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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. MOHSIN ALI	
HUMAN RESOURCES & REMUNERATION COMMITTEE	MR. MANSOOR IRFANI MR. TARIQ BAIG MR. DAVID JULIAN	CHAIRMAN MEMBER MEMBER
AUDIT COMMITTEE	MR. OMER BAIG MR. AKBAR BAIG MR. DAVID JULIAN	CHAIRMAN MEMBER 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	

Vision Statement

To be a premier glass manufacturing orgnaization of international standards and repute, offering innovative value-added products, tailored receptively to the customers needs and satisfaction, while optimizing the shareholder's value through meeting their expectations, making tariq glass industries limited an "investor preferred institution" amply justifying its claim of "glassware supermarket" by catering all household and industrial needs of the customers under one roof.

Mission Statement

To be a world class and leading company continuously providing quality glass tableware, containers and float 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 34th Annual General Meeting of the members of the Company will be held on Wednesday, the October 24, 2012 at 11:00 AM at the Defence Services Officers' Mess, 71 – Tufail Road, Lahore Cantt to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 33rd Annual General Meeting of the members held on October 29, 2011.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2012 together with the Reports of the Auditors and Directors thereon.
3. To appoint Auditors of the company for the year ending June 30, 2013 and fix their remuneration. The retiring Auditors M/S KPMG Taseer Hadi & Co., Chartered Accountants being eligible offer themselves for re-appointment.

SPECIAL BUSINESS:

4. To pass the following resolutions with or without modification:

"**RESOLVED** that the paid-up share capital of the Company be increased by further issuance of fully paid 4,158,000 ordinary shares of Rs. 10/- each by way of other than as Right Shares under the first provisio to Section 86(1) of the Companies Ordinance, 1984 at an offer price of Rs. 45.2140 per ordinary share (price determined at a parity value of 1 US Dollar equal to PKR 94/-) which includes premium of Rs. 35.2140 per ordinary share for a total value of Rs. 187,999,812/- (Rupees One Hundred Eighty Seven Million Nine Hundred Ninety Nine Thousand Eight Hundred Twelve only) equivalent to US$ 2,000,000/- (United States Dollars Two million only)".

"FURTHER RESOLVED that the said shares shall be allotted to M/S Qinhuangdao Yaohua Glass Machine Manufacture Company Limited or its nominees (the main machinery supplier of the Float Glass Project) in consideration for part payment of US$ 2,000,000/- (United States Dollars Two million only) from the total supply price of US$ 15,000,000/- (United States Dollars Fifteen million only) under contract dated June 14, 2010 between the Supplier and the Company".

"FURTHER RESOLVED that the allotment of said shares to M/S Qinhuangdao Yaohua Glass Machine Manufacture Company Limited shall be subject to the approval of SECP / Federal Government of Pakistan or any other laws in place".

"FURTHER RESOLVED the new shares shall rank parri passu with the existing shares in the existing capital".

"FURTHER RESOLVED that Mr. Tariq Baig, Chairman & Managing Director or Mr. Omer Baig, the Director shall be singly authorized to take all actions, to do all things, to sign and file all applications, forms and documents and to deal with all matters for the purposes of allotment of the Shares to the Supplier or its nominees and actions incidental thereto and for completion of all requirements under the applicable law and rules, including approval / registration of Securities and Exchange Commission of Pakistan / Federal Government of Pakistan and the State Bank of Pakistan".

OTHER BUSINESS:

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

BY ORDER OF THE BOARD

September 28, 2012
Lahore

(MOHSIN ALI)
COMPANY SECRETARY

NOTES

1. The Register of Members and Share Transfer Books of the Company will remain closed from October 18, 2012 to October 24, 2012 (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 Wednesday the October 17, 2012 will be treated in time for the purpose of transfer of shares.

2. When attending the meeting, in case of individuals, the account holder or sub-account holder shall authenticate his/her identity by showing his/her original Computerized National Identity Card or original Passport along with participant identity number and account number and in case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of nominee shall be produced (unless it has been provided earlier).

3 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 proxy form must be witnessed and accompanied with the attested copies of the beneficial owners and the proxy. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of proxy shall be submitted to the Company. The instrument of proxy duly executed and complete in all aspects should be lodged at the Registered Office of the Company not later than 48 hours before the time of meeting.

4. 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.

5. The non-CDC members (having physical share certificats) are requested to notify the Company of the change in their address, if any.

6. The members who have not yet submitted photocopy of their valid computerized national identity card (CNIC) to the Company are once again requested to send the same at the earliest directly to the Company's Share Registrar. The Corporate entities are requested to provide their National Tax Number (NTN). Please give Folio Number with copy of CNIC/NTN details. Reference is also made to the Securities & Exchange Commission of Pakistan (SECP) notification dated August 18, 2011, SRO 779 (1) 2011, which mandates that the dividend warrants must bear CNIC number of the registered member, except in case of minor(s) and corporate members.

7. This is to inform you that under Section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, direct the Company to pay dividend through his/her/its bank account. In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide Circular No. 18 of 2012 dated June 5, 2012, we hereby give the registered shareholders of Tariq Glass Industries Limited the opportunity to authorize the Company to directly credit cash dividend in your bank account, if any declared by the Company in future. (Please note that this dividend mandate is optional and not compulsory, in case you do not wish your dividend to be directly credited into your bank account then the same shall be paid to you through the dividend warrants.)

   If you wish that the cash dividend if declared by the Company be directly credited into your bank account, instead of issuing a dividend warrant please provide the following details:

Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name & Address	
Cell / Mobile Number of Shareholder	
Landline Number of Shareholder	

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984 FOR THE PURPOSE OF SPECIAL RESOLUTION TO APPROVE FURTHER ISSUE OF SHARES OTHER THAN AS RIGHT SHARES TO MEET THE PART COST OF SUPPLY OF FLOAT GLASS PROJECT

FLOAT GLASS PROJECT

Tariq Glass Industries Limited is in the process of setting up state of the art Coated, Reflective Float Glass Plant with a capacity to manufacture 550 tons of glass per day. The Float Glass Plant is an integral part of Tariq Glass Industries Limited with an approximate cost of Rs. 3 billion. The site for the plant (22 acres) is adjacent to the existing manufacturing facilities of Tariq Glass Industries Limited.

The entire design, delivery and erection of the plant has been entrusted to Qinhuangdao Yaohua Glass Machine Manufacture Company Limited, China on a turn-key basis. The construction / erection activities of this plant at present are at its full swing.

The Float Glass industry is a growing industry due to the demand pull effect of increase in consumption of float glass products. The rising demand of the float glass in the country, quantum of import, rapid growth/development of new housing societies and the potential of export to neighboring countries are indicative of the existence of a large potential demand for float glass products.

The project will increase the availability of quality float glass and help the economy through providing job opportunities, tax revenue to the Government, promote exports thereby adding to foreign exchange earnings, reduce foreign exchange burden by substituting imports and above all will result in long lasting good returns to the shareholders of the project.

China Yaohua Glass Group Corporation

China Yaohua Glass Group Corporation was established in 1922 and is the first corporation which supplies machinery to produce glass continuously in China region and even far-east region. Before 1949, Yaohua had three factories in Qinhuangdao, Shanghai and Taiwan. After 1949, based on Qinhuangdao Yaohua Company, it developed into China Yaohua Glass Group Corporation.

Presently, Yaohua owns 8 branch companies, 10 full-asset subsidies, 8 share-holding companies, 3 share-participating companies, which include one public company and 5 international companies. Yaohua owns 15 float glass manufacturing projects of its own.

Yaohua enjoys strong power on technical strength, holds various talents and technical resources, holds "enterprise technical center" and "Glass design and research institute". Yaohua enjoys all-round technical ability of designing, construction, equipment fabrication & installation as well as production management to various kinds of glass production lines.

Turnkey Project of Yaohua Group

OVERSEAS GLASS PRODUCTION LINE

1.	Syria Float Glass Line 400t/d	2010
2.	Vietnam 900t/d Float Production Line Project	2009
3.	India 460t/d Float Production Line EPC Project	2007
4.	North Korea DA'AN Friendship Glass Factory 300t/d Production Line EPC Project	2005
5.	India 240t/d Float Glass Production Line Project	1993

SALIENT FEATURES OF SUPPLY CONTRACT WITH YAOHUA

In order to set up the Float Glass Project, Tariq Glass Industries Limited entered into a contract dated 14th June, 2010 with the Supplier of the Project, namely: QINHUANGDAO YAOHUA Glass Machine Manufacture Company Limited, which is a subsidiary of CHINA YAOHUA Glass Group of China. Broad terms and conditions of the supply of Float Glass Project by YAOHUA are as follows:

a.	Contract:	Supply of float glass line with melting capacity of 550 tons per day on FOB basis.
b.	Price:	US$ 15,000,000.
c.	Payment Mechanism:	US$ 13,000,000, through confirmed irrevocable Sight L/C. And US$ 2,000,000 to be paid in cash **OR** Issuance of fully paid 4,158,000 ordinary shares of Rs. 10/- each of Tariq Glass Industries Limited which is 6% of the present paid up capital i.e., Rs. 693,000,000/- comprising 69,300,000 ordinary shares of Rs. 10/- each.
d.	Seller's Warranty:	Float glass line will be new, unused and without any defects.
e.	Warranty Period:	During 12 months of delivery, YAOHUA shall be responsible for any defective part.
f.	Brand Name:	Tariq Glass Industries Limited will be at liberty to use the name of YAOHUA for the brand imaging and promotion of float glass products manufactured at its manufacturing facilities.

The benefits of the two-tier price payment mechanism are as follows:

1. The shares will be issued at a price of Rs. 45.2140 per ordinary share (at a parity value of 1 US Dollar equal to PKR 94/-) which includes premium of Rs. 35.2140 per ordinary share. The offer price is 126% higher than the current market price of Rs. 20 per ordinary share. The monetary benefits to the Company by the issuance of shares are as under:

If compared with the Market Value of share:	**Amount (PKR)**
Liability of the Company is USD 2,000,000/ -	188,000,000
If Company issue s 6% shares i.e., 4,158,000 ordinary shares instead of cash payment of USD 2,000,000 OR PKR 188,000,000	
At this time if Company issue shares, can maximum offer a price equivalent to the current market prices i.e., Rs. 20/-per share. Thus maximum cash inflow of 4,158,000 shares at Rs. 20/- per share will be:	83,160,000
Net Benefit / Saving to settle the liability of YAOHUA is:	**104,840,000**
If compared with the Break -up / Book Value of share:	
Liability of the Company is USD 2,000,000/- If 1 USD = PKR 94 then liability arrived in PKR is:	188,000,000
Or Company may issue 6% shares i.e., 4,158,000 ordinary shares instead of cash payment of USD 2,000,000 OR PKR 188,000,000	
The break -up / book value of the shares of Company is Rs. 27.50 per share (figure calculated from the financial statements published by the Company for the year ended June 30, 2012).Thus maximum value of 4,158,000 shares by considering the Break-up/Book Value of the share i.e., Rs. 27.50 will be:	114,345,000
Net Benefit / Saving to settle the liability of Yaohua is:	**73,655,000**

2. The new unit of float glass would contribute significantly in the profits with resultant increase in profitability to the Company and the members / shareholders will benefit in the form of higher dividends.
3. The float glass project has huge export potential that will bring foreign exchang earnings.
4. The project will generate employment to more than 500 people.
5. The project will contribute significant amounts in shape of Sales Tax & Income Tax to the national exchequer.
6. The technology transfer is licensed which will contribute in continuous product quality improvement.

The directors of the Company have no interest directly or indirectly, in the proposed special business except in their capacities as directors and shareholders of the Company.

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, 2012.

Economy Review:

The high prospects of economic growth were ephemeral as the weak macroeconomic performance is evident from all areas of the economy. The weak performance of the economy is attributed to proliferating energy crisis, runaway inflation, burgeoning law and order situation and worsening foreign direct investment. The obscure strategies to manage the key indicators like current and fiscal account deficits, depreciating rupee value, usurious mark-up rates, outrageous non development expenditure posed severe threats to the ongoing economic stability and growth. The performance of each sector is susceptible to energy mix provisions and policy makers must develop the roadmap particularly for the endurance of the industrial sector of Pakistan.

Business Review:

By the grace of Allah Almighty your Company was able to register the highest ever net sales of Rs. 3.41 billion representing 31% top line robust growth over last year. It gives me great pleasure to mention here that despite high cost of raw materials, labour, freight, and general overheads, we were able to manage increase in gross profit margin by 3% which is recorded at 20.48% as compared to 17.52% of the last year. The Company's after tax profit for the year stood at Rs. 293 million which is 104% higher than the previous year. The higher profits are attributable to the benefits gained by economies of scale, cost reduction measures, sound management of the business, and acceptability of Company's value added products in the local as well as in international markets. However, the EPS has decreased from Rs. 5.71 to Rs. 4.22 which is consequent of broaden capital base accomplished last year by issuance of 200% right shares for the float glass project, had there been no impact of this right issue, since the reported revenues are from the existing business only then current EPS would had been Rs. 12.67. The key operating and financial data in summarized form is also annexed for the consideration of shareholders.

Allah Almighty endowing us to achieve another milestone by embarking state of the art 550 tons per day Float Glass Plant for which an expenditure of Rs. 1.5 billion has been liquidated upto June 30, 2012 and almost equivalent amount will be inducted to commercialize this project by the end of last quarter of this calendar year.

The financial results in brief are as under:

	2012	**2011**
	Rs in million	
Sales - net	3,411	2,602
Gross profit	698	456
Operating profit	496	265
Profit before tax	423	209
Profit after tax	293	143
Earnings per share – basic and diluted - Rupees	4.22	5.71

Anticipating high liquidity requirements because of the new Float Glass Project the Board of Directors of the Company has not recommended the dividend or bonus for the year ended June 30, 2012.

Corporate and Financial Reporting Framework:

(a) The financial statements, prepared by the management of the listed company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.

(b) Proper books of account of the listed company have been maintained.

(c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

(d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.

(e) The system of internal control is sound in design and has been effectively implemented and monitored.

(f) There are no significant doubts upon the listed company's ability to continue as a going concern.

(g) The information about taxes and levies is given in the notes to the financial statements.

(h) There has been no departure from the best practices of Corporate Governance as detailed in the Listing Regulations. A statement to this effect is annexed with this report.

Board Meetings:

During the year, no casual vacancy occurred on the Board of Directors, and 13 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	13
2.	Mr. Omer Baig	13
3.	Mrs. Naima Shahnaz Baig	13
4.	Mr. Mansoor Irfani	13
5.	Mr. Akbar Baig	13
6.	Mr. David Julian	13
7.	Mr. Syed Tufail Hussain	13

Committees of the Members of the Board of Directors:

The Board has constituted the Audit Committee and Human Resources & Remuneration Committees for its assistance. The details of its members and scope are as under:

Audit Committee

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.

Human Resources & Remuneration Committee

1.	Mr. Mansoor Irfani	Chairman
2.	Mr. Tariq Baig	Member
3.	Mr. David Julian	Member

The committee has been constituted to address and improve the area of Human Resource Development. The main aim of the committee is to assist the Board and guide the management in the formulation of the market driven HR policies regarding performance management, HR staffing, compensation and benefits, that are compliant with the laws and regulations.

Pattern of Shareholding:

The pattern of shareholding and additional information as per requirement of code of corporate governance under listing regulations is attached separately. No trading in the shares of the Company were carried out by the Directors, the Chief Financial Officer, the Company Secretary and their spouses and minor children for the period under report except Mr. Tariq Baig, the Chairman and Managing Director who have purchased 800,000 ordinary shares during the period under report.

Also one of the Directors Mr. Omer Baig has informed the Company for the purchase of 808,574 ordinary shares on September 06, 2012 which is not related to the period under report but transpired before the date of this Directors' Report, hence disseminated for information of the shareholders of the Company.

Number of Employees:

The number of permanent employees as on June 30, 2012 were 484 (2011:461).

Value of Investments of Provident Fund:

The value of total investment of provident fund as at June 30, 2012 was Rs. 34.003 million (2011: Rs. 32.201 million).

Financial Statements:

As required by the Code of Corporate Governance under the listing regulations the Managing Director and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors and Board after consideration and approval, authorized the signing of financial statements for issuance and circulation on September 28, 2012.

Board of Directors and Board after consideration and approval, authorize the signing of financial statements for issuance and circulation on September 28, 2012.

The financial statements of the Company have been duly audited and approved without qualification by the auditors of the Company M/s KPMG Taseer Hadi & Co., Chartered Accountants and their following reports are attached with the financial statements:

Auditors' Report to the Members

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

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year to which the attached financial statements relate and date of the Directors' Report.

Future Outlook:

The outlook of the management of the Company continue to be optimistic. It is anticipated that economic activities will flourish and the Company shall continue its path in further improving its performance despite political and law and order unrest in the country.

The company strives to broaden its customer base by way of value addition, improved quality and horizontal integration. The emphasis will remain on customers' satisfaction through quality service, efficient delivery along with affordability.

Insha Allah the Float Glass Project will be commercialized by the end of last quarter of this calendar year as commissioning of the project is nearing completion. The management is also concentrating on development of necessary infrastructure, finalization of plans and formulation of strategies for rapid penetration in the local market.

Auditors:

The present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants retired and offer themselves for reappointment. As suggested by the audit committee the Board of Directors has recommended their reappointment as Auditors of the company for the financial year ending June 30, 2013 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

September 28, 2012
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2012

This statement is being presented to comply with the Code of Corporate Governance (CCG) 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 CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors:	NIL (Applicable on next election of BOD)
Executive Directors:	Mr. Tariq Baig Mr. Mansoor Irfani Mr. Akbar Baig
Non-Executive Directors:	Mr. Omer Baig Mrs. Naima Shahnaz Baig Mr. David Julian Mr. Syed Tufail Hussain

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
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 or, being a member of a stock exchange has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the board of directors of the Company during the year.
5. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy 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.
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 CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The board arranged one training programs for its directors during the year. The directors of the Company having 15 years of experience on the board of listed company are exempted from the requirement of directors' training program. All the board members except three directors qualify for exemption under the provisions of CCG. The Company will, however, arrange training programs for all directors as provided under the CCG.
10. The board has approved appointment of Mr. Mohsin Ali as Company Secretary following the resignation of Mr. Waqar Ullah in its meeting held on April 4, 2012. The board ratified the appointment of of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO 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 CCG.
15. The board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and one member is executive director. The appointment of independent director as chairman of the audit committee will be adjudicated in the next election of the BOD.
16. 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 CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function. This function has been outsourced to Eshai & Co., Chartered Accountnats, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountnats of Pakistan (ICAP), 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 ICAP.
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 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with except for the Independent Director, toward which reasonable progress is being made by the company to seek compliance by the next election of Board of Directors.

September 28, 2012
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 where the company is listed.

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 systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal control, the Company's corporate governance procedures and risks.

Further, the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges require 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 arms's length price recording paper 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 undertaken at arm's length price or not.

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 2012.

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

September 28, 2012
Lahore

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Tariq Glass Industries Limited** ("the Company") as at 30 June 2012 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 2012 and of the profits, 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, was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

September 28, 2012
Lahore

BALANCE SHEET

	Note	2012 Rupees	2011 Rupees Restated
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 (2011: 100,000,000) ordinary shares of Rs 10 each		**1,000,000,000**	1,000,000,000
Issued, subscribed and paid-up capital			
69,300,000 (2011: 69,300,000) ordinary shares of Rs 10 each	5	**693,000,000**	693,000,000
Share Premium	6	**263,697,120**	263,697,120
Unappropriated profit		**600,833,834**	334,332,745
		1,557,530,954	1,291,029,865
Surplus on revaluation of property, plant and equipment	7	**355,002,638**	355,002,638
		1,912,533,592	1,646,032,503
Non current liabilities			
Long term finances			
Secured	8	**469,318,424**	47,422,313
Unsecured	9	**281,148,352**	33,389,450
		750,466,776	80,811,763
Long term deposits	10	**85,034,136**	5,283,066
Deferred taxation	11	**143,775,508**	127,850,614
		979,276,420	213,945,443
Current liabilities			
Trade and other payables	12	**482,533,106**	355,820,455
Accrued markup	13	**35,821,752**	34,831,645
Short term borrowings - secured	14	**43,274,840**	10,749,351
Current maturity of long term finances		**246,708,047**	47,007,271
Provision for taxation		**131,058,653**	27,157,725
		939,396,398	475,566,447
Contingencies and commitments	15	**-**	-
		3,831,206,410	2,335,544,393

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

September 28, 2012
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

AS AT 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees Restated
ASSETS			
Non-current assets			
Property, plant and equipment	*16*	**2,781,832,980**	1,369,312,768
Long term deposits	*17*	**32,042,092**	12,978,722
Current assets			
Stores and spares	*18*	**163,174,592**	162,629,586
Stock-in-trade	*19*	**278,749,957**	187,211,749
Trade debts, considered good-unsecured	*20*	**35,649,534**	36,837,623
Advances, deposits, prepayments and other receivables	*21*	**208,182,779**	103,300,876
Cash and bank balances	*22*	**331,574,476**	463,273,069
		1,017,331,338	953,252,903
		3,831,206,410	2,335,544,393

OMER BAIG
DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees Restated
Sales - net	23	**3,411,057,174**	2,601,937,668
Cost of sales	24	**(2,712,574,562)**	(2,146,205,097)
Gross profit		**698,482,612**	455,732,571
Operating expenses			
Administrative	25	**(74,608,293)**	(51,038,257)
Selling and distribution	26	**(189,296,072)**	(154,641,601)
		(263,904,365)	(205,679,858)
		434,578,247	250,052,713
Other operating income	27	**61,306,632**	14,858,632
Operating profit		**495,884,879**	264,911,345
Finance cost	28	**(41,085,863)**	(41,625,566)
Other expenses	29	**(31,305,444)**	(13,867,803)
Profit before taxation		**423,493,572**	209,417,976
Taxation	30	**(130,733,297)**	(66,179,532)
Profit after taxation		**292,760,275**	143,238,444
Earnings per share - basic and diluted	37	**4.22**	5.71

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

September 28, 2012
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	Rupees	Rupees
		Restated
Profit after taxation	**292,760,275**	143,238,444
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**292,760,275**	143,238,444

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

September 28, 2012	**TARIQ BAIG**	**OMER BAIG**
Lahore	**CHAIRMAN & MANAGING DIRECTOR**	**DIRECTOR**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees Restated
Cash flow from operating activities			
Profit before taxation		**423,493,572**	209,417,976
Adjustments for:			
Depreciation		**119,358,531**	113,285,483
Profit on disposal of property, plant and equipment		**(6,372,053)**	(2,981,828)
Ijara rentals		**5,845,622**	2,918,340
Finance costs		**41,085,863**	42,535,438
Provision for Workers' Profit Participation Fund		**22,769,654**	9,596,615
Provision for Workers' Welfare Fund		**8,048,128**	4,271,188
		190,735,745	169,625,236
Operating profit before working capital changes		**614,229,317**	379,043,212
(Increase)/decrease in current assets			
Stores and spares		**(545,006)**	615,720
Advances, deposits, prepayments and other receivables		**(49,308,418)**	(3,849,571)
Stock in trade		**(91,538,208)**	(42,269,805)
Trade debtors		**1,188,089**	(1,679,953)
		(140,203,543)	(47,183,609)
Increase in current liabilities			
Trade and other payables		**106,292,841**	72,862,644
Cash generated from operations		**580,318,615**	404,722,247
Finance cost paid		**(39,501,684)**	(37,660,620)
Payments to Workers Profit Participation Fund		**(11,316,688)**	(10,302,971)
Ijara rentals paid		**(5,521,646)**	(3,714,385)
Income tax paid		**(66,155,648)**	(13,268,698)
		(122,495,666)	(64,946,674)
Net cash generated from operating activities		**457,822,949**	339,775,573
Cash flow from investing activities			
Fixed capital expenditure		**(1,538,828,680)**	(239,793,150)
Proceeds from sale of property, plant and equipment		**13,321,990**	5,020,000
Long term deposits		**(19,063,370)**	(4,768,618)
Net cash used in investing activities		**(1,544,570,060)**	(239,541,768)
Cash flow from financing activities			
Long term finances - net		**869,355,789**	(150,536,469)
Short term borrowings		**32,525,489**	(28,074,399)
Long term deposits		**79,751,070**	150,000
Receipt from issue of right shares		**-**	552,447,120
Dividend paid		**(26,583,830)**	(25,502,875)
Net cash generated from financing activities		**955,048,518**	348,483,377
Net (decrease)/ increase in cash and cash equivalents		**(131,698,593)**	448,717,182
Cash and cash equivalents at the beginning of the year		**463,273,069**	14,555,887
Cash and cash equivalents at the end of the year	22	**331,574,476**	463,273,069
			-

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

September 28, 2012
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Share Capital	Share Premium	Unappropriated Profit	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 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 Re. 1 (10%) per share	-	-	(23,100,000)	(23,100,000)
Total comprehensive income for the year - restated	-	-	143,238,444	143,238,444
Balance as at 30 June 2011 - restated	**693,000,000**	**263,697,120**	**334,332,745**	**1,291,029,865**
Final dividend for the year ended 30 June 2011 at the rate of Re. 1 (10%) per share	-	-	(26,259,186)	(26,259,186)
Total comprehensive income for the year	-	-	292,760,275	292,760,275
Balance as at 30 June 2012	**693,000,000**	**263,697,120**	**600,833,834**	**1,557,530,954**

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

September 28, 2012
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 Accounting Standards 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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 July 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on these financial statements.

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after 01 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.

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 01 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognize 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 recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The amendment has no impact on the financial statements of the Company.

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) - (effective for annual periods beginning on or after 01 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.

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 01 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 - Consolidated Financial Statements, IFRS 11- Joint Arrangements and IFRS 12-Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. 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 01 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.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 01 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’; and that some gross settlement systems may be considered equivalent to net settlement.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.

- Annual Improvements 2009–2011 (effective for annual periods beginning on or after January, 01 - 2013). The new cycle of improvements contains amendments to the following five standards, with consequential amendments to other standards and interpretations.

  - IAS 1 Presentation of Financial Statements is amended to clarify that only one comparative period – which is the preceding period – is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the ‘third statement of financial position’, when required, is only required if the effect of restatement is material to statement of financial position.

  - IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of ‘property, plant and equipment’ in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories.

  - IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

  - IAS 34 Interim Financial Reporting is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

- IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 01 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Company.

3 Basis of preparation

3.1 These financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment measured at revalued amounts and certain financial instruments measured at fair value. All the transactions reflected in these financial statements are on accrual basis except for those reflected in cash flow statement.

3.2 Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.3 The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, 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: .

		Note
-	Revalued amounts, depreciation method, residual values and useful lives of depreciable assets	4.1
-	Taxation	4.11
-	Provisions	4.13
-	Provision for doubtful debts	4.6
-	Contingent liabilities	4.14

4 Significant accounting policies

4.1 Property, plant and equipment

Owned

Property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and any identified impairment losses, if any. Freehold land is stated at revalued amount less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to the acquisition to construction including expenditures on material, labour and overheads directly relating to construction, errection and installation of items of property, plant and equipment.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of day-to-day servicing of property, plant and equipment are recognized in profit and loss account as and when incurred.

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

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

An item of property, plant and equipment is de-recognized when permanently retired from use. Any 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 recognized as an income or expense in profit and loss account.

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 capitalized 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. The liabilities are classified as current and non-curret depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance costs so as to achieve a constant rate on the balance outstanding. 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.

Operating lease/ Ijarah contracts

Leases including Ijarah financing where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit on a straight-line basis over the lease / Ijarah term unless another systematic basis is representative of the time pattern of the Company’s benefit.

The company has certain Ijarah facilities which were not classified as operating lease in the financial statements for the year ending 30 June 2011, as required by the Islamic Financial Accounting Standard 2 (IFAS 2) issued by the Institute of Chartered Accountants of Pakistan. However, in compliance with IFAS 2, all its Ijarah financing have now been classified as operating lease rather then finance lease and as per International Accounting Standard 8 (IAS 8) "Accounting Policies, Changes in Accounting Estimates and Errors" the adjustments of such classification have been made retrospectively. Consequently, leased assets and leased liabilities as at 30 June 2011 have been reduced by Rs. 6.32 million and Rs 6.93 million, respectively. Depreciation expense and finance cost for the year ending 30 June 2011 have been decreased by Rs. 1.55 million and Rs. 1.01 million, respectively, with a corresponding increase of Rs. 3.32 million in Ijarah lease rentals. The affect of such classification on basic and diluted loss per share of the company for year ending 30 June 2011 is negligible.

4.3 Surplus on revaluation of property, plant and equipment

Surplus on revaluation is credited to the surplus on revaluation of property, plant and equipment account except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, if any, in which case surplus is recognized in profit or loss account. A revaluation deficit is recognized in profit or loss, except for a deficit directly offsetting a previous surplus on the same asset, in which case the deficit is taken to surplus on revaluation of fixed assets account. The surplus on revaluation of property, plant and equipment to the extent of the annual incremental depreciation based on the revalued carrying amount of the assets and the depreciation based on the assets' original cost is transferred annually to retained earnings net of related tax. The Company recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the assets.

4.4 Capital work-in-progress

Capital work in progress is stated at cost less any identified impairment loss. Cost comprise of expenditure incurred on construction, errection and installation of items of property, plant and equipment including exchange risk cover in respect of foreign currency transactions in respect of acquisition of items of property, plant and equipment and the cost of borrowings at effective interest rate incurred for borrowings obtained for specific projects up to the commencement of commercial production as referred to in note 4.17. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

4.5 Employee benefits

Post-employment 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.

4.6 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 as and when identified.

4.7 Stores and spares

These are valued at lower of weighted average cost or net realizable value except for items in transit, which are valued at cost comprising invoice value and related expenses incurred thereon up to the date of balance sheet. Obsolete and used items are recorded at nil value.

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

4.9 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/ goods declaration 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.

Sales of products is recorded when the risks and rewards are transferred i.e. on dispatch of goods/products to customers.

Interest / mark-up is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.10 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.

4.11 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 recognized for all taxable temporary differences and deferred tax assets are recognized 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 utilized.

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.

4.12 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.

4.13 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.

4.14 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.15 Financial assets and liabilities

Financial assets

Significant financial assets include advances and receivables, long term deposits and cash and bank balances. Finances and receivables from clients are stated at their nominal value as reduced by provision for doubtful finances and receivable, while other financial assets are stated at cost.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include short and long term finances, lease finances, interest and mark up accrued and trade and other payables. Markup based financial liabilities are recorded at gross proceeds received. Other liabilities are stated at their nominal value.

Recognition and derecognition

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, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

4.16 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.

4.17 Borrowing costs

Borrowing costs incurred on project specific borrowings obtained for the construction of qualifying assets are capitalized up to the date the respective assets are available for the intended use. All other borrowing costs are taken to the profit and loss account currently.

4.18 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.

4.19 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.

4.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.21 Impairment

Financial assets (including receivables)

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk
characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit and loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.22 Dividend

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

5 Issued, subscribed and paid-up capital

2012	2011		**2012**	2011
(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	46,200,000	Right issue of shares of Rs. 10/- each as fully paid in cash	**462,000,000**	462,000,000
69,300,000	69,300,000		**693,000,000**	693,000,000

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

	2012	2011
	(Number of shares)	
Industrial Products Investments Limited	**6,928,844**	6,928,844
Omer Glass Industries Limited	**7,733,760**	7,733,760
	14,662,604	14,662,604

6 Share premium reserve

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

7 Surplus on revaluation of property, plant and equipment

This represents surplus arising on revaluation of freehold land carried out in the year ended 30 June 2011.

	Note	2012 Rupees	2011 Rupees
8 Long term finances - secured			
From banking companies and other financial institutions			
United Bank Limited - Demand finance			
NIDF - I		**-**	5,555,554
NIDF - II		**3,166,660**	7,388,884
NIDF - III		**12,588,995**	29,374,317
NIDF - IV		**20,000,000**	30,000,008
	8.1	**35,755,655**	72,318,763
National Bank of Pakistan - Demand finance	*8.2*	**-**	2,170,619
Habib Bank Limited			
Demand finance - I		-	1,606,878
Demand finance - II		**11,666,670**	18,333,324
	8.3	**11,666,670**	19,940,202
Syndicate facility	*8.4*	**706,196,918**	-
Less: Transaction costs	*8.5*	**(37,592,772)**	-
		668,604,146	-
		680,270,816	19,940,202
Less: Current maturity		**(246,708,047)**	(47,007,271)
		469,318,424	47,422,313

8.1 These represent demand finance facilities availed from United Bank Limited (UBL) against a cumulative sanctioned limit of Rs. 41.88 million (2011: Rs. 80.73 million). These facilities are repayable in 54 equal monthly installments and last installment ending on June 2012 (NIDF - I) and March 2013 (NIDF - II and NIDF - III), however, the facility NIDF-IV is repayable in 60 equal monthly installments and last installment ending on June 2014. These facilities are secured by way of first equitable mortgage ranking pari passu charge of Rs. 70 million on land and building including future constructions of the Company and hypothecation charge on other fixed assets amounting to Rs. 240 million and personal guarantees of the sponsor Directors of the Company.These facilities carry markup at the rate of 3 months KIBOR + 150 bps.

8.2 The facility has been fully paid during the year.

8.3 These represent demand finance facilities availed form Habib Bank Limited (HBL) for the purpose of financing 3rd production line against the cumulative sanctioned limit of Rs. 65 million. These facilities are repayable in 43 and 54 equal monthly installments ending on August 2011 (DF-I) and March 2014 (DF-II), respectively. These facilities are secured by way of first equitable ranking pari passu charge of Rs. 70 million on land and building including all future constructions of the Company and hypothecation charge amounting to Rs. 75 million on all plants, machinery, equipment, air conditioning plants and units of the Company. These facility carry markup at the rate of 3 months KIBOR + 200 bps. DF-I has been fully paid during the year.

8.4 This represents syndicated facility availed from Habib Bank Limited led syndicate of banks comprising of Habib Bank Limited, MCB Bank Limited, United Bank Limited, The Bank of Punjab, Bank of Khyber and Pak China Investment Company Limited for the purpose of construction and import of machinery and equipment for the reflective float glass plant. The sanctioned limit of the facility is Rs. 1,500 million (Rs. 900 million through conventional lending and Rs. 600 million through musharika arrangement) and is secured by first pari passu mortgage over the project properties with 25% margin and first pari passu hypothecation charge over all present and future fixed assets (excluding land and building) of the Company with a 25% margin, establishment of lien over collection accounts and personal guarantee of Sponsor Directors of the Company. The facility is repayable over the period of 6 years including the grace period of 18 months and is repayable in 18 equal quarterly installments. Currently, the markup is paid on this facility at the rate of 3 months KIBOR +280 bps.

Subsequent to the reporting date and in pursuance of approval of State bank of Pakistan (SBP), the financing of Rs. 1,500 million will be through SBP's Long Term Financing Facility (LTFF) scheme by way of which the markup will be paid on the facility at the rate notified by SBP + 300 bps. Syndicate agreement is in the process of revision in this respect.

	Note	**2012**	2011
		Rupees	Rupees
8.5 Transaction costs			
Balance as at 01 July		**15,567,473**	-
Incurred during the year		**23,917,138**	15,567,473
Amortized during the year		**(1,891,839)**	-
Balance as at 30 June		**37,592,772**	15,567,473

9 Long term finances - unsecured

	Note	**2012**	2011
From related parties			
Industrial Products Investment Limited (IPI)	*9.1*	**33,389,450**	33,389,450
Loan from Directors	*9.2*	**247,758,902**	**-**
		281,148,352	33,389,450

9.1 This represents loan obtained form Industrial Products Investment Limited originally in foreign currency, however, the repayment of this loan is fixed at exchange rate prevailing on 31 December 1993. 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 2017 with same terms and conditions. This loan carries markup at the rate of LIBOR + 150 bps.

9.2 This represents interest free loan obtained from the Directors (including Chief Executive Officer) of the Company.

10. Long term deposits

These represent security deposits received against dealership contracts. Security deposits from float glass dealers carry interest at the rate of 1% per month.

	Note	2012 Rupees	2011 Rupees
11 Deferred taxation			
Deferred taxation	*11.1*	**143,775,508**	127,850,614
		143,775,508	127,850,614
11.1 The liability for deferred taxation comprises timing differences relating to:			
Deferred tax liability			
Accelerated tax depreciation		**143,775,508**	142,464,078
Deferred tax assets			
Unabsorbed tax credits		-	(14,613,464)
		143,775,508	127,850,614
12 Trade and other payables			
Trade creditors		**224,821,766**	197,770,519
Advances from customers		**100,361,522**	69,593,201
Accrued expenses		**102,457,712**	47,682,575
Sales tax payable		**4,843,335**	11,462,147
Unclaimed dividend		**13,165,008**	12,840,364
Workers' Profit participation fund payable	*12.1*	**22,555,728**	10,508,690
Workers welfare fund		**12,319,316**	4,271,188
Payable to provident fund		**1,303,052**	1,028,126
Others		**705,667**	663,645
		482,533,106	355,820,455
12.1 Workers' Profit Participation Fund			
Balance as at 01 July		**10,508,690**	10,305,174
Add: allocation for the year		**22,769,654**	9,596,615
interest for the year		**594,072**	909,872
Less: amount paid to the fund		**11,316,688**	10,302,971
Balance as at 30 June		**22,555,728**	10,508,690

		Note	2012 Rupees	2011 Rupees Restated
13	**Accrued markup**			
	Long term finances - Secured		**42,591**	143,212
	Long term finances - Unsecured		**29,020,279**	28,276,615
	Short term borrowings - Secured		**4,054,166**	6,411,818
	Interest on security deposits		**2,704,716**	-
			35,821,752	34,831,645
14	**Short term borrowings - secured**			
	Short term cash finance	*14.1*	**33,662,815**	-
	Finance against imported merchandise	*14.2*	**9,612,025**	10,749,351
			43,274,840	10,749,351

14.1 Short term running finance - secured

This represents running finance/cash finance facilities availed from various commercial banks to meet working capital requirements, the cumulative sanctioned limit amounts to Rs. 210 million (2011: Rs. 210 million). The rate of markup ranges from 175 bps to 200 bps above 3 months KIBOR (2011: 175 bps to 200 bps above 3 Months KIBOR). The facility is secured by way of joint pari passu hypothecation charge on fixed assets of the Company up to 140 M and current assets of the Company.

14.2 Finance against imported merchandise - secured

This represents facility of finance against imported merchandise availed from HBL having cumulative sanctioned limit of Rs. 15 million (2011: Rs. 15 million). The rate of markup charged is 3 months KIBOR + 200 bps per annum (2011: 3 months KIBOR + 200 bps). The facility is secured by lien over import documents and pledge of imported goods.

15 Contingencies and commitments

15.1 Contingencies

The commercial banks have issued following guarantees on behalf of the Company in favor of:

- Sui Northern Gas Pipelines Limited against supply of gas for furnace amounting to Rs. 226.70 million (2011: Rs. 93.70 million)

- Sui Northern Gas Pipelines Limited against supply of gas for captive power amounting to Rs. 16 million (2011: Rs. 16 million).

- Inland Revenue Department has made an amended assessment for the tax year 2009 by disallowing certain deductions mainly under sections 21C, 24 and 39 of the Income Tax Ordinance, 2001 amounting to Rs. 36.8 million, resultantly reducing the assessed loss of the Company from Rs. 178.67 million to Rs. 141.86 million having tax impact of Rs. 12.88 million. However, the Company has taken up the matter to commissioner appeals and Company's counsel is of the view that the matter will be decided in favor of the Company.

15.2 Commitments

- Letter of credit for capital expenditure amounting to Rs. 914.787 million (2011: Rs. 1,106.866 million)

- Letter of credit for other than capital expenditure amounting to Rs. 21.107 million (2011: Rs. 12.771 million)

- The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

	Note	2012 Rupees	2011 Rupees
Not later than one year		**8,439,319**	2,549,746
Later than one year and not later than three years		**13,800,432**	4,517,383

16 Property, plant and equipment

	Note	2012 Rupees	2011 Rupees Restated
Operating assets	*16.1*	**1,254,022,710**	1,219,368,428
Capital work in progress	*16.2*	**1,527,810,270**	149,944,340
		2,781,832,980	1,369,312,768

16.1 Operating assets

	Cost							Depreciation					Net book
	As at 01 July 2011	Additions during the year	Revaluation during the year	Transfers/ adjustments	Disposals during the year	As at 30 June 2012	Rate	As at 01 July 2011	Transfers/ adjustments	For the year	On Disposals	As at 30 June 2012	value as at 30 June 2012
	Rupees						%	Rupees					Rupees
Freehold land	397,145,000	12,851,500	-	-	-	409,996,500	-	-	-	-	-	-	**409,996,500**
Factory building -freehold	163,611,730	89,248,308	-	-	-	252,860,038	10	79,689,418	-	9,177,325	-	88,866,743	**163,993,295**
Office building - freehold	49,281,810	-	-	-	-	49,281,810	5	37,997,603	-	564,210	-	38,561,813	**10,719,997**
Plant and machinery	1,447,116,197	30,719,814	-	845,000	3,108,808	1,475,572,203	10 - 20	785,673,701	248,958	91,794,365	1,222,096	876,494,928	**599,077,275**
Furniture and fixtures	4,571,527	1,249,253	-	-	-	5,820,780	10	3,108,180	-	193,039	-	3,301,219	**2,519,561**
Tools and equipment	761,525	-	-	-	-	761,525	10	694,084	-	6,744	-	700,828	**60,697**
Electric installation	19,994,289	2,924,129	-	-	-	22,918,418	10	11,547,313	-	1,011,200	-	12,558,513	**10,359,905**
Vehicles	59,381,803	17,852,680	-	1,839,000	16,377,226	62,696,257	20	34,873,140	648,963	7,069,955	11,313,998	31,278,060	**31,418,197**
Moulds	110,311,559	4,330,990	-	-	-	114,642,549	30	79,229,834	-	9,541,067	-	88,770,901	**25,871,648**
Fire fighting equipment	39,606	-	-	-	-	39,606	10	33,345	-	626	-	33,971	**5,635**
2012	**2,252,215,046**	**159,176,674**	**-**	**2,684,000**	**19,486,034**	**2,394,589,686**		**1,032,846,618**	**897,921**	**119,358,531**	**12,536,094**	**1,140,566,976**	**1,254,022,710**

	Cost							Depreciation					Net book
	As at 01 July 2010	Additions during the year	Revaluation during the year	Transfers/ adjustments	Disposals during the year	As at 30 June 2011	Rate	As at 01 July 2010	Transfers/ adjustments	For the year	On Disposals	As at 30 June 2011	value as at 30 June 2011
	Rupees						%	Rupees					Rupees
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
2011	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

	Note	2012 Rupees	2011 Rupees
Depreciation charge for the year has been allocated as follows:			
Cost of sales	24	**114,118,360**	108,459,521
Administrative expenses	25	**3,329,205**	3,070,037
Selling and distribution	26	**1,910,966**	1,755,925
		119,358,531	113,285,483

16.1.1 Disposal of property, plant and equipment

Particulars of assets	Sold to	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ Loss	Mode of disposal
		---------	---------	Rupees	---------	---------	
Vehicles							
HONDA CITY	Mr. S.S. Hassan - Ex-Employee	926,410	676,776	249,634	250,000	366	Negotiation
HONDA CITY	Mr. Omer Haroon	927,025	698,043	228,982	770,000	541,018	Negotiation
HONDA CITY	Mr. Faisal Chishty	923,410	691,173	232,237	828,000	595,763	Negotiation
MITSUBISHI GALANT	Mr. Gull Hassan	1,500,000	964,960	535,040	1,100,000	564,960	Negotiation
HONDA CITY	Mr. Shahzad Anwar - Employee	907,200	680,485	226,715	850,000	623,285	Negotiation
HONDA CITY	Mr. Adnan Waheed	895,400	753,488	141,912	850,000	708,088	Negotiation
TOYOTA COROLLA	Mr. Irfan Ahmed	1,100,000	927,754	172,246	705,000	532,754	Negotiation
HONDA CIVIC	Mr. Irfan Ahmed	1,456,600	1,168,818	287,782	1,027,000	739,218	Negotiation
HONDA CITY	Mr. Ch. Jahangir Sadiq	918,100	696,867	221,233	810,000	588,767	Negotiation
SUZUKI CULTUS VXL	Mr. Sh. Khurram Rasheed	697,595	566,948	130,647	532,000	401,353	Negotiation
SUZUKI CULTUS VXL	Mr. Miqdad Fida Zaidi	715,140	546,043	169,097	500,000	330,903	Negotiation
TOYOTA COROLLA ALTIS	M/S EFU General Insurance Limited	1,839,000	648,963	1,190,037	1,599,990	409,953	Insurance claim
TOYOTA COROLLA	Mr. Omer Kasuri	1,383,000	1,007,290	375,710	600,000	224,290	Negotiation
TOYOTA COROLLA	Mr. Syed Fayyaz Hussain - Employee	1,472,568	743,059	729,509	1,200,000	470,491	Negotiation
SUZUKI CULTUS VXL	Mr. Muhammad Mumtaz Khokhar	715,778	543,334	172,444	500,000	327,556	Negotiation
Plant & Machinery							
DIESEL GENERATOR	Mr. Tariq Mahmood	3,108,808	1,222,096	1,886,712	1,200,000	(686,712)	Negotiation
2012	**Rupees**	**19,486,034**	**12,536,097**	**6,949,937**	**13,321,990**	**6,372,053**	
2011	**Rupees**	8,405,497	6,367,325	2,038,172	5,020,000	2,981,828	

	2012 Rupees	2011 Rupees
16.2 Capital work in progress		
Plant and machinery	**1,067,837,003**	19,325,637
Civil works	**364,946,278**	58,806,414
Advances	**16,517,200**	31,903,162
Store held for capital expenditure	**31,397,530**	31,397,530
Others	**47,112,259**	8,511,597
	1,527,810,270	149,944,340
16.2.1 Float glass project		
Plant and machinery	**1,067,837,003**	-
Civil works	**364,946,278**	22,324,464
Advances	**16,517,200**	31,903,162
Others	**47,112,259**	7,426,491
	1,496,412,740	61,654,117
16.2.2 Movement in capital work in progress		
Balance as at 01 July	**149,944,340**	139,167,428
Add: additions during the year	**1,476,739,152**	95,533,446
transfers from stores and spares - net	**10,943,820**	18,080,152
	1,487,682,972	113,613,598
	1,637,627,312	252,781,026
Less: transferred to property, plant and equipment	**109,817,042**	102,836,686
Balance as at 30 June	**1,527,810,270**	149,944,340

16.2.3 Capital work in progress includes borrowing cost capitalized Rs. 29.873 Million (2011: Rs. Nil).

	2012 Rupees	2011 Rupees
17 Long term deposits		
Deposits with leasing companies	**17,220,383**	2,161,400
Others	**14,821,709**	10,817,322
	32,042,092	12,978,722
18 Stores and spares		
Stores	**137,812,863**	131,660,700
Spares	**25,361,729**	30,968,886
	163,174,592	162,629,586

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	2012 Rupees	2011 Rupees
19	**Stock in trade**			
	Raw materials		**113,657,677**	32,779,376
	Chemical and ceramic colours		**25,328,124**	23,102,342
	Packing material		**27,491,555**	44,035,252
	Work in process		**21,257,363**	17,514,856
	Finished goods		**91,015,238**	69,779,923
			278,749,957	187,211,749
20	**Trade debts, considered good-unsecured**			
	Local debtors		**34,725,808**	32,974,170
	Foreign debtors		**923,726**	3,863,453
			35,649,534	36,837,623
21	**Advances, deposits, prepayments and other receivables**			
	Advances to suppliers- unsecured, considered good	*21.1*	**67,157,462**	12,384,862
	Advances to staff - unsecured, considered good	*21.2*	**1,034,449**	1,810,513
	Advances against letters of credit and margins		**8,122,486**	4,922,163
	Prepaid expenses		**797,685**	2,333,175
	Prepayments for loan arrangement fee		**-**	15,567,473
	Advance income tax		**41,736,219**	39,418,819
	Claims recoverable from government			
	Income tax		**37,666,490**	9,155,144
	Sales tax		**31,335,632**	6,590,893
			69,002,122	15,746,037
	Security deposits		**8,802,200**	4,354,500
	Interest receivable - accrued		**363,596**	106,027
	Prepaid insurance		**11,166,560**	6,657,307
			208,182,779	103,300,876

21.1 Advances includes an amount of Rs. Nil (2011: Rs. 2.257 million) due from an associated undertaking (Omer Glass Industries Limited). It is interest free and in the normal course of business.

21.2 Included in advances to staff are amounts due from executives of Rs 423 thousand (2011: Rs 971 thousand).

		Note	2012 Rupees	2011 Rupees
22	**Cash and bank balances**			
	Cash in hand		**4,362,606**	1,293,993
	Cash at bank			
	Local currency			
	- Current accounts		**137,338,644**	60,008,370
	- Deposits and saving accounts	*22.1*	**184,505,129**	398,192,719
			321,843,773	458,201,089
	Foreign currency - current account		**5,368,097**	3,777,987
			331,574,476	463,273,069

22.1 This carries mark up at the rate of 8% to 11% (2011: 8% to 11%).

		Note	2012 Rupees	2011 Rupees
23	**Sales - net**			
	Local		**4,043,087,436**	3,113,248,331
	Export		**264,284,236**	194,914,403
	Gross sales		**4,307,371,672**	3,308,162,734
	Less: Sales tax		**507,791,830**	449,403,707
	Trade discounts		**388,522,668**	256,821,359
			896,314,498	706,225,066
			3,411,057,174	2,601,937,668

		Note	2012 Rupees	2011 Rupees Restated
24	**Cost of sales**			
	Raw material consumed		**568,682,341**	465,782,543
	Salaries, wages and other benefits	*24.1*	**322,799,805**	277,245,545
	Fuel and power		**927,581,125**	793,558,894
	Packing material consumed		**560,362,859**	386,038,000
	Stores and spares consumed		**187,702,345**	97,831,709
	Carriage and freight		**5,591,434**	2,542,480
	Repair and maintenance		**12,746,098**	11,692,995
	Travelling and conveyance		**8,303,527**	6,966,203
	Insurance		**6,782,552**	3,894,542
	Ijara rentals		**5,845,622**	2,918,340
	Postage and telephone		**1,463,364**	1,214,667
	Rent, rates and taxes		**2,737,483**	5,462,101
	Printing and stationery		**256,501**	226,188
	Entertainment		**840,271**	538,700
	Depreciation	*16.1*	**114,118,360**	108,459,521
	Others		**11,738,697**	7,761,554
			2,737,552,384	2,172,133,982
	Work in process			
	Opening stock		**17,514,856**	10,779,026
	Closing stock		**(21,257,363)**	(17,514,856)
			(3,742,507)	(6,735,830)
			2,733,809,877	2,165,398,152
	Finished goods			
	Opening		**69,779,923**	50,586,868
	Closing		**(91,015,238)**	(69,779,923)
			(21,235,315)	(19,193,055)
			2,712,574,562	2,146,205,097

24.1 Salaries, wages and other benefits include Rs. 4.32 million (2011: Rs. 3.96 million) in respect of staff retirement benefits.

		Note	2012 Rupees	2011 Rupees Restated
25	**Administrative expenses**			
	Salaries, wages and other benefits	*25.1*	**32,452,029**	25,749,250
	Travelling expenses		**3,297,818**	2,375,790
	Motor vehicle expenses		**2,253,285**	1,762,375
	Postage and telephone		**1,334,097**	1,227,374
	Printing and stationery		**1,077,378**	696,504
	Rent, rates and taxes		**4,672,500**	2,751,126
	Repair and maintenance		**3,267,660**	1,468,253
	Legal and professional charges		**4,715,000**	2,113,000
	Auditors' remuneration	*25.2*	**770,000**	887,000
	Advertisement		**6,686,804**	915,237
	Utilities		**1,481,455**	1,412,870
	Entertainment		**670,849**	619,009
	Insurance		**1,364,586**	821,163
	Subscription, news papers and periodicals		**1,546,664**	472,504
	Depreciation	*16.1*	**3,329,205**	3,070,037
	Miscellaneous		**5,688,963**	4,696,765
			74,608,293	51,038,257

25.1 Salaries, wages and other benefits include Rs. 0.83 million (2011: Rs 0.72 million) in respect of staff retirement benefits.

25.2 Auditors' remuneration

Audit fee	**550,000**	550,000
Half yearly review fee	**120,000**	120,000
Certifications fee	**20,000**	142,000
Out of pocket expenses	**80,000**	75,000
	770,000	887,000

		Note	2012 Rupees	2011 Rupees Restated
26	**Selling and distribution expenses**			
	Salaries and other benefits	*26.1*	**27,314,091**	21,789,724
	Local freight and forwarding		**111,132,717**	79,340,154
	Export freight and forwarding		**23,208,131**	24,753,471
	Travelling expenses		**7,504,258**	6,620,571
	Motor vehicle expenses		**5,944,808**	4,153,102
	Postage and telephone		**1,475,671**	1,433,482
	Printing and stationery		**250,739**	340,540
	Advertisement, exhibitions and sales promotion		**5,556,849**	10,314,473
	Rent, rates and taxes		**1,545,133**	1,132,179
	Depreciation	*16.1*	**1,910,966**	1,755,925
	Breakage and incidental charges		**3,452,709**	3,007,980
			189,296,072	154,641,601

26.1 Salaries, wages and other benefits include Rs. 1.36 million (2011: Rs. 0.96 million) in respect of staff retirement benefits.

		Note	2012 Rupees	2011 Rupees Restated
27	**Other operating income**			
	Profit on disposal of property, plant and equipment	*16.1.1*	**6,372,053**	2,981,828
	Interest income earned on deposits and saving accounts		**54,934,579**	10,096,993
	Other		**-**	1,779,811
			61,306,632	14,858,632
28	**Finance cost**			
	Mark-up on			
	Long term finances - secured		**10,239,791**	18,630,437
	Long term finances - unsecured		**743,664**	874,080
	Short term borrowings - secured		**18,572,639**	15,989,742
			29,556,094	35,494,259
	Interest on WPPF		**594,072**	909,872
	Interest on security deposits		**2,704,716**	-
	Bank charges		**8,230,981**	5,221,435
	LC discounting charges		**-**	-
			41,085,863	41,625,566
29	**Other expenses**			
	Workers' profit participation fund	*12.1*	**22,769,654**	9,596,615
	Workers welfare fund		**8,048,128**	4,271,188
	Others		**487,662**	-
			31,305,444	13,867,803
30	**Taxation**			
	Income tax - Current	*30.1*	**114,808,403**	27,157,725
	Income tax - Prior year		**-**	410,021
			114,808,403	27,567,746
	Deferred tax	*30.3*	**15,924,894**	38,611,786
			130,733,297	66,179,532

30.1 The current year's provision for taxation represents tax chargeable under normal and final tax

30.2 Tax charge reconciliation

Numerical reconciliation between the average effective tax rate and the applicable tax rate.

	2012 %	2011 %
Applicable tax rate	**35.00**	-
Tax effect on separate block of income (taxable at reduced rate)	**(2.20)**	-
Tax effect of permanent differences	**2.54**	-
Tax effect of credits and rebates	**(4.71)**	-
	30.63	-

30.2.1 Provision for year ended 30 June 2011 represents tax charge at export stage and minimum tax under section 113 of the Income Tax Ordinance, 2001 therefore tax charge reconciliation for the same year has not been provided.

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

31 **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.

31.1 Credit risk

Credit risk represents the accounting loss that would be recognized 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. 404.07 million (2011: Rs. 517.44 million) financial assets which are subject to credit risk amount to Rs. 403.71 million (2011: Rs. 516.15 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:

	2012 Rupees	2011 Rupees Restated
Long term deposits	**32,042,092**	12,978,722
Trade debts	**35,649,534**	36,837,623
Advances, deposits, prepayments and other receivables		
- Security deposits	**8,802,200**	4,354,500
- Others	**-**	-
Bank balances	**327,211,870**	461,979,076
	403,705,696	516,149,921

The trade debts as at the balance sheet date are classified as follows:

Foreign	**923,726**	3,366,051
Domestic	**34,725,808**	33,471,572
	35,649,534	36,837,623

The aging of trade receivables at the reporting date is:

Past due 0 - 30 days	**22,390,057**	29,388,577
Past due 31 - 60 days	**4,606,554**	2,933,013
Past due 61 - 90 days	**2,817,672**	742,228
Past due 91 - 120 days	**683,594**	701,602
Past due 120 days	**5,151,657**	3,072,203
	35,649,534	36,837,623

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.

31.2 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:

	2012						
	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	753,619,243	990,206,452	73,692,524	163,332,693	291,432,339	461,748,896	-
Long term loan-unsecured	281,148,352	285,530,238	-	-	-	-	285,530,238
Trade and other payables	380,075,394	380,075,394	380,075,394	-	-	-	-
Accrued markup	35,821,752	35,821,752	35,821,752	-	-	-	-
Short term borrowings	43,274,840	43,274,840	43,274,840	-	-	-	-
2012	**1,493,939,581**	**1,734,908,676**	**532,864,510**	**163,332,693**	**291,432,339**	**461,748,896**	**285,530,238**

	2011						
	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	-
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	481,454,165	528,670,865	357,042,476	26,166,843	81,897,333	63,564,213	-

31.3 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.

31.3.1 Currency risk

The Company is exposed to currency risk on import of raw materials and stores and 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:

	2012	2011
	Rupees	Rupees
Foreign debtors	**923,726**	3,366,051
Foreign currency bank accounts	**5,368,097**	3,777,987
Gross balance sheet exposure	**6,291,823**	7,144,038
Outstanding letter of credits	**(935,894,972)**	(1,119,637,036)
Net exposure	**(929,603,149)**	(1,112,492,998)

The following significant exchange rates have been applied:

	Average rate		**Reporting date rate**	
	2012	2011	**2012**	2011
USD to PKR	**89.49**	85.68	**94.20**	85.90
EURO to PKR	**120.16**	116.62	**118.50**	123.33

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	**83,280,672**	110,661,431
Euro	**9,519,105**	602,884
	92,799,777	111,264,315

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 / (loss) for the year and assets / liabilities of the Company.

31.3.2 Interest rate risk

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

	2012	2011	2012	2011
	Effective rate (in Percentage)		Carrying amount (Rupees)	
Financial liabilities				
Variable rate instruments:				
Long term finances	**13.41 to 15.03**	13.79 to 15.71	**1,034,767,595**	127,819,034
Short term borrowings	**13.66 to 15.28**	14.04 to 15.52	**43,274,840**	10,749,351

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 as for 2011.

	Profit and loss 100 bps	
	Increase	Decrease
	Rupees	
As at 30 June 2012	**(4,177,781)**	**4,177,781**
As at 30 June 2011	(1,947,836)	1,947,836

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

31.3.3 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.

31.4 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.

32 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.

The debt-to-equity ratios as at 30 June 2012 and as at 30 June 2011 were as follows:

	2012 **Rupees**	2011 Rupees Restated
Total debt	**1,040,449,663**	127,819,034
Total equity and debt	**2,597,980,617**	1,418,848,899
Debt-to-equity ratio	**40%**	9%

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.

33 Operating segments

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

33.1 Sales from glassware products and others represent 99.98% and 0.02% (2011: 99.98% and 0.02%) of total revenue of the company respectively.

33.2 The sales percentage by geographic region is as follows:

	2012 **%**	2011 %
Pakistan	**92.25**	94.11
Afghanistan	**4.75**	2.89
Bangladesh	**0.45**	0.35
Others	**2.55**	2.65
	100	100

33.3 All non-current assets of the Company as at 30 June 2012 are located in Pakistan.

34 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	
	2012	2011	**2012**	2011	**2012**	2011
	-----Rupees-----					
Managerial remuneration	**4,060,000**	4,060,000	**2,060,682**	1,967,160	**20,940,287**	17,285,014
House rent	**1,529,575**	1,529,575	**927,307**	883,094	**9,423,129**	7,778,257
Conveyance	**4,425**	4,425	**14,400**	14,400	**209,403**	120,397
Contribution to provident fund	**-**	-	**206,068**	196,716	**2,094,029**	1,728,501
Medical and other allowances	**-**	-	**200,706**	217,940	**2,303,432**	1,908,896
Utilities	**406,000**	406,000	**206,068**	196,556	**2,094,029**	1,728,501
	6,000,000	6,000,000	**3,615,231**	3,475,866	**37,064,309**	30,549,566
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.

35 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	2012 Rupees	2011 Rupees
Industrial Product Investment Limited	Associated company	Interest on loan	**743,664**	874,080
Mr. Tariq Baig Mr. Omer Baig	Directors	Loan from Directors	**247,758,902**	-
Omer Glass Industries Limited	Associated company	Purchases	**406,000**	2,304,900
		Sales	**2,109,800**	3,130,472
Provident fund	Employee benefit plan	Contributions	**6,520,148**	5,649,389

36 Plant capacity and actual production

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

	2012 M. Tons	2011 M. Tons
Furnaces capacity		
Containers	**1,737**	10,055
Tableware	**76,128**	66,389
	77,865	76,444
Actual packed production		
Containers	**1,504**	8,431
Tableware	**54,730**	43,566
	56,234	51,997

The efficiency of 87% in containers and 72% in tableware is considered satisfactory as these standards conform favourably to the international standards in the glass industry.

37 Earnings per share - basic and diluted

37.1 Earnings per share - Basic

		2012	2011 Restated
Profit after tax	*Rupees*	**292,760,275**	143,238,444
Weighted average number of ordinary shares	*Numbers*	**69,300,000**	25,185,417
Earnings per share - basic	*Rupees*	**4.22**	5.71

37.2 Earnings per share - Diluted

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

38 Date of authorization for issue

These financial statements were authorized for issue on September 28, 2012 by the Board of Directors of the Company.

39 General

Figures have been rounded off to the nearest Rupee.

September 28, 2012
Lahore

TARIQ BAIG
CHAIRMAN & MANAGING DIRECTOR

OMER BAIG
DIRECTOR

FINANCIAL STATISTICAL SUMMARY

Year		2012	2011 Restated	2010	2009	2008	2007	2006
Investment Measures								
Share Capital	Million Rupees	693.00	693.00	231.00	231.00	231.00	115.50	110.00
Shareholders equity	Million Rupees	1,557.53	1,291.03	618.44	494.04	524.75	291.72	245.70
Profit/(Loss) before tax	Million Rupees	423.49	209.42	188.16	(36.56)	(5.10)	77.37	62.20
Profit/(Loss) after tax	Million Rupees	292.76	143.24	141.72	(30.70)	(17.15)	50.33	49.10
Dividend per share	Rs.	-	1.00	1.75	-	-	1.00	1.00
Earning/(Loss) per share	Rs.	4.22	5.71	6.14	(1.33)	(0.83)	3.85	4.46
Break up value	Rs.	22.48	18.63	26.77	21.39	22.72	25.26	22.23
Price earning ratio	Rs.	3.79	2.63	2.45	(5.25)	(18.25)	15.89	8.70
Measure of financial status								
Current ratio	Ratio	1.08:1	2:1	1.05:1	1.04:1	1.04:1	1.1:1	1.07:1
Number of days stock	Time	37	32	32	28	31	32	34
Number of days trade debts	Time	4	5	6	5	5	3	3
Measure of performance								
Return on capital employed	%	18.80%	11.09%	22.42%	(4.85%)	(0.72%)	12.86%	18.50%
Gross Profit Ratio	%	20.48%	17.52%	19.28%	9.03%	10.24%	18.02%	17.40%
Profit/(Loss) Before tax to Sales ratio	%	12.42%	8.05%	9.08%	(2.59%)	(0.43%)	6.98%	6.16%
Profit/(Loss) after tax to Sales ratio	%	8.58%	5.51%	6.84%	(2.18%)	(1.46%)	4.54%	4.86%
Debt equity ratio	%	40.04%	9.01%	31.04%	38.59%	27.68%	50.83%	42.00%

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2012

Number of share	Share holding From	Share holding To	Total Shares Held	%age of Paid up Capital
332	1	100	16,145	0.02%
761	101	500	180,654	0.26%
231	501	1,000	197,703	0.29%
361	1,001	5,000	891,086	1.29%
94	5,001	10,000	743,281	1.07%
43	10,001	15,000	559,855	0.81%
20	15,001	20,000	352,045	0.51%
25	20,001	25,000	580,508	0.84%
10	25,001	30,000	287,349	0.41%
6	30,001	35,000	190,757	0.28%
2	35,001	40,000	73,828	0.11%
2	40,001	45,000	86,797	0.13%
9	45,001	50,000	442,517	0.64%
2	50,001	55,000	104,303	0.15%
2	55,001	60,000	117,750	0.17%
1	60,001	65,000	64,700	0.09%
2	65,001	70,000	137,000	0.20%
4	70,001	75,000	289,887	0.42%
2	75,001	80,000	157,500	0.23%
1	85,001	90,000	89,555	0.13%
2	90,001	95,000	186,807	0.27%
4	95,001	100,000	400,000	0.58%
1	100,001	105,000	100,447	0.14%
1	145,001	150,000	150,000	0.22%
1	150,001	155,000	153,248	0.22%
1	170,000	175,000	175,000	0.25%
1	185,000	190,000	186,000	0.27%
1	195,001	195,000	200,000	0.29%
1	275,001	280,000	278,000	0.40%
1	285,001	290,000	289,920	0.42%
1	295,001	300,000	300,000	0.43%
1	330,001	335,000	330,094	0.48%
1	345,001	350,000	350,000	0.51%
1	360,001	365,000	362,436	0.52%
1	450,001	455,000	450,001	0.65%
1	640,001	645,000	640,396	0.92%
1	665,001	670,000	668,212	0.96%
1	700,001	705,000	700,764	1.01%
1	1,165,001	1,170,000	1,166,271	1.68%
1	2,390,001	2,395,000	2,395,000	3.46%
1	5,250,001	5,255,000	5,254,402	7.58%
1	5,810,001	5,815,000	5,813,212	8.39%
1	6,925,001	6,930,000	6,928,844	10.00%
1	7,730,001	7,735,000	7,733,760	11.16%
1	13,860,001	13,865,000	13,861,102	20.00%
1	14,660,000	14,665,000	14,662,864	21.16%
1940			**69,300,000**	**100.00%**

Categories of Shareholders	Number	Sharesheld	Percentage
Individuals/General Public	1,910	41,808,952	60.33%
Joint Stock Companies	16	7,955,465	11.48%
Financial Institutions	5	11,074,463	15.98%
Insurance Companies	2	7,500	0.01%
Investment Companies	2	1,776	0.00%
Mutual Funds	1	1,166,271	1.68%
Foreign Companies	1	6,928,844	10.00%
NIT and ICP	1	56,529	0.08%
Others	2	300,200	0.43%
	1,940	**69,300,000**	**100.00%**

CATEGORIES OF SHAREHOLDERS
ADDITIONAL INFORMATION AS AT 30 JUNE 2012

		Number of Shares
A)	**Directors, CEO, Their Spouse and Minor Children**	
	Managing Director	
	- Mr. Tarig Baig	14,662,864
	Directors	
	- Mr. Omer Baig	13,861,102
	- Mrs Naima Shahnaz Baig	640,396
	- Mr. Mansoor Irfani	3,462
	- Mr. Akabar Baig	3,462
	- Mr. David Julian	3,462
	- Mr. Syed Tufail Hussain	3,462
	Director's Spouse and Their Childern	-
		14,515,346
		29,178,210
B)	**Associated Companies**	
	- M/S Omer Glass Industries	7,733,760
	- M/S Industrial Products Investments Limited (IPI)	6,928,844
		14,662,604
C)	**National Investment Trust Limited**	
	- IDBP (ICP UNIT)	56,529
D)	**Mutual Funds**	
	- Golden Arrow Selected Stocks Fund Limited	1,166,271
E)	**Financial Institutions**	11,074,463
F)	**Insurance Companies**	7,500
G)	**Investment Companies**	1,776
H)	**Joint Stock Companies**	221,705
I)	**Others - Provident Funds**	300,200
J)	**General Public**	12,630,742
	Total	69,300,000

SHAREHOLDERS HOLDING 5% OR MORE

Mr. Tariq Baig	14,662,864
Mr. Omer Baig	13,861,102
M/S Omer Glass Industries Ltd	7,733,760
M/S Industrial Products Investments Ltd	6,928,844
M/S NIB Bank Limited	5,813,212
M/S Summit Bank Limited	5,254,402

TRADES DONE BY CEO, DIRECTORS & ASSOCIATED CONCERN

- Mr. Tariq Baig purchased 800,000 ordinary shares.

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 34th Annual General Meeting of the Members of the Company to be held at Defence Services Officers' Mess, 71 - Tufail Road, Lahore Cantt on Wednesday the October 24, 2012 at 11:00 AM and at every adjournment thereof.

As withness my/our hand(s) this ______________________ day of ____________________ 2012.

WITNESS:

Signature: ______________________

Name: ______________________

Address: ______________________

SIGNATURE AND REVENUE STAMP

NOTE :