

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

Karachi: October 29, 2018



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

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

مالیاتی کارکردگی

تفصیل	روپے (ہزاروں میں) پہلی سہ ماہی ختم	30 ستمبر 2017	30 ستمبر 2018	فرق
خالص فروخت		1,217,946	1,560,540	22%
خام منافع		169,065	397,420	57%
آمدن قبل از سود، ٹیکس اور فرسودگی		96,086	252,162	62%
فرسودگی		86,992	138,784	37%
مالیاتی لاگت		28,446	19,989	-42%
منافع / (خسارہ) قبل از ٹیکس		(19,352)	93,390	121%
منافع / (خسارہ) بعد از ٹیکس		(19,178)	50,702	138%
آمدن / (خسارہ) فی حصص (روپے / حصص)		(0.08)	0.21	138%

مالیاتی سال کی پہلی سہ ماہی کے آغاز میں عام انتخابات کی وجہ سے بے یقینی چھائی رہی۔ تاہم آپ نے کی سہ ماہی 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 کے ساتھ 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 بہتابلہ 14 فیصد)

مستقبل کی پیش بینی اور چیلنجز

مستقبل کی جانب دیکھیں تو توازن ادا ہوگی، قرضہ اور مالیاتی خسارے کے محاذ 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۔ صنعت ٹیکس کے نرخوں میں 30 فیصد اضافہ اتنا زیادہ ہے کہ جس سے ٹائلوں کی درآمدات ارزوں قیمت پر آسان ہو جائے گی اور بیرونی ممالک سے خراب معیاری ٹائلوں کی اسٹاکنگ میں اضافہ ہوگا۔ خاص طور پر ٹائلوں کی کم درآمدی قیمت کی وجہ سے غیر منصفانہ طور پر مقامی خدشات میں اضافہ ہوگا، 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 سے 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 تیاری کی لاگت میں کمی کے ساتھ غیر محصولی رکاوٹیں ختم ہوں۔ آپ کی سہ ماہی 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 ہوگا بلکہ ملک کے زرمبادلہ کے بیرونی بہاؤ میں کمی آئے گی۔

آپ کی سہ ماہی اعلیٰ معیاری مصنوعات کو خوش کن تخیلاتی ایمپوریم میں نمائش کے ساتھ پاکستان بھر میں اپنے ترقیاتی 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۔ سہ ماہی حکومت کے تعاون سے مارکیٹ میں موجودہ کھلاڑیوں کے درمیان اپنے بہترین STILE کو کسٹمر کے مابین ترجیحی برانڈ برقرار رکھنے میں تسلسل کے ساتھ کامیاب ہے۔

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

منجانب

Anthony J. Conway

جعفری فیروز جیگلیگر کاؤ سبجی
ڈائریکٹر

S. N. Abbas

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	June 30, 2018
	Note	(Un-audited)	(Audited)
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
		<u>3,381,144</u>	<u>3,400,276</u>
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
		<u>2,486,869</u>	<u>2,076,768</u>
		<u>5,868,013</u>	<u>5,477,044</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		<u>1,200,000</u>	<u>1,200,000</u>
240,000,000 (June 30, 2018: 240,000,000) ordinary shares of Rs.5/- each			
Issued, subscribed and paid-up capital		1,196,601	1,196,601
Reserves		844,073	793,371
		<u>2,040,674</u>	<u>1,989,972</u>
NON-CURRENT LIABILITIES			
Long-term loan	8	957,899	905,219
Deferred tax liability - net		165,370	138,287
		<u>1,123,269</u>	<u>1,043,506</u>
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
		<u>2,704,070</u>	<u>2,443,566</u>
CONTINGENCIES AND COMMITMENTS			
	9	<u>5,868,013</u>	<u>5,477,044</u>

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)
	<u>175,950</u>	<u>130,860</u>
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
	<u>(101,054)</u>	<u>(13,901)</u>
Increase in current liabilities		
Trade and other payables	127,569	108,058
Sales tax payable	35,209	37,226
	<u>162,778</u>	<u>145,284</u>
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	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 losse			
(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	<u>1,196,601</u>	<u>449,215</u>	<u>478,000</u>	<u>(347,428)</u>	<u>579,787</u>	<u>1,776,388</u>
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	<u>1,196,601</u>	<u>449,215</u>	<u>478,000</u>	<u>(83,142)</u>	<u>844,073</u>	<u>2,040,674</u>

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



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