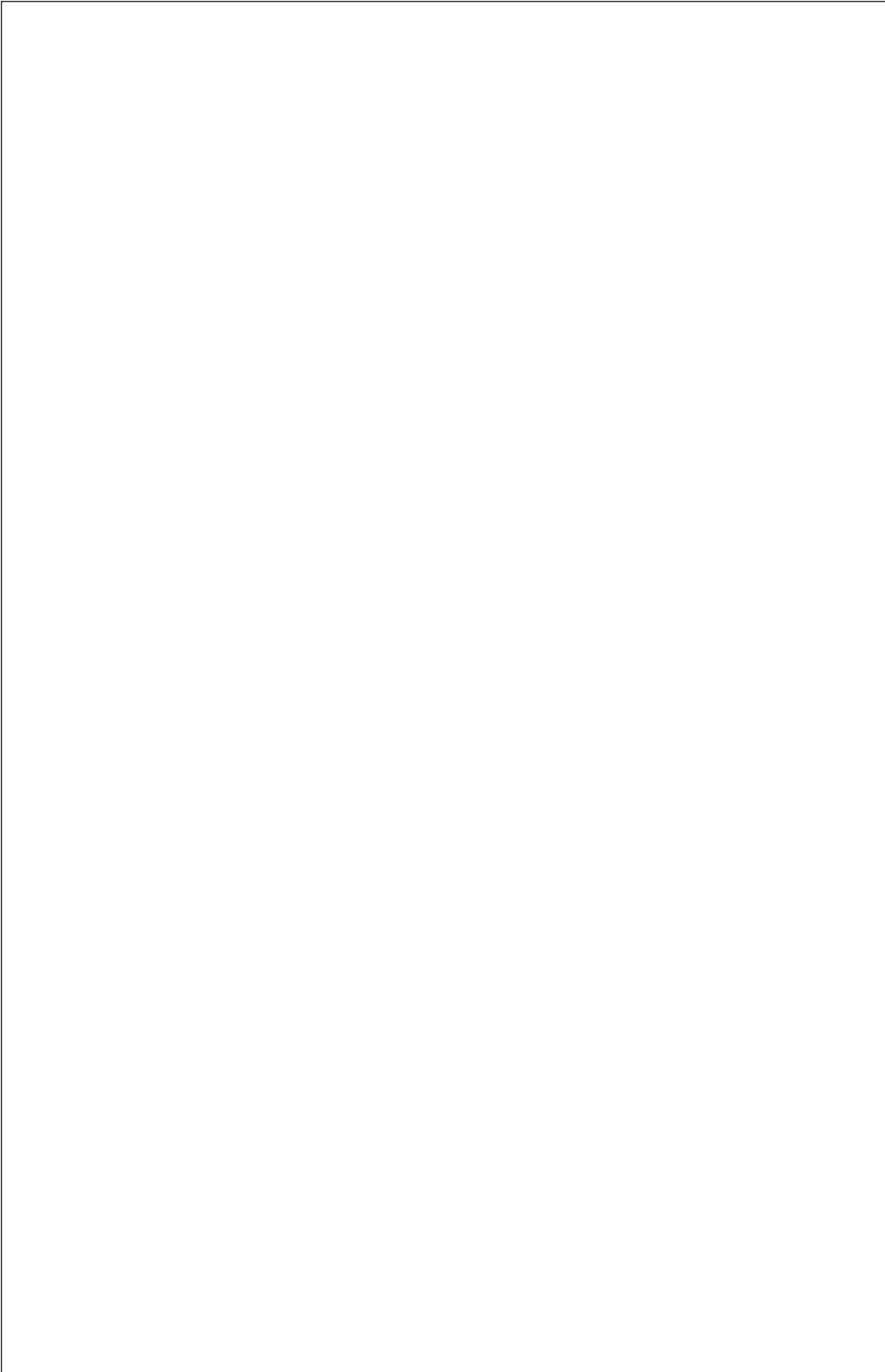


Shabbir Tiles and Ceramics Limited

Condensed Interim Financial Statements
For the First Quarter Ended September 30, 2013
(UNAUDITED)







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Shabbir Tiles and Ceramics Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	RAFIQ M HABIB RAZA ANSARI ALI SULEMAN HABIB ALIREZA M. ALLADIN ABDUL HAI M. BHAIMIA SALIM AZHAR MUHAMMAD FAISAL	<i>Chairman</i> <i>Chief Executive Officer</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i>
AUDIT COMMITTEE	MUHAMMAD FAISAL ABDUL HAI M. BHAIMIA SALIM AZHAR	<i>Chairman</i> <i>Member</i> <i>Member</i>
HUMAN RESOURCES AND REMUNERATION COMMITTEE	SALIM AZHAR ALIREZA M. ALLADIN MUHAMMAD FAISAL	<i>Chairman</i> <i>Member</i> <i>Member</i>
COMPANY SECRETARY	AZIZ AHMED	
AUDITORS	ERNST & YOUNG FORD RHODES SIDAT HYDER Chartered Accountants	
LEGAL ADVISOR	M. AKRAM ZUBERI & CO. Advocate Supreme Court	
BANKERS	Habib Metropolitan Bank Limited Faysal Bank Limited National Bank of Pakistan Bank Al Habib Limited Habib Bank Limited Dubai Islamic Bank Pakistan Limited United Bank Limited Askari Bank Limited Allied Bank Limited Bank Alfalah Limited	
REGISTERED OFFICE	15th Milestone, National Highway, Landhi, Karachi-75120 Phone: (021) 35015024-25, 35014044-45 Fax: (021) 35015545 E-mail: info@stile.com.pk URL: http://www.stile.com.pk	
KARACHI DISPLAY CENTRE & SALES OFFICE	Makro Cash & Carry, CAA, Near Star Gate, Main Shahrah-e-Faisal, Karachi. Phone: (021) 34601372-74 Fax: (021) 34601375	
LAHORE SALES OFFICE	5, Tariq Block, New Garden Town, Lahore Phone: (042) 35914771-75 Fax: (042) 35864211	
ISLAMABAD SALES OFFICE	9th & 10th Lower Ground Floor, Aries Tower, Shamsabad, Muree Road, Rawalpindi. Phone: (051) 4575316-17 Fax: (051) 4575319	
PESHAWAR SALES OFFICE	3-Siyal Flats Opposite Kuwait Hospital, Abdara Chowk University Road, Peshawar. Phone: (091) 5846010/12 Fax: (091) 5846011	
MULTAN SALES OFFICE	17-A Aslam Arcade, Hassan Parwana Colony, Multan Phone: (061) 4783097 Fax: (061) 4546439	
REGISTRAR AND SHARE TRANSFER OFFICE	Noble Computer Services (Pvt.) Limited First Floor, Siddiqsons Towers, House of Habib Building, 3-Jinnah Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi Phone: (021) 34325482-87 Fax: 34325442	
FACTORY:		
UNIT-I	15th Milestone, National Highway, Landhi, Karachi-75120 Phones: (021) 35015024-25 / 35014044-45 Fax: 35015545	
UNIT-II	Plot No. 16, Chaukandi, Deh Khanto, Tappo Landhi, District Malir, Bin Qasim Town, Karachi. Phones: (021) 34102702 Fax: (021) 34102709	



Shabbir Tiles and Ceramics Limited

DIRECTORS' REPORT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

The Directors of the Company are pleased to submit the first quarter report along with the unaudited financial statements of the Company for the three months period ended September 30, 2013.

The ongoing energy crisis and inflationary pressures continued to adversely affect the buying power of masses in the country. The ever changing prices of energy are also matter of grave concern. Frequent trade closures due to strikes, protests, fiscal budget and the post general election, also impacted the growth of the Company. Low gas pressure and frequent outages have also resulted in increased fuel and raw materials consumption/cost. Additionally, foreign currency reserves remained under pressure on the back of IMF repayments resulted in substantial devaluation of Pak Rupee against US Dollar.

Due to these circumstances, the Company recorded a loss before taxation of Rs. 14.7 million compared to profit before taxation of Rs. 36.1 million of the same period last year. The sales volume recorded at 2.035 million square meters against 2.289 million square meters in comparable last year period. The inclusion of tiles in the Third Schedule items of Sales Tax Act, 1990 and increasing competition from imported tiles are also impacting the sales volume.

The financial performance for the quarter is summarized below:

	July to September	
	2013	2012
Turnover - net	1,175,851	1,195,651
Gross profit	237,528	301,982
(Loss) / Profit before tax	(14,759)	36,091
(Loss) / Profit after tax	(9,741)	23,321
(Loss) / Earnings per share (Rs.)	(0.07)	0.16

Future outlook and challenges:

The Company continues to operate under very challenging circumstances. However, with the installation of LPG plant, the production volume is likely to improve. The tile industry in Pakistan has a great potential for growth. We continue to have an optimistic outlook for the business and are firmly committed to face all these adverse situations with great courage and determined to give profitable financial results in the coming period.

We take this opportunity to thank all stakeholders for their continued support and hard work.

On behalf of the Board

RAZA ANSARI
Chief Executive Officer

Karachi: October 22, 2013



Shabbir Tiles and Ceramics Limited

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2013

	Note	30 September 2013 (Un-audited)	30 June 2013 (Audited)
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	3,095,039	3,163,042
Investment property		179	207
Long-term loans and advances		109	109
Long-term deposits		10,548	10,810
		3,105,875	3,174,168
CURRENT ASSETS			
Stores and spare parts		140,972	126,438
Stock-in-trade		457,382	425,757
Trade debts	5	930,802	829,689
Loans, advances, deposits, prepayments and other receivables		35,033	34,804
Taxation - net		46,211	39,250
Cash and bank balances		106,391	126,019
		1,716,791	1,581,957
TOTAL ASSETS		4,822,666	4,756,125
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		1,200,000	1,200,000
240,000,000 ordinary shares of Rs.5/- each			
Issued, subscribed and paid-up capital		721,277	721,277
Reserves		1,060,783	1,070,524
		1,782,060	1,791,801
NON-CURRENT LIABILITIES			
Long-term finance		992,432	1,023,682
Liabilities against assets subject to finance lease		1,807	2,606
Deferred tax liability		138,944	155,564
		1,133,183	1,181,852
CURRENT LIABILITIES			
Trade and other payables		562,478	521,661
Accrued mark-up		78,841	37,911
Current maturity of long-term finance		381,766	506,766
Current maturity of liabilities against assets subject to finance lease		2,742	2,523
Short-term borrowings		835,525	672,362
Sales tax payable		46,071	41,249
		1,907,423	1,782,472
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		4,822,666	4,756,125

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

RAZA ANSARI
Chief Executive Officer

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	July to September	
	2013	2012
	(Rupees in '000)	
Turnover – net	1,175,851	1,195,651
Cost of sales	(938,323)	(893,669)
Gross profit	237,528	301,982
Distribution costs	(168,777)	(153,605)
Administrative expenses	(26,652)	(22,379)
	(195,429)	(175,984)
Other income	96	896
Operating profit	42,195	126,894
Finance costs	(55,079)	(86,253)
Other Charges	(1,875)	(4,550)
(Loss) / Profit before taxation	(14,759)	36,091
Taxation		
- Current	(11,602)	(6,320)
- Deferred	16,620	(6,450)
	5,018	(12,770)
(Loss) / Profit after taxation	(9,741)	23,321
	----- (Rupees) -----	
(Loss) / Earnings per share – basic and diluted	(0.07)	0.16

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

RAZA ANSARI
Chief Executive Officer

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013
(UNAUDITED)**

	July to September	
	2013	2012
	(Rupees in '000)	
(Loss) / Profit after taxation	(9,741)	23,321
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	<u>(9,741)</u>	<u>23,321</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements

RAZA ANSARI
Chief Executive Officer

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	September 30, 2013	September 30, 2012
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(14,759)	36,091
Adjustments for :		
Depreciation	70,795	64,033
Finance costs	55,079	86,253
Provision / (Reversal) for impairment of trade debts	4,753	(689)
Provision for slow moving stores and spare parts	3,178	4,135
Gain on disposal of property, plant and equipment	(516)	(441)
	133,289	153,291
	118,530	189,382
 (Increase) / decrease in current assets		
Stores and spares parts	(17,712)	(8,019)
Stock-in-trade	(31,625)	4,871
Trade debts	(105,866)	(108,404)
Loans, advances, deposits, prepayments and other receivables	(229)	(16,415)
	(155,432)	(127,967)
 Increase in current liabilities		
Trade and other payables	40,817	9,929
Sales tax payable	4,822	3,885
Cash generated from operations	8,737	75,229
Income tax paid	(18,559)	(12,005)
Finance costs paid	(14,149)	(33,686)
Long-term loans and advances	-	104
Long-term deposits	262	-
Net cash (used in) / generated from operating activities	(23,709)	29,642
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(4,308)	(619)
Proceeds from disposal of property, plant and equipment	2,056	618
Net cash used in investing activities	(2,252)	(1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan	(156,250)	-
Lease rental paid	(580)	(604)
Repayment of short-term borrowings	(70,591)	(13,589)
Net cash used in financing activities	(227,421)	(14,193)
Net (decrease) / increase in cash and cash equivalents	(253,382)	15,448
Cash and cash equivalents at the beginning of the period	(422,373)	(390,871)
Cash and cash equivalents at the end of the period	(675,755)	(375,423)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	106,391	116,570
Short-term running finances	(782,146)	(491,993)
	(675,755)	(375,423)

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements

RAZA ANSARI
Chief Executive Officer

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

Issued, subscribed and paid-up capital	Reserves				Total reserves	Total equity
	Capital reserve	Revenue reserves				
		Share premium	General reserve	Accumul- ated profit		
----- (Rupees in `000) -----						
Balance as at June 30, 2012 (audited)	721,277	456,288	514,000	17,914	988,202	1,709,479
Net profit for the period	-	-	-	23,321	23,321	23,321
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	23,321	23,321	23,321
Balance as at September 30, 2012 (unaudited)	<u>721,277</u>	<u>456,288</u>	<u>514,000</u>	<u>41,235</u>	<u>1,011,523</u>	<u>1,732,800</u>
Balance as at June 30, 2013 (audited)	721,277	456,288	514,000	100,236	1,070,524	1,791,801
Net loss for the period	-	-	-	(9,741)	(9,741)	(9,741)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(9,741)	(9,741)	(9,741)
Balance as at September 30, 2013 (unaudited)	<u>721,277</u>	<u>456,288</u>	<u>514,000</u>	<u>90,495</u>	<u>1,060,783</u>	<u>1,782,060</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements

RAZA ANSARI
Chief Executive Officer

ABDUL HAI M. BHAIMIA
Director



Shabbir Tiles and Ceramics Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

1.1 Shabbir Tiles and Ceramics Limited (the Company) was incorporated in Pakistan as a public limited company under the Companies Act 1913 (now the Companies Ordinance, 1984) on 07 November 1978 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 Milestone, National Highway, Landhi, Karachi.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2013.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2013 except as follows:

The Company has adopted the following standards and amendments to IFRS which became effective for the current period:

IFRS 7 – Financial Instruments: Disclosures – (Amendments)

- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IAS 19 – Employee Benefits –(Revised)

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above standards and amendments did not have any effect on the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

The following additions and deletions (at cost) were made in operating fixed assets during the period:

	Additions		Deletions	
	Three Months ended September 30,		Three Months ended September 30,	
	2013	2012	2013	2012
	----- (Rupees in `000) -----			
Owned				
Plant and machinery	47	-	-	-
Office equipment	585	127	65	-
Computers and accessories	258	492	265	-
Vehicles	3,418	-	4,785	-
	<u>4,308</u>	<u>619</u>	<u>5,115</u>	<u>-</u>
Leased				
Vehicles	-	-	-	1,412
	<u>4,308</u>	<u>619</u>	<u>5,115</u>	<u>1,412</u>



Shabbir Tiles and Ceramics Limited

	September 30, 2013 (Un-audited) (Rupees in '000)	30 June 2013 (Audited) (Rupees in '000)
5. TRADE DEBTS - unsecured		
Considered good	930,802	829,689
Considered doubtful	8,415	3,662
Less: Provision for impairment	(8,415)	(3,662)
	-	-
	<u>930,802</u>	<u>829,689</u>

6. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no change in the status of contingencies as reported in the annual financial statements of the Company for the year ended 30 June 2013.

	September 30, 2013 (Un-audited) (Rupees in '000)	30 June 2013 (Audited) (Rupees in '000)
Commitments		
Capital commitments	18,360	-
Outstanding letters of credit	61,519	69,204
Outstanding letters of guarantee	294,909	292,909

7. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, are as follows:

	Three Months Ended	
	September 30, 2013 ----- (Un-audited) ----- (Rupees in '000)	September 30, 2012
Associated Companies		
Sales	3,271	1,414
Purchases of goods, materials and services	12,208	13,159
Insurance premium	5,717	7,240
Insurance claims received	147	1,038
Rent paid and services	1,313	2,530
Rent received	116	116
Markup earned	55	219
Markup expense	7,695	7,832
Commission on letter of guarantee	226	156
Other related parties		
Contribution to Provident Fund	3,038	2,983
Key management personnel compensation	10,809	4,838
Sale proceeds from disposal of assets to Director	1,625	-



Shabbir Tiles and Ceramics Limited

	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
Balances as at period / year end		
Trade debts	434	681
Trade and other payables	10,509	13,182
Bank balances	52,510	52,148
Advances	19	-
Short-term borrowing	267,870	396,863
Commitments		
Outstanding letters of credit	79,879	42,211
Outstanding letters of guarantee	294,909	292,909

8. GENERAL

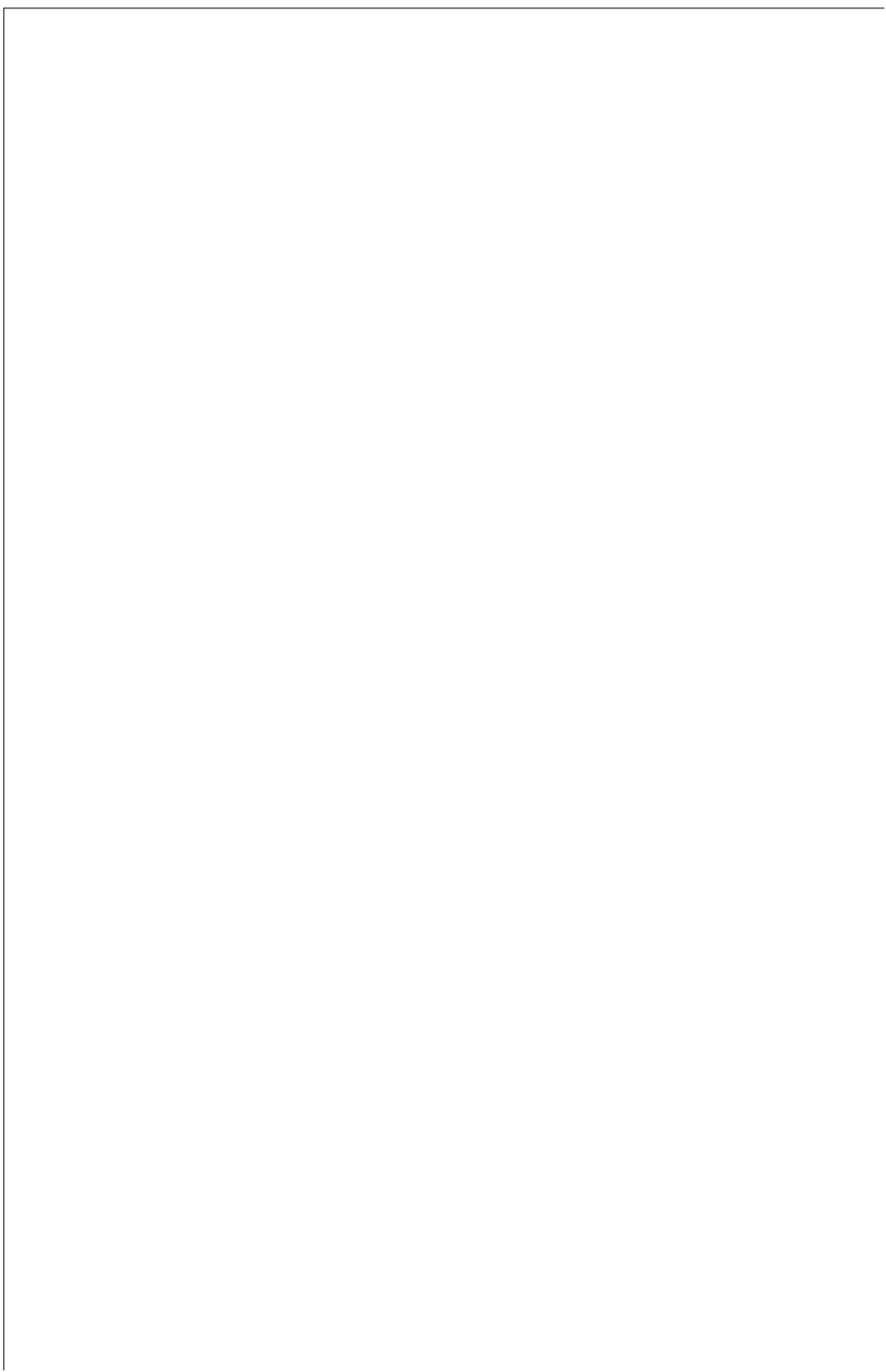
8.1 Figures have been rounded off to the nearest thousands.

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 22, 2013 by the Board of Directors of the Company.

RAZA ANSARI
Chief Executive Officer

ABDUL HAI M. BHAIMIA
Director





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