



Superbrands

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

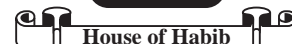
NATIONAL TAX NUMBER : 0712052-4
SALES TAX REGISTRATION NO : 02-04-6907-001-37

Authorised Capital	...	Rs.	300,000,000
Issued, Subscribed and Paid-up Capital	...	Rs.	136,605,930

Quarterly Accounts for the
Period ended 30th September
2007
(UNAUDITED)



A HOUSE OF HABIB COMPANY





CONTENTS

Company Information	1
Directors' Report	2
Balance Sheet	3
Profit and Loss Account	4
Cash Flow Statement	5
Statement of Changes in Equity.....	6
Notes to the Financial Statements	7



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	AZIZ AHMED	
AUDITORS	Ford Rhodes Sidat Hyder & Co. Chartered Accountants	
BANKERS	ABN AMRO Bank N.V. Bank AL Habib Limited Habib Bank Limited Habib Metropolitan Bank Limited Muslim Commercial Bank Limited	
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 I-9, Islamabad. UAN: (051) 111-000-039	
PESHAWAR SALES OFFICE	Room No. 10-B, 2nd Floor, Fawad 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	
REGISTRAR 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	



**DIRECTORS' REPORT FOR THE
PERIOD ENDED 30 SEPTEMBER, 2007**

Dear Shareholders,

The Directors would like to present their report and unaudited financial statements of the Company for the quarter ended September 30, 2007.

As stated in our annual report dated August 30, 2007, the period under review has been one of the most challenging ones for your Company due to utility externalities which were beyond your Company's control and are masked by continuation of unabating woes. The major break down in electric power supply was eventually restored after a span of six months by KESC, causing a heavy cost burden on alternate power generation during the interruption period. In September continual disruption and meager pressure in Gas supply by SSGC coupled with increased carbon contents and frequent choking of Gas filters have further resulted in not only under utilisation of installed production capacity and substantial production losses but also products' quality, selling prices and damaged to Kilns. Subsequently the gas supply was restored to normalcy in October.

Your Company was, therefore, faced with a tremendous challenge of increase in cost on the one hand and reduction in selling prices on the other. The management of the your Company remained focused on controlling cost during this difficult period and on retaining and developing new customers, a key lead and differentiator over others, the benefit of which be evident in future. As a Company we are focused on achieving our mid to long term strategic growth-aspiration and will Insha-Allah weather the current challenges and issues, soon.

The Financial performance of the Company alongwith reasons for major variations are:

- Turnover during the period increased to Rs. 443.776 million which is 9.71% higher that of last year's corresponding period.
- Gross Profit rate decreased from 27.18% to 20.59% primarily due to forgoing externalities and their aftermath.
- Financial cost increased by 17.04% due to increase in mark-up rates and recent BMR.

As a result of the above variations, profit after taxation for the period was Rs. 10.563 million as compared to profit of Rs. 23.049 million of last year's corresponding period. Accordingly, EPS works out to Rs. 0.39 as against Rs. 0.84 of last year's corresponding period.

Finally, the Board wishes to thank the shareholders, staff, customers and other stake holders for their constant support and commitment in moving the Company in a direction which will deliver long term sustainability and growth.

On behalf of the Board

ALIREZA M. ALLADIN
Chief Executive

Karachi : October 25, 2007.



Shabbir Tiles and Ceramics Limited

INTERIM CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2007 (UN-AUDITED)

	Note	September 30, 2007 (Unaudited)	June 30, 2007 (Audited)
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	733,373	730,863
Investment property		799	825
Long term loans and advances		1,263	1,057
Long term deposits		23,499	22,747
		<u>758,934</u>	<u>755,492</u>
CURRENT ASSETS			
Stores and spares		46,956	39,153
Stock-in-trade		194,504	165,419
Trade debts	5	302,697	309,816
Loans, advances, deposits, prepayments and other receivables		66,142	20,951
Taxation - net		8,986	9,736
Cash and bank balances		60,827	67,694
		<u>680,112</u>	<u>612,769</u>
TOTAL ASSETS		<u><u>1,439,046</u></u>	<u><u>1,368,261</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
60,000,000 (June 30, 2007 : 60,000,000) Ordinary shares of Rs. 5/- each		<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid-up capital	6	136,605	136,605
Reserves		441,340	430,777
		<u>577,945</u>	<u>567,382</u>
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance leases		241,262	264,745
Deferred taxation		67,391	66,202
Deferred liability - advance rent		245	350
		<u>308,898</u>	<u>331,297</u>
CURRENT LIABILITIES			
Trade and other payables	7	150,137	153,494
Accrued mark-up		2,698	4,578
Short-term borrowings	8	254,530	178,188
Current portion of liabilities against assets subject to finance leases		123,942	120,621
Sales tax payable		20,896	12,701
		<u>552,203</u>	<u>469,582</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u><u>1,439,046</u></u>	<u><u>1,368,261</u></u>

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2007 (UNAUDITED)

	July to September 2007	July to September 2006
	(Rupees in '000)	
Turnover - net	443,776	404,484
Cost of sales	352,393	294,509
Gross profit	91,383	109,975
Distribution cost	51,017	49,413
Administrative expenses	9,411	9,288
	60,428	58,701
	30,955	51,274
Other operating income	228	154
	31,183	51,428
Finance cost	13,772	11,766
Other charges	1,202	2,311
	14,974	14,077
Profit before taxation	16,209	37,351
Taxation		
– Current	4,457	10,849
– Deferred	1,189	3,453
	5,646	14,302
Profit after taxation	10,563	23,049
		(Restated) due to Bonus Issue
BASIC AND DILUTED EARNINGS PER SHARE (RS.)	0.39	0.84

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director



**INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2007
(UNAUDITED)**

	July to September	
	2007	2006
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,209	37,351
Adjustments for :		
Depreciation	29,199	21,100
Finance cost	13,772	11,766
Gain on disposal of fixed assets	-	(49)
Profit on bank deposit	(99)	-
Amortization of unearned rental income from investment property	(105)	(105)
	<u>42,767</u>	<u>32,712</u>
Operating profit before working capital changes	58,976	70,063
(Increase) / decrease in current assets		
Stores and spares	(7,803)	3,420
Stock-in-trade	(29,085)	(44,577)
Trade debts	7,119	(29,646)
Loans, advances, deposits, prepayments and other receivables	(45,710)	(13,603)
	<u>(75,479)</u>	<u>(84,406)</u>
Increase in current liabilities		
Trade and other payables	4,838	1,736
	<u>(70,641)</u>	<u>(82,670)</u>
Working Capital Changes		
Cash generated from operations	(11,665)	(12,607)
Income tax paid	(3,707)	(10,961)
Finance cost paid	(15,657)	(12,861)
Long-term loans	313	4
Decrease / (Increase) in long-term deposits	(752)	39
	<u>(31,468)</u>	<u>(36,386)</u>
Net cash generated from operating activities	(31,468)	(36,386)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(22,211)	(15,817)
Proceeds from disposal of fixed assets	-	477
Profit on bank deposit received	99	-
	<u>(22,112)</u>	<u>(15,340)</u>
Net cash used in investing activities	(22,112)	(15,340)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loan	-	(6,750)
Repayment of liabilities against assets subject to finance lease	(29,634)	(25,109)
Proceeds of short-term borrowings	36,584	34,540
Dividend paid	-	(24)
	<u>6,950</u>	<u>2,657</u>
Net cash used in financing activities	6,950	2,657
Net Increase / (decrease) in cash and cash equivalents	(46,630)	(49,069)
Cash and cash equivalents at the beginning of the period	16,517	16,319
Cash and cash equivalents at the end of the period	(30,113)	(32,750)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	60,827	41,080
Short term running finances	(90,940)	(73,830)
	<u>(30,113)</u>	<u>(32,750)</u>

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director



INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2007
(UNAUDITED)

	Issued subscribed & paid-up capital	Revenue reserves		Total reserves	Total equity
		General reserve	Unappro- priated profit		
Balance as at July 1, 2006	113,838	317,000	71,739	388,739	502,577
Net profit for the quarter after Taxation	-	-	23,049	23,049	23,049
Balance as at September 30, 2006	113,838	317,000	94,788	411,788	525,626
Balance as at June 30, 2007	136,605	348,000	82,777	430,777	567,382
Profit for the quarter after taxation	-	-	10,563	10,563	10,563
Balance as at September 30, 2007	136,605	348,000	93,340	441,340	577,945

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director



**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2007
(UNAUDITED)**

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated on November 07, 1978 as a public limited company by shares under the Companies Act, 1913 (now the companies ordinance 1984) and is listed on all the 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 interim condensed 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 adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2007.

4. PROPERTY, PLANT AND EQUIPMENT

The following additions and deletions were made during the period:

	Additions	Deletions
	(Rupees in '000)	
Owned		
Building on Freehold Land	435	-
Plant and machinery	2,941	-
Furniture & Fixtures	70	-
Office equipment	35	-
Computer	382	-
A.C. Equipments	271	-
	<u>4,134</u>	<u>-</u>
Leased		
Vehicles	9,472	-
	<u>13,606</u>	<u>-</u>

5. This includes amount of Rs. Nil (June 30, 2007: Rs. 0.170 million) due from related parties.



Shabbir Tiles and Ceramics Limited

6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary shares of Rs. 5/- each		September, 30 2007	June 30, 2007
<u>Number of shares in '000</u>		(Rupees in '000)	
Sept. 30, 2007	June 30, 2007		
6,863	6,863	Fully paid in cash	34,315
1,150	1,150	Issued for consideration other than cash	5,750
		Issued as fully paid bonus shares	
14,754	14,754	Opening balance	73,770
4,554	4,554	Issued during the period	22,770
19,308	19,308	96,540	96,540
27,321	27,321	136,605	136,605

7. This Includes amount of Rs. 6.654 million (June 30, 2007: Rs. 3.044 million) due to related parties.

8. SHORT-TERM BORROWINGS - secured

Term finance	163,590	127,012
Running finance	90,940	51,176
	254,530	178,188

9. CONTINGENCIES AND COMMITMENTS

Contingencies

There were no changes in the contingencies as reported in the annual financial statements for the year ended June 30, 2007.

Commitments

Outstanding Letters of Credit	131,117	70,222
Outstanding Letters of guarantee	42,762	42,762
Capital commitment-Land/Plant & Machinery	215,550	28,722

10. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise associated undertaking, directors and key management personnel. Transactions with related parties during the period are as follows:



Shabbir Tiles and Ceramics Limited

	September 30, 2007	September 30, 2006
	(Rupees in '000)	
Sales	–	57
Purchase	4,999	4,726
Insurance premium	1,714	2,059
Insurance claims received	7	146
Registrar's service fee	142	128
Internal audit, IT related advisory and other services	810	1,458
Contribution to provident fund	1,010	789
Remuneration of key management	1,798	1,578

Transactions with related parties are carried out at an arm's length prices determined using the admissible valuation methods.

11. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on 25th October, 2007 by the Board of Directors of the Company.

12. GENERAL

Figures have been rounded off to the nearest thousands rupees.

ALIREZA M. ALLADIN
Chief Executive

ABDUL HAI M. BHAIMIA
Director