

Shabbir Tiles and Ceramics Limited

Condensed Interim Financial Statements
For the First Quarter Ended September 30, 2018
(UN-AUDITED)





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Company Information

BOARD OF DIRECTORS

Rafiq M. Habib
Ali Suleman Habib
Syed Masood Abbas Jaffery
Owais-ul-Mustafa
Abdul Hai M. Bhaimia
Salim Azhar
Feroze Jehangir Cawasji

Chairman
Director
Chief Executive Officer
Director
Director
Director
Director

AUDIT COMMITTEE

Feroze Jehangir Cawasji
Abdul Hai M. Bhaimia
Salim Azhar

Chairman
Member
Member

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Feroze Jehangir Cawasji
Salim Azhar
Syed Masood Abbas Jaffery

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

Waqas Ahmed

COMPANY SECRETARY

Ovais Jamani

AUDITORS

EY Ford Rhodes
Chartered Accountants

LEGAL ADVISOR

Munawar Malik & Co.
Advocate Supreme Court

BANKERS

Habib Metropolitan Bank Limited
Habib Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Allied Bank Limited

REGISTERED OFFICE

15th Milestone, National Highway,
Landhi, Karachi-75120
Phone: (021) 38183610-3
Fax: (021) 38183615
E-mail: info@stile.com.pk
URL: http://www.stile.com.pk

STILE EMPORIUM AND DESIGN STUDIO AND SALES OFFICE- STARGATE

Metro Cash & Carry, CAA,
Near StarGate, Main
Shahrah-e-Faisal, Karachi.
Phone: (021) 34601372-74
Fax: (021) 34601375

STILE EMPORIUM AND DESIGN STUDIO - FACTORY OUTLET

15th Milestone, National Highway,
Landhi, Karachi-75120
Phone: (021) 38183610-3
Fax: (021) 38183615

STILE EMPORIUM AND DESIGN STUDIO - DHA

Plot 22-C, Lane 4, Bukhari Commercial
DHA, Karachi
Phone: (021) 37249564

STILE EMPORIUM AND DESIGN STUDIO AND SALE OFFICE- LAHORE

Plot No. 90-CCA, DHA-4, Lahore
Phone: (042) 37185710-12



Company Information

STILE EMPORIUM AND DESIGN
STUDIO & SALE OFFICE- ISLAMABAD

Al Shareef Plaza, First Floor,
Shamsabad, Murree Road
Rawalpindi.
Phone No. (051) 4935521-23
Fax No. (051) 4935524

PESHAWAR SALES OFFICE

Main Ring Road,
Near Kohat Road, Peshawar
Opp: Mujaddid CNG
Phone: (091) 2325012

SUKKUR SALES OFFICE

Tooba Tower, Mezzanine Floor,
Opposite Hira Medical Center, Sukkur
Phone: (071) 5615560

MULTAN SALES OFFICE

Jalil Centre, 2nd Floor,
Abdali Road, Multan
Phone: (061) 4546439 / 4783097

REGISTRAR AND SHARE
TRANSFER OFFICE

Central Depository
Company Limited
CDC House, 99-B,
Block 'B', S.M.C.H.S.
Main Shahrah-e-Faisal, Karachi-74400
Phone: 111 111 500
Fax: 34326053
URL: www.cdcpakistan.com
Email: info@cdcpak.com

FACTORY:

UNIT-I

15th Milestone, National Highway,
Landhi, Karachi-75120
Phone: (021) 38183610-3
Fax: (021) 38183615

UNIT-II

Deh Khanto, Tappo Landhi,
District Malir, Bin Qasim Town, Karachi.
Phones: (021) 34102702
Fax: (021) 34102709



DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

The Directors are pleased to present their report together with the unaudited condensed interim financial statement of the Company for the first quarter ended September 30, 2018.

Financial performance

The financial performance for the first quarter is summarized below:

| Particulars | Rs. in '000 | | |
|---|---------------------|---------------|----------|
| | First quarter ended | | Variance |
| | Sept 30, 2018 | Sept 30, 2017 | |
| Turnover – net | 1,560,540 | 1,217,946 | 22% |
| Gross profit | 397,420 | 169,065 | 57% |
| Earnings before interest, taxes and depreciation (EBITDA) | 252,162 | 96,086 | 62% |
| Depreciation | 138,784 | 86,992 | 37% |
| Finance cost | 19,989 | 28,446 | -42% |
| Profit / (loss) before tax | 93,390 | (19,352) | 121% |
| Profit / (loss) after tax | 50,702 | (19,178) | 138% |
| Earnings / (loss) per share (Rs./ share) | 0.21 | (0.08) | 138% |

The first quarter of the fiscal year commenced with much unpredictability over business operations due to the general elections. However, your Company enduring its momentum, achieved profit before tax of Rs. 93.390 million as against a loss of Rs. 19.352 million in comparative period last year. The Net Sales went up by 28% to Rs. 1,560 million as against Rs. 1,218 million of last year comparative period. Gross margins also increased by 11% (25% vs 14%).

Future outlook and challenges

Moving forward, the economy is confronted with some severe challenges on fronts of balance of payment, debt and fiscal deficit. These vulnerabilities need to be remediated to make the existing trajectory of growth sustainable. Current gas tariff increase of 30% on the industry is far too much to absorb with incoming cheap dumped imported tiles and heavy incursion of low quality smuggled tiles from bordering countries. The particularly low Import trade price (ITP) of tiles is also adding to the unfair situation of the local concerns where even with the application of duties over ITP, the cost of imports remains very low. The local tile industry is one of the segment of import substitution, development of which will stimulate the economy by job creation in tiles and other ancillary industries and uplift the construction sector. The Government should take measures to reduce the high input energy and conversion cost along with establishing non-tariff barriers. Your Company is persistently engaged with the Government officials and pursuing case of protection of local tile industry which is much needed to give a boost to the national industrial sector and conserve the forex outflow from the Country.

Your Company, with its strong strategy line is keeping its focus on increasing market share with new superior quality products, showcasing in its exciting innovative emporiums alongside expanding its distribution network across Pakistan and further investing in product and capacity enhancement. With the support of the Government in providing even playing field, your Company is geared up to continue its thrust forward to establish STILE as the preferred brand of tiles for customers.

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 CAWASJI
Director



ڈائریکٹرز کی تجزیہ رپورٹ برائے حصص داران برائے پہلی سہ ماہی مدت ختمہ 30 ستمبر 2018

ڈائریکٹرز غیر آڈٹ شدہ اختصاری عبوری مالیاتی گوشوارے برائے پہلی سہ ماہی ختمہ 30 ستمبر 2018 پیش کرتے ہوئے اظہار مسرت کرتے ہیں:

مالیاتی کارکردگی

| تفصیل | روپے (ہزاروں میں) پہلی سہ ماہی ختمہ | 30 ستمبر 2017 | 30 ستمبر 2018 |
|------------------------------------|--|---------------|---------------|
| خالص فروخت | فرق | | |
| خام منافع | | 22% | 1,217,946 |
| آمدن قبل از سود، ٹیکس اور فرسودگی | | 57% | 169,065 |
| فرسودگی | | 62% | 96,086 |
| مالیاتی لاگت | | 37% | 86,992 |
| منافع / (خسارہ) قبل از ٹیکس | | -42% | 28,446 |
| منافع / (خسارہ) بعد از ٹیکس | | 121% | (19,352) |
| آمدن / (خسارہ) فی حصص (روپے / حصص) | | 138% | (19,178) |
| | | 138% | (0.08) |

مالیاتی سال کی پہلی سہ ماہی کے آغاز میں عام انتخابات کی وجہ سے بے یقینی چھائی رہی۔ تاہم آپ نے کی کمپنی نے اپنی کارکردگی برقرار رکھی، 93.390 ملین روپے کا خالص منافع ہوا جبکہ گزشتہ سال اسی مدت میں 19.352 ملین روپے کا خسارہ ہوا تھا۔ خالص فروخت 28 فیصد اضافہ کے ساتھ 1,560 ملین روپے ہو گئیں جبکہ گزشتہ سال اسی مدت میں 1,218 ملین روپے تھیں۔ خام منافع میں 11 فیصد اضافہ ہوا (25 فیصد بمقابلہ 14 فیصد)

مستقبل کی پیش بینی اور چیلنجز

مستقبل کی جانب دیکھیں تھیں معیشت کو توازن کی ادائیگی، قرضہ اور مالیاتی خسارے کے حاذ پر چند شدید دشواریوں کا سامنا ہے۔ اس نازک ترین صورتحال کی اصلاح کی فوری ضروری ہے تاکہ پائیدار ترقی کے موجودہ راستے پر گامزن رہا جاسکے۔ صنعتی ٹیکس کے نرخوں میں 30 فیصد اضافہ اتنا زیادہ ہے کہ جس سے ٹائلوں کی درآمدات ارزوں قیمت پر آسان ہو جائے گی اور پڑوسی ممالک سے خراب معیاری ٹائلوں کی اسمگلنگ میں اضافہ ہو گا۔ خاص طور پر ٹائلوں کی کم درآمدی قیمت کی وجہ سے غیر منصفہ طور پر مقامی خدشات میں اضافہ ہو گا، کیونکہ درآمدی ڈیوٹی عائد کرنے کے باوجود، درآمدی قیمت بہت کم رہے گی۔ ٹائل کی مقامی صنعت برآمدی متبادل پیش کرتی ہے، جس میں ترقی کے معیشت میں تقویت کے ساتھ روزگار کے مواقع پیدا ہوں گے اور دیگر ملحقہ صنعتوں اور تعمیری صنعت میں ترقی ہوگی۔ حکومت کو ایسے اقدامات کرنے چاہئیں جن سے توانائی اور تیار کی لاگت میں کمی کے ساتھ غیر محصولی رکاوٹیں ختم ہوں۔ آپ کی کمپنی مسلسل حکومتی اداروں سے رابطے میں ہے اور مقامی ٹائل کی صنعت کے تحفظ کے لئے کام کر رہی ہے جس سے نہ صرف قومی صنعتی شعبے کو فائدہ ہو گا بلکہ ملک کے زرمبادلہ کے بیرونی بھاؤ میں کمی آئے گی۔

آپ کی کمپنی اعلیٰ معیاری مصنوعات کو خوش کن تخیلاتی ایمپوریم میں نمائش کے ساتھ پاکستان بھر میں اپنے ترسیلی نیٹ ورک میں توسیع اور مصنوعات اور گنجائش میں اضافے کی اپنی مضبوط حکمت عملی کے ذریعے مارکیٹ میں اپنے حصے کو بڑھانے پر توجہ مرکوز کیے ہوئے ہے۔ کمپنی حکومت کے تعاون سے مارکیٹ میں موجودہ کھلاڑیوں کے درمیان اپنے بہترین STILE کو کسٹر کے مابین ترجیحی برانڈ برقرار رکھنے میں تسلسل کے ساتھ کامیاب ہے۔

اس موقع پر ہم تمام مستقبل دان کے مسلسل تعاون پر ان کے مشکور ہیں۔

منجانب

Imam J. Canning

جعفری فیروز جہانگیر کاؤنجی
ڈائریکٹر

S. N. Akbar

سید مسعود عباس
چیف ایگزیکٹو آفیسر

کراچی: 29 اکتوبر 2018



Condensed Interim Statement of Financial Position

As at September 30, 2018 (Un-Audited)

| | | September 30, 2018 (Un-audited) | June 30, 2018 (Audited) |
|---|------|---------------------------------------|-------------------------------|
| | Note | Amounts in PKR (000) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 3,356,460 | 3,375,273 |
| Investment property | | 10,451 | 10,761 |
| Long-term loans | | - | 10 |
| Long-term security deposits | | 14,233 | 14,232 |
| | | 3,381,144 | 3,400,276 |
| CURRENT ASSETS | | | |
| Stores and spare parts | | 358,778 | 364,876 |
| Stock-in-trade | 6 | 1,235,668 | 1,107,933 |
| Trade debts | 7 | 201,684 | 243,365 |
| Loans and advances | | 16,631 | 13,383 |
| Deposits, prepayments and other receivables | | 8,190 | 8,115 |
| Taxation - net | | 252,339 | 234,622 |
| Cash and bank balances | | 413,579 | 104,474 |
| | | 2,486,869 | 2,076,768 |
| | | 5,868,013 | 5,477,044 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 240,000,000 (June 30, 2018: 240,000,000) ordinary shares of Rs.5/- each | | 1,200,000 | 1,200,000 |
| Issued, subscribed and paid-up capital | | 1,196,601 | 1,196,601 |
| Reserves | | 844,073 | 793,371 |
| | | 2,040,674 | 1,989,972 |
| NON-CURRENT LIABILITIES | | | |
| Long-term loan | 8 | 957,899 | 905,219 |
| Deferred tax liability - net | | 165,370 | 138,287 |
| | | 1,123,269 | 1,043,506 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,291,271 | 2,163,702 |
| Unclaimed dividends | | 3,324 | 3,324 |
| Accrued mark-up | | 43,375 | 28,476 |
| Short-term borrowings | | 82,827 | - |
| Sales tax payable | | 283,273 | 248,064 |
| | | 2,704,070 | 2,443,566 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 9 | 5,868,013 | 5,477,044 |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

WAQUAS AHMED
Chief Financial Officer

SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

FEROZE JEHangIR CAWASJI
Director



Condensed Interim Statement of Profit or Loss

For the First Quarter Ended September 30, 2018 (Un-Audited)

| | July to September | |
|--|----------------------|-------------|
| | 2018 | 2017 |
| | Amounts in PKR '000' | |
| Turnover - net | 1,560,541 | 1,217,946 |
| Cost of sales | (1,163,121) | (1,048,881) |
| Gross profit | 397,420 | 169,065 |
| Selling and distribution costs | (223,447) | (130,466) |
| Administrative expenses | (66,167) | (38,812) |
| | (289,614) | (169,278) |
| Other income | 13,294 | 9,307 |
| Operating profit | 121,100 | 9,094 |
| Finance costs | (19,989) | (28,446) |
| Other expenses | (7,721) | - |
| | (27,710) | (28,446) |
| Profit / (loss) before taxation | 93,390 | (19,352) |
| Taxation | | |
| - Current | (15,605) | (5,632) |
| - Deferred | (27,083) | 5,806 |
| | (42,688) | 174 |
| Profit / (loss) after taxation | 50,702 | (19,178) |
| | ----- (Rupee) ----- | |
| Earnings / (loss) per share – basic and diluted | 0.21 | (0.08) |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

WAQUAS AHMED
Chief Financial Officer

SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

FEROZE JEHangIR CAWASJI
Director



Condensed Interim Statement of Comprehensive Income
For the First Quarter Ended September 30, 2018 (Un-Audited)

| | July to September | |
|--|---------------------|----------|
| | 2018 | 2017 |
| | Amounts in PKR '000 | |
| Profit / (loss) after taxation | 50,702 | (19,178) |
| Other comprehensive income | - | - |
| Total comprehensive income / (loss) for the period | 50,702 | (19,178) |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

WAQUAS AHMED
Chief Financial Officer

SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

FEROZE JEHangIR CAWASJI
Director



Condensed Interim Statement of Cash Flows

For the First Quarter Ended September 30, 2018 (Un-Audited)

| | Note | September 2018 | September 2017 |
|---|------|-------------------|-------------------|
| Amounts in PKR '000 | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit / (loss) before taxation | | 93,390 | (19,352) |
| Adjustments for: | | | |
| Depreciation on | | | |
| operating fixed assets | | 138,474 | 86,681 |
| investment property | | 310 | 311 |
| Finance costs | | 19,989 | 28,446 |
| Provision for doubtful debts | | 7,777 | 6,909 |
| Provision for slow moving stores and spare parts | | 5,461 | 2,757 |
| Provision for slow moving stock-in-trade | | 4,536 | 6,554 |
| Gain on disposal of operating fixed assets | | (597) | (798) |
| | | 175,950 | 130,860 |
| Operating profit before working capital changes | | 269,340 | 111,508 |
| (Increase) / decrease in current assets | | | |
| Stores and spare parts | | 637 | (120,829) |
| Stock-in-trade | | (132,272) | 25,998 |
| Trade debts | | 33,904 | 64,923 |
| Loans and advances | | (3,248) | 15,566 |
| Deposits, prepayments and other receivables | | (75) | 441 |
| | | (101,054) | (13,901) |
| Increase in current liabilities | | | |
| Trade and other payables | | 127,569 | 108,058 |
| Sales tax payable | | 35,209 | 37,226 |
| | | 162,778 | 145,284 |
| Cash generated from operations | | 331,064 | 242,891 |
| Income tax paid | | (33,322) | (28,661) |
| Finance costs paid | | (5,090) | (27,852) |
| Long-term loans - net | | 10 | 28 |
| Long-term deposits - net | | (1) | - |
| Net cash generated from operating activities | | 292,661 | 186,406 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (120,598) | (188,607) |
| Proceeds from disposal of operating fixed assets | | 1,535 | 5,420 |
| Net cash used in investing activities | | (119,063) | (183,187) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipt of long term loan - net | | 52,680 | 153,381 |
| Net cash generated from financing activities | | 52,680 | 153,381 |
| Net increase in cash and cash equivalents | | 226,278 | 156,600 |
| Cash and cash equivalents at the beginning of the period | | 104,474 | (926,950) |
| Cash and cash equivalents at the end of the period | 10 | 330,752 | (770,350) |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

WAQUAS AHMED
Chief Financial Officer

SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

FEROZE JEHangIR CAWASJI
Director



Condensed Interim Statement of Changes in Equity

For the First Quarter Ended September 30, 2018 (Un-Audited)

| Issued, subscribed and paid-up capital | Reserves | | | Total reserves | Total equity | |
|---|-----------------------|--------------------|-----------------------|-------------------|-----------------|-----------|
| | Capital Reserves | Revenue reserves | | | | |
| | Share premium | General reserve | Accumulated losses | | | |
| | (Amounts in PKR `000) | | | | | |
| Balance as at June 30, 2017 | 1,196,601 | 449,215 | 478,000 | (328,250) | 598,965 | 1,795,566 |
| Loss for the period | - | - | - | (19,178) | (19,178) | (19,178) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | (19,178) | (19,178) | (19,178) |
| Balance as at September 30, 2017 | 1,196,601 | 449,215 | 478,000 | (347,428) | 579,787 | 1,776,388 |
| Balance as at June 30, 2018 | 1,196,601 | 449,215 | 478,000 | (133,844) | 793,371 | 1,989,972 |
| Profit for the period | - | - | - | 50,702 | 50,702 | 50,702 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 50,702 | 50,702 | 50,702 |
| Balance as at September 30, 2018 | 1,196,601 | 449,215 | 478,000 | (83,142) | 844,073 | 2,040,674 |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

WAQUAS AHMED
Chief Financial Officer

SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

FEROZE JEHangIR CAWASJI
Director



Notes to the Financial Statements

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018 - (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 repealed Companies Act 1913 on November 7, 1978 and listed on the Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of tiles and trading of allied building products. The registered office of the Company is situated at 15th Milestone, National Highway, Landhi, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 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 financial statements of the Company for the year ended June 30, 2018.

- 2.3** These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended June 30, 2018.

3.1 New standards, amendments to approved accounting standards and new interpretations of IRFSs which became effective during the first quarter ended September 30, 2018

There are certain amendments to approved accounting standards that are mandatory for accounting periods beginning after July 1, 2018. However, these do not have any significant effect on the Company's financial reporting and operations and therefore, have not been disclosed in these condensed interim financial statements.



3.2 New standards, amendments to approved accounting standards and new interpretations of IRFSs that are not yet effective and have not been early adopted by the Company

There are certain amendments to approved accounting standards that are not mandatory for the Company's accounting periods beginning after July 1, 2018. However, these do not have any significant effect on the Company's financial reporting and operations and therefore, have not been disclosed in these condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements 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 these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2018.

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, 2018.

| | Note | September 30, 2018 (Un-audited) | June 30, 2018 (Audited) |
|--|-------|---------------------------------------|-------------------------------|
| Amounts in PKR '000 | | | |
| 5. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 3,208,047 | 3,277,313 |
| Capital work-in-progress | 5.2 | 148,413 | 97,960 |
| | | 3,356,460 | 3,375,273 |
| 5.1 Operating fixed assets | | | |
| Opening Net Book Value (NBV) | | 3,277,313 | 2,707,126 |
| Additions to property, plant and equipment - at cost | 5.1.1 | 70,145 | 965,387 |
| | | 3,347,458 | 3,672,513 |
| Disposals during the period / year - at NBV | 5.1.1 | (937) | (1,432) |
| Depreciation charged during the period / year | | (138,474) | (393,768) |
| Closing NBV | | 3,208,047 | 3,277,313 |



5.1.1 Addition and disposal of property, plant and equipment

| | Additions (cost) | | Disposals (NBV) | |
|-----------------------------------|---------------------------------------|-------------------------------|---------------------------------------|-------------------------------|
| | September 30, 2018 (Un-audited) | June 30, 2018 (Audited) | September 30, 2018 (Un-audited) | June 30, 2018 (Audited) |
| ----- (Amounts in PKR '000) ----- | | | | |
| Buildings | 10,130 | 41,119 | - | - |
| Plant and machinery | 54,835 | 910,391 | | 31 |
| Office equipment | 4,706 | 5,260 | 43 | 9 |
| Computers and accessories | 474 | 4,151 | 3 | 99 |
| Vehicles | - | 4,466 | 891 | 1,293 |
| | <u>70,145</u> | <u>965,387</u> | <u>937</u> | <u>1,432</u> |

September 30,
2018
(Un-audited)

June 30,
2018
(Audited)

Amounts in PKR '000

5.2 Capital work-in-progress

| | | |
|---------------------|----------------|---------------|
| Plant and machinery | 138,622 | 84,442 |
| Civil works | 9,791 | 13,518 |
| | <u>148,413</u> | <u>97,960</u> |

5.2.1 Movement in capital work-in-progress

| | | |
|-------------------------------------|----------------|---------------|
| Opening Balance | 97,960 | 133,842 |
| Additions during the period / year | 108,181 | 850,662 |
| Transfers to operating fixed assets | (57,728) | (882,732) |
| Disposal during the period / year | - | (3,812) |
| Closing Balance | <u>148,413</u> | <u>97,960</u> |

6. STOCK-IN-TRADE

Includes stock-in-trade costing Rs. 100.604 million (June 2018: Rs. 100.457 million) which has been written down to Rs. 52.926 million (June 2018: Rs. 55.856 million) NRV.

7. TRADE DEBTS - unsecured

| | September 30, 2018 (Un-audited) | June 30, 2018 (Audited) |
|------------------------------|---------------------------------------|-------------------------------|
| | Amounts in PKR '000 | |
| Unsecured | | |
| Considered good | 201,684 | 243,365 |
| Considered doubtful | 149,042 | 142,086 |
| | <u>350,726</u> | <u>385,451</u> |
| Provision for doubtful debts | (149,042) | (142,086) |
| | <u>201,684</u> | <u>243,365</u> |



8. LONG-TERM LOAN

Represents diminishing musharaka facility obtained from Faysal Bank Limited amounting to Rs. 1,000 million under islamic banking terms which carries markup at rate of three months KIBOR + 0.70% per annum, payable quarterly with two years grace period. The loan is repayable within five years in ten equal semi annual installments commencing from September 2019. The facility is secured against first pari passu mortgage and hypothecation over all present and future fixed assets (Land, building, plant and machinery).

9. 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 2018.

| | September 30, 2018 (Un-audited) | June 30, 2018 (Audited) |
|---|---------------------------------------|-------------------------------|
| | Amounts in PKR '000 | |
| Commitments | | |
| Outstanding letters of credit | 93,741 | 83,228 |
| Outstanding letters of guarantee | 566,861 | 517,361 |
| Commitments for rentals under Ijarah agreements | 1,447 | 1,605 |
| Commitments in respect of capital expenditure | 4,763 | 59,051 |
| | September 30, 2018 (Un-audited) | September 30, 2017 |
| | Amounts in PKR '000 | |

10. CASH AND CASH EQUIVALENTS

| | | |
|------------------------|----------|---------|
| Cash and bank balances | 413,579 | 104,474 |
| Short-term borrowings | (82,827) | - |
| | 330,752 | 104,474 |

11. 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:



Three months ended

September 30, September 30,
2018 2017

(Un-audited)

Amounts in PKR '000

Associated Companies

| | | |
|---|--------|--------|
| Sales | 1,195 | 779 |
| Purchases of goods, material and services | 14,476 | 10,284 |
| Insurance premium | 6,556 | 5,434 |
| Insurance claims received | 2,846 | 184 |
| Rent and services charges paid | 1,947 | 2,161 |
| Rent income | 198 | 180 |
| Markup earned | 955 | 28 |
| Markup expense | 1 | 6,283 |
| Commission on letter of guarantee | 650 | 1,132 |

Other related parties

| | | |
|--------------------------------|--------|-------|
| Contribution to provident fund | 5,745 | 4,553 |
| Key management personnel | 13,569 | 5,768 |

September 30, June 30,
2018 2018

(Un-audited) (Audited)

Amounts in PKR '000

Balances as at period / year end

| | | |
|--------------------------|---------|--------|
| Trade debts | 3,694 | 11,611 |
| Trade and other payables | 8,363 | 8,759 |
| Bank balances | 303,248 | 22,335 |
| Short-term borrowing | 82,827 | - |

Commitments

| | | |
|----------------------------------|---------|---------|
| Outstanding letters of credit | 98,504 | 85,273 |
| Outstanding letters of guarantee | 566,861 | 517,361 |

12. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 29, 2018 by the Board of Directors of the Company.

13. GENERAL

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

WAQUAS AHMED
Chief Financial Officer

SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

FEROZE JEHANGIR CAWASJI
Director



Shabbir Tiles and Ceramics Limited

15th Milestone,
National Highway,
Landhi, Karachi-75120
+92-213 - 818 3610 -13
Website: www.stile.com.pk
Email: info@stile.com.pk