

# **Shabbir Tiles and Ceramics Limited**

Condensed Interim Financial Statements  
For the Half Year Ended December 31, 2015  
(Un-audited)





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## Shabbir Tiles and Ceramics Limited

### COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	RAFIQ M HABIB OWAIS-UL-MUSTAFA ALI SULEMAN HABIB ALIREZA M. ALLADIN ABDUL HAI M. BHAIMIA RAZA ANSARI MUHAMMAD FAISAL TARIQ AHMED	Chairman Chief Executive Officer Director Director Director Director Director Alternate Director
<b>AUDIT COMMITTEE</b>	MUHAMMAD FAISAL ABDUL HAI M. BHAIMIA RAZA ANSARI	Chairman Member Member
<b>HUMAN RESOURCES AND REMUNERATION COMMITTEE</b>	MUHAMMAD FAISAL OWAIS-UL-MUSTAFA RAZA ANSARI	Chairman Member Member
<b>CHIEF FINANCIAL OFFICER</b>	AZIZ AHMED	
<b>COMPANY SECRETARY</b>	OVAIS JAMANI	
<b>AUDITORS</b>	ERNST & YOUNG FORD RHODES SIDAT HYDER Chartered Accountants	
<b>LEGAL ADVISOR</b>	Munawar Malik & Co. Advocate Supreme Court	
<b>BANKERS</b>	Habib Metropolitan Bank Limited Faysal Bank Limited National Bank of Pakistan Habib Bank Limited Dubai Islamic Bank Pakistan Limited Allied 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: <a href="http://www.stile.com.pk">http://www.stile.com.pk</a>	
<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>	Plot No. 523, Block # 15, Sector B-1, Quaid-e-Azam Town, (College Road), Lahore Phone: (042) 35117521-24 Fax: (042) 35117520	
<b>ISLAMABAD SALES OFFICE</b>	9th & 10th Lower Ground Floor, Aries Tower, Shamsabad, Muree Road, Rawalpindi. Phone: (051) 4575316-17 Fax: (051) 4575319	
<b>PESHAWAR SALES OFFICE</b>	3-Siyal Flats Opposite Kuwait Hospital, Abdara Chowk University Road, Peshawar. Phone: (091) 5846010/12 Fax: (091) 5846011	
<b>REGISTRAR AND SHARE TRANSFER OFFICE</b>	Central Depository Company of Pakistan Limited CDC House, 99 - B, Block - B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400 Phone: (92-021) 111-111-500 Fax: (92-021) 3432 6053	
<b>FACTORY:</b>		
<b>UNIT-I</b>	National Highway, Landhi, Karachi-75120 Phones: (021) 35015024-25 / 35014044-45	
<b>UNIT-II</b>	Deh Khanto, Tappo Landhi, District Malir, Bin Qasim Town, Karachi. Phones: (021) 34102702 Fax: (021) 34102709	



**DIRECTORS' REPORT TO THE SHAREHOLDERS  
FOR THE HALF YEAR AND 2<sup>ND</sup> QUARTER ENDED DECEMBER 31, 2015**

Dear Shareholders

The Directors take pleasure in presenting their half yearly report along with reviewed condensed interim financial statements of the Company for the six months period ended December 31, 2015.

During the period under review, your Company continues to face challenges from importers and has filed application with National Tariff Commission (NTC) to protect the local tile industry from dumping of tiles from China. Further, ITP(s) of tiles have been reduced by an average of 10% with effect from September 8, 2015, which compelled the Company to reposition product prices to remain competitive and maintain market share. Besides above, the recent increase in gas tariff by 23% has caused the local tile industry to suffer heavily.

Due to the above mentioned circumstances, the Company recorded a loss before taxation of Rs. 31.343 million compared to a loss of Rs. 39.681 million of the same period last year.

The financial performance for the half year is summarized below:

	July – December	
	2015	2014
	Rupees in '000	
Turnover – net	2,258,006	2,027,111
Gross profit	333,914	351,080
Loss before tax	(31,343)	(39,681)
Loss after tax	(45,204)	(48,037)
Loss per share (Rs.)	(0.189)	(0.273)

**Future outlook and challenges:**

Your Company is focusing to reduce its production cost, introduce new products and is hopeful of better results in the second half of the year. Your Company is also closely working with all related government bodies to support the local tile manufacturing industry. The construction sector of Pakistan is showing robust growth and the Company is anticipating tile industry to flourish provided Government address the issue of mis-declaration/dumping of imported tiles and provide level playing field. At present, anomaly exists as local tile industry pay 21% sales tax on sales value (inclusive of 2% extra tax and 2% further sales tax on sales to unregistered persons) against 20% sales tax leviable on import value.

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

On behalf of the Board

**OWAIS UL MUSTAFA**  
Chief Executive Officer

Karachi : February 18, 2016.

## شمیر ٹائلز اینڈ سرامیکس لمیٹڈ

رجسٹرڈ دفتر:

15 ماگل اسٹون، نیشنل ہائی وے، لائڈھی کراچی-75120

ڈائریکٹروں کی رپورٹ برائے شراکت دار

بابت شش ماہی دوسری سہ ماہی بتاریخ 31 دسمبر 2015

عزیز شراکت داران

انتہائی مسرت کے ساتھ ڈائریکٹرز کمپنی کی شش ماہی کی رپورٹ بمعہ مختصر عبوری مالیاتی دستاویزات بتاریخ 31 دسمبر 2015 آپ کی خدمت میں پیش کر رہے ہیں۔  
زیر نظر دورانیہ کے دوران آپ کی کمپنی کو ٹائل درآمد کنندگان کی وجہ سے بڑی مشکلات کا سامنا کرنا پڑ رہا ہے، اور کمپنی کی جانب سے نیشنل ٹیرف کمیشن کے پاس درخواست دائر کر دی گئی ہے کہ چین سے ٹائلوں کی ڈپننگ کے خلاف ٹائل سازی کی مقامی صنعت کو تحفظ فراہم کیا جائے۔ مزید برآں، ٹائلوں کے ضمن میں آئی ٹی پی (ز) کو 10 فیصد کے حساب سے کم کر دیا گیا ہے جس کا اطلاق 8 ستمبر 2015 سے ہو چکا ہے جس کی وجہ سے کمپنی کیلئے اپنی مصنوعات کی قیمتوں میں ردوبدل کرنا ناگزیر ہو چکا تھا تا کہ مارکیٹ میں مد مقابل کمپنیوں کا مقابلہ کیا جاسکے اور مارکیٹ میں اپنے حصے کو برقرار رکھا جاسکے۔ نیز، حال ہی میں ٹیکس کے نرخوں میں 23 فیصد تک اضافے کی وجہ سے بھی مقامی صنعت بری طرح متاثر ہوئی ہے۔

مذکورہ بالا حالات کے پیش نظر کمپنی کو قبل از ٹیکس 31.343 ملین روپے کا نقصان برداشت کرنا پڑا جو کہ گزشتہ برس اسی عرصہ کے دوران 39.681 ملین روپے تھا۔

شش ماہی کی مالیاتی کارکردگی کا مختصر جائزہ ذیل میں پیش خدمت ہے۔

2014	2015	
(روپے ہزاروں میں)		
2,027,111	2,258,006	کل کاروباری حجم
351,080	333,914	خام منافع
(39,681)	(31,343)	نقصان قبل از ٹیکس
(48,037)	(45,204)	نقصان بعد از ٹیکس
(0.237)	(0.189)	نقصان فی حصص

## مشقیں اور اسکے مسائل

حالیہ آئی ٹی پی (ز) میں کمی اور ٹیکس نرخوں میں اضافے جیسے مسائل سے نمٹنے کیلئے آپ کی کمپنی کو شش کر رہی ہے کہ پیداواری لاگت میں کمی لائی جائے اور نئی مصنوعات کو متعارف کروایا جائے اور اس بات کی امید کرتی ہے سال کی دوسری شش ماہی میں اس سے بہتر نتائج سامنے آئیں گے۔ آپ کی کمپنی متعلقہ حکومتی اداروں کے ساتھ مل کر مقامی ٹائل سازی کی صنعت کی بقا کیلئے بھی بھرپور کوششیں کر رہی ہے۔ پاکستان کی تعمیراتی صنعت میں انتہائی تیزی کا رجحان ریکارڈ کیا گیا ہے اور ان حالات میں کمپنی کو قومی امید ہے کہ اگر حکومت کی جانب سے ٹائلوں کی ڈپننگ کے خلاف اقدامات کئے گئے اور اس صنعت کو سازگار ماحول فراہم کیا گیا تو وطن عزیز میں ٹائل سازی کا مستقبل تابناک ہے۔ فی الحال بڑا مسئلہ یہ ہے کہ مقامی ٹائل سازی کی صنعت کو فروختگی کے ضمن میں 21٪ ٹیکس ادا کرنا پڑتا ہے (جس میں 2٪ ڈانڈ ٹیکس اور 2٪ مزید ٹیکس غیر رجسٹرڈ شدہ صارفین کو ٹائلیں بیچنے کی وجہ سے شامل ہے)۔ جبکہ اس کے مد مقابل درآمد کنندگان کو درآمد شدہ ٹائلوں کی درآمدی رقوم پر محض 20٪ ٹیکس ادا کرنا پڑتا ہے۔ ہم بذریعہ ہذا اپنی حمایت کیلئے اپنے تمام شراکت داروں کے بے حد مشکور ہیں۔

منجانب بورڈ

اویس المصطفیٰ

چیف ایگزیکٹو آفیسر

کراچی: 18 فروری، 2016



**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 2015, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-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.

**Chartered Accountants**

**Review Engagement Partner:** Khurram Jameel

**Date:** 18th February 2016

**Place:** Karachi

**Shabbir Tiles and Ceramics Limited****CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2015**

	Note	December 31, 2015 (Un-audited) (Rupees in '000)	June 30, 2015 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	2,655,907	2,756,649
Investment property		7,112	7,452
Long-term loans		22	84
Long-term deposits		8,774	9,479
		<u>2,671,815</u>	<u>2,773,664</u>
<b>CURRENT ASSETS</b>			
Stores and spare parts		134,987	129,066
Stock-in-trade	5	604,987	748,090
Trade debts	6	1,116,099	1,059,101
Loans, advances, deposits, prepayments and other receivables		28,464	20,113
Taxation - net		52,702	46,967
Cash and bank balances		51,780	72,981
		<u>1,988,969</u>	<u>2,076,318</u>
<b>TOTAL ASSETS</b>		<u>4,660,784</u>	<u>4,849,982</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised Capital		<u>1,200,000</u>	<u>1,200,000</u>
Issued, subscribed and paid-up capital		1,196,601	1,196,601
Reserves		821,877	867,081
		<u>2,018,478</u>	<u>2,063,682</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term finance		750,000	750,000
Deferred tax liability		163,111	171,794
		<u>913,111</u>	<u>921,794</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,069,612	849,279
Accrued mark-up		4,307	52,614
Current maturity of long-term finance		250,000	440,883
Short-term borrowings		329,347	462,776
Sales tax payable		75,929	58,954
		<u>1,729,195</u>	<u>1,864,506</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,660,784</u>	<u>4,849,982</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

**OWAIS UL MUSTAFA**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director



## Shabbir Tiles and Ceramics Limited

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

Note	Half year ended		Quarter ended	
	December 31 2015	December 31 2014	December 31 2015	December 31 2014
	(Rupees in '000)			
Turnover	2,258,006	2,027,111	1,188,693	1,080,978
Cost of sales	(1,924,092)	(1,676,031)	(1,014,541)	(878,500)
<b>Gross profit</b>	<b>333,914</b>	<b>351,080</b>	<b>174,152</b>	<b>202,478</b>
Distribution cost	(259,078)	(213,416)	(133,314)	(100,084)
Administrative expenses	(72,740)	(61,342)	(40,098)	(27,647)
	(331,818)	(274,758)	(173,412)	(127,731)
Other income	5,662	9,268	5,309	4,235
Other expenses	—	(25)	—	—
	5,662	9,243	5,309	4,235
<b>Operating profit</b>	<b>7,758</b>	<b>85,565</b>	<b>6,049</b>	<b>78,982</b>
Finance costs	(39,101)	(125,246)	(26,193)	(61,800)
<b>(Loss) / profit before taxation</b>	<b>(31,343)</b>	<b>(39,681)</b>	<b>(20,144)</b>	<b>17,182</b>
Taxation				
– Current	(22,544)	(20,897)	(11,821)	(10,826)
– Deferred	8,683	12,541	5,133	5,715
	(13,861)	(8,356)	(6,688)	(16,541)
<b>(Loss) / profit after taxation</b>	<b>(45,204)</b>	<b>(48,037)</b>	<b>(26,832)</b>	<b>641</b>
		(Rupee)		
		(Restated)		(Restated)
<b>(Loss) / earning per share – basic and diluted</b>	<b>(0.189)</b>	<b>(0.273)</b>	<b>(0.112)</b>	<b>0.004</b>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

**OWAIS UL MUSTAFA**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director





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**Shabbir Tiles and Ceramics Limited****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015  
(UN-AUDITED)**

	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(Rupees in '000)			
(Loss) / profit after taxation	(45,204)	(48,037)	(26,832)	641
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / profit for the period</b>	<u>(45,204)</u>	<u>(48,037)</u>	<u>(26,832)</u>	<u>641</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

**OWAIS UL MUSTAFA**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director

**Shabbir Tiles and Ceramics Limited****CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015  
(UN-AUDITED)**

	December 31, 2015	December 31, 2014
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(31,343)	(39,681)
Adjustments for :		
Depreciation		
– property plant and equipments	134,358	136,063
– investment property	340	54
Finance cost	39,101	125,246
Gain on disposal of property, plant and equipment	(896)	(2,490)
Provision for impairment of trade debts	25,502	17,167
Provision for slow moving stores and spare parts	1,743	1,136
	<u>200,148</u>	<u>277,176</u>
	<u>168,805</u>	<u>237,495</u>
(Increase) / decrease in current assets		
Stores and spares parts	(7,614)	4,976
Stock-in-trade	143,103	(95,162)
Trade debts	(82,500)	(184,793)
Loans, advances, deposits, prepayments and other receivables	(8,351)	(9,748)
	<u>44,638</u>	<u>(284,727)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	220,333	263,171
Sales tax payable	16,975	(10,791)
	<u>273,308</u>	<u>252,380</u>
<b>Cash generated from operations</b>	<b>450,751</b>	<b>205,148</b>
Income tax paid	(28,285)	(34,340)
Finance costs paid	(87,408)	(102,351)
Long-term loans	62	45
Long-term deposits	705	(124)
<b>Net cash generated from operating activities</b>	<b>335,825</b>	<b>68,378</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(34,768)	(46,197)
Proceeds from disposal of property, plant and equipment	2,054	5,214
<b>Net cash used in investing activities</b>	<b>(32,714)</b>	<b>(40,983)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment) / receipt of long-term finance	(190,883)	489,851
Lease rental paid	-	(2,028)
Share issue cost paid	-	(1,368)
Receipts / (repayment) of short-term borrowings	30,879	(58,345)
<b>Net cash (used in) / generated from financing activities</b>	<b>(160,004)</b>	<b>428,110</b>
<b>Net increase in cash and cash equivalents</b>	<b>143,107</b>	<b>455,505</b>
Cash and cash equivalents at the beginning of the period	(353,362)	(1,062,261)
<b>Cash and cash equivalents at the end of the period</b>	<b>(210,255)</b>	<b>(606,756)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	51,780	99,727
Short-term running finances	(262,035)	(706,483)
	<u>(210,255)</u>	<u>(606,756)</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

**OWAIS UL MUSTAFA**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director



## Shabbir Tiles and Ceramics Limited

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

	Issued subscribed & paid-up capital	Capital reserve	Revenue reserves		Total reserves	Total Equity
		Share premium	General reserve	Accumul- ated profit / (loss)		
(Rupees in '000)						
<b>Balance as at July 1, 2014</b>	757,341	456,288	478,000	2,008	936,296	1,693,637
Total comprehensive loss for the period	-	-	-	(48,037)	(48,037)	(48,037)
Share issue cost	-	(1,368)	-	-	(1,368)	(1,368)
<b>Balance as at December 31, 2014</b>	<u>757,341</u>	<u>454,920</u>	<u>478,000</u>	<u>(46,029)</u>	<u>886,891</u>	<u>1,644,232</u>
<b>Balance as at July 1, 2015</b>	1,196,601	449,215	478,000	(60,134)	867,081	2,063,682
Total comprehensive loss for the period	-	-	-	(45,204)	(45,204)	(45,204)
<b>Balance as at December 31, 2015</b>	<u>1,196,601</u>	<u>449,215</u>	<u>478,000</u>	<u>(105,338)</u>	<u>821,877</u>	<u>2,018,478</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

**OWAIS UL MUSTAFA**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015  
(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 Companies Act 1913 (now the Companies Ordinance, 1984) on 07 November 1978 and is listed on Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Exchanges). The Company is primarily engaged in manufacture and sale of tiles and trading of allied building products. The registered office of the Company is situated at 15<sup>th</sup> Milestone, National Highway, Landhi, Karachi.

**2. BASIS OF PREPARATION**

These condensed interim financial statements are unaudited but subject to limited scope review by auditors, except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and December 31, 2014. These are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and 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. 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 June 30, 2015.

**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, 2015 except as follows:

The Company has adopted the following amendments and interpretations of IFRS which became effective during the period

- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosure of Interests in Other Entities
- IFRS 13 - Fair Value Measurement

The adoption of the above amendments to accounting standards and interpretations did not have any material effect on these condensed interim financial statements of the Company.



## Shabbir Tiles and Ceramics Limited

### 4. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2015 (Un-audited) (Rupees in `000)	June 30, 2015 (Audited)
Opening Net Book Value (NBV)	2,735,753	2,888,219
Addition during the period / year	4.1 <u>5,700</u>	<u>121,630</u>
	2,741,453	3,009,849
Deletions during the period / year (NBV)	4.1 <u>(1,152)</u>	<u>(4,630)</u>
Depreciation charged during the period / year	<u>(134,358)</u>	<u>(269,466)</u>
Closing NBV	2,605,943	2,735,753
Capital work-in-progress	4.2 <u>49,964</u>	<u>20,896</u>
	<u>2,655,907</u>	<u>2,756,649</u>

#### 4.1 Additions and disposal of operating property, plant and equipment

	Additions (cost)		Deletions (NBV)	
	December 31, 2015 (Un-audited)	June 30, 2015 (Audited)	December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	(Rupees in `000)			
Plant and machinery	3,117	118,830	-	-
Office equipment	403	452	-	7
Computers and accessories	427	-	136	24
Vehicles	1,753	2,348	1,016	4,599
	<u>5,700</u>	<u>121,630</u>	<u>1,152</u>	<u>4,630</u>

#### 4.2 Capital work-in-progress

	December 31, 2015 (Un-audited) (Rupees in `000)	June 30, 2015 (Audited)
Balance at the beginning of the period / year	20,896	56,853
Additions during the period / year	33,936	82,873
Transfers to operating property, plant and equipment	<u>(4,868)</u>	<u>(118,830)</u>
	<u>49,964</u>	<u>20,896</u>

### 5. STOCK-IN-TRADE

Includes stock in trade costing Rs. 93.242 million (June 2015: Rs. 158.170 million) which has been written down to Rs. 69.247 million (June 2015: Rs. 131.015 million) Net Realizable Value.

	December 31, 2015 (Un-audited) (Rupees in `000)	June 30, 2015 (Audited)
6. TRADE DEBTS		
Considered good	1,116,099	1,059,101
Considered doubtful	77,449	51,947
Less: Provision for impairment	<u>(77,449)</u>	<u>(51,947)</u>
	<u>1,116,099</u>	<u>1,059,101</u>



## Shabbir Tiles and Ceramics Limited

### 7. 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 2015.

	December 31, 2015 (Un-audited) (Rupees in `000)	June 30, 2015 (Audited)
<b>Commitments</b>		
Capital commitments	45,980	–
Outstanding letters of credit	70,758	64,592
Outstanding letters of guarantee	304,909	303,909

### 8. TRANSACTIONS WITH RELATED PARTIES

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

	Half year ended	
	December 31, 2015 (Un-audited) (Rupees in `000)	December 31, 2014
<b>Associated Companies</b>		
Sales	8,830	7,820
Purchase of goods, materials and services	35,609	36,744
Insurance premium	12,391	13,435
Insurance claims received	57	554
Rent and services charges paid	3,291	3,148
Rent income	360	231
Markup earned	108	96
Markup expense	6,253	20,524
Commission on letter of guarantee	873	974
<b>Other related parties</b>		
Contribution to Provident Fund	7,197	6,656
Key management personnel compensation	8,763	7,715

### 9. GENERAL

Figures have been rounded off to the nearest thousands.

### 10. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 18<sup>th</sup> February 2016 by the Board of Directors of the Company.

**OWAIS UL MUSTAFA**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director

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