



Shabbir Tiles and Ceramics Limited
(Incorporated in Pakistan)



Certificate No. KHI 2001011

**REGISTERED OFFICE
AND FACTORY :**

15th Mile Stone,
National Highway,
Landhi, Karachi-75120
Phones : (021) 5015024 - 25
5014044 - 45
E-mail : info@stile.com.pk
URL: http://www.stile.com.pk

NATIONAL TAX NUMBER : 34-01-0712052
SALES TAX REGISTRATION NO : 02-04-6907-001-37

Authorised Capital	...	Rs.	100,000,000
Issued, Subscribed and Paid-up Capital	...	Rs.	94,865,230

**Quarterly Accounts for the
period ended 30th September,
2005
(UNAUDITED)**



Shabbir Tiles and Ceramics Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	RAFIQ M. HABIB ALIREZA M. ALLADIN ALI S. HABIB ABDUL HAI M. BHAIMIA KERSI D. KAPADIA MANSOOR G. HABIB NAZIM F. HAJI	<i>Chairman</i> <i>Chief Executive</i>
AUDIT COMMITTEE	MANSOOR G. HABIB KERSI D. KAPADIA NAZIM F. HAJI	<i>Chairman</i>
COMPANY SECRETARY	SHABBIR ABBAS	
AUDITORS	Ford Rhodes Sidat Hyder & Co. Chartered Accountants	
BANKERS	ABN AMRO Bank N.V. Bank AL Habib Limited Habib Bank Limited Habib Bank A. G. Zurich Metropolitan Bank Limited Muslim Commercial Bank Limited Standard Chartered Bank	
KARACHI DISPLAY CENTRE & SALES OFFICE	Stile House, 1st & 2nd Floor, Plot No. 15-C & 17-C, Zamzama Commercial Lane, Phase V, Defence Housing Authority, Karachi. UAN: (021) 111-000-039 Customer Service Toll Free Number 0800-000-14	
LAHORE SALES OFFICE	34, Aibak Block, New Garden Town, Lahore. UAN: (042) 111-000-039	
ISLAMABAD SALES OFFICE	Plot No. H-226, Street No. 7, Industrial Area, Sector 1-9, Islamabad. UAN: (051) 111-000-039	
PESHAWAR SALES OFFICE	Room No. 10, 2nd Floor, Fawwad Plaza, Jamrood Road, Peshawar. Phone : (091) 5843750	
MULTAN SALES OFFICE	Room No. 7 & 8, 3rd Floor, Trust Plaza, L.M.Q. Road, Multan. Phone : (061) 4546439	
FAISALABAD SALES OFFICE	Plaza No. 19, 1st Floor, Chanab Market, Madina Town, Main Susan Road, Faisalabad. Phones : (041) 8548243 & 8548244	
JEHLUM SALES OFFICE	Shop # 6, 1st Floor, Dada Bhai Building Kazim Kamal Road, Jehlum Cantt. Phone: (0544) 626382	
REGISTRARS AND SHARE TRANSFER OFFICE	Noble Computer Services (Pvt.) Ltd., 2nd Floor, Sohni Centre, BS 5 & 6, Main Karimabad, Block-4, Federal B. Area, Karachi-75950 Phones: (021) 6801880-81-82	



Shabbir Tiles and Ceramics Limited

REPORT OF THE DIRECTORS FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2005.

Dear Shareholders,

The Directors take pleasure in presenting the unaudited accounts of the Company for the first quarter ended 30th September, 2005.

By the grace of Almighty Allah, your Company has generated net sales amounting to Rs. 388.514 million as against Rs. 251.165 million in the corresponding period last year, thus registering a growth of 54.68%. Simultaneously profit before taxation has also increased from Rs. 24.928 million to Rs. 41.213 million due to higher sales volume and better average selling prices achieved during the period.

In order to maintain profitability of the Company in future and to increase the market share, plant capacity is being increased from 3.370 million sq. metres to 4.570 million sq. metres per annum. Letter of credit for import of machinery has been established and Inshallah additional capacity is expected to come on line during this financial year. The Company will also focus on introducing innovative products to maintain our market share.

Management anticipates that in view of the tragic calamity of severe earthquake that occurred in the Northern Region, for sometimes atleast business activity is likely to slow down. The industrial relations climate remained cordial and satisfactory.

In the end, we wish to express our thanks to all our customers for their patronage and goodwill. We appreciate the support received from the bankers, shareholders and other stakeholders who continue to repose trust in the Company.

On behalf of the Board

ALIREZA M. ALLADIN
Chief Executive

Karachi : 18th October, 2005.



Shabbir Tiles and Ceramics Limited

BALANCE SHEET AS AT SEPTEMBER 30, 2005. (UNAUDITED)

	Note	September 30, 2005 (Unaudited) (Rs. in '000)	June 30, 2005 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	464,121	475,850
Investment property		1,002	1,027
Long term loans and advances		2,001	2,033
Long term deposits		18,592	18,366
		<u>485,716</u>	<u>497,276</u>
CURRENT ASSETS			
Stores and spares		21,242	21,537
Stock-in-trade		178,819	144,891
Trade debts		309,254	273,511
Loans and advances		7,745	6,550
Deposits, prepayments and other receivables		14,020	4,894
Taxation		7,707	7,707
Cash and bank balances		80,686	59,691
		<u>619,473</u>	<u>518,781</u>
TOTAL ASSETS		<u><u>1,105,189</u></u>	<u><u>1,016,057</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital 20,000,000 (2005 : 20,000,000) ordinary shares of Rs. 5/- each		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up capital		94,865	94,865
Reserves		358,592	350,317
		<u>453,457</u>	<u>445,182</u>
NON-CURRENT LIABILITIES			
Long term loan		27,000	33,750
Liabilities against assets subject to finance leases		124,620	139,428
Deferred taxation		37,794	37,794
Deferred liability - advance rent		1,505	1,610
		<u>190,919</u>	<u>212,582</u>
CURRENT LIABILITIES			
Trade and other payables	5	145,754	91,324
Short term borrowings	6	215,978	173,655
Current portion of long term loan		27,000	27,000
Taxation		8,610	4,314
Current portion of liabilities against assets subject to finance leases		63,471	62,000
		<u>460,813</u>	<u>358,293</u>
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		<u><u>1,105,189</u></u>	<u><u>1,016,057</u></u>

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

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2005. (UNAUDITED)

	July to September 2005 (Rs. in 000's)	July to September 2004
Turnover - net	388,514	251,165
Cost of sales	285,796	186,938
Gross Profit	102,718	64,227
Distribution cost	44,040	28,598
Administrative expenses	7,061	5,728
	51,101	34,326
	51,617	29,901
Other operating income	183	579
	51,800	30,480
Finance cost	7,814	3,823
Other charges	2,773	1,729
	10,587	5,552
Profit before taxation	41,213	24,928
Taxation	18,708	8,905
Profit after taxation	22,505	16,023
Basic diluted earnings per share (Rs.)	1.19	0.93

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

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2005. (UNAUDITED)

	July to September 2005	July to September 2004
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	41,213	24,928
Adjustments for :		
Depreciation	18,055	8,890
Finance cost	7,814	3,358
Loss / (gain) on disposal of fixed assets	-	(458)
Profit on bank deposit	(68)	(16)
Amortization of unearned rental income	(105)	(105)
	25,696	11,669
Operating profit before working capital changes	66,909	36,597
(Increase) / decrease in current assets		
Stores and spares	295	(198)
Stock-in-trade	(33,928)	14,367
Trade debts	(35,743)	(17,853)
Loans and advances	(1,195)	(660)
Deposits, prepayments and other receivables	(9,126)	(5,727)
	(79,697)	(10,071)
Decrease in current liabilities		
Trade and other payables	38,882	14,069
Working capital changes	(40,815)	3,998
Cash generated from operations	26,094	40,595
Long term loans - net	32	7
Long term deposits	(226)	9
Income tax paid	(14,412)	(4,237)
Finance cost paid	(6,489)	(3,497)
Net cash inflow from operating activities	4,999	32,877
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(4,533)	(2,257)
Proceeds from disposal of fixed assets	-	2,155
Profit on bank deposit received	68	-
Net cash used in investing activities	(4,465)	(102)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of liabilities against assets subject to finance leases	(15,105)	(9,309)
Repayment of long term loan	(6,750)	(6,750)
Receipt of Short term borrowings	34,982	(26,064)
Dividend paid	(7)	(21)
Net cash used in financing activities	13,120	(42,144)
Net Increase / (decrease) in cash and cash equivalents	13,654	(9,369)
Cash and cash equivalents at the beginning of the period	(14,678)	39,637
Cash and cash equivalents at the end of the period	(1,024)	30,268
CASH AND CASH EQUIVALENTS		
Cash and bank balances	80,686	40,482
Short term running finances	(81,710)	(10,214)
	(1,024)	30,268

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

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2005. (UNAUDITED)

	Issued subscribed & paid-up capital	Reserve for issue of bonus shares	Revenue reserves		Total reserves	Total equity
			General reserve	Unappro- priated profit		
(Rs. in '000)						
Balance as at July 01, 2004 - restated	86,240	-	255,000	40,586	295,586	381,826
Effect of change in accounting policy						
Final dividend for the year ended June 30, 2004 @ Rs. 0.75 per share	-	-	-	(12,936)	(12,936)	(12,936)
Bonus shares issue @ 10 : 1	8,625	-	-	(8,625)	(8,625)	-
Transfer to general reserve	-	-	19,000	(19,000)	-	-
Profit for the year after taxation	-	-	-	76,292	76,292	76,292
Balance as at June 30, 2005	94,865	-	274,000	76,317	350,317	445,182
Unpaid dividend for the year ended June 30, 2005 @ Rs. 0.75 per share	-	-	-	(14,230)	(14,230)	(14,230)
Issue of bonus share @ 10 : 2	-	18,973	-	(18,973)	-	-
Transfer to general reserve	-	-	43,000	(43,000)	-	-
Profit for the quarter after taxation	-	-	-	22,505	22,505	22,505
Balance as at September 30, 2005	94,865	18,973	317,000	22,619	358,592	453,457

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

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2005. (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated on November 07, 1978 as a public limited company and is listed on all Stock Exchanges in Pakistan. The Company is primarily engaged in manufacture and sale of tiles and trading of allied building material products. The registered office of the Company is situated at 15th Mile Stone, National Highway, Landhi, Karachi.

2. BASIS OF PREPARATION

These financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 (the Ordinance) and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" as applicable in Pakistan.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2005.

4. PROPERTY, PLANT AND EQUIPMENT

The following major additions and deletions were made during the period.

	Additions	Deletions
	(Rs. in '000)	
Operating fixed assets		
Plant and machinery	2,491	-
Vehicles	1,876	-
Computers	326	-
	<u>4,693</u>	<u>-</u>

The depreciation method on operating fixed assets has been changed from reducing balance method to straight line method with effect from 1st July, 2005. The residual value has been accounted for in calculation of depreciation. Had the company not changed the accounting estimate, profit for the period after taxation would have been higher by Rs. 5.163 million.



Shabbir Tiles and Ceramics Limited

5. TRADE AND OTHER PAYABLES

It includes a sum of Rs. 14.230 million as unpaid dividend for the year ended June 30, 2005.

September 30, 2005 June 30, 2005
(Rs. in '000)

6. SHORT-TERM BORROWINGS - secured

Term finance	134,268	99,286
Running finance	81,710	74,369
	<u>215,978</u>	<u>173,655</u>

These finances are secured by way of hypothecation of stocks, book debts and legal and equitable mortgage of present and future fixed assets of the Company ranking pari-passu with other creditors and are further secured by demand promissory notes.

7. CONTINGENCIES AND COMMITMENTS

There were no major changes in the contingencies and commitments as reported in the financial statements for the year ended June 30, 2005 except for commitments for capital expenditure amounting to Rs. 180 million (June 2005 : nil).

September 30, 2005 September 30, 2004
(Rs. in '000)

8. TRANSACTIONS WITH RELATED PARTIES

Sales	448	—
Purchases	2,503	1,900
Insurance premium paid	7,735	5,456
Insurance claims received	97	138
Registrar's service fee	120	109
Internal audit, IT related advisory and other services	579	430

Transactions with related parties are made under normal commercial terms and conditions.

9. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on 18th October, 2005 by the Board of Directors of the Company.

10. GENERAL

Figures have been rounded off to nearest thousands.

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director

BOOK POST
Printed Matter

UNDER POSTAL CERTIFICATE

If undelivered please return to :

Shabbir Tiles and Ceramics Ltd.
15th Mile Stone,
National Highway,
Landhi, Karachi-75120

REGISTRARS AND SHARE TRANSFER OFFICE
Noble Computer Services (Pvt.) Ltd.
2nd Floor, Sohni Centre, BS 5 & 6, Main Karimabad,
Block-4, Federal B. Area, Karachi-75950
Phones: (021) 6801880-81-82