CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS		
CHAIRMAN	MR. OMER BAIG	
MANAGING DIRECTOR	MR. TARIQ BAIG	
	MRS. NAIMA SHAHNAZ BAIG MR. MANSOOR IRFANI MR. AKBAR BAIG MR. DAVID JULIAN MR. NAEEM NAZIR	
SECRETARY	MR. MOHSIN ALI	
HUMAN RESOURCE & REMUNERATION COMMITTEE	MR. MANSOOR IRFANI MR. TARIQ BAIG MR. NAEEM NAZIR	CHAIRMAN MEMBER MEMBER
AUDIT COMMITTEE	MR. NAEEM NAZIR MR. OMER BAIG MR. DAVID JULIAN	CHAIRMAN MEMBER MEMBER
AUDITORS	KPMG TASEER HADI & CO. CHARTERED ACCOUNTANTS	
LEGAL ADVISOR	KASURI AND ASSOCIATES LAHORE	
TAX CONSULTANTS	YOUSAF ISLAM ASSOCIATES LAHORE	
INFORMATION TECHNOLOGY CONSULTANTS	CHARTAC BUSINESS SERVICES (PVT) LTD. LAHORE	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LTD UNITED BANK LTD THE BANK OF PUNJAB MCB BANK LTD THE BANK OF KHYBER ASKARI BANK LTD	BANK ALFALAH LTD FAYSAL BANK LTD SINDH BANK LTD BANK ISLAMI PAKISTAN LTD NIB BANK LTD SAMBA BANK LTD ALBARAKA BANK (PAK) 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 WEB: www.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 organization of international standards and repute, offering innovative value-added products, tailored receptively to the customers needs and satisfaction, while optimizing the shareholders' 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 36th Annual General Meeting of the members of the Company will be held on Wednesday, the October 29, 2014 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 Extra Ordinary General Meeting of the members held on September 02, 2014.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2014 together with the Reports of the Auditors and Directors thereon.
3. To approve the payment of cash dividend @ 5% (i.e., Rs. 0.50 per share) for the year ended June 30, 2014 as recommended by the Board of Directors. The Sponsor Directors of the Company, the associated concern (M/S Omer Glass Industries Limited) and the foreign investment company (M/S Industrial Products Investment Limited) have consented to forego their right to cash dividend for the year ended June 30, 2014 as recommended by the Board of Directors.
4. To appoint Auditors of the company for the year ending June 30, 2015 and fix their remuneration. The retiring Auditors M/S KPMG Taseer Hadi & Co., Chartered Accountants being eligible offer themselves for re-appointment.

OTHER BUSINESS:

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

BY ORDER OF THE BOARD

October 1, 2014
Lahore

(MOHSIN ALI)
COMPANY SECRETARY

1. The Share Transfer Books of the Company will remain closed from October 23, 2014 to October 29, 2014 (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 22, 2014 will be treated in time for the purpose of transfer of shares and payment of cash dividend, if approved by the shareholders.
2. Pursuant to the directives of Securities & Exchange Commission of Pakistan (SECP) vide SRO 779 (1) 2011 dated August 18, 2011, which mandates that the dividend warrants must bear CNIC number of the registered member. 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 failing which dividend warrants to those shareholders will be withheld.
3. In pursuance of the Finance Act 2014, the withholding tax rates have been revised and it has been directed that all non-filers of Income Tax returns will be taxed @ 15%. However, the regular filers of Income Tax return will continue to be taxed @ 10%. Shareholders are therefore requested to send the information related to their National Tax Number in compliance with the active tax payer list available at FBR's website http://www.fbr.gov.pk. In this connection, if we do not receive response, we will have no option but to deduct 15% withholding tax from the dividend of shareholder. The shareholders are also advised to inform us if they are enjoying withholding tax exemption under any of the provisions of Income Tax Ordinance 2001, so the deduction of withholding tax from their dividend could be restrained.
4. The members are advised to bring their ORIGINAL Computerized National Identity Card (CNIC) and those members who have deposited their shares in Central Depository System should be cognizant of their CDC Participant ID and Account Number at the meeting venue. In case of corporate entity a power of attorney with specimen signature of nominee shall also be produced.
5. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
6. The members are requested to notify the Company / Share Registrar of the change in their address, if any.

DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited are pleased to present before you the performance report together with the annual audited financial statements of the company along-with the auditors' reports thereon, for the year ended June 30, 2014.

Economy Review:

The high prospects of economic growth were momentary as the acute political unrest and situation of devastating floods is deteriorating macroeconomic performance which is evident from all areas of the economy. The weak performance of the economy is also imputed to proliferating gas & energy crisis and worsening law & order situation in the country. The obscure strategies to manage the gas and power crisis, current and fiscal account deficits, depreciating rupee value, and outrageous non development expenditure posed severe threats to the ongoing economic stability and growth. The Government must strategize for the revival of general industry as a whole in the country by formulating and managing the energy mix components particularly the natural gas. The policy makers must prioritize the gas supply to industrial sector over the nonproductive consuming sector like CNG. The performance of each sector is susceptible to energy mix provisions and policy makers must develop the roadmap particularly for the endurance and development of industrial sector of Pakistan.

Business Review:

The financial year 2013-2014 continued with the problems of power and gas shortages which forced us to use expensive alternate fuels i.e. Furnace oil, Diesel, and LPG and on the other front, the breakeven leveled sales price of float glass products hitched the gross profit margin to 14.53% as compared to 15.11% of the last year. However, there is significant increase in Net Sales which is registered at Rs. 7,756 million for the period under report mainly attributable to convincing revenue of Rs. 3,997 million from the sale of float glass products. The Company's profit before tax declined to Rs. 67.60 million mainly because of lower gross profit, substantial selling & distribution expenses amounting to Rs. 655.55 million, and the finance cost of Rs. 326.868 million. However, the Company recuperate its position to profits of Rs. 16.48 million for the year under report as compared to the loss of Rs. 153.30 million for the period of nine months of the same year. Thus, EPS for the year ended June 30, 2014 increased to Rs. 0.23 as compared to Loss per share of Rs. 2.09 for the nine months period of the same year. The key operating and financial data in summarized form is also annexed for the consideration of shareholders. The financial results in brief are as under:

The financial results in brief are as under:

	2014	2013
	Rs. in million	
Sales - net	7,756	3,889
Gross profit	1,126	587
Operating profit	376	250
Profit before tax	68	153
Profit after tax	16	367
Earnings per share – basic – Rupees	0.23	5.30
– diluted – Rupees	0.22	5.05

The Board of Directors is pleased to recommend the payment of cash dividend at the rate of 5% for the year ended June 30, 2014. The Sponsor Directors of the Company, the associated concern (M/S Omer Glass Industries Limited) and the foreign investment company (M/S Industrial Products Investment Limited) have honoured the request of the management and consented to forego their right to cash dividend.

One of the Tableware producing furnaces having outlived its useful campaign life and closed for major rebuild.

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 departure 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 of Directors:

The Board of Directors has completed its tenure of three years on September 02, 2014 and the same Board was re-elected with an exception of Mr. Syed Tufail Hussain who did not participate in the election and instead Mr. Naeem Nazir has been elected as independent director. The election of directors was adjudicated in the Extra Ordinary General meeting held on September 2, 2014 under the provisions of section 178 of the Companies Ordinance, 1984 for the next term of three years (i.e., from September 3, 2014 to September 2, 2017) by the shareholders of the Company, henceforward the board includes:

Category	Names
Non-Executive Directors:	Mr. Omer Baig – Chairman of the Board Mrs. Naima Shahnaz Baig Mr. Mansoor Irfani Mr. Akbar Baig Mr. David Julian
Independent Director:	Mr. Naeem Nazir
Executive Director:	Mr. Tariq Baig–Managing Director /CEO

Board Meetings:

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

Authorization to Sign Directors' Report:

Pursuant to the provisions of Section 236 of the Companies Ordinance, 1984, Mr. Tariq Baig, Managing Director be and is hereby singly authorized to sign the Directors report on behalf of the Board in absence of Mr. Omer Baig, the Chairman of the Board.

Committees of the Members of the Board of Directors:

The Board has reconstituted the Audit Committee and Human Resource & Remuneration Committee for its assistance from the newly elected board members. The details of members and scope are as under:

Audit Committee

Before Election of Board of Directors (i.e. upto September 02, 2014)		After Election of Board of Directors (Held in EOGM on September 02, 2014)	
Mr. Omer Baig	*Chairman*	***Mr. Naeem Nazir***	***Chairman (Independent Director)***
Mr. Akbar Baig	*Member*	***Mr. Omer Baig***	***Member***
Mr. David Julian	*Member*	***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 Resource & Remuneration Committee

Before Election of Board of Directors (i.e. upto September 02, 2014)		After Election of Board of Directors (Held in EOGM on September 02, 2014)	
Mr. Mansoor Irfani	*Chairman*	***Mr. Mansoor Irfani***	***Chairman***
Mr. Tariq Baig	*Member*	***Mr. Tariq Baig***	***Member***
Mr. David Julian	*Member*	***Mr. Naeem Nazir***	***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.

Directors Training Program:

During the year two Directors have completed Directors Training Course from University of Lahore under the supervision of Mr. Muhammad Maqbool, FCA. Four Directors of the Company fulfilled the criteria for exemption from directors' training program under the provisions of CCG. However, all the Directors have been provided with copies of the Listing Regulations of the Stock Exchanges along with the CCG, the Company's Memorandum and Articles of Association and are well conversant with their duties and responsibilities.

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.

However, Mr. Syed Tufail Hussain informed the Company for the sale of 500 ordinary shares on August 01, 2014 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, 2014 were 736 (2013: 736).

Value of Investments of Provident Fund:

The value of total investment of provident fund as at June 30, 2014 was Rs. 58.275 million (2013: Rs. 48.273 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 October 1, 2014.

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 profits will remain under pressure as Sui Gas shut down spans will elongate in the approaching winter and this phenomenon shall force us to use alternative expensive LPG, Furnace and Diesel oils to keep the momentum of production. It is also anticipated that existing competition of float glass will bottom out the unrealistic price drop and culmination will be seen as far as the sale prices of float glass products are concerned. This phenomenon will support the liquidity and cash flow of the Company.

The Government is also projecting that LNG Terminal for regasification of LNG at Karachi will be operational in January-2015, it may support to minimize load shedding of natural gas in winter to the industry.

The management has focused approach to further penetrate and explore new markets of Sub Continent, South Africa, and Middle East for its float glass and value added tableware range of products to earn more foreign exchange so as to ensure its contribution towards the exuberant economy of Pakistan.

One of the Tableware producing furnaces having outlived its useful campaign life and closed for major rebuild. All the imported components required for rebuild has reached the site. InshaAllah, it will be put on for commercial production by the end of December this year.

It is anticipated that economic activities will flourish and the Company shall continue its path in further improving its performance.

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, 2015 at a fee to be mutually agreed.

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Acknowledgement:

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

For and on behalf of the Board

October 1, 2014
Lahore

TARIQ BAIG
MANAGING DIRECTOR

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2014

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Listing Regulations of the Karachi, Lahore and Islamabad 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. The election of directors was adjudicated in the Extra Ordinary General Meeting held on September 2, 2014, henceforward the Board includes the independent director with the majority of non-executive directors. However, earlier to that the Code's applicability to this extent was subject to the forthcoming election of the Directors. The present composition of the Board is as under:

Category	Name
Independent Director:	Mr. Naeem Nazir
Executive Director:	Mr. Tariq Baig
Non-Executive Directors:	Mr. Omer Baig Mrs. Naima Shahnaz Baig Mr. Mansoor Irfani Mr. Akbar Baig Mr. David Julian

   The independent director meets the criteria of independence under clause i (b) of the CCG.

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 ended June 30, 2014.
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 Managing Director/CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. All 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 Directors have been provided with copies of the Listing Regulations of the Stock Exchanges along with the CCG, the Company's Memorandum and Articles of Association and are well conversant with their duties and responsibilities. During the year two directors have completed Directors' Training Course from University of Lahore under the supervision of Mr. Muhammad Maqbool, FCA. Four Directors of the Company fulfilled the criteria for exemption from directors' training program under the provisions of CCG.
10. No new appointments have been made during the year for the Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit. The Board ratified the appointment 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 the Managing Director / CEO and CFO before approval of the Board.
13. The Directors, Managing Director / 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 chairman is the independent director and other two are non-executive directors. However, earlier to September 3, 2014 (Audit Committee reconstituted in the BOD meeting held on September 3, 2014) the chairman of audit committee was not an independent director as Code's applicability to this extent was subject to the forthcoming election of the Directors.
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 Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and one is an executive director. The chairman of the committee is a non-executive director.
18. The board has outsourced the internal audit function to M/S Eshai and Company Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the Company's policies and procedures.
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 Accountants 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 exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

October 1, 2014 **TARIQ BAIG**
Lahore **MANAGING DIRECTOR**

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Tariq Glass Industries Limited** ("the Company") for the year ended 30 June 2014 to comply with the requirements of Listing Regulation No 35 of Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 a 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 of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of the requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price 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 as applicable to the Company for the year ended 30 June 2014.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran Iqbal Yousafi)

October 1, 2014
Lahore

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Tariq Glass Industries Limited ("the Company")** as at 30 June 2014 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 2014 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran Iqbal Yousafi)

October 1, 2014
Lahore

BALANCE SHEET

	Note	2014 Rupees	2013 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
100,000,000 (2013: 100,000,000) ordinary shares of Rs 10 each		**1,000,000,000**	1,000,000,000
Issued, subscribed and paid-up capital	5	**734,580,000**	693,000,000
Share premium	6	**410,116,932**	263,697,120
Equity portion of shareholders loan	7	**260,869,343**	244,169,568
Unappropriated profit		**984,679,146**	968,191,016
		2,390,245,421	2,169,057,704
Surplus on revaluation of land	8	**355,002,638**	355,002,638
		2,745,248,059	2,524,060,342
Non-current liabilities			
Long term finances:			
- Secured	9	**921,846,042**	1,191,949,344
- Unsecured	10	**545,591,621**	375,157,251
		1,467,437,663	1,567,106,595
Liabilities against assets subject to finance lease	11	**40,612,439**	43,695,545
Long term deposits	12	**258,969,877**	252,568,437
Long term advance - *unsecured*	13	**-**	197,600,000
Deferred taxation	14	**8,082,908**	-
		1,775,102,887	2,060,970,577
Current liabilities			
Trade and other payables	15	**803,490,749**	760,551,613
Accrued mark-up	16	**81,274,471**	47,126,695
Short term borrowings - *secured*	17	**1,843,437,453**	669,399,178
Current portion of long term liabilities	18	**337,188,282**	295,281,455
Provision for taxation		**3,838,970**	3,838,970
		3,069,229,925	1,776,197,911
Contingencies and commitments	19		
		7,589,580,871	6,361,228,830

The annexed notes from 1 to 46 form an integral part of these financial statements.

October 1, 2014
Lahore

TARIQ BAIG
MANAGING DIRECTOR

AS AT 30 JUNE 2014

	Note	2014 Rupees	2013 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	*20*	**4,462,032,583**	4,451,424,803
Long term deposits	*21*	**49,360,695**	42,767,022
Deferred taxation	*14*	**-**	43,028,633
Current assets			
Stores and spares	*22*	**741,254,823**	708,817,116
Stock in trade	*23*	**1,228,917,839**	605,900,900
Trade debts - *considered good*	*24*	**700,211,723**	219,380,178
Advances, deposits, prepayments and other receivables	*25*	**277,663,688**	222,799,755
Cash and bank balances	*26*	**130,139,520**	67,110,423
		3,078,187,593	1,824,008,372
		7,589,580,871	6,361,228,830

MANSOOR IRFANI
DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 Rupees	2013 Rupees
Sales - *net*	27	**7,756,440,687**	3,888,972,818
Cost of sales	28	**(6,629,658,556)**	(3,301,655,157)
Gross profit		**1,126,782,131**	587,317,661
Administrative expenses	29	**(95,506,267)**	(76,845,899)
Selling and distribution expenses	30	**(655,548,414)**	(260,154,677)
		(751,054,681)	(337,000,576)
		375,727,450	250,317,085
Other income	31	**21,332,857**	7,890,321
Finance cost	32	**(326,868,705)**	(93,714,327)
Other expenses	33	**(2,591,931)**	(11,938,931)
Profit before taxation		**67,599,671**	152,554,148
Taxation	34	**(51,111,541)**	214,803,034
Profit after taxation		**16,488,130**	367,357,182
Earnings per share - *basic*	35	**0.23**	5.30
- diluted	35	**0.22**	5.05

The annexed notes from 1 to 46 form an integral part of these financial statements.

October 1, 2014
Lahore

TARIQ BAIG
MANAGING DIRECTOR

MANSOOR IRFANI
DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	2014 Rupees	2013 Rupees
Profit after taxation	**16,488,130**	367,357,182
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**16,488,130**	367,357,182

The annexed notes from 1 to 46 form an integral part of these financial statements.

October 1, 2014
Lahore

TARIQ BAIG
MANAGING DIRECTOR

MANSOOR IRFANI
DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 Rupees	2013 Rupees
Cash flows from operating activities			
Profit before taxation		**67,599,671**	152,554,148
Adjustments for:			
Depreciation		**459,956,173**	208,627,592
Profit on disposal of property, plant and equipment		**(8,957,703)**	(886,388)
Others		**(9,600,188)**	-
Ijarah rentals		**42,540,940**	31,726,843
Finance costs		**326,868,705**	93,714,327
Amortisation of transaction cost		**6,657,718**	12,083,094
Exchange fluctuation loss - *net*		**148,994**	3,360,800
Exchange gain realised		**(26,430)**	-
Provision for Workers' Profit Participation Fund		**2,442,937**	8,029,166
		820,031,146	356,655,434
Operating profit before working capital changes		**887,630,817**	509,209,582
Changes in :			
Stores and spares		**(32,437,707)**	(545,642,524)
Advances, deposits, prepayments and other receivables		**61,854,277**	(46,295,764)
Stock in trade		**(623,016,939)**	(327,150,943)
Trade debts - *considered good*		**(480,954,109)**	(183,730,644)
Trade and other payables		**48,413,236**	291,850,029
		(1,026,141,242)	(810,969,846)
Cash used in operating activities		**(138,510,425)**	(301,760,264)
Payments to Workers' Profit Participation Fund		**(7,917,037)**	(21,512,011)
Ijarah rentals paid		**(42,540,940)**	(32,050,819)
Income tax paid		**(116,718,210)**	(67,905,598)
		(167,176,187)	(121,468,428)
Net cash used in operating activities		**(305,686,612)**	(423,228,692)
Cash flows from investing activities			
Fixed capital expenditure		**(473,821,250)**	(1,684,448,827)
Proceeds from sale of property, plant and equipment		**12,215,000**	1,355,000
Long term deposits		**(6,593,673)**	(10,724,930)
Net cash used in investing activities		**(468,199,923)**	(1,693,818,757)
Cash flows from financing activities			
Proceeds of long term finances		**356,000,000**	1,345,147,714
Repayments of long term finances		**(407,501,875)**	(254,152,468)
Liabilities against assets subject to finance lease		**698,721**	50,000,000
Proceeds from short term borrowings - *net*		**1,174,038,275**	626,124,338
Proceeds from long term deposits		**6,401,440**	167,534,301
Finance cost paid		**(292,720,929)**	(82,045,788)
Dividend paid		**-**	(24,701)
Net cash generated from financing activities		**836,915,632**	1,852,583,396
Net increase / (decrease) in cash and cash equivalents		**63,029,097**	(264,464,053)
Cash and cash equivalents at the beginning of the year		**67,110,423**	331,574,476
Cash and cash equivalents at the end of the year	26	**130,139,520**	67,110,423

The annexed notes from 1 to 46 form an integral part of these financial statements.

October 1, 2014
Lahore

TARIQ BAIG
MANAGING DIRECTOR

MANSOOR IRFANI
DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Share capital	Share premium	Equity portion of shareholders loan	Unappropriated profit	Total
	-Rupees-	-Rupees-	-Rupees-	-Rupees-	-Rupees-
Balance as at 01 July 2012	**693,000,000**	**263,697,120**	**120,150,117**	**600,833,834**	**1,677,681,071**
Total comprehensive income for the year	-	-	-	367,357,182	367,357,182
Transactions with the owners of the Company:					
Equity portion of shareholders loan for the year	-	-	152,429,423	-	152,429,423
Notional interest on shareholders' loan	-	-	(28,409,972)	-	(28,409,972)
Balance as at 30 June 2013	**693,000,000**	**263,697,120**	**244,169,568**	**968,191,016**	**2,169,057,704**
Total comprehensive income for the year	-	-	-	16,488,130	16,488,130
Transactions with the owners of the Company:					
Issue of shares for consideration other than cash	41,580,000	146,419,812	-	-	187,999,812
Equity portion of shareholders loan for the year	-	-	68,707,796	-	68,707,796
Notional interest on shareholders' loan	-	-	(52,008,021)	-	(52,008,021)
Balance as at 30 June 2014	**734,580,000**	**410,116,932**	**260,869,343**	**984,679,146**	**2,390,245,421**

The annexed notes from 1 to 46 form an integral part of these financial statements.

October 1, 2014
Lahore

TARIQ BAIG
MANAGING DIRECTOR

MANSOOR IRFANI
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1 Reporting entity

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, tableware and float glass. The registered office of the Company is situated at 128-J, Model Town, Lahore.

2 Basis of accounting

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 Basis of measurement

These financial statements have been prepared under the historical cost convention except for land, which is measured at revalued amount and certain financial instruments measured at fair value and / or amortised cost. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are continually evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and any future periods affected.

Judgments made by the management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

Useful lives and residual values of property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future may affect the carrying amount of respective items of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

Stores, spares and stock in trade

The Company reviews the stores, spares and stock in trade for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores, spares and stock in trade with a corresponding affect on the provision.

Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values. However, the Company use revaluation model only for its non-depreciable items of property, plant and equipment.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three to five years.

Fair values of financial instruments with no active market

Fair values of financial assets and financial liabilities with no active market are determined by discounting estimated future cash flows at market rate with similar risk characteristics.

Provision for taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Provision against trade debts, advances and other receivables

The Company reviews the recoverability of its trade debts, advances and other receivables at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Provisions

Estimates of the amount of provisions recognized are based on current legal and constructive requirements. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

Other areas where estimates and judgments involved are disclosed in respective notes to the financial statements.

3 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. The Company has consistently applied accounting policies to all periods presented in these financial statements.

3.1 Property, plant and equipment

Owned

Items of property, plant and equipment other than freehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at revalued amount less accumulated impairment losses and capital work in progress is measured at cost 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 or construction including expenditures on material, labour and overheads directly relating to construction, errection and installation of items of property, plant and equipment.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably.

Depreciation charge is based on the reducing balance method, except for furnace 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 20 after taking into account their residual values. Depreciation on additions is charged from the month in which these are capitalized, while no depreciation is charged in the month in which an asset is disposed off.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date. Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense.

3.2 Leases

Assets held under finance lease arrangements are initially recorded at the lower of present value of minimum lease payments under the lease agreements and the fair value of leased assets.

Depreciation on leased assets is charged applying reducing balance method at the rates used for similar owned assets, so as to depreciate the assets over their estimated useful life in view of certainty of ownership of assets at the end of lease term.

Finance leases

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset are classified as finance lease. Assets subject to finance lease are stated at amounts equal to the fair value or, if lower, the present value of the minimum lease payments. The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Assets acquired under finance leases are depreciated in accordance with the Company's depreciation policy on property, plant and equipment. The finance cost is charged to profit and loss account.

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-current depending upon the timing of the payment.

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.

3.3 Surplus on revaluation of property, plant and equipment

Surplus arising on revaluation of items of property, plant and equipment is recognized on balance sheet after reversing deficit relating to the same item previously recognized in profit or loss, if any. Deficit arising on revaluation is recognized in profit or loss after reversing the surplus relating to the same item previously recognized on balance sheet, if any. An amount equal to incremental depreciation, being the difference between the depreciation based on revalued amounts and that based on the original cost, net of deferred tax, if any, is transferred from surplus on revaluation of property, plant and equipment to accumulated profit every year.

Further the surplus on revaluation of property, plant and equipment shall be utilized in accordance with the provisions of section 235 of the Companies Ordinance, 1984.

3.4 Capital work-in-progress

Capital work in progress is stated at cost less any identified accumulated impairment loss. Cost comprise of expenditure incurred on construction, errection and installation of items of property, plant and equipment 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 3.11. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

3.5 Employee benefits

Post employment benefits - Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates an approved defined contributory provident fund for all its eligible employees. Equal contributions are made monthly both by the Company and the employees in accordance with the rules of the scheme at the rate of 10% of basic salary.

3.6 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.

3.7 Stock in trade

Stock in trade is valued at the lower of weighted average cost and estimated net realizable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and selling expenses.

Stock-in-transit is valued at cost comprising invoice value plus other charges incurred thereon.

3.8 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts and sales tax. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing involvement of management with the goods and the amount of revenue can be measured reliably.

Sale of goods

Sale of product is recorded when the risks and rewards are transferred which is in case of local sales at the time of dispatch and on preparation of bill of lading / goods declaration in case of exports.

Interest income

Interest income is accounted for on a time-proportion basis using the effective interest rate method.

3.9 Cash and cash equivalents

For the purpose of cash flow statement cash and cash equivalents comprise cash in hand and bank balances.

3.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.11 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.12 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

3.13 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.

3.14 Financial instruments

3.14.1 Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

There are no financial assets classified as held-for-trading as at 30 June 2014.

Held-to-maturity financial assets

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

There are no financial assets classified as held-to-maturity as at 30 June 2014.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise of long term deposits, trade debts, short term advances, deposits, other receivables and cash and bank balances.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

There are no financial assets classified as available-for-sale as at 30 June 2014.

3.14.2 Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies financial liabilities recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities comprise long term finances and deposits, liabilities against assets subject to finance lease, trade and other payables, accrued mark-up, short term borrowings and provision for taxation.

3.14.3 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.15 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 offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Foreign currencies

Transactions denominated in foreign currencies are translated into Pak Rupees, at the foreign exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates at the balance sheet date. Exchange differences are taken to the profit and loss account.

3.17 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. To calculate diluted EPS, profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

3.18 Impairment

Financial assets

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.

3.19 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is declared. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

4. Standards, interpretations and amendments to published approved accounting standards

4.1 New standards, amendments to approved accounting standards and interpretations which became effective during the year ended 30 June 2014:

During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the financial statements of the Company.

4.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2014:

- IFRIC 21- Levies ‘an Interpretation on the accounting for levies imposed by governments’ (effective for annual periods beginning on or after 1 January 2014). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Company’s financial statements.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 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. The amendments are not likely to have an impact on Company’s financial statements.

- Amendment to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These amendments are not likely to have a material impact on the financial statements of the Company.

- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria. This amendment is not likely to have any impact on financial statements of the Company.

- Amendments to IAS 19 “Employee Benefits” Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria. This amendment is not likely to have any impact on the financial statements of the Company.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are ‘highly correlated’, or when the intangible asset is expressed as a measure of revenue. The amendments have no impact on Company’s financial statements.

- IFRS 10 ‘Consolidated Financial Statements’ – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 ‘Consolidated and Separate Financial Statements. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called ‘Separate Financial Statements’ and will deal with only separate financial statements. The standard has no impact on financial statements of the Company.

- IFRS 11 ‘Joint Arrangements’ (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 ‘Interests in Joint Ventures’. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named ‘Investment in Associates and Joint Ventures’. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The standard has no impact on financial statements of the Company.

- IFRS 12 ‘Disclosure of Interest in Other Entities’ (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The standard has no impact on the financial statements of the Company.

- IFRS 13 ‘Fair Value Measurement’ effective for annual periods beginning on or after 1 January 2015 defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The standard is not likely to have any impact on the financial statements of the Company.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefor, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. This amendment is not likely to have any impact on the financial statements of the Company.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.

- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves. These amendments have no impact on the financial statements of the Company.

- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.

- Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.

- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.

- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination. This amendment is not likely to have any effect on the financial statements of the Company.

5 Issued, subscribed and paid-up capital

2014	2013		Note	2014	2013
(Number of shares)				---------------Rupees---------------	
67,750,000	67,750,000	Ordinary shares of Rs.10/- each fully paid in cash		**677,500,000**	677,500,000
1,550,000	1,550,000	Ordinary shares of Rs.10/- each issued as fully paid bonus shares		**15,500,000**	15,500,000
4,158,000	-	Ordinary shares of Rs.10/- each issued for consideration other than cash	*5.2*	**41,580,000**	-
73,458,000	69,300,000			**734,580,000**	693,000,000

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

	2014	2013
	(Number of shares)	
Omer Glass Industries Limited	**7,733,760**	7,733,760

5.2 During the year, the Company has issued 4,158,000 ordinary shares, for consideration other than cash, against import of plant and machinery as disclosed in note 13. Under the terms of the contract, the Company has issued the shares for Rs. 45.214 per share including share premium of Rs. 35.214 per share. The issue was made under the authority of special resolution passed by members of the Company in extra ordinary general meeting held on 24 October 2012 and subsequent approval of the Securities and Exchange Commission of Pakistan dated 29 January 2014.

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 Equity portion of shareholders loan

	2014	2013
	---------------Rupees---------------	
Industrial Products Investment Limited (IPI)	**8,177,292**	10,092,358
Loan from Sponsor Directors	**252,692,051**	234,077,210
	260,869,343	244,169,568

Loan from Sponsor Directors and IPI (major shareholder) have been recognised at amortised cost using discount rate of 12% per annum (2013: 12% per annum). The resulting change has been charged to equity portion of shareholders loan.

8 Surplus on revaluation of land

This represents surplus arising on revaluation of freehold land carried out in the year ended 30 June 2011. The revaluation was conducted by an independent valuer, not connected with the Company.

The revaluation of the freehold land was based on inquiries from real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land considering all other relevant factors.

	Sanction Limit Rupees	Note	2014 Rupees	2013 Rupees
9 Long term finances - *secured*				
From banking companies and other financial institutions:				
United Bank Limited - Demand finance NIDF - IV	**50,000,000**	*9.1*	**-**	10,000,016
The Bank of Punjab - Demand finance	**300,000,000**	*9.2*	**262,500,000**	150,000,000
less: transaction cost		*9.5*	**(2,137,404)**	(2,755,367)
			260,362,596	147,244,633
Habib Bank Limited				
Demand finance - II	**30,000,000**	*9.3*	**-**	5,000,004
Syndicate facility	**1,428,570,000**	*9.4*	**1,008,400,002**	1,344,536,002
less: transaction cost		*9.5*	**(19,814,556)**	(25,854,311)
			988,585,446	1,318,681,691
			1,248,948,042	1,480,926,344
Less: Current maturity		*18*	**(327,102,000)**	(288,977,000)
			921,846,042	1,191,949,344

9.1 NIDF-IV represents demand finance facilities availed from United Bank Limited (UBL) which has been fully repaid during the year. The facility was repayable in 60 equal monthly instalments with last instalment ended on 30 June 2014. It carried markup at the rate of 3MK + 150 bps per annum (2013: 3MK + 150 bps per annum).

9.2 This represents demand finance facility availed from Bank of Punjab for purchase of plant and machinery and to partially refinance the recently purchased plant and machinery for the Company. The sanctioned limit of the facility is Rs. 300 million and is secured by first pari passu hypothecation charge over present and future fixed assets of the Company with a 25% margin, first pari passu mortagage over immovable properties of the Company and personal guarantees of sponsor directors of the Company. The facility is repayable over a period of 5 years including grace period of 1 year in 48 equal monthly instalments. The facility carries mark up rate of 3MK + 250 bps per annum (2013: 3MK + 250 bps per annum). The Company is restricted from distribution of its profits / retained earnings (in part or in whole) through dividends, issuance of further shares as bonus or otherwise (with or without discount), specie dividends or any other form of distribution to its shareholders and directors; unless it is regular in payment to bank to date and first right of refusal for such distribution mandate lies with the bank.

9.3 This represents demand finance facility availed form Habib Bank Limited (HBL) for the purpose of financing third production line of tableware glass against a cumulative sanctioned limit of Rs. 30 million. This facility has been fully repaid during the year. The facility carried markup at the rate of 3MK + 200 bps per annum (2013: 3MK + 200 bps per annum).

9.4 This represents syndicate financing facility availed from Habib Bank Limited led syndicate of banks and financial institutions comprising 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 float glass plant of the Company. The sanctioned limit of the facility was Rs. 1,500 million including Rs. 900 million through conventional lending and Rs. 600 million through musharikah agreement. On 04 April 2013, after obtaining approval of State Bank of Pakistan (SBP), the outstanding facility has been converted into long term financing facility for plant and machinery scheme (LTFF), as set out by SBP through MFD circular no. 7 dated 31 December 2007. As per the LTFF agreement, the remaining amount as at 30 June 2014 is repayable in 12 equal quarterly instalments ending on 01 July 2017. The facility is secured by first pari passu mortgage over the project properties with 25% margin, first pari passu hypothecation charge over all present and future fixed assets (excluding land and building) of the Company with a 25% margin, first pari passu hypothecation charge over receivables of the Company, establishment of lien over collection accounts of float glass unit, assignment of all the benefits and rights of the Company under the project documents and personal guarantee of sponsor directors of the Company.

As per LTFF agreement the applicable markup was revised to fixed rate of 10.9 % per annum in previous year (2013: 10.9% per annum).

Under the terms of the agreement, the Company is under restriction from lender that until the entire amount of purchase price and all other amounts due and payable by the Company have been paid in full to the satisfaction of lender, the Company shall not except with the prior written consent of the LTFF syndicate, declare any dividend if the Company is in non-compliance with the financial covenants or if the declaration and payment of such dividend will result in breach of any of the financial covenants contained in the agreement.

	Note	2014 Rupees	2013 Rupees
9.5 Transaction costs			
Balance as at 01 July		**28,609,678**	37,592,772
Incurred during the year	*9.5.1*	**-**	3,100,000
Amortized during the year	*9.5.2*	**(6,657,718)**	(12,083,094)
Balance as at 30 June		**21,951,960**	28,609,678

9.5.1 This represents transaction costs incurred on obtaining finance facility from The Bank of Punjab.

9.5.2 No transaction cost has been capitalized during the year (2013: Rs. 11.44 million).

10 Long term finances - *unsecured*

	Note	2014 Rupees	2013 Rupees
Industrial Products Investment Limited (IPI)	*10.1*	**25,212,158**	23,297,092
Loan from sponsor directors	*10.2*	**520,379,463**	351,860,159
		545,591,621	375,157,251

10.1 Industrial Products Investment Limited (IPI)

	Note	2014 Rupees	2013 Rupees
Loan obtained		**33,389,450**	33,389,450
Present value adjustment	*10.1.1*	**(8,177,292)**	(10,092,358)
Present value of loan from IPI		**25,212,158**	23,297,092

10.1.1 This represents loan obtained from Industrial Products Investment Limited (IPI) 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 instalments commencing from 01 July 2011, however, this loan had 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 per annum (2013: LIBOR + 150 bps per annum). The loan is received at a below market rate of interest and is therefore recognized at amortized cost using interest rate of 12%. The resulting difference is transferred to equity as referred to in note 7.

	Note	2014 Rupees	2013 Rupees
10.2 Loan from sponsor directors			
Interest free loan		**773,071,514**	585,937,369
Present value adjustment		**(252,692,051)**	(234,077,210)
Present value of interest free loan from sponsor directors	*10.2.1*	**520,379,463**	351,860,159

10.2.1 These represent unsecured subordinated interest free loans obtained from the sponsor directors of the Company and are repayable after 30 June 2017 through internal cash generated from operations. These have been recognized at amortized cost using discount rate of 12% per annum. The resulting difference has been transferred to equity and will be amortized over the remaining term of the loan as referred to in note 7.

11 Liabilities against assets subject to finance lease

The liability against assets subject to finance lease represents the lease entered into with a financial institution.

	Note	**2014 Rupees**	2013 Rupees
Present value of minimum lease payments		**50,698,721**	50,000,000
Less: current portion	*18*	**(10,086,282)**	(6,304,455)
		40,612,439	43,695,545

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

	2014		
	Minimum lease payments	**Future finance charge**	**Present value of minimum lease payments**
	----------------------Rupees----------------------		
Not later than one year	**15,568,074**	**5,481,792**	**10,086,282**
Later than one year and not later than five years	**48,385,288**	**7,772,849**	**40,612,439**
	63,953,362	**13,254,641**	**50,698,721**

	2013		
	Minimum lease payments	Future finance charge	Present value of minimum lease payments
	----------------------Rupees----------------------		
Not later than one year	11,694,890	5,390,435	6,304,455
Later than one year and not later than five years	54,009,760	10,314,215	43,695,545
	65,704,650	15,704,650	50,000,000

Salient features of the leases are as follows:	**2014**	2013
Discount factor	**11.44% - 12.39%**	11.73%
Period of lease	**5 years**	5 years
Security deposits	**5%**	5%

11.1 The Company has entered into a lease agreement with a financial institution for lease of machinery and an air compressor. The liabilities under these arrangements are payable in quarterly instalments. Interest rates implicit in the lease is used as discounting factor to determine the present value of minimum lease payments.

11.2 Lease agreement carries purchase option at the end of lease period and the Company intends to exercise its option to purchase the leased asset upon completion of the lease term. Residual value of the leased asset has already been paid at the inception of the lease in the form of security deposit. There are no financial restrictions imposed by lessor. Taxes, repairs, replacements and insurance costs are borne by the lessee.

12 Long term deposits

These represent security deposits received against dealership contracts and by virtue of contract can be utilized in the Company's business. Security deposits from float glass dealers are interest free subsequent to the commencement of commercial production of float glass. However, prior to commencement of commercial production of float glass these carried interest at the rate of 1 % per month. These are adjustable against the amount due at the time of termination of dealership contracts.

13 Long term advance - unsecured

This represented the balance amount payable of USD 2 million out of the total contract amount of USD 15 million to Qinuangdao Yaohua Glass Machine Manufacture Company Ltd. ("the Supplier") for supply of equipment and material for the float glass plant of the Company. By virtue of the agreement the Company had an option to issue 4,158,000 fully paid ordinary shares of the Company after 31 December 2013 subject to regulatory approvals or alternatively pay USD 2 million in cash subsequent to 30 June 2014. The issue of share capital to the supplier had been approved by the shareholders in their extra ordinary general meeting held on 24 October 2012, and the Company after obtaining regulatory approval in this regard has issued shares to the supplier on 28 February 2014.

14 Deferred taxation

	2014		
	Opening balance	**Charge to / (reversal from) Profit or loss**	**Closing balance**
	--------------------Rupees--------------------		
Taxable temporary difference			
Accelerated tax depreciation allowances	**644,732,654**	**(377,488,726)**	**267,243,928**
Deductible temporary difference			
Unused tax losses	**(473,416,530)**	**395,854,527**	**(77,562,003)**
Unused tax credits	**(214,344,757)**	**32,745,740**	**(181,599,017)**
	(43,028,633)	**51,111,541**	**8,082,908**

	2013		
	Opening balance	Charge to / (reversal from) Profit or loss	Closing balance
	----------------------Rupees----------------------		
Taxable temporary difference			
Accelerated tax depreciation allowances	143,775,508	500,957,146	644,732,654
Deductible temporary difference			
Unused tax losses	-	(473,416,530)	(473,416,530)
Unused tax credits	-	(214,344,757)	(214,344,757)
	143,775,508	(186,804,141)	(43,028,633)

	Note	2014 Rupees	2013 Rupees
15 Trade and other payables			
Trade creditors		**441,604,709**	407,767,330
Advances from customers		**137,716,475**	128,346,381
Accrued expenses		**146,805,726**	160,361,848
Sales tax payable		**39,707,294**	21,144,740
Unclaimed dividend		**13,140,307**	13,140,307
Workers' Profit Participation Fund payable	*15.1*	**3,598,783**	9,072,883
Workers' Welfare Fund		**12,319,316**	12,319,316
Payable to Provident Fund		**2,337,826**	1,892,495
Withholding tax payable		**4,798,313**	5,561,313
Others		**1,462,000**	945,000
		803,490,749	760,551,613

15.1 Workers' Profit Participation Fund payable

Balance as at 01 July		**9,072,883**	22,555,728
add: allocation for the year		**2,442,937**	8,029,166
interest for the year		**1,155,846**	484,322
less: amount paid to the fund		**9,072,883**	21,996,333
Balance as at 30 June		**3,598,783**	9,072,883

16 Accrued mark-up

Long term finances - *secured*		**8,713,801**	4,493,708
Long term finances - *unsecured*		**30,605,998**	30,341,140
Short term borrowings - *secured*		**41,334,153**	12,291,847
Finance lease		**620,519**	-
		81,274,471	47,126,695

17 Short term borrowings - *secured*

	Limit Rupees			
From banking companies:				
Short term running finance	**2,060 million**	*17.1*	**1,484,048,229**	353,646,708
Finance against imported merchandise	**120 million**	*17.2*	**30,898,909**	19,920,363
Short term islamic finance	**600 million**	*17.3*	**328,490,315**	295,832,107
			1,843,437,453	669,399,178

17.1 Short term running finance - *secured*

This represents running finance/cash finance facilities availed from various commercial banks to meet working capital requirements with a cumulative sanctioned limit of Rs. 2,060 million (2013: Rs. 1,160 million). The markup on the facilities range from 125 bps to 250 bps above 3MK and 14% fixed rate per annum (2013: 175 bps to 250 bps above 3MK and 14% fixed rate per annum) payable quarterly.

The facility is secured by way of charges on fixed assets of the Company up to Rs. 1,862 million (2013: Rs. 1,262 million) and Rs. 2,529 million (2013: Rs. 1,112 million) over current assets of the Company. The facility is also secured by personal guarantees of sponsor directors of the Company. These facilities have various maturity dates upto 30 April 2015.

17.2 Finance against imported merchandise - secured

This represents facility of finance against imported merchandise availed from various commercial banks having cumulative sanctioned limit of Rs. 120 million (2013: Rs. 75 million). The rate of markup charged is 3MK +150 to 200 bps (2013: 3MK + 150 to 200 bps) per annum. The facility is secured against lien over import documents, pledge of imported goods and personal guarantees of sponsor directors of the Company. The facilities have various maturity dates upto 31 December 2014.

17.3 Short term islamic finance - secured

This represents murabaha finance facility obtained during the year from commercial banks to support the purchase of raw materials, the cumulative sanctioned limit amounts to Rs. 600 million (2013: 300 million). The rate of markup is 200 bps above 3MK per annum (2013: 200 bps above 3MK per annum). The facility is secured by way of hypothecation charges on current assets amounting to Rs. 1,024 million (2013: Rs. 367 million) and personal guarantees of sponsor directors of the Company. The facilities have various maturity dates upto 25 February 2015.

18 Current portion of long term liabilities

	2014 Rupees	2013 Rupees
Long term finances - *secured*	**327,102,000**	288,977,000
Liabilities against assets subject to finance lease	**10,086,282**	6,304,455
	337,188,282	295,281,455

19 Contingencies and commitments

19.1 Contingencies

19.1.1 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. 314.70 million (2013: 205.20 million)
- Sui Northern Gas Pipelines Limited against supply of gas for captive power amounting to Rs. 18.52 million (2013: Rs. 16 million).

19.1.2 An insurance company has issued an insurance guarantee amounting to Rs. 25 million (2013: Rs. 25 million) on behalf of the Company in favour of ICI Pakistan Limited against the cost of supply of soda-ash purchased from them.

19.1.3 The Deputy Commissioner Inland Revenue (Appeals) DCIR(A) made an amendment in the 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 challenged the impugned demand before the Commissioner Inland Revenue (Appeals) who after making various amendments in the order passed by CIR (A) directed the DCIR(A) to revise the demand order accordingly. However, the treatment meted out by the CIR(A) is assailed by the Company through appeals before the ATIR.

19.1.4 The Company is contesting the order passed by the Commissioner Inland Revenue (CIR) under section 122 (5A) of the Income Tax Ordinance, 2001 for the tax year 2008 and under section 161/205 of the Income Tax Ordinance, 2001 for the tax year 2006 before the Appellate Tribunal Inland Revenue. The cumulative amount involved in these two cases is Rs. 1.485 million.

Based on the opinion of the Company's legal counsel the management is confident of favourable outcome in all aforesaid matters, hence no provision is being recognised in respect of these in the financial statements.

19.1.5 The Sindh High Court vide its order dated 01 March 2013 declared the amendments made in the WWF Ordinance, 1971 vide Finance Act, 2008 by which WWF is applicable on accounting profits rather than on the taxable income computed after incorporating the brought forward losses. In the light of the above order, the provision to date based on accounting profit comes to Rs. 25.134 million (2013: Rs. 20.208 million). However, these financial statements do not include any adjustment to this effect since the Company is of the opinion that it does not come under the purview of the order of the Sindh High Court and that the decision of the Lahore High Court declaring the above amendments unconstitutional via the case reported as 2011 PLD 2643 will prevail.

19.2 Commitments

- Letter of credit for capital expenditure amounting to Rs. 30.930 million (2013: Rs. 14.364 million)

- Letter of credit for other than capital expenditure amounting to Rs. 13.136 million (2013: Rs. 18.884 million)

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

	Note	2014 Rupees	2013 Rupees
Not later than one year		**42,957,382**	9,273,012
Later than one year but not later than five years		**71,728,223**	5,645,484

20 Property, plant and equipment

	Note	2014 Rupees	2013 Rupees
Operating fixed assets	*20.1*	**4,458,346,537**	4,437,531,663
Capital work in progress	*20.2*	**3,686,046**	13,893,140
		4,462,032,583	4,451,424,803

20.1 Operating fixed assets

	Owned assets											Leased assets	
	Freehold land	Factory building - freehold	Office building - freehold	Plant and machinery	Furniture and fixtures	Tools and equipment	Electric installation	Vehicles	Moulds	Fire fighting equipment	Total	Plant and machinery	Total
	Rupees												
Cost													
Balance at 1 July 2012	409,996,500	252,860,038	49,281,810	1,475,572,203	5,820,780	761,525	22,918,418	62,696,257	114,642,549	39,606	2,394,589,686	-	2,394,589,686
Additions	3,878,000	989,634,936	-	2,342,455,951	763,657	-	3,424,348	1,620,493	12,077,772	-	3,353,855,157	50,000,000	3,403,855,157
Transfers	* (11,250,000)	-	-	-	-	-	-	-	-	-	(11,250,000)	-	(11,250,000)
Disposals	-	-	-	-	-	-	-	(1,652,160)	-	-	(1,652,160)	-	(1,652,160)
Balance at 30 June 2013	402,624,500	1,242,494,974	49,281,810	3,818,028,154	6,584,437	761,525	26,342,766	62,664,590	126,720,321	39,606	5,735,542,683	50,000,000	5,785,542,683
Balance at 1 July 2013	**402,624,500**	**1,242,494,974**	**49,281,810**	**3,818,028,154**	**6,584,437**	**761,525**	**26,342,766**	**62,664,590**	**126,720,321**	**39,606**	**5,735,542,683**	**50,000,000**	**5,785,542,683**
Additions	**-**	**157,458,003**	**-**	**303,083,080**	**379,396**	**-**	**5,673,548**	**4,304,200**	**5,231,820**	**596,020**	**476,726,067**	**7,302,277**	**484,028,344**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(11,864,901)**	**-**	**-**	**(11,864,901)**	**-**	**(11,864,901)**
Balance at 30 June 2014	**402,624,500**	**1,399,952,977**	**49,281,810**	**4,121,111,234**	**6,963,833**	**761,525**	**32,016,314**	**55,103,889**	**131,952,141**	**635,626**	**6,200,403,849**	**57,302,277**	**6,257,706,126**
Rate of depreciation - %age	-	10%	5%	10% - 20%	10%	10%	10%	20%	30%	10%		10%	
Accumulated depreciation													
Balance at 1 July 2012	-	88,866,743	38,561,813	876,494,928	3,301,219	700,828	12,558,513	31,278,060	88,770,901	33,971	1,140,566,976	-	1,140,566,976
Depreciation	-	41,085,887	536,000	147,868,485	267,244	6,070	1,155,606	6,439,555	9,601,514	564	206,960,925	1,666,667	208,627,592
Disposals	-	-	-	-	-	-	-	(1,183,548)	-	-	(1,183,548)	-	(1,183,548)
Balance at 30 June 2013	-	129,952,630	39,097,813	1,024,363,413	3,568,463	706,898	13,714,119	36,534,067	98,372,415	34,535	1,346,344,353	1,666,667	1,348,011,020
Balance at 1 July 2013	**-**	**129,952,630**	**39,097,813**	**1,024,363,413**	**3,568,463**	**706,898**	**13,714,119**	**36,534,067**	**98,372,415**	**34,535**	**1,346,344,353**	**1,666,667**	**1,348,011,020**
Depreciation	**-**	**112,566,384**	**509,200**	**325,378,817**	**327,635**	**5,463**	**1,604,360**	**5,439,920**	**9,201,424**	**28,785**	**455,061,988**	**4,894,185**	**459,956,173**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(8,607,604)**	**-**	**-**	**(8,607,604)**	**-**	**(8,607,604)**
Balance at 30 June 2014	**-**	**242,519,014**	**39,607,013**	**1,349,742,230**	**3,896,098**	**712,361**	**15,318,479**	**33,366,383**	**107,573,839**	**63,320**	**1,792,798,737**	**6,560,852**	**1,799,359,589**
Carrying amounts													
At 30 June 2013	402,624,500	1,112,542,344	10,183,997	2,793,664,741	3,015,974	54,627	12,628,647	26,130,523	28,347,906	5,071	4,389,198,330	48,333,333	4,437,531,663
At 30 June 2014	**402,624,500**	**1,157,433,963**	**9,674,797**	**2,771,369,004**	**3,067,735**	**49,164**	**16,697,835**	**21,737,506**	**24,378,302**	**572,306**	**4,407,605,112**	**50,741,425**	**4,458,346,537**

This represents refund received from Land Acquisition Collector Industries Punjab Lahore (the "Collector") in the previous year. The amount was deposited in the year ended 30 June 2011 for acquisition of land near the factory premises of the Company, however on the directions of the Collector same land was subsequently purchased through auction in the year ended 30 June 2012 and capitalized in the same year.

	Note	2014 Rupees	2013 Rupees
Depreciation charge for the year has been allocated as follows:			
Cost of sales	28	**454,529,350**	201,206,232
Administrative expenses	29	**3,015,876**	4,131,133
Selling and distribution	30	**2,410,947**	3,290,227
		459,956,173	208,627,592

20.1.1 Disposal of property, plant and equipment

Particulars of assets	Sold to	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit	Mode of disposal
		Rupees					
Vehicles							
Honda Civic LEJ-07-5084	M. Muzzamil	855,664	(388,966)	466,698	1,200,000	733,302	Negotiation
Honda Civic LEA-06-0563	Anjum Khursheed	794,049	(453,448)	340,601	1,000,000	659,399	Negotiation
Honda Civic LEA-06-617	Aura Enterprises	1,535,500	(1,204,090)	331,410	1,100,000	768,590	Negotiation
Land Cruiser LZA-5	Khurram Shahid	7,038,288	(6,156,603)	881,685	5,400,000	4,518,315	Negotiation
Suzuki Cultus LE-12-7501	M. Kashif Siddiqui	995,000	(326,360)	668,640	800,000	131,360	Negotiation
Honda Civic LEA-11-7367	Zahid Ali Khan	369,600	(12,320)	357,280	1,515,000	1,157,720	Negotiation
Toyota Corrola LEA-10-7350	Abdul Ghaffar	276,800	(65,817)	210,983	1,200,000	989,017	Negotiation
2014		**11,864,901**	**(8,607,604)**	**3,257,297**	**12,215,000**	**8,957,703**	
2013		1,652,160	(1,183,548)	468,612	1,355,000	886,388	

		Note	2014 Rupees	2013 Rupees
20.2	**Capital work in progress**			
	Plant and machinery		**600,940**	-
	Civil works		**-**	10,808,034
	Advances		**3,085,106**	3,085,106
		20.2.1	**3,686,046**	13,893,140

		2014 Rupees	2013 Rupees
20.2.1	**Movement in capital work in progress**		
	Balance as at 01 July	**13,893,140**	1,527,810,270
	add:		
	- additions during the year	**176,380,882**	1,158,198,493
	- transfers from stores and spares	**259,214,838**	642,407,450
		435,595,720	1,800,605,943
		449,488,860	3,328,416,213
	less: transferred to property, plant and equipment	**445,802,814**	3,314,523,073
	Balance as at 30 June	**3,686,046**	13,893,140

20.2.2 Capital work in progress does not include any borrowing cost (2013: Rs. 157.71 million) capitalized during the year.

		Note	2014 Rupees	2013 Rupees
21	**Long term deposits**			
	Deposits with leasing companies		**18,912,768**	21,046,118
	Guarantee margin deposits		**9,713,000**	375,000
	Others	*21.1*	**20,734,927**	21,345,904
			49,360,695	42,767,022

21.1 This includes deposits with various utility companies, regulatory authorities and others. These are classified as 'loans and receivables' under IAS 39 (Financial Instruments - Recognition and Measurement) which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

		2014 Rupees	2013 Rupees
22	**Stores and spares**		
	Stores	**208,518,085**	234,807,218
	Spares	**532,736,738**	474,009,898
		741,254,823	708,817,116

22.1 Most of the items of stores and spares are of an interchangeablenature 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	2014 Rupees	2013 Rupees
23	**Stock in trade**			
	Raw materials		**160,363,863**	147,746,265
	Chemical and ceramic colours		**48,233,992**	23,458,286
	Packing material		**30,732,547**	28,863,592
	Work in process		**67,883,522**	61,571,550
	Finished goods		**921,703,915**	344,261,207
			1,228,917,839	605,900,900

23.1 The amount of Rs. 30.898 million (2013: 19.920 million) has been pledged with different financial institutions against stocks.

		Note	2014 Rupees	2013 Rupees
24	**Trade debts - considered good**			
	Local debtors	*24.1*	**677,777,590**	212,337,378
	Foreign debtors		**22,434,133**	7,042,800
			700,211,723	219,380,178

24.1 Included in local debtors a receivable from an associated undertaking, Omer Glass Industries Limited, an amount of Rs. 2.798 million (2013: Rs. 1.01 million) against sale of glass lids.

		Note	2014 Rupees	2013 Rupees
25	**Advances, deposits, prepayments and other receivables**			
	Advances to suppliers - unsecured, considered good		**32,399,245**	68,214,550
	Advances to staff - unsecured, considered good	*25.1*	**1,720,837**	1,137,725
	Advances against letters of credit and margins		**10,643,575**	36,077,858
	Prepaid expenses		**2,659,081**	3,479,238
	Advance income tax		**173,458,002**	56,739,792
	Advance sales tax		**28,765,602**	22,683,357
	Security deposits		**13,895,900**	19,356,200
	Prepaid insurance		**13,930,088**	15,111,035
	Due from associated company	*25.2*	**191,358**	-
			277,663,688	222,799,755

25.1 Advances to staff include amounts due from executives of Rs. 1.558 million (2013: Rs 0.585 million). The maximum aggregate amount of advance to staff outstanding during the year was Rs. 2.195 million (2013: Rs. 1.138 million).

25.2 This represents due from an associated undertaking (Omer Glass Industries Limited). It is interest free and in the normal course of business.

		Note	2014 Rupees	2013 Rupees
26	**Cash and bank balances**			
	Cash in hand		**2,100,737**	4,423,682
	Cash at bank			
	Local currency:			
	- Current accounts		**107,806,055**	56,708,636
	- Deposits and saving accounts	*26.1*	**14,601,703**	4,351,231
			122,407,758	61,059,867
	Foreign currency - current account		**5,631,025**	1,626,874
			130,139,520	67,110,423

26.1 Mark up on deposit accounts ranges from 6% to 8% (2013: 6% to 8%) per annum.

		Note	2014 Rupees	2013 Rupees
27	**Sales - net**			
	Local		**8,217,942,618**	4,597,078,676
	Export		**1,141,414,564**	383,896,974
	Gross sales		**9,359,357,182**	4,980,975,650
	Less: Sales tax		**1,135,953,191**	595,026,256
	Trade discounts		**466,963,304**	496,976,576
			1,602,916,495	1,092,002,832
			7,756,440,687	3,888,972,818
28	**Cost of sales**			
	Raw material consumed		**1,984,265,322**	893,097,279
	Salaries, wages and other benefits	*28.1*	**741,729,437**	474,947,515
	Fuel and power		**2,934,098,777**	1,215,778,036
	Packing material consumed		**604,485,159**	552,201,536
	Stores and spares consumed		**284,368,425**	143,803,025
	Carriage and freight		**22,132,348**	10,944,225
	Repair and maintenance		**21,692,848**	13,911,945
	Travelling and conveyance		**18,755,123**	14,601,721
	Insurance		**15,994,206**	10,629,531
	Ijarah rentals		**35,559,434**	25,043,403
	Postage and telephone		**2,471,657**	2,093,419
	Rent, rates and taxes		**55,651,093**	10,386,854
	Printing and stationery		**362,112**	476,345
	Entertainment		**1,090,515**	607,165
	Depreciation	*20.1*	**454,529,350**	201,206,232
	Others		**36,227,430**	25,487,082
			7,213,413,236	3,595,215,313
	Work in process			
	Opening stock		**61,571,550**	21,257,363
	Closing stock		**(67,883,522)**	(61,571,550)
			(6,311,972)	(40,314,187)
			7,207,101,264	3,554,901,126
	Finished goods			
	Opening		**344,261,207**	91,015,238
	Closing		**(921,703,915)**	(344,261,207)
			(577,442,708)	(253,245,969)
			6,629,658,556	3,301,655,157

28.1 Salaries, wages and other benefits include Rs. 8.83 million (2013: Rs. 5.10 million) in respect of staff retirement benefits.

29 Administrative expenses

	Note	2014 Rupees	2013 Rupees
Salaries, wages and other benefits	29.1	**47,243,184**	36,917,528
Travelling expenses		**987,186**	2,799,242
Motor vehicle expenses		**1,859,869**	2,544,664
Postage and telephone		**3,220,602**	2,566,696
Printing and stationery		**1,269,505**	1,302,667
Rent, rates and taxes		**5,650,405**	5,013,750
Repair and maintenance		**2,698,535**	2,410,037
Legal and professional charges		**6,811,551**	1,861,942
Auditors' remuneration	29.2	**1,107,000**	1,440,000
Advertisement		**1,323,974**	154,534
Utilities		**3,297,715**	1,943,932
Entertainment		**1,728,708**	771,555
Insurance		**1,606,325**	1,490,695
Subscription, news papers and periodicals		**1,361,979**	1,910,481
Depreciation	20.1	**3,015,876**	4,131,133
Ijarah rentals		**2,976,264**	2,251,199
Donations	29.3	**878,000**	891,000
Miscellaneous		**8,469,589**	6,444,844
		95,506,267	76,845,899

29.1 Salaries, wages and other benefits include Rs. 1.64 million (2013: Rs. 1.01 million) in respect of staff retirement benefits.

29.2 Auditors' remuneration

	2014 Rupees	2013 Rupees
Audit fee	**800,000**	800,000
Half yearly review fee	**110,000**	100,000
Certifications fee	**15,000**	400,000
Out of pocket expenses	**182,000**	140,000
	1,107,000	1,440,000

29.3 None of the directors or his spouse has any interest in the donees.

30 Selling and distribution expenses

	Note	2014 Rupees	2013 Rupees
Salaries and other benefits	30.1	**66,790,434**	35,488,108
Local freight and forwarding		**119,660,523**	117,361,683
Export freight and forwarding		**71,291,225**	29,591,095
Distribution expenses		**284,733,752**	-
Travelling expenses		**19,188,023**	8,520,788
Motor vehicle expenses		**15,687,978**	11,300,289
Postage and telephone		**2,066,329**	1,383,794
Printing and stationery		**419,131**	296,591
Advertisement, exhibitions and sales promotion		**26,728,324**	38,147,235
Rent, rates and taxes		**2,562,623**	2,879,672
Depreciation	20.1	**2,410,947**	3,290,227
Ijarah rentals		**4,005,242**	4,432,241
Breakage and incidental charges		**34,055,272**	7,252,772
Miscellaneous		**5,948,611**	210,182
		655,548,414	260,154,677

30.1 Salaries, wages and other benefits include Rs. 2.28 million (2013: Rs. 1.96 million) in respect of staff retirement benefits.

	Note	2014 Rupees	2013 Rupees
31 Other income			
Profit on disposal of property, plant and equipment	*20.1.1*	**8,957,703**	886,388
Interest income earned on deposits and saving accounts		**2,774,966**	7,003,933
Others		**9,600,188**	-
		21,332,857	7,890,321
32 Finance cost			
Mark-up on:			
Long term finances - secured		**171,440,782**	36,238,267
Long term finances - unsecured		**729,171**	856,548
Short term borrowings - secured		**133,144,479**	31,493,230
Finance lease		**6,173,428**	1,862,148
		311,487,860	70,450,193
Interest on Workers' Profit Participation Fund		**1,155,846**	484,322
Interest on security deposits		**-**	17,420,350
Bank charges		**9,888,759**	3,339,622
Guarantee commission charges		**4,336,240**	2,019,840
		326,868,705	93,714,327

	Note	2014 Rupees	2013 Rupees
33 Other expenses			
Workers' Profit Participation Fund	*15.1*	**2,442,937**	8,029,166
Exchange fluctuation loss *-net*		**148,994**	3,360,800
Others		**-**	548,965
		2,591,931	11,938,931
34 Taxation			
Income tax			
- prior years		**-**	(27,998,893)
Deferred tax		**51,111,541**	(186,804,141)
		51,111,541	(214,803,034)

34.1 The current year's provision for taxation represents tax charged on exports and minimum tax under section 113 of the Income Tax Ordinance, 2001 which is fully adjusted by tax credits available on balancing, modernization and replacement of property, plant and equipment under section 65(B) of the Income Tax Ordinance, 2001. There is no relationship between tax expense and accounting profit as the provision for current taxation is based on turnover tax therefore no numerical reconciliation has been presented.

35 Earnings per share - basic and diluted

35.1 Basic

		2014	2013
Profit after tax	*Rupees*	**16,488,130**	367,357,182
Weighted average number of ordinary shares outstanding during the year	*Numbers*	**70,686,000**	69,300,000
Earnings per share - *basic*	*Rupees*	**0.23**	5.30

35.2 Diluted

		2014	2013
Profit attributable to ordinary Shareholders (diluted)	*Rupees*	**16,488,130**	370,717,982
Weighted average number of ordinary shares (basic)		**70,686,000**	69,300,000
Dilutive effect of outstanding option during the year		**2,772,000**	4,158,000
Weighted average number of ordinary shares	*Numbers*	**73,458,000**	73,458,000
Earnings per share - *dilutive*	*Rupees*	**0.22**	5.05

36 Financial instruments

The Company's activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

36.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

36.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

Total financial assets of Rs. 917.549 million (2013: Rs. 428.574 million) are subject to credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	2014 Rupees	2013 Rupees
Long term deposits	**30,447,927**	21,720,904
Trade debts - considered good	**700,211,723**	219,380,178
Advances, deposits and other receivables	**58,850,915**	124,786,333
Bank balances	**128,038,783**	62,686,741
	917,549,348	428,574,156

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

(a) Long term deposits

This includes deposits with various utility companies, regulatory authorities and different financial institutions. The management believes that no impairment allowance is necessary in respect of deposits held with Government institutions whereas credit quality of the deposits with financial institutions is covered in bank balances.

(b) *Trade debts - considered good*

The trade debts as at the balance sheet date are classified in Pak Rupees. The aging of trade receivables at the balance sheet date is:

	Note	2014 Rupees	2013 Rupees
Foreign		**22,434,133**	7,042,800
Domestic		**677,777,590**	212,337,378
		700,211,723	219,380,178

The aging of trade receivables at the reporting date is:

	Note	2014 Rupees	2013 Rupees
Past due 0 - 30 days	*36.2.1*	**637,192,668**	197,884,867
Past due 31 - 60 days		**21,006,352**	7,293,860
Past due 61 - 90 days		**35,010,586**	9,977,630
Past due 91 - 120 days		**-**	64,300
Past due above 120 days	*36.2.2*	**7,002,117**	4,159,521
		700,211,723	219,380,178

Company has the policy for provision of doubtful receivables based upon the age analysis which is being implemented. Based on past experience the management believes that no further 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.

36.2.1 This includes amount of Rs. 1.788 million (2013: 1.01 million) due from an associated company, Omer Glass Industries Limited.

36.2.2 This includes amount of Rs. 1.01 million (2013: Nil) due from an associated company, Omer Glass Industries Limited.

(c) *Advances, deposits and other receivables*

Based on past experience the management believes that no impairment allowance is necessary in respect of advances, deposits and other receivables 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.

(d) *Bank balances*

The Company's exposure to credit risk against balances with various commercial banks is as follows:

	2014 Rupees	2013 Rupees
Local currency:		
- Current accounts	**107,806,055**	56,708,636
- Deposits and saving accounts	**14,601,703**	4,351,231
	122,407,758	61,059,867
Foreign currency:		
- Current accounts	**5,631,025**	1,626,874
	128,038,783	62,686,741

The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

	Rating 2014			**2014**
	Short term	**Long term**	**Agency**	**Rupees**
Bank Alfalah Limited	**A1+**	**AA**	**PACRA**	**31,338,830**
The Bank of Khyber	**A-1**	**A**	**PACRA**	**3,017,548**
The Bank of Punjab	**A1+**	**AA-**	**PACRA**	**7,234,772**
MCB Bank Limited	**A1+**	**AAA**	**PACRA**	**16,779,642**
National Bank of Pakistan	**A-1+**	**AAA**	**JCR-VIS**	**501,427**
Standard Chartered Bank Limited	**A1+**	**AAA**	**PACRA**	**521**
United Bank Limited	**A-1+**	**AA+**	**JCR-VIS**	**5,809,045**
Habib Bank Limited	**A-1+**	**AAA**	**JCR-VIS**	**8,750,003**
Faysal Bank Limited	**A-1+**	**AA**	**PACRA**	**4,558,938**
NIB Bank	**A-1+**	**AA-**	**PACRA**	**4,443,597**
Bank Islami Pakistan Limited	**A-1**	**A**	**PACRA**	**10,828,917**
Meezan bank Limited	**A-1+**	**AA**	**JCR-VIS**	**1,070,362**
Askari Bank Limited	**A-1+**	**AA**	**PACRA**	**9,653**
Albarka Bank Limited	**A-1**	**A**	**PACRA**	**32,693,742**
Bank Al Habib Limited	**A-1+**	**AA+**	**PACRA**	**1,001,786**
				128,038,783

	Rating 2013			2013
	Short term	Long term	Agency	Rupees
Bank Alfalah Limited	A1+	AA	PACRA	33,065,713
The Bank of Khyber	A-1	A	JCR-VIS	2,144,243
The Bank of Punjab	A1+	AA-	PACRA	682,129
MCB Bank Limited	A1+	AAA	PACRA	15,546,050
National Bank of Pakistan	A-1+	AAA	JCR-VIS	539,328
Standard Chartered Bank Limited	A1+	AAA	PACRA	12,673
United Bank Limited	A-1+	AA+	JCR-VIS	1,882,368
Habib Bank Limited	A-1+	AAA	JCR-VIS	3,425,212
Faysal Bank Limited	A-1	AA	PACRA	955,094
NIB Bank	A-1	AA-	PACRA	3,928,297
Bank Islami Pakistan Limited	A-1	A	PACRA	10,822
Sindh Bank Limited	A-1	AA-	PACRA	484,812
Meezan bank Limited	A-1+	AA	JCR-VIS	10,000
				62,686,741

Due to the Company’s long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

36.3 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, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Following is the maturity analysis of financial liabilities as at 30 June:

	2014						
	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	1,248,948,042	1,500,599,923	274,436,990	262,130,098	483,161,043	480,871,792	-
Long term loan-unsecured	806,460,964	809,377,648	-	-	-	809,377,648	-
Liability against assets subject to finance lease	50,698,721	63,953,362	7,642,961	7,924,588	15,849,176	32,536,637	-
Trade and other payables	665,774,274	665,774,274	665,774,274	-	-	-	-
Accrued markup	81,274,471	81,274,471	81,274,471	-	-	-	-
Short term borrowings	1,843,437,453	1,843,437,453	1,843,437,453	-	-	-	-
	4,696,593,925	**4,964,417,131**	**2,872,566,149**	**270,054,686**	**499,010,219**	**1,322,786,077**	**-**

	2013						
	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	1,509,536,022	1,588,276,020	248,554,970	223,772,207	414,608,576	701,340,267	-
Long term loan-unsecured	619,326,819	652,629,840	-	-	-	652,629,840	-
Liability against assets subject to finance lease	50,000,000	65,704,650	4,805,852	6,887,747	13,899,332	40,111,719	
Trade and other payables	602,972,459	602,972,459	380,075,394	-	-	-	-
Accrued markup	47,126,695	47,126,695	47,126,695	-	-	-	-
Short term borrowings	669,399,178	669,399,178	669,399,178	-	-	-	-
	3,498,361,173	3,626,108,842	1,349,962,089	230,659,954	428,507,908	1,394,081,826	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

36.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk.

36.4.1 Currency risk

Pakistani Rupee is the functional currency of the Company and exposure arises from transactions and balances in currencies other than Pakistani Rupee as foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. The Company's potential currency exposure comprises of:

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below:

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currency other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as a part of overall risk management strategy. The Company does not enter into forward exchange contracts.

Exposure to currency risk

The Company’s exposure to foreign currency risk at the reporting date was as follows:

	2014 Rupees	2013 Rupees
Foreign debtors	**22,434,133**	7,042,800
Foreign currency bank accounts	**5,631,025**	1,626,874
Gross balance sheet exposure	**28,065,158**	8,669,674
Outstanding letter of credits	**(44,067,283)**	(26,248,413)
Net exposure	**(16,002,125)**	(17,578,739)

The following significant exchange rates have been applied:

	Average rate		**Reporting date rate**	
	2014	2013	**2014**	2013
USD to PKR	**98.63**	97.56	**98.55**	98.70

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.

	2014 Rupees	2013 Rupees
Effect on profit and loss		
US Dollar	1,601,024	1,757,904
	1,601,024	1,757,904

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.

36.4.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2014	2013	**2014**	2013
	Effective rate (in Percentage)		**Carrying amount (Rupees)**	
Financial liabilities				
Fixed rate instruments				
Long term finances	**10.9**	10.9	**988,585,446**	1,318,681,691
Short term borrowings	**14**	14	**24,237,744**	-
Variable rate instruments:				
Long term finances	**10.90 to 12.56**	10.90 to 14.78	**311,061,317**	212,244,653
Short term borrowings	**10.83 to 12.68**	11.06 to 14.44	**1,819,199,709**	669,399,178

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 or loss. Therefore a change in interest rates at the reporting date would not affect profit or 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 increased / decreased 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 the same basis as for 2013.

	Profit and loss 100 bps	
	Increase	Decrease
	- - - - - - - - - Rupees - - - - - - - - -	
As at 30 June 2014	**(17,058,949)**	**17,058,949**
As at 30 June 2013	(8,753,394)	8,753,394

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

36.4.3 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.

36.4.4 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.

The fair value of financial assets and liabilities with respect to their levels in fair value hierarchy is as follows:

	Carrying amount	Fair values - 30 June 2014		
	Rupees	Level 1	Level 2	Level 3
Financial assets not measured at fair value				
Long term deposits	**49,360,695**	-	-	-
Trade debts	**700,211,723**	-	-	-
Deposits and other receivables	**261,074,519**	-	-	-
Financial liabilities not measured at fair value				
Long term finances - secured	**921,846,042**	-	-	-
Long term finances - unsecured	**545,591,621**	-	-	-
Liabilities against assets subject to finance lease	**40,612,439**	-	-	-
Trade and other payables	**803,490,749**	-	-	-
Accrued markup	**81,274,471**	-	-	-
Short term borrowings - secured	**1,843,437,453**	-	-	-
Current portion of long term liabilities	**337,188,282**	-	-	-

	Carrying amount	Fair values - 30 June 2013		
Financial assets	Rupees	Level 1	Level 2	Level 3
Long term deposits	42,767,022	-	-	-
Trade debts	219,380,178	-	-	-
Deposits and other receivables	204,209,482	-	-	-
Financial liabilities				
Long term finances - secured	1,191,949,344	-	-	-
Long term finances - unsecured	375,157,251	-	-	-
Liabilities against assets subject to finance lease	43,695,545	-	-	-
Trade and other payables	760,551,613	-	-	-
Accrued markup	47,126,695	-	-	-
Short term borrowings - secured	669,399,178	-	-	-
Current portion of long term liabilities	295,281,455	-	-	-

37 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 2014 and as at 30 June 2013 were as follows:

	2014	2013
	Rupees	Rupees
Total long term debt	**1,845,238,384**	1,906,083,595
Total equity and debt	**4,590,486,443**	4,430,143,937
Debt-to-equity ratio	**40.20%**	43.03%

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.

	Financial assets	
	2014	2013
	Rupees	Rupees
37.1 Financial instruments by categories		
Loans and receivables		
Long term deposits	**49,360,695**	42,767,022
Trade debts - considered good	**700,211,723**	219,380,178
Advances, deposits and other receivables	**261,074,519**	204,209,482
Cash and bank balances	**130,139,520**	67,110,423
	1,140,786,457	533,467,105

	Financial liabilities	
	2014	2013
	Rupees	Rupees
Long term finances - *secured*	**921,846,042**	1,191,949,344
Long term finances - *unsecured*	**545,591,621**	375,157,251
Liabilities against assets subject to finance lease	**40,612,439**	43,695,545
Trade and other payables	**803,490,749**	760,551,613
Accrued markup	**81,274,471**	47,126,695
Short term borrowings - *secured*	**1,843,437,453**	669,399,178
Current portion of long term liabilities	**337,188,282**	295,281,455
	4,573,441,057	3,383,161,081

38 Operating segments

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

38.1 Sales from glassware products represent 100% (2013: 100%) of total revenue of the Company.

38.2 The sales percentage by geographic region is as follows:

	2014	2013
	%	%
Pakistan	**85.00**	90.63
India	**9.00**	-
Afghanistan	**2.51**	5.24
Bangladesh	**0.12**	0.32
Others	**3.37**	3.81
	100	100

38.3 All non-current assets of the Company as at 30 June 2014 are located in Pakistan.

39 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:

	Managing Director / Executive director		Non Executive Directors		** Executive Directors		Executives	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	---------- Rupees ----------							
Managerial remuneration	**4,060,000**	4,060,000	**2,799,446**	859,810	**-**	1,663,813	**44,952,071**	24,267,810
House rent	**1,529,575**	1,529,575	**1,228,801**	384,930	**-**	739,170	**19,779,753**	10,765,418
Conveyance	**4,425**	4,425	**34,800**	7,200	**-**	7,200	**416,300**	111,600
Contribution to provident fund	**-**	-	**273,071**	85,540	**-**	164,260	**4,410,498**	2,392,315
Medical and other allowances	**-**	-	**273,071**	85,540	**-**	164,260	**4,410,498**	2,392,315
Utilities	**406,000**	406,000	**273,071**	85,540	**-**	164,260	**4,410,498**	2,392,315
	6,000,000	6,000,000	**4,882,260**	1,508,560	**-**	2,902,963	**78,379,618**	42,321,773
Number of persons	**1**	1	**4**	4	**-**	2	**70**	31

** Managing director is the executive director during the year.

In addition to the above benefits, some of the directors are provided with free use of company maintained cars.

40 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 25. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

Name	Relationship	Nature of transactions	2014 Rupees	2013 Rupees
Mr. Tariq Baig	Director	Loan from Directors	**375,272,044**	286,317,899
Mr. Omer Baig	Director	Loan from Directors	**397,799,470**	299,619,470
M & M Fibers (Pvt.) Ltd.	Common directorship	Purchase of machinery for tableware plant	**-**	50,000,000
Omer Glass Industries Limited	Associated company	Purchases	**-**	3,874,400
		Sales	**1,788,110**	1,439,508
Provident fund	Employee benefit plan	Contributions	**12,759,974**	8,676,742

41 Plant capacity and actual production

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

	2014 M. Tons	2013 M. Tons
Furnaces capacity:		
Containers	**856**	2,197
Tableware	**75,012**	74,011
Float Glass (2013: 2 months)	**155,506**	28,816
	231,374	105,024
Actual packed production:		
Containers	**677**	1,795
Tableware	**53,283**	52,647
Float Glass (2013: 2 months)	**125,226**	21,612
	179,186	76,054

The efficiency of 79% in containers 71% in tableware and 81% in float glass is considered satisfactory as these standards conform favourably to the international standards in the glass industries.

42 Provident Fund

	2014 Rupees	2013 Rupees
Size of the fund / trust	**62,046,984**	50,784,331
Cost of investment made	**54,323,913**	44,780,454
Percentage of investment made %	**87.55%**	88.18%
Fair value of investment	**58,274,715**	48,273,011

Break up of investments - based upon fair value

	2014	2013
NBP NAFA Saving Plus Fund	**22,731,934**	19,577,736
UBL Term Deposit Receipt	**30,500,000**	26,500,000
Savings account	**5,042,781**	2,195,275
	58,274,715	48,273,011

Break up of investment

	2014	2013
	---%age of size of fund-----	
NBP NAFA Saving Plus Fund	37%	39%
UBL Term Deposit Receipt	49%	52%
Savings account	8%	4%

Financial statements of the Provident Fund for 2014 are audited by another firm of chartered accountants other than the statutory auditors of the Company. Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Ordinance and rules formulated for this purpose.

43 Number of Employees

The total average number of employees during the year and as at June 30, 2014 and 2013 respectively are as follows:

	2014	2013
	No. of employees	
Average number of employees during the year	**743**	559
Number of employees as at June 30	**736**	736

44 Corresponding figures

Corresponding figures have been rearranged and reclassified, where necessary, for better presentation and disclosure. However, there have been no material rearrangements or

45 Date of authorization for issue

These financial statements were authorized for issue on October 1, 2014 by the Board of Directors of the Company.

46 General

Figures have been rounded off to the nearest Rupee.

The Board of Directors of the Company in their meeting held on 01 October 2014 has recommended final cash dividend at the rate of 5% (i-e, Rs. 0.50 per share), for the year ended 30 June 2014.

October 1, 2014
Lahore

TARIQ BAIG
MANAGING DIRECTOR

MANSOOR IRFANI
DIRECTOR

FINANCIAL STATISTICAL SUMMARY

Year		2014	2013	2012	2011	2010		2009	2008
Investment Measures									
Share Capital	Million Rupees	734.58	693.00	693.00	693.00	231.00	231.00	231.00	115.50
Shareholders equity	Million Rupees	2,745.25	2,524.06	2,032.68	1,646.03	618.44	494.04	524.75	291.72
Profit/(Loss) before tax	Million Rupees	67.60	152.55	423.49	209.42	188.16	(36.56)	(5.10)	77.37
Profit/(Loss) after tax	Million Rupees	16.49	367.36	292.76	143.82	141.72	(30.70)	(17.15)	50.33
Dividend per share	Rs.	0.50	-	-	1.00	1.75	-	-	1.00
Earning/(Loss) per share - Basic	Rs.	0.23	5.30	4.22	5.71	6.14	(1.33)	(0.83)	3.85
Break up value	Rs.	37.37	36.42	29.33	23.75	26.77	21.39	22.72	25.26
Price earning ratio	Time	136.52	4.15	3.79	2.63	2.45	(5.25)	(18.25)	15.89
Measure of financial status									
Current ratio	Ratio	1.003:1	1.03:1	1.08:1	1.99:1	1.05:1	1.04:1	1.04:1	1.1:1
Number of days stock	Days	68	67	38	32	32	28	31	32
Number of days trade debts	Days	33	21	4	5	6	5	5	3
Measure of performance									
Return on capital employed	%	0.36%	8.01%	10.12%	15.25%	22.42%	(4.85%)	(0.72%)	12.86%
Gross profit ratio	%	14.53%	15.10%	20.48%	17.57%	19.28%	9.03%	10.24%	18.02%
Profit/(Loss) Before tax to Sales ratio	%	0.87%	3.92%	12.42%	8.07%	9.08%	(2.59%)	(0.43%)	6.98%
Profit/(Loss) after tax to Sales ratio	%	0.21%	9.45%	8.58%	5.53%	6.84%	(2.18%)	(1.46%)	4.54%
Debt equity ratio	%	40.20%	43.03%	34.66%	9.00%	31.04%	38.59%	27.68%	50.83%

October 1, 2014
Lahore

TARIQ BAIG
MANAGING DIRECTOR

MANSOOR IRFANI
DIRECTOR

PATTERN OF SHAREHOLDING
As at June 30, 2014

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage of Paid-up Capital
	From	To		
331	1	100	14,532	0.02%
760	101	500	189,498	0.26%
256	501	1,000	226,768	0.31%
404	1,001	5,000	1,129,043	1.54%
112	5,001	10,000	892,107	1.21%
33	10,001	15,000	438,158	0.60%
40	15,001	20,000	728,220	0.99%
21	20,001	25,000	497,100	0.68%
20	25,001	30,000	575,000	0.78%
4	30,001	35,000	140,000	0.19%
6	35,001	40,000	237,000	0.32%
5	40,001	45,000	219,500	0.30%
10	45,001	50,000	500,000	0.68%
3	50,001	55,000	159,000	0.22%
2	55,001	60,000	116,250	0.16%
1	60,001	65,000	61,500	0.08%
2	65,001	70,000	136,500	0.19%
2	70,001	75,000	146,000	0.20%
1	75,001	80,000	80,000	0.11%
1	85,001	90,000	90,000	0.12%
3	95,001	100,000	300,000	0.41%
1	100,001	105,000	105,000	0.14%
2	105,001	110,000	219,500	0.30%
2	115,001	120,000	239,000	0.33%
1	125,001	130,000	129,500	0.18%
1	135,001	140,000	136,000	0.19%
1	165,001	170,000	166,500	0.23%
1	180,001	185,000	183,100	0.25%
2	190,001	195,000	387,000	0.53%
5	195,001	200,000	997,000	1.36%
1	220,001	225,000	225,000	0.31%
1	245,001	250,000	250,000	0.34%
1	295,001	300,000	299,500	0.41%
1	355,001	360,000	357,500	0.49%
1	370,001	375,000	371,000	0.51%
1	375,001	380,000	378,000	0.51%
1	400,001	405,000	404,420	0.55%
1	455,001	460,000	457,500	0.62%
1	570,001	575,000	572,000	0.78%
1	605,001	610,000	606,000	0.82%
1	630,001	635,000	631,500	0.86%
1	640,001	645,000	640,396	0.87%
1	700,001	705,000	700,764	0.95%
1	735,001	740,000	736,000	1.00%
1	740,001	745,000	743,500	1.01%
1	815,001	820,000	818,000	1.11%
1	1,035,001	1,040,000	1,039,500	1.42%
1	3,115,001	3,120,000	3,118,500	4.25%
1	3,495,001	3,500,000	3,500,000	4.76%
1	4,170,001	4,175,000	4,175,000	5.68%
1	6,924,001	6,929,000	6,928,844	9.43%
1	7,730,001	7,735,000	7,733,760	10.53%
1	14,660,001	14,665,000	14,662,864	19.96%
1	14,665,001	14,670,000	14,669,676	19.97%
2057			**73,458,000**	**100.00%**

Description	Number of Shareholders	Shareholding (Nos.)	Percentage
Individuals	2,010	32,403,271	44.11%
Joint Stock Companies	23	18,247,072	24.84%
Financial Institutions	5	5,177,500	7.05%
Insurance Companies	2	818,100	1.11%
Investment Companies	2	201,522	0.27%
Mutual Funds	5	5,154,500	7.02%
Foreign Company	3	11,086,844	15.09%
NIT and ICP	1	26,691	0.04%
Others	6	342,500	0.47%
	2,057	**73,458,000**	**100.00%**

CATEGORIES OF SHAREHOLDERS
ADDITIONAL INFORMATION AS AT 30 JUNE 2014

		Shareholding (Number of Shares)
A)	**Directors, CEO, their Spouse and Minor Children**	
	Managing Director / CEO	
	- Mr. Tariq Baig	14,662,864
	Directors	
	- Mr. Omer Baig	14,669,676
	- Mrs Naima Shahnaz Baig	640,396
	- Mr. Mansoor Irfani	3,462
	- Mr. Akbar Baig	3,462
	- Mr. David Jullian	3,462
	- Mr. Syed Tufail Hussain	3,462
	Directors' Spouse and their Childern	-
		15,323,920
B)	**Associated Companies**	
	- M/s Omer Glass Industries Limited	7,733,760
C)	**NIT AND ICP**	26,691
D)	**Mutual Funds**	5,154,500
E)	**Financial Institutions**	12,106,344
F)	**Insurance Companies**	818,100
G)	**Investment Companies**	201,522
I)	**Joint Stock Companies**	14,671,312
J)	**Others - Provident / Pension Funds & Modarbas**	342,500
K)	**General Public**	2,416,487
	Total	**73,458,000**

List of Shareholders Holding 5% or More Shares

Mr. Tariq Baig	14,662,864
Mr. Omer Baig	14,669,676
M/s Industrial Products Investment Limited	6,928,844
M/s Omer Glass Industries Limited	7,733,760
M/s Summit Bank Limited	4,175,000

TRADES DONE BY CEO, DIRECTORS & ASSOCIATED COMPANY

- Mr. Syed Tufail Hussain sold 500 ordinary shares on August 01, 2014.

Notes:

1. Mr. Naeem Nazir is a newly elected director in the Extra Ordinary General Meeting held on September 2, 2014 for a tenure of 3 years . The shareholding in the name of Mr. Naeem Nazir is 500 ordinary shares.
2. The term of office of Director namely Mr. Syed Tufail Hussain ceased on September 02, 2014.

TARIQ GLASS INDUSTRIES LIMITED

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 36th 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 29, 2014 at 11:00 AM and at every adjournment thereof.

As withness my/our hand(s) this ____________________________day of________________________2014.

WITNESS:

Signature: ______________________________

Name: _________________________________

Address: _______________________________

SIGNATURE AND REVENUE STAMP

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