

**Shabbir Tiles and Ceramics Limited**  
Condensed Interim Financial Information  
For the Second Quarter & Half Year Ended December 31, 2017  
(UN-AUDITED)







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## Shabbir Tiles and Ceramics Limited

### COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	RAFIQ M. HABIB ALI SULEMAN HABIB SYED MASOOD ABBAS JAFFERY ABDUL HAI M. BHAIMIA OWAIS-UL-MUSTAFA SALIM AZHAR FEROZE JEHANGIR CAWASJI	Chairman Director Chief Executive Officer Director Director Director Director
<b>AUDIT COMMITTEE</b>	FEROZE JEHANGIR CAWASJI ABDUL HAI M. BHAIMIA SALIM AZHAR	Member/Chairman Member Member
<b>HUMAN RESOURCES AND REMUNERATION COMMITTEE</b>	FEROZE JEHANGIR CAWASJI SALIM AZHAR SYED MASOOD ABBAS JAFFERY	Member/Chairman Member Member
<b>CHIEF FINANCIAL OFFICER</b>	WAQUAS AHMED	
<b>COMPANY SECRETARY</b>	OVAIS JAMANI	
<b>AUDITORS</b>	EY FORD RHODES Chartered Accountants	
<b>LEGAL ADVISOR</b>	Munawar Malik & Co. Advocate Supreme Court	
<b>BANKERS</b>	Habib Metropolitan Bank Limited Habib Bank Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Allied Bank Limited Meezan Bank Limited	
<b>REGISTERED OFFICE</b>	15th Milestone, National Highway, Landhi, Karachi-75120. Phone: (021) 35015024-25 / 35014044-45 Fax: (021) 35015545 / 35022920 E-mail: info@stile.com.pk URL: http://www.stile.com.pk	
<b>KARACHI DISPLAY CENTRE &amp; SALES OFFICE</b>	Makro Cash & Carry, CAA, Near Star Gate, Main Shahrah-e-Faisal, Karachi. Phone: (021) 34601372-74 Fax: (021) 34601375	
<b>LAHORE SALES OFFICE</b>	90 CCA, DHA Phase 4, Lahore. Phone: (042) 35117521	
<b>ISLAMABAD SALES OFFICE</b>	Plot No. 847, Muhammad Arcade Plaza, 1st Floor, B-Block, Satellite Town, Commercial Market, Rawalpindi. Phone: (051) 4944405-08 Fax: (051) 4944403	
<b>PESHAWAR SALES OFFICE</b>	3-Siyal Flats Opposite Kuwait Hospital, Abdara Chowk University Road, Peshawar. Phone: (091) 5846010/12 Fax: (091) 5846011	
<b>SUKKUR OFFICE</b>	Tooba Tower, Mezzanine Floor, Opposite Hira Medical Center, Sukkur. Phone: (071) 5615560	
<b>MULTAN OFFICE</b>	Jalil Centre, 2nd Floor, Abdali Road, Multan. Phone: (061) 4546439 / 4783097	
<b>REGISTRAR AND SHARE TRANSFER OFFICE</b>	Central Depository Company Limited CDC House, 9B-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400. Phone: 111 111 500 Fax: 34326053 URL: www.cdc-pakistan.com Email: info@cdcpak.com	
<b>FACTORY:</b>	<b>UNIT-I</b> 15th Milestone, National Highway, Landhi, Karachi-75120. Phones: (021) 35015024-25 / 35014044-45 Fax: (021) 35015545 <b>UNIT-II</b> Deh Khanto, Tappo Landhi, District Malir, Bin Qasim Town, Karachi. Phones: (021) 34102702 Fax: (021) 34102709	



## Shabbir Tiles and Ceramics Limited

### DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE SECOND QUARTER & HALF YEAR ENDED DECEMBER 31, 2017

The Directors of the Company are pleased to submit their report along with the condensed interim financial information of the company for the second quarter and half year ended December 31, 2017.

#### Financial performance

We are pleased with the progress of our sales and gross margins half way through the year. This includes solid operational improvements with complete alignment to strategic goals. Profitability is in line with our expectations, as operational savings and efficiencies have offset higher energy cost.

The financial performance for the half year is summarized below:

Particulars	Rs. in '000		
	Half year ended		
	Dec 31, 2017	Dec 31, 2016	% Change
Turnover – net	2,532,805	2,545,294	-0.49%
Gross profit	441,425	293,662	50.32%
Operating profit/ (loss)	82,312	(69,501)	218.43%
Profit / (loss) before tax	25,839	(113,319)	122.80%
Profit / (loss) after tax	11,116	(104,114)	110.68%
Earnings / (loss) per share (Rs./ share)	0.05	(0.44)	111.36%

The gross profit percentage is 17.4% against last year 11.5% on the back of improvement in the product mix and optimization of energy and material usage have collectively contributed to improved gross margins. Working capital management remained the key focus with total cash generated from operations amounting to Rs. 747.05 million against Rs. 122.28 million in earlier period. Our profit after tax increased to Rs. 11.12 million from a comparative loss of Rs. 104.11 million, registering a strong advancement of 110.68%.

#### Future outlook and challenges:

Your Company is optimistic on progression with ongoing activities in construction sector. The new product variety is very exciting and steadily making its position in the market. The first phase of the balancing and modernization activities of plant and machineries is complete. The second phase is on track which after completion will support in further product development and accommodate changing customer preferences.

The Federal Government increased Regulatory Duty (RD) on imported tiles supporting local manufacturer to become more competitive. However, RD is currently suspended by the Honorable Sindh High Court due to procedural gap in its imposition. Also, just at the end of the half year 2017, Honorable Lahore High Court issued stay order on the imposition of final anti-dumping duty (levied in October 2017), on Chinese tiles by National Tariff Commission (NTC).

The Company requires immense backing of the Government for reduction in high energy and other input cost and also to make imported tiles equally competitive with locally manufactured tiles.

Your Company with the support of the Government, will remain focused on improving shareholder's value by expanding revenue and customer base, investment in new technology and high attention on cost controls.

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

On behalf of the Board of Directors

  
**SYED MASOOD ABBAS JAFFERY**  
Chief Executive Officer

  
**FEROZE JEHANGIR CAWASI**  
Director

Karachi: February 15, 2018



بایستد و دیگری مسایلی دشمنانه 31 دسامبر 2017

[illegible]

مدیچے پر اردو لکھی

شعبہ سی و سب سے کم سال		شعبہات	
2017/17	2017/17	کاروبار - خانگی	2017/17
2,545,294	2,532,805	گھریلو	441,425
293,882	82,312	کاروبار اور خانگی	82,312
(89,601)	25,839	سیاحت و تفریح	11,116
(113,319)	11,116	آبادی (خانگی) سے کم (سیاحت و تفریح)	0.05
(104,114)	11,356		
(0.44)			

— قسمتی پر ضرور غلطی۔

وفاقی حکومت کی جانب سے۔

المحكمة

آ کی کپڑی کی جانب سے

اس میں جو کچھ ہے اس کی بات

منہاجیہ لکھنا ایک حیرت انگیز

۱۰۸۲-۱۰۸۳  
میدان مسجد جامع حطری

کتابچہ 1 جنوری 2018



## Shabbir Tiles and Ceramics Limited



EY Ford Pricewaterhouse  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 13541, Karachi 75330  
Pakistan

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### Auditors' Report to the Members on Review of Interim Financial Information

#### Introduction

We have reviewed the accompanying condensed interim balance sheet of Shabbir Tiles and Ceramics Limited (the Company) as at 31 December 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

*E. Ford Pricewaterhouse*

Chartered Accountants

Review Engagement Partner: Shabbir Yurus Khairullah

Date: 20 February 2018

Karachi

A member firm of Ernst & Young Global Limited

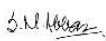


## Shabbir Tiles and Ceramics Limited

### CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2017

		December 31, 2017 (Un-audited)	June 30, 2017 (Audited)
	Note	(Rupees in '000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	3,377,818	2,840,988
Investment property		11,362	12,003
Long-term loans		70	30
Long-term deposits		8,819	7,347
		<u>3,398,169</u>	<u>2,860,357</u>
<b>CURRENT ASSETS</b>			
Stores and spare parts		398,424	247,647
Stock-in-trade	8	1,034,812	878,358
Trade debts	9	968,368	948,708
Loans and advances		15,862	23,124
Deposits, prepayments and other receivables		26,812	9,105
Taxation - net		182,590	150,923
Cash and bank balances		127,280	63,315
		<u>2,421,073</u>	<u>2,419,176</u>
		<u>5,819,262</u>	<u>5,279,532</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
240,000,000 (June 30, 2017: 240,000,000) ordinary shares of Rs.5/- each		<u>1,200,000</u>	<u>1,200,000</u>
Issued, subscribed and paid-up capital		1,186,881	1,198,801
Reserves		<u>810,081</u>	<u>508,055</u>
		<u>1,996,882</u>	<u>1,795,886</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loan	10	982,868	375,000
Deferred tax liability - net		92,853	85,510
		<u>1,074,978</u>	<u>460,510</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,888,780	1,824,585
Accrued mark-up		15,434	14,096
Current maturity of long-term loan	10	250,000	250,000
Short-term borrowings		828,818	890,085
Salut tax payable		154,770	144,581
		<u>2,937,802</u>	<u>3,023,456</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	<u>5,819,262</u>	<u>5,279,532</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

  
SYED MASOOD ABBAS JAFFERY  
Chief Executive Officer

  
WAQUAS AHMED  
Chief Financial Officer

  
FEROZE JEHangIR CAWASJI  
Director





## Shabbir Tiles and Ceramics Limited

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees In '000)			
Turnover - net	2,632,806	2,645,294	1,314,868	1,376,471
Cost of sales	(2,091,380)	(2,251,892)	(1,042,489)	(1,114,237)
Gross profit	441,426	293,952	272,368	261,234
Distribution costs	(296,805)	(319,019)	(168,439)	(197,496)
Administrative expenses	(79,762)	(85,609)	(46,958)	(35,016)
	(376,667)	(362,628)	(215,398)	(232,512)
Other income	21,468	18,885	13,161	10,206
Other charges	(1,914)	-	(1,914)	-
	19,554	18,885	11,247	10,206
Operating profit / (loss)	62,312	(69,601)	78,218	38,928
Finance costs	(86,473)	(49,618)	(28,027)	(21,946)
Profit / (loss) before taxation	25,839	(113,319)	45,191	16,983
Taxation				
- Current	(7,960)	(25,824)	(2,298)	(13,814)
- Deferred	(9,823)	35,129	(12,838)	(5,265)
	(14,723)	9,205	(14,887)	(19,079)
Profit / (loss) after taxation	11,116	(104,114)	30,294	(2,096)
	(Rupees)			
Earnings / (loss) per share - basic and diluted	0.65	(0.44)	0.13	(0.01)

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

  
SYED MASOOD ABBAS JAFFERY  
Chief Executive Officer

  
WAQUAS AHMED  
Chief Financial Officer

  
FEROZE JEHangIR CAWASI  
Director



## Shabbir Tiles and Ceramics Limited

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in '000)			
Profit / (loss) after taxation	11,116	(104,114)	30,294	(2,086)
Other comprehensive income	-	-	-	-
Total comprehensive Income / (loss) for the period	11,116	(104,114)	30,294	(2,086)

The un-audited notes from 1 to 15 form an integral part of this condensed interim financial information.

SYED MASOOD ABBAS JAFFERY  
Chief Executive Officer

WAQAS AHMED  
Chief Financial Officer

FEROZE JEHangIR CAWASJI  
Director



## Shabbir Tiles and Ceramics Limited

### CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	December 31, 2017	December 31, 2016
Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	25,839	(113,319)
Adjustments for:		
Depreciation on operating fixed assets	179,880	145,430
Investment property	621	351
Finance costs	58,473	43,815
Provision for doubtful debts	14,490	0,882
Provision for slow moving stores and spare parts	12,166	778
Provision for slow moving stock-in-trade	9,059	203
Gain on disposal of operating fixed assets	(875)	(887)
	279,791	188,573
Operating profit before working capital changes	296,630	86,254
(Increase) / decrease in current assets		
Stores and spare parts	(128,845)	(35,441)
Stock-in-trade	(87,212)	(155,045)
Trade debts	265,856	(163,591)
Loans and advances	7,138	(5,080)
Deposits, prepayments and other receivables	(18,787)	(2,939)
	68,021	(382,606)
Increase in current liabilities		
Trade and other payables	372,185	315,087
Sales tax payable	19,299	78,556
	382,394	393,643
Cash generated from operations	747,045	122,283
Income tax paid	(49,566)	(48,447)
Finance costs paid	(65,074)	(42,654)
Long-term loans - net	(31)	28
Long-term deposits - net	(1,372)	100
Net cash generated from operating activities	649,892	31,305
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(729,448)	(137,505)
Proceeds from disposal of operating fixed assets	5,813	1,182
Net cash used in investing activities	(714,835)	(136,418)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt / (repayment) of long-term loan	607,946	(125,000)
Net cash generated from / (used in) financing activities	607,946	(125,000)
Net increase / (decrease) in cash and cash equivalents	533,612	(230,111)
Cash and cash equivalents at the beginning of the period	(828,850)	(305,212)
Cash and cash equivalents at the end of the period	(295,238)	(535,323)

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

S.N. Jaffery  
SYED MASOOD ABBAS JAFFERY  
Chief Executive Officer

Waqas Ahmed  
WAQAS AHMED  
Chief Financial Officer

Feroze Jehangir Cawasji  
FEROZE JEHangir CAWASJI  
Director

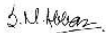


## Shabbir Tiles and Ceramics Limited

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Reserves				Total reserves	Total equity	
		Capital reserves	Revenue reserves		Total equity			
			Other premium	General reserve				Accumulated losses
Balance as at June 30, 2016	1,186,601	448,215	478,000	(176,766)	750,449	1,947,050		
Loss for the period	-	-	-	(104,114)	(104,114)	(104,114)		
Other comprehensive income	-	-	-	-	-	-		
Total comprehensive loss for the period	-	-	-	(104,114)	(104,114)	(104,114)		
Balance as at December 31, 2016	1,186,601	448,215	478,000	(280,880)	646,335	1,842,939		
Balance as at June 30, 2017	1,186,681	448,218	478,080	(228,208)	836,688	1,766,988		
Profit for the period	-	-	-	11,116	11,116	11,116		
Other comprehensive income	-	-	-	-	-	-		
Total comprehensive income for the period	-	-	-	11,116	11,116	11,116		
Balance as at December 31, 2017	1,186,681	448,218	478,080	(217,134)	810,961	1,806,982		

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

  
SYED MASOOD ABBAS JAFFERY  
Chief Executive Officer

  
WAQAS AHMED  
Chief Financial Officer

  
FEROZE JEHANGIR CAWASJI  
Director



## Shabbir Tiles and Ceramics Limited

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

#### 1. THE COMPANY AND ITS OPERATIONS

Shabbir Tiles and Ceramics Limited (the Company) was incorporated in Pakistan as a public limited company, under the repealed Companies Act 1913 on November 07, 1978 and listed on the Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of tile and trading of allied building products. The registered office of the Company is situated at 15th Milestone, National Highway, Landhi, Karachi.

#### 2. STATEMENT OF COMPLIANCE

Effective 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 09 October 2017 which states that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information has been prepared in accordance with International Accounting Standard - 34 (Interim Financial Reporting) and provisions of said directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

#### 3. BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors as required under Section 237 of the Companies Act, 2017. This condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2017.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2017 and December 31, 2016 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they are required to review only the cumulative figures for the half year ended December 31, 2017 and December 31, 2016.

This condensed interim financial information is presented in Pakistan Rupees which is the Company's functional and presentation currency.

#### 4. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the financial statements for the year ended June 30, 2017.

#### 6. New Standards, Amendments and Interpretation of IFRSs

The Company has adopted the following amendments to IFRSs which became effective during the current period:

IAS 7 Statement of Cashflows: Disclosures - Disclosure Initiative (Amendment)

IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any material impact on this condensed interim financial information of the Company. The Company has not early adopted any other standard, amendment or interpretation that has been issued by the International Accounting Standards Board (IASB) but is not yet effective.

In addition to the above, improvements to various accounting standards have also been issued by the IASB. Such improvements to the standards do not have any material impact on the interim financial information of the Company.



## 6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied in the Company's annual financial statements for the year ended June 30, 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

		December 31, 2017 (Un-audited)	June 30, 2017 (Audited)
	Note	(Rupees in '000)	
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	2,778,122	2,707,126
Capital work-in-progress	7.2	598,686	133,842
		<u>3,377,818</u>	<u>2,841,968</u>
<b>7.1 Operating fixed assets</b>			
Opening Net Book Value (NBV)		2,707,126	2,580,540
Additions to property, plant and equipment - at cost	7.1.1	250,782	423,335
		<u>2,957,908</u>	<u>3,013,875</u>
Disposals during the period / year - at NBV	7.1.1	(826)	(2,017)
Depreciation charged during the period / year		<u>(178,060)</u>	<u>(304,732)</u>
Closing NBV		<u>2,778,122</u>	<u>2,707,126</u>

### 7.1.1 Additions and disposals of property, plant and equipment

	Additions (cost)		Disposals (NBV)	
	December 31, 2017 (Un-audited)	June 30, 2017 (Audited)	December 31, 2017 (Un-audited)	June 30, 2017 (Audited)
	(Rupees in '000)			
Buildings	8,538	21,300	-	-
Plant and machinery	240,734	393,521	-	594
Office equipment	1,071	2,104	1	-
Computers and accessories	436	2,001	8	12
Vehicles	-	4,408	916	1,411
	<u>250,782</u>	<u>423,335</u>	<u>826</u>	<u>2,017</u>



## Shabbir Tiles and Ceramics Limited

		December 31, 2017 (Un-audited)	June 30, 2017 (Audited)
		(Rupees in '000)	
<b>7.2 Capital work-in-progress</b>			
Plant and machinery		985,079	132,369
Civil works		14,017	1,483
	<b>7.2.1</b>	<b>999,096</b>	<b>133,852</b>

### 7.2.1 Movement in capital work-in-progress

Balance at the beginning of the period / year	133,852	157,576
Additions during the period / year	698,486	157,775
Transfers to operating fixed assets	(229,620)	(181,508)
Disposal during the period / year	(3,612)	-
Closing Balance	<b>600,006</b>	<b>133,852</b>

## 8. STOCK-IN-TRADE

Includes stock-in-trade costing Rs. 285,730 million (June 2017: Rs. 70,210 million) which has been written down to Rs. 204,230 million (June 2017: Rs. 81,137 million) NRV.

		December 31, 2017 (Un-audited)	June 30, 2017 (Audited)
	Note	(Rupees in '000)	
<b>9. TRADE DEBTS - unsecured</b>			
Unsecured			
Considered good		668,363	948,703
Considered doubtful		130,212	121,722
		<b>804,575</b>	<b>1,070,425</b>
Provision for doubtful debts		(136,242)	(121,722)
		<b>668,363</b>	<b>948,703</b>

## 10. Long-term loan

Loan - I - Habib Bank Limited	10.1	500,000	825,000
Loan - II - Faysal Bank Limited	10.2	732,846	-
Current maturity of long-term loan		(250,000)	(250,000)
		<b>982,846</b>	<b>375,000</b>

**10.1** Represents loan obtained under conventional banking terms which carries markup at rate of three months KIBOR + 0.75% per annum, payable quarterly with one year grace period. The loan is repayable within five years in sixteen equal quarterly installments commenced from March 2016. The facility is secured against first pari-passu charge through equitable mortgage over land and building, and hypothecation over all present and future fixed assets of the company.

**10.2** During the period, the Company obtained long term loan from Faysal Bank Limited under Islamic banking terms which carries markup at rate of three months KIBOR + 0.75% per annum, payable quarterly with two years grace period. The loan is repayable within five years in ten equal semi-annual installments to commence from March 2020. The facility is secured against first pari-passu charge, mortgage and hypothecation over all present and future fixed assets including land, building, plant and machinery of the Company.



## Shabbir Tiles and Ceramics Limited

### 11. CONTINGENCIES AND COMMITMENTS

#### Contingencies

There is no change in the status of contingencies as reported in the audited financial statements of the Company for the year ended 30 June 2017.

	December 31, 2017 (Un-audited)	June 30, 2017 (Audited)
	(Rupees in '000)	
<b>Commitments</b>		
Outstanding letters of credit	81,818	86,118
Outstanding letters of guarantee	411,440	310,000
Commitments for rentals under Ijarah agreements	1,921	2,238
Commitments in respect of capital expenditure	56,668	424,905

	Half year ended	
	December 31, 2017 (Un-audited)	December 31, 2016 (Un-audited)
	(Rupees in '000)	
<b>12. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	127,280	75,344
Short-term borrowings	(829,618)	(611,667)
	(702,338)	(536,323)

### 13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Company comprise of companies with common directorship, staff retirement benefit, directors and key management personnel. Details of transactions with related parties during the period, are as follows:

	Half year ended	
	December 31, 2017 (Un-audited)	December 31, 2016 (Un-audited)
	(Rupees in '000)	
<b>Associated Companies</b>		
Sales	7,413	7,393
Purchases of goods, material and service	25,611	52,305
Insurance premium	10,082	11,762
Insurance claims received	457	4,330
Rent and services charges paid	4,160	5,559
Rent Income	360	380
Markup earned	57	56
Markup expense	10,834	5,852
Commission on letter of guarantee	1,067	1,089
<b>Other related parties</b>		
Contribution to provident fund	8,301	8,669
Key management personnel	11,327	9,132





## Shabbir Tiles and Ceramics Limited

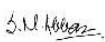
	December 31, 2017 (Un-audited)	June 30, 2017 (Audited)
	(Rupees in '000)	
<b>Balances as at period / year end</b>		
Trade debts	3,293	4,945
Trade and other payables	24,981	19,669
Bank balances	78,738	24,956
Short-term borrowing	231,826	551,080
<b>Commitments</b>		
Outstanding letters of credit	81,515	102,276
Outstanding letters of guarantee	411,446	397,909

#### 14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 16 February, 2018 by the Board of Directors of the Company.

#### 15. GENERAL

Figures have been rounded off to the nearest thousands (in Rupees).

  
SYED MASOOD ABBAS JAFFERY  
Chief Executive Officer

  
WAQAS AHMED  
Chief Financial Officer

  
FEROZE JEHangIR CAWASI  
Director



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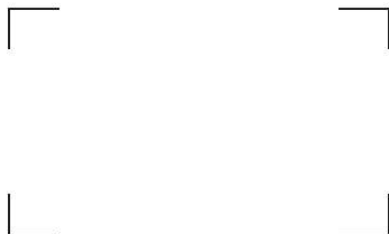
Shabbir Tiles and Ceramics Limited



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