167,428
16.2.1 Float glass project			
- Civil works		**22,324,464**	-
- Advances		**31,903,162**	-
- Others		**7,426,491**	4,472,764
		61,654,117	4,472,764
16.2.2 Movement in capital work-in-progress			
Opening balance		**139,167,428**	-
Add: Additions during the year		**95,533,446**	32,018,915
Transfers from stores and spares - Net		**18,080,152**	107,148,513
		113,613,598	139,167,428
		252,781,026	139,167,428
Less: Transferred to operating assets and consumption		**102,836,686**	**-**
		149,944,340	139,167,428
17 Long term deposits			
Deposits with leasing companies		**2,161,400**	1,785,200
Others		**10,817,322**	6,424,904
		12,978,722	8,210,104
18 Stores and spares			
Stores		**131,660,700**	123,273,050
Spares		**30,968,886**	39,972,256
		162,629,586	163,245,306

18.1 Most of the items of stores and spares are of an interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores and spares until their actual usage.

		Note	2011 Rupees	2010 Rupees
19	**Stock in trade**			
	Raw materials		**32,779,376**	35,977,157
	Chemical and ceramic colours		**23,102,342**	15,549,970
	Packing material		**44,035,252**	32,048,923
	Work in process		**17,514,856**	10,779,026
	Finished goods	*19.1*	**69,779,923**	50,586,868
			187,211,749	144,941,944

19.1 This includes provision for write down of stock in trade to net realisable value amounting to Rs. Nil (2010: Rs. 631,038).

		Note	2011 Rupees	2010 Rupees
20	**Advances, deposits, prepayments and other receivables**			
	Advances to suppliers- unsecured, considered good	*20.1*	**12,384,862**	10,086,598
	Advances to staff - unsecured, considered good	*20.2*	**1,810,513**	908,668
	Advances against letters of credit and margins		**4,922,163**	24,509,501
	Prepaid expenses		**2,333,175**	184,907
	Prepayments - loan arrangement fee to the banks		**15,567,473**	-
	Advance income tax		**39,418,819**	37,330,583
	Claims recoverable from government			
	Income tax		**9,155,144**	9,155,144
	Sales tax		**6,590,893**	3,913,025
			15,746,037	13,068,169
	Security deposits		**4,354,500**	6,747,150
	Prepaid insurance		**6,657,307**	3,966,466
	Others		**-**	455,000
			103,194,849	97,257,042

20.1 Advances includes an amount of Rs. 2.257 million (2010: Rs. 1.995 million) due from an associated undertaking (Omer Glass Industries Limited). It is interest free and in the normal course of business.

20.2 Included in advances to staff are amounts due from executives of Rs.971 thousand (2010: Rs. 715 thousand).

		Note	2011 Rupees	2010 Rupees
21	**Cash and bank balances**			
	Cash in hand		**1,293,993**	516,962
	Cash at bank			
	Local currency			
	- Current accounts		**60,008,370**	8,680,398
	- Deposits and saving accounts	*21.1*	**398,192,719**	-
			458,201,089	8,680,398
	Foreign currency - current account		**3,777,987**	5,358,527
			463,273,069	14,555,887

21.1 This carries mark-up at the rate of 8% to 11% (2010: Nil).

		Note	2011 Rupees	2010 Rupees
22	**Sales - net**			
	Local		**3,113,248,331**	2,407,700,541
	Export		**194,914,403**	196,123,026
	Gross sales		**3,308,162,734**	2,603,823,567
	Less: Sales tax & special excise duty		**449,403,707**	321,444,512
	Trade discounts		**256,821,359**	211,287,848
			706,225,066	532,732,360
			2,601,937,668	2,071,091,207
23	**Cost of sales**			
	Raw material consumed		**465,782,543**	415,344,533
	Salaries, wages and other benefits	*23.1*	**277,245,545**	236,188,212
	Fuel and power		**793,558,894**	565,319,332
	Packing material consumed		**386,038,000**	258,710,391
	Stores and spares consumed		**97,831,709**	81,100,382
	Carriage and freight		**2,542,480**	4,117,890
	Repair and maintenance		**11,692,995**	5,928,982
	Travelling and conveyance		**6,966,203**	6,097,349
	Insurance		**3,894,542**	3,972,717
	Postage and telephone		**1,214,667**	1,174,681
	Rent, rates and taxes		**5,462,101**	3,391,935
	Printing and stationery		**226,188**	176,361
	Entertainment		**538,700**	442,400
	Depreciation	*16.1*	**109,941,563**	101,942,364
	Others		**7,761,554**	8,326,964
			2,170,697,684	1,692,234,493
	Work in process			
	Opening stock		**10,779,026**	11,007,463
	Closing stock		**(17,514,856)**	(10,779,026)
			(6,735,830)	228,437
			2,163,961,854	1,692,462,930
	Finished goods			
	Opening		**50,586,868**	29,930,031
	Closing		**(69,779,923)**	(50,586,868)
			(19,193,055)	(20,656,837)
			2,144,768,799	1,671,806,093

23.1 Salaries, wages and other benefits include Rs. 3,964,686 (2010: Rs. 3,616,377) in respect of staff retirement benefits.

		Note	2011 Rupees	2010 Rupees
24	**Administrative expenses**			
	Salaries, wages and other benefits	*24.1*	**25,749,250**	19,480,362
	Travelling expenses		**2,375,790**	2,090,200
	Motor vehicle expenses		**1,762,375**	1,765,120
	Postage and telephone		**1,227,374**	1,472,680
	Printing and stationery		**696,504**	1,144,949
	Rent, rates and taxes		**2,751,126**	2,400,000
	Repair and maintenance		**1,468,253**	1,236,565
	Legal and professional charges		**2,113,000**	1,442,500
	Auditors' remuneration	*24.2*	**887,000**	745,000
	Advertisement		**915,237**	441,164
	Utilities		**1,412,870**	903,253
	Entertainment		**619,009**	500,943
	Insurance		**821,163**	1,095,371
	Subscription, news papers and periodicals		**472,504**	432,541
	Depreciation	*16.1*	**3,109,430**	2,883,192
	Miscellaneous		**4,696,765**	2,235,985
			51,077,650	40,269,825

24.1 Salaries, wages and other benefits include Rs. 719,915 (2010: Rs 693,386) in respect of staff retirement benefits.

24.2 Auditors' remuneration

	2011 Rupees	2010 Rupees
Audit fee	**550,000**	500,000
Half yearly review fee	**120,000**	120,000
Certifications fee	**142,000**	50,000
Out of pocket expenses	**75,000**	75,000
	887,000	745,000

		Note	2011 Rupees	2010 Rupees
25	**Selling and distribution expenses**			
	Salaries and other benefits	*25.1*	**21,789,724**	18,594,375
	Local freight and forwarding		**79,340,154**	55,270,027
	Export freight and forwarding		**24,753,471**	17,799,420
	Travelling expenses		**6,620,571**	6,367,431
	Motor vehicle expenses		**4,153,102**	3,462,869
	Postage and telephone		**1,433,482**	1,478,141
	Printing and stationery		**340,540**	262,417
	Advertisement, exhibitions and sales promotion		**10,314,473**	2,512,424
	Rent, rates and taxes		**1,132,179**	880,288
	Depreciation	*16.1*	**1,784,814**	1,654,954
	Breakage and incidental charges		**3,007,980**	3,632,233
			154,670,490	111,914,579

25.1 Salaries, wages and other benefits include Rs. 964,788 (2010: Rs. 911,262) in respect of staff retirement benefits.

		Note	2011 Rupees	2010 Rupees
26	**Other operating income**			
	Profit on disposal of property, plant and equipment	*16.1.1*	**2,981,828**	225,180
	Interest income earned on deposits and saving accounts		**10,096,993**	-
	Other		**1,779,811**	-
			14,858,632	225,180
27	**Finance cost**			
	Mark-up on			
	Long term finances - secured		**18,630,437**	25,604,231
	Long term finances - unsecured		**874,080**	1,001,700
	Short term borrowings - secured		**15,989,742**	14,660,382
			35,494,259	41,266,313
	Mark-up on lease finances		**789,319**	667,283
	Bank charges		**5,221,435**	3,289,704
			41,505,013	45,223,300
28	**Other expenses**			
	Workers' profit participation fund	*11.1*	**10,506,487**	10,105,130
	Workers welfare fund		**4,271,188**	3,839,949
			14,777,675	13,945,079
29	**Taxation**			
	Income tax - Current	*29.1*	**27,157,725**	11,336,071
	Income tax - Prior year		**410,021**	-
			27,567,746	11,336,071
	Deferred tax	*29.2*	**38,611,786**	35,097,060
			66,179,532	46,433,131

29.1 The current year's provision for taxation represents tax charged at export stage and minimum tax chargeable under section 113 of Income Tax Ordinance 2001.

29.2 Deferred tax expense relates to origination and reversal of temporary difference.

30 Financial instruments

The company has exposure to the following risks from its use of financial instruments.:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

30.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted and arise principally from long term deposits, trade receivables and security deposits. Out of the total financial assets of Rs. 517.443 million (2010: Rs. 78.194 million) financial assets which are subject to credit risk amount to Rs. 516.150 million (2010: Rs. 64.609 million).

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties. Sales made to major customers are secured through letters of credit. The management has set a maximum credit period of 30 days to reduce the credit risk.

All investing transactions are settled / paid for upon delivery. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2011 **Rupees**	2010 Rupees
Long term deposits	**12,978,722**	8,210,104
Trade debts	**36,837,623**	35,157,670
Advances, deposits, prepayments and other receivables:		
- Security deposits	**4,354,500**	6,747,150
- Others	**-**	455,000
Bank balances	**461,979,076**	14,038,925
	516,149,921	64,608,849

Trade debts as at the balance sheet date are classified as follows:

Foreign	**3,366,051**	1,711,018
Domestic	**33,471,572**	33,446,652
	36,837,623	35,157,670

The aging of trade receivables at the reporting date is:

Past due 0 - 30 days	**29,388,577**	22,985,307
Past due 31 - 60 days	**2,933,013**	8,418,001
Past due 61 - 90 days	**742,228**	2,187,508
Past due 91 - 120 days	**701,602**	282,581
Past due 120 days	**3,072,203**	1,284,273
	36,837,623	35,157,670

Based on past experience the management believes that no impairment allowance is necessary in respect of trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

30.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. In addition, the Company has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments. The following are the contractual maturities of financial liabilities, including estimated interest payments:

	2 0 1 1						
	Carrying Amount	**Contractual cash flows**	**Six months or less**	**Six to twelve months**	**One to two years**	**Two to Five years**	**More than five years**
	(Rupees)						
Financial liabilities							
Long term loan-secured	94,429,584	111,059,975	31,683,959	26,166,843	37,069,042	16,140,131	-
Long term loan-unsecured	33,389,450	63,232,109	-	-	15,808,027	47,424,082	-
Liabilities against asset subject to finance lease	6,325,170	7,067,129	1,395,364	1,154,382	3,400,623	1,116,760	-
Trade and other payables	308,137,880	308,137,880	308,137,880	-	-	-	-
Accrued markup	34,747,900	35,491,550	6,471,286	-	29,020,264	-	-
Short term borrowings	10,749,351	10,749,351	10,749,351	-	-	-	-
2011	**487,779,335**	**535,737,994**	**358,437,840**	**27,321,225**	**85,297,956**	**64,680,973**	**-**

	2 0 1 0						
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to Five years	More than five years
	(Rupees)						
Financial liabilities							
Long term loan-secured	155,988,645	189,028,498	40,798,387	38,563,576	56,473,435	53,193,101	-
Long term loan-unsecured	122,366,849	152,398,016	-	-	15,855,154	136,542,862	-
Liabilities against asset subject to finance lease	8,688,837	9,415,525	4,484,910	834,726	1,622,506	2,473,383	-
Trade and other payables	231,789,287	231,789,287	231,789,287	-	-	-	-
Accrued markup	30,032,679	32,661,311	2,630,144	-	7,507,792	22,523,375	-
Short term borrowings	38,823,750	44,398,076	-	44,398,075	-	-	-
2010	587,690,047	659,690,713	279,702,728	83,796,377	81,458,887	214,732,721	-

30.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

30.3.1 Currency risk

The Company is exposed to currency risk on import of raw materials, stores & spares and export of goods mainly denominated in US Dollars and on foreign currency bank accounts. The Company's exposure to foreign currency risk for US Dollars is as follows:

	2011 Rupees	2010 Rupees
Foreign debtors	**3,366,051**	1,711,018
Foreign currency bank accounts	**3,777,987**	5,358,527
Gross balance sheet exposure	**7,144,038**	7,069,545
Outstanding letter of credits	**(1,119,637,036)**	(94,374,237)
Net exposure	**(1,112,492,998)**	(87,304,692)

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2011	2010	**2011**	2010
USD to PKR	**85.68**	84.17	**85.90**	85.60
GBP to PKR	**136.28**	132.65	**140.27**	128.96
EURO to PKR	**116.62**	116.28	**123.33**	104.58

Sensitivity analysis:

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign debtors, foreign currency bank account and outstanding letter of credits.

Effect on profit and loss

US Dollar	**110,661,431**	7,951,706
Pound Sterlings	**-**	-
Euro	**602,884**	778,765
	111,264,315	8,730,471

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

30.3.2 Interest rate risk

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2011	2010	**2011**	2010
	Effective rate (in Percentage)		**Carrying amount (Rupees)**	
Financial liabilities				
Variable rate instruments:				
Long term finances	13.79 to 15.71	13.84 to 15.27	127,819,034	278,355,503
Liabilities against assets subject to finance lease	12.64 to 19.69	12.64 to 19.69	6,325,170	8,688,837
Short term borrowings	14.04 to 15.52	14.09 to 15.02	10,749,351	38,823,750

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2010.

	Profit and loss 100 bps	
	Increase	**Decrease**
	Rupees	
As at 30 June 2011	**(1,947,836)**	**1,947,836**
As at 30 June 2010	**(3,508,735)**	3,508,735

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

30.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

30.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

31 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of total debt to equity and debt.

The debt-to-equity ratios as at 30 June 2011 and as at 30 June 2010 were as follows:

	2011	2010
	Rupees	Rupees
Total debt	**127,819,034**	278,355,503
Total equity and debt	**1,419,427,596**	896,799,804
Debt-to-equity ratio	**9%**	31%

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

32 Operating segments

The financial information has been prepared on the basis of a single reportable segment.

32.1 Sales from glassware products and others represent 99.98% and 0.02% (2010: 99.80% and 0.20%) of total revenue of the company respectively.

32.2 The sales percentage by geographic region is as follows:

	2011	2010
	%	%
Pakistan	**94.11**	91.4
Afghanistan	**2.89**	3.4
Bangladesh	**0.35**	1.6
Others	**2.65**	3.6
	100	100

32.3 All non-current assets of the Company as at 30 June 2011 are located in Pakistan.

33 Remuneration of Directors and Executives

The aggregate amounts charged in the accounts for the year for remuneration, including all benefits to the Chairman and Managing Director, Directors and Executives of the Company are as follows:

	Chairman and Managing Director		Directors		Executives	
	2011	2010	**2011**	2010	**2011**	2010
	----------Rupees----------					
Managerial remuneration	**4,060,000**	3,302,133	**1,967,160**	1,363,723	**17,285,014**	13,796,637
House rent	**1,529,575**	1,244,054	**883,094**	605,935	**7,778,257**	6,167,240
Conveyance	**4,425**	3,600	**14,400**	10,800	**120,397**	104,400
Contribution to provident fund	**-**	-	**196,716**	144,376	**1,728,501**	1,389,430
Medical and other allowances	**-**	-	**217,940**	144,547	**1,908,896**	1,571,561
Utilities	**406,000**	330,213	**196,556**	136,634	**1,728,501**	1,350,289
	6,000,000	4,880,000	**3,475,866**	2,406,015	**30,549,566**	24,379,557
Number of persons	**1**	1	**4**	3	**32**	29

In addition to the above, some of the Executives are provided with free use of Company maintained cars.

34 Transactions with related parties

Related parties comprises of associated companies, staff retirement fund, directors and key management personnel. The Company, in the normal course of business carries out transactions with related parties. Amounts due from related parties are shown under advances, deposits, prepayments and other receivables in note 20. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment disclosed above, are as follows:

Name	**Relationship**	**Nature of transactions**	**2011**	2010
			Rupees	Rupees
Industrial Product Investment Limited	Associated company	Intrest on Loan	**874,080**	1,001,700
Omer Glass Industries Limited	Associated company	Purchases	**2,304,900**	5,847,726
		Sales	**3,130,472**	6,410,136
		Reimbursement of selling and distribution expenses	**-**	3,826,045
Provident fund	Employee benefit plan	Contributions	**5,649,389**	5,221,025

35 Plant capacity and actual production

The production capacity and the actual packed production achieved during the year are as follows:

	2011	2010
	M. Tons	M. Tons
Furnaces capacity		
Containers	**10,055**	18,547
Tableware	**66,389**	55,807
	76,444	74,354
Actual packed production		
Containers	**8,431**	14,634
Tableware	**43,566**	34,868
	51,997	49,502

The under capacity utilization during the year is due to non-availability of natural gas during the winter season.

		2011	2010 Restated

36 Earnings per share - basic and diluted

36.1 Earnings per share - Basic

		2011	2010 Restated
Profit after tax	***Rupees***	**143,817,141**	141,724,380
Weighted average number of ordinary shares	***Numbers***	**25,185,417**	21,175,000
Earnings/ (Loss) per share - basic	***Rupees***	**5.71**	6.69

36.2 Earnings per share - Diluted

There is no dilution effect on the basic earnings per share as the Company has no such commitments.

37 Date of authorization for issue

These financial statements were authorized for issue on October 01, 2011 by the Board of Directors of the Company.

38 Subsequent event

The Board of Directors have proposed a final cash dividend of Rs. 1 per share (2010: final Rs. 1 per share and interim Rs. 0.75 per share) for the year ended 30 June 2011 at their meeting held on 01 October 2011 for approval of the members at the Annual General Meeting to be held on 29 October 2011. These financial statements do not reflect these appropriations.

39 General

Figures have been rounded off to the nearest Rupee.

October 01, 2011	**TARIQ BAIG**	**OMER BAIG**
Lahore	**CHAIRMAN & MANAGING DIRECTOR**	**DIRECTOR**

FINANCIAL STATISTICAL SUMMARY

Years		2011	2010	2009	2008	2007	2006	2005
Investment measures								
Share capital	Million Rupees	693.00	231.00	231.00	231.00	115.50	110.00	100.00
Shareholders equity	Million Rupees	1,291.61	618.44	494.04	524.75	291.72	245.70	201.60
Profit/(Loss) before tax	Million Rupees	210.00	188.16	(36.56)	(5.10)	77.37	62.20	40.00
Profit/(Loss) after tax	Million Rupees	143.82	141.72	(30.70)	(17.15)	50.33	49.10	34.20
Dividend per share	Rs.	1.00	1.75	-	-	1.00	1.00	0.50
Earning/(Loss) per share	Rs.	5.71	6.69	(1.33)	(0.83)	3.85	4.46	3.43
Break up value	Rs.	18.64	26.77	21.39	22.72	25.26	22.23	20.16
Price earning ratio	Rs.	2.63	2.45	(5.25)	(18.25)	15.89	8.70	7.70
Measure of financial status								
Current ratio	Ratio	1.99:1	1.05:1	1.04:1	1.04:1	1.1:1	1.07:1	1.02:1
Number of days stock	Time	32	32	28	31	32	34	35
Number of days trade debts	Time	5	6	5	5	3	3	3
Measure of performance								
Return on capital employed	%	15.25%	22.42%	(4.85%)	(0.72%)	12.86%	18.50%	30.31%
Gross Profit Ratio	%	17.57%	19.28%	9.03%	10.24%	18.02%	17.40%	15.04%
Profit/(Loss) Before tax to Sales ratio	%	8.07%	9.08%	(2.59%)	(0.43%)	6.98%	6.16%	5.00%
Profit/(Loss) after tax to Sales ratio	%	5.53%	6.84%	(2.18%)	(1.46%)	4.54%	4.86%	4.28%
Debt equity ratio	%	9.00%	31.04%	38.59%	27.68%	50.83%	42.00%	45.00%

PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2011

Number of Shareholders	Categories of Shareholding		Total Shares Held
	From	To	
253	1	100	16,765
757	101	500	176,553
212	501	1,000	179,105
359	1,001	5,000	926,658
80	5,001	10,000	599,428
33	10,001	15,000	437,000
22	15,001	20,000	394,860
13	20,001	25,000	292,554
9	25,001	30,000	254,930
6	30,001	35,000	193,206
6	35,001	40,000	229,179
2	40,001	45,000	87,489
6	45,001	50,000	293,015
4	50,001	55,000	206,606
2	55,001	60,000	113,450
2	60,001	65,000	127,700
3	65,001	70,000	204,755
3	70,001	75,000	223,417
3	75,001	80,000	237,500
1	80,001	85,000	83,852
2	90,001	100,000	200,000
2	145,001	150,000	300,000
1	145,001	150,000	159,976
2	185,001	190,000	372,000
2	195,001	200,000	400,000
1	210,001	215,000	213,248
1	235,001	240,000	240,000
1	295,001	300,000	300,000
1	360,001	365,000	362,436
1	401,001	405,000	400,001
1	640,001	645,000	640,396
1	665,001	670,000	668,212
1	700,001	705,000	700,764
1	795,001	800,000	800,000
1	925,001	930,000	925,213
1	1,245,001	1,250,000	1,247,572
1	2,025,001	2,030,000	2,026,674
1	5,325,001	5,330,000	5,329,704
1	6,345,001	6,350,000	6,349,212
1	7,730,001	7,735,000	7,733,760
2	13,860,001	13,865,000	27,723,966
1	6,995,001	7,000,000	6,928,844
1803	**TOTAL**		**69,300,000**

Categories of Shareholders	Number	Shares Held	Percentage
General Public	1771	41,012,159	59.18%
Investment Companies	2	1,776	0.00%
Insurance Companies	2	7,500	0.01%
Joint Stock Companies	17	9,182,227	13.25%
Financial Institutions/ Modarabas	6	11,766,994	16.98%
Mutual Funds	1	75,000	0.11%
NIT and ICP	1	25,300	0.04%
Foreign Companies	1	6,928,844	10.00%
Others	2	300,200	0.43%
Total	**1803**	**69,300,000**	**100.00%**

CATEGORIES OF SHAERHOLDERS
ADDITIONAL INFORMATION AS AT 30 JUNE 2011

		Number of Shares
1	**ASSOCIATED UNDERTAKINGS**	
	M/S Omer Glass Industries Limited	7,733,760
	M/S Industrial Products Investments Limited (IPI)	6,928,844
2	**NIT AND ICP**	
	Investment Corporation of Pakistan	25,300
3	**DIRECTORS, CEO, THEIR SPOUSE AND MINOR CHILDREN**	
	Mr. Tariq Baig	13,862,864
	Mr. Omer Baig	13,861,102
	Mrs. Naima Shahnaz Baig	640,396
	Mr. Mansoor Irfani	3,462
	Syed Tufail Hussain	3,462
	Mr. Akbar baig	3,462
	Mr. David Julian	3,462
		28,378,210
4	**PUBLIC SECTOR COMPANIES AND CORPORATIONS**	1,450,243
5	**BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE COMPANIES, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS**	11,849,494
6	**GENERAL PUBLIC**	12,633,949
7	**OTHERS**	300,200
		69,300,000
8	**SHAREHOLDERS HOLDING 10% OR MORE**	
	Mr. Tariq Baig	13,862,864
	Mr. Omer Baig	13,861,102
	M/S Omer Glass Industries Limited	7,733,760
9	**TRADES DONE BY CEO, DIRECTORS & ASSOCIATED COMPANY**	
	Purchases through Right Issue:	
	Mr. Tariq Baig	11,181,924
	Mr. Omer Baig	12,346,880
	Mr. Mansoor Irfani	2,308
	Mr. Akbar baig	2,308
	Mr. David Julian	2,308
	Mr. Syed Tufail Hussain	2,308
	M/S Omer Glass Industries Limited	5,155,840

TARIQ GALSS INDUSTRIES

128-J BLOCK, MODEL TOWN, LAHORE

FORM OF PROXY

Folio No. ____________________

No. of Shares ________________

I / We ____

of ____

being a member of **TARIQ GLASS INDUSTRIES LIMITED** hereby appoint;

Mr. ____

failing him Mr. ___________________________________of ______________________________________

(Being a member of the Company) as my / our proxy to attend, act and vote for me/us and on my / our behalf at the 33rd Annual General Meeting of the Members of the Company to be held at Defence Services Officers' Mess, 71 - Tufail Road, Lahore Cantt on Saturday the October 29, 2011 at 11:00 AM and at every adjournment thereof.

As withness my/our hand(s) this ____________________________day of________________________2011.

WITNESS:

Signature: ______________________________

Name: ________________________________

Address: ______________________________

SIGNATURE

AND REVENUE

STAMP

NOTE : Proxies, in order to be effective, must be received, by the Company not later than 48 hours before the meeting and must be duly stamped, signed and witnessed.