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## **Vision Statement**

While Maintaining Our “Stile” Brand As Market Leader, We Continue To Delight Our Customers By Also Bringing In International Brands In The Field Of Building Materials, By Offering The Best Quality And Innovative Products At Competitive Prices, Taking Into Account The Stakeholders,, Interest.





### **Mission Statement**

Our mission is to maintain our position as the leader in the tile industry in Pakistan and for this purpose we will continue to focus on :

- We are committed to quality products and will provide our customers with innovative sizes, designs and colour scheme that they will be delighted to have and shall provide them with excellent services to earn their loyalty.
- We shall treat our employees fairly and shall provide conducive working environment for them to learn and to grow with the Company.
- The Company shall earn adequate profits for its progress and growth and for providing reasonable return to its shareholders.





## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	RAFIQ M HABIB RAZA ANSARI ALI SULEMAN HABIB ALIREZA M. ALLADIN ABDUL HAI M. BHAIMIA SALIM AZHAR 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 SALIM AZHAR	Chairman Member Member
<b>HUMAN RESOURCES AND REMUNERATION COMMITTEE</b>	SALIM AZHAR MUHAMMAD FAISAL ALIREZA M. ALLADIN	Chairman Member Member
<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>	Noble Computer Services (Pvt.) Limited First Floor, Siddiqsons Towers, House of Habib Building, 3-Jinnah Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi Phone: (021) 34325482-84 Fax: 34325442	
<b>FACTORY: 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	



**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of Shabbir Tiles and Ceramics Limited will be held at the auditorium of Institute of Chartered Accountants of Pakistan (ICAP), Near Three Swords, Clifton, Karachi, on Monday, October 5, 2015 at 11:00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2015 along with the reports of the Directors and the Auditors thereon.
2. To appoint auditors for the year ending June 30, 2016 and to fix their remuneration.

By Order of the Board

**OVAIS JAMANI**  
Company Secretary

Karachi: September 12, 2015.

**NOTES:**

1. The share transfer books of the Company will remain closed from September 29, 2015 to October 5, 2015 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar M/s. Noble Computer Services (Pvt.) Limited, First Floor, House of Habib Building (Siddiqsons Tower), 3-Jinnah C. H. Society, Main Shahrah-e-Faisal, Karachi, at the close of business on September 28, 2015 will be treated in time for the entitlement to attend the Annual General Meeting.
2. A member eligible to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies to be effective must be received by the Company not less than 48 hours before the time for holding of the meeting.
3. The financial statements for the year ended June 30, 2015 shall be uploaded on Company's website on or before September 12, 2015.

**CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.**

**A. For Attending the Meeting:**

- (i) In case of individuals, the Account holders and sub-account holders whose registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.



**B. For Appointing Proxies:**

- (i) In case of individuals, the Account holder and sub-account holder whose registration details are uploaded as per the Regulations, shall submit the proxy form as per above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- (v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.



## DIRECTORS REPORT

We are pleased to present 37th Annual Report along with the audited financial statements of your Company and the auditors' report thereon for the year ended June 30, 2015.

### **ECONOMIC, INDUSTRY/BUSINESS REVIEW:**

In fiscal year 2014-15, the macroeconomic indicators showed positive signs of stable growth. In line with the low inflation, which was recorded at the lowest level since 2003, the central bank reduced the discount rate by 200 bps to 7%. The construction sector has registered a growth of 7 percent against last year. The tile industry in Pakistan continues to show healthy growth trends year on year, and the demand for tiles showed an increase of around 5% in both ceramic and porcelain tiles. Despite growth in market demand, against last year, the local tile industry is facing a challenging environment both amongst the local players as well from under invoiced imported ceramic and porcelain tiles. The tile industry has made representations to the concerned authorities being the Federal Board of Revenue (FBR) and National Tariff Commission (NTC) to take corrective measures. We are encouraged by the counter measures initiated by the authorities recently against the grey imports from Iran, while actions against under invoicing are pending.

### **COMPANY PERFORMANCE OVERVIEW:**

Your Company during the year repositioned selling prices of selected products, and simultaneously focused to streamline its operations and reduce its inventory and debtors, which had increased during the first three quarters of the fiscal year. The company has two main sales channels for its products, a nationwide dealership network and directly to large builders and corporate customers. During the year, company lost sales in both sales channels. The company has recently taken counter-measures by appointing and forming dedicated teams especially to service large volume customers. The company also is focusing in bringing new technology which gives it the flexibility to design and develop products to cater new trends in the market.

The sales volume dropped by 11% in the current fiscal year as compared to last year. The gross margin for the period was 17.1% which also showed a drop by 4.5% from last year. Production volume too decreased by 8.6% compared to the same period last year from 8.56 million square meters to 7.82 million square meters. The management took cost reduction measures and managed to reduce the raw material and other input costs to set off the impact of lower sales and production volumes. Despite all these measures undertaken your Company suffered a loss after tax for the year of Rs. 62.14 million compared to the last year's loss of Rs. 26.04 million.

During the year the company also introduced Nano polish floor tiles to further enhance its product range. This new technology improves the surface gloss finish and is resistant to damage from surface contamination. The product also has export potential and your company was able to export limited quantities of this product to Middle East and Spain during the year, however its potential needs to be fully exploited.

### **SUMMARY FINANCIAL PERFORMANCE:**

A comparison of the key financial results of the Company for the financial year ended June 30, 2015 against the same period last year is shown hereunder:





## Shabbir Tiles and Ceramics Limited

	2015	2014
	Rupees in 000's	
Turnover – net	4,098,691	4,779,969
Earnings before interest, taxes and depreciation (EBITDA)	451,127	577,080
Depreciation	269,914	290,947
Finance cost	226,295	238,903
Other operating expenses	520	8,601
(Loss)/ profit before tax	(45,082)	47,229
Loss after tax	(62,142)	(26,036)
Loss per share (Rs.)	(0.32)	(0.15)

### DEBT OBLIGATION:

By the grace of Almighty Allah, despite many challenges, your Company was able to meet all its financial commitments and debt obligations.

### INJECTION OF EQUITY THROUGH RIGHT SHARES:

During the year under review, we are pleased to report that the shareholders injected 58% equity (i.e. Rs. 439 million) through a right issue. The Company applied these proceeds towards reduction in short term bank borrowings thus strengthening the cash flows and working capital of your company.

### CONTRIBUTION TO NATIONAL EXCHEQUER:

Your company contributed around Rs. 888 million in national exchequers under various heads as compared to Rs 1,022 million contributed during the same period last year. The Company also brought in foreign exchange of approximately US\$ 0.85 million in the country through export proceeds.

### HUMAN RESOURCE:

Your company considers its human resource as the most valuable asset and remained committed to ensuring that all employees are treated with dignity and respect thus creating an environment where contribution of each employee is recognized and valued. We treat all our employees and contractors fairly, compensate them according to market based compensation packages, while ensuring a safe and healthy working environment.

### FUTURE OUTLOOK AND CHALLENGES:

The economy is gradually moving towards sustainable growth phase owing to its improved foreign exchange reserves, rising workers' remittances and controlled fiscal deficit. Going forward, the country's growth potential depends on the ability to capitalize on this recent optimism. The construction industry in Pakistan is also showing potential for growth and your Company is well positioned to take advantage.

To capture this growth the company is closely working with all relevant government bodies to take counter measures against dumping of tiles through NTC and other regulatory bodies, while within the organization; the company will continue to improve its product range to meet customers' demands. To further enhance sales, the company has taken measures by developing various strategies to re-vitalize business potential of large housing projects which are moving to imported tiles. The company is also enhancing its export potential by displaying its products in geographical markets closer to home. We are confident about the future prospects and potential of your Company as the demand for ceramic products has been resilient and is expected to increase further on account of the growth in the construction and infrastructure development projects.



### **CORPORATE AND SOCIAL RESPONSIBILITY:**

Your Company has played in contributing towards corporate social activities in a responsive manner. During the year under review, your Company arranged several free medical camps in the vicinity of its operations. In these medical camps, the patients were provided with free medical advice, medicine and guidance to improve their healthcare.

### **AUDITORS:**

The present auditors M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, retire at the conclusion of the next AGM and being eligible, have offered themselves for re-appointment. The directors endorse the recommendation of the Audit Committee appointment as Statutory Auditors of the Company for the financial year 2015/16.

### **CORPORATE AND FINANCIAL REPORT FRAMEWORK:**

The board members are pleased to state that the management of the Company is committed to good corporate governance and are complying with the best practices.

In compliance with the Code of Corporate Governance, the Directors are pleased to state that:

- 1) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- 2) Proper books of account have been maintained by the Company;
- 3) Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgment;
- 4) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of these financial statements;
- 5) The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue with the objective to further strengthen the controls and improve the system;
- 6) There are no significant doubts upon the Company's ability to continue as a growing concern;
- 7) A summary of key operating and financial data of the Company of the last six years is annexed in the report on page No. 14.
- 8) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- 9) The value of Provident Fund Investments as per the unaudited accounts of STCL Provident Fund Trust for the year ended June 30, 2015 was Rs. 135.06 million (2014: Rs. 122.3 million).
- 10) There are no outstanding statutory payments due on account of taxes, levies and charges except as those disclosed in these financial statements.



- 11) There were eight (8) board meetings held during the period of 12 months from July 1, 2014 to June 30, 2015 and the number of meetings attended by each Director is given hereunder:

<b>Directors</b>	<b>Number of meetings attended</b>
Mr. Rafiq M. Habib	5
Mr. Raza Ansari	8
Mr. Ali S. Habib	7
Mr. Abdul Hai M. Bhaimia	8
Mr. Salim Azhar	8
Mr. Muhammad Faisal	7
Mr. Tariq Khan (Alternate Director)	5

Leave of absence was granted to the Directors who could not attend the Board meetings.

### **AUDIT COMMITTEE:**

An audit committee of the Board has been in existence since the enforcement of the Code of Corporate Governance. The audit committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the listing regulations and code of corporate governance.

The committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the power to call for information from management and to consult directly with the external auditors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board.

The audit committee comprises of two non-executive directors and one independent director who is also a Chairman. During the year, four (4) meetings of the audit committee were held. The attendance of each member is given hereunder:

<b>Members</b>	<b>Number of meetings attended</b>
Mr. Muhammad Faisal	3
Mr. Abdul Hai M. Bhaimia	4
Mr. SalimAzhar	4

Leave of absence was granted to the members who could not attend the meetings of the audit committee.

### **HUMAN RESOURCE AND REMUNERATION COMMITTEE:**

In compliance with the requirements of code of corporate governance, the Board of Directors has established this Committee comprising three members two of whom are non-executive directors (including Chairman) and one is an independent director. Detailed terms of reference of the Committee were duly communicated to the members, by the Board.

### **TRAINING PROGRAM OF DIRECTORS:**

In terms of clause (XI) of the CCG 2012 the Board of your Company has taken requisite steps to comply with the requirements of this clause within the time specified in the CCG.



**APPROPRIATION:**

The Board of Directors has recommended no dividend and / or bonus for the financial year ended June 30, 2015 due to its financial commitments and results for the year.

**PATTERN OF SHAREHOLDING:**

Statements showing the pattern of shareholding as at June 30, 2015 required under the Companies Ordinance, 1984 and the Code of Corporate Governance as given in page number 50-52

The Directors, CEO, CFO, Company Secretary and their spouses or minor children did not carry out any trade in the shares of the Company during the year except one of the seven directors, who sold 510,000 shares which was duly reported to the stock exchanges as per the requirements of Code of Corporate Governance.

**CEO REMUNERATION & APPOINTMENT OF NEW COMPANY SECRETARY:**

The board of directors of your company has resolved to increase the monthly remuneration of CEO from Rs. 1.040 Million to Rs. 1.116 Million with effect from July 01, 2015. He will also be entitled to perquisites and other entitlements arising under his contract of employment and service rules of the Company. Appropriate disclosure as required under Section 218 of Companies Ordinance 1984 has already been made.

Further, the Board of Directors has also appointed a new Company Secretary at monthly remuneration of Rs. 77,939 along with other perquisites and entitlements as allowed under the company's policy.

None of the directors were directly and indirectly concerned or interested in the variation of monthly remuneration of CEO and appointment of new Company Secretary.

**ACKNOWLEDGEMENT:**

We thank our shareholders, customers, staff, financial institution and banks for their sustained support and trust in the Company.

On behalf of the Board

**RAZA ANSARI**  
Chief Executive Officer

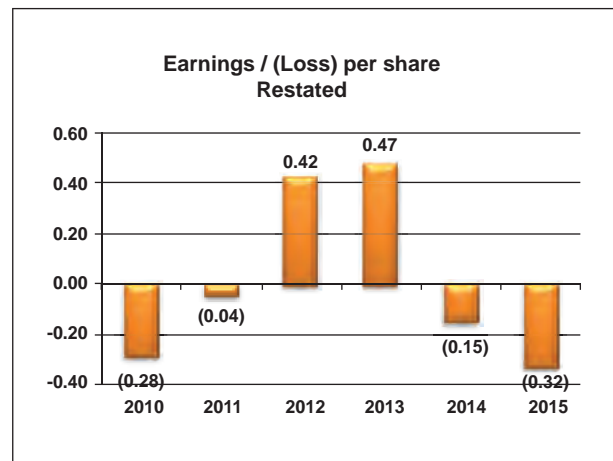
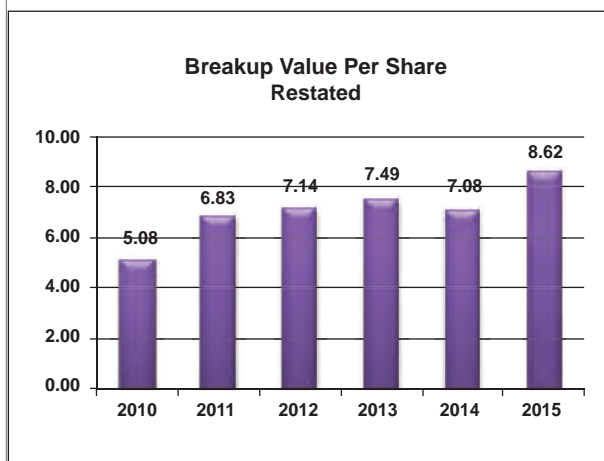
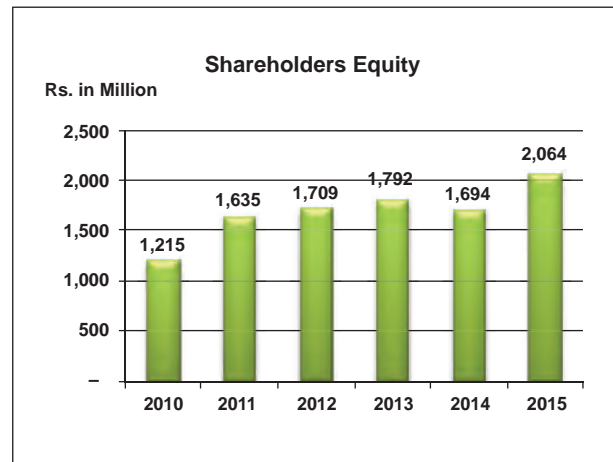
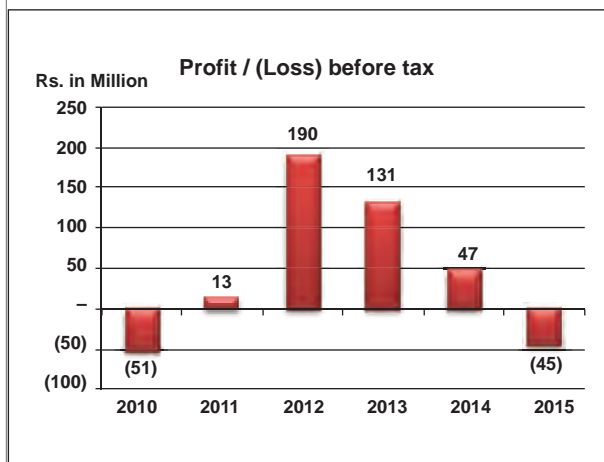
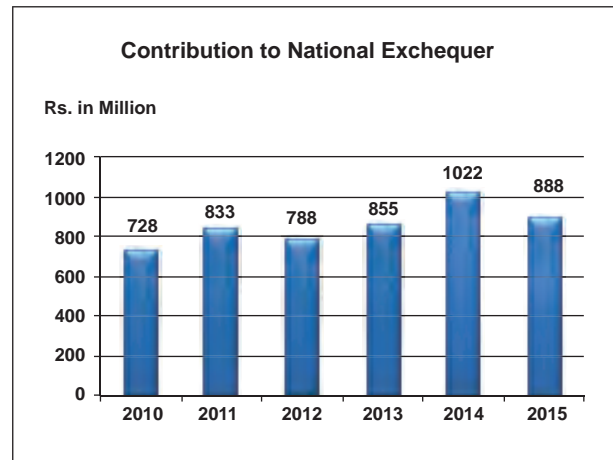
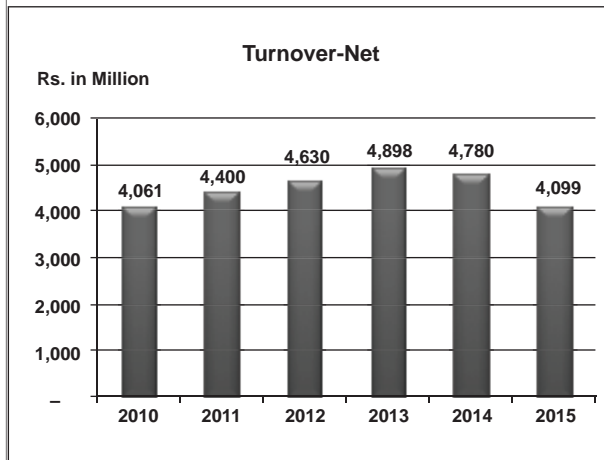
Karachi: August 27, 2015



**PERFORMANCE OF LAST SIX YEARS**

<b>FINANCIAL SUMMARY</b>	<b>30TH JUNE 2015 (RS.'000s)</b>	<b>30TH JUNE 2014 (RS.'000s)</b>	<b>30TH JUNE 2013 (RS.'000s)</b>	<b>30TH JUNE 2012 (RS.'000s)</b>	<b>30TH JUNE 2011 (RS.'000s)</b>	<b>30TH JUNE 2010 (RS.'000s)</b>
<b>For the year</b>						
Turnover (Net)	4,098,691	4,779,969	4,898,217	4,630,457	4,399,779	4,061,423
% of Growth	-14.25%	-2.41%	5.78%	5.24%	8.33%	42.34%
Gross profit	701,491	1,034,677	1,178,055	1,292,821	1,131,200	1,059,379
Gross profit ( % )	17.12%	21.65%	24.05%	27.92%	25.71%	24.08%
Administrative Expenses	104,166	117,158	84,149	71,301	77,237	57,718
% of Turnover -net	2.54%	2.45%	1.72%	1.54%	1.76%	1.31%
Distribution Cost	429,821	631,449	646,662	652,298	584,204	559,697
% of Turnover -net	10.49%	13.21%	13.20%	14.09%	13.28%	12.72%
Financial Charges	226,295	238,903	303,097	365,940	457,614	495,362
% of Turnover -net	5.52%	5.00%	6.19%	7.90%	10.40%	11.26%
Profit / (loss) before taxation	(45,082)	47,229	130,874	190,360	13,492	(51,383)
% of Turnover -net	-1.10%	0.99%	2.67%	4.11%	0.31%	-1.17%
(Loss) / profit after taxation	(62,142)	(26,036)	82,322	74,578	(7,457)	(49,610)
% of Turnover -net	-1.52%	-0.54%	1.68%	1.61%	-0.17%	-1.13%
Cash dividend	-	-	72,128	-	-	-
Cash dividend ( % )	-	-	10%	-	-	-
Bonus Shares	-	-	36,064	-	-	-
Bonus Shares ( % )	-	-	5%	-	-	-
<b>Ratio Analysis</b>						
Break-up value of Rs. 5/= share	8.62	11.18	12.42	11.85	11.33	16.85
Break-up value of Rs. 5/= share - Restated	8.62	7.08	7.49	7.14	6.83	5.08
Earnings per share (Rs.) -	(0.32)	(0.15)	0.54	0.49	(0.05)	(0.33)
Earnings per share (Rs.) - Restated	(0.32)	(0.15)	0.47	0.42	(0.04)	(0.28)
Receivables no. of days	80	62	54	54	54	73
Current ratio	1.11	0.74	0.89	1.02	1.10	1.01
Number of employees	892	888	908	961	941	900

## Financial Highlights





## Shabbir Tiles and Ceramics Limited

### Vertical Analysis

<b>BALANCE SHEET</b>	<b>2015</b>	<b>%</b>	<b>2014</b>	<b>%</b>	<b>2013</b>	<b>%</b>	<b>2012</b>	<b>%</b>	<b>2011</b>	<b>%</b>	<b>2010</b>	<b>%</b>
Property , plant & Equipment	2,756,649	56.8	2,945,072	61.7	3,163,042	66.5	3,334,490	67.4	3,578,311	68.6	3,826,126	67.9
Investment property	7,452	0.2	100	0.00	207	0.00	314	0.01	421	0.01	522	0.01
Long-term loans, advances & deposits	9,563	0.2	9,445	0.2	10,919	0.2	10,078	0.2	11,745	0.2	15,836	0.3
Current assets	2,076,318	42.8	1,814,964	38.1	1,581,957	33.3	1,599,969	32.4	1,627,945	31.2	1,792,732	31.8
<b>Total Assets</b>	<b>4,849,982</b>	<b>100.0</b>	<b>4,769,581</b>	<b>100.0</b>	<b>4,756,125</b>	<b>100.0</b>	<b>4,944,851</b>	<b>100.0</b>	<b>5,218,422</b>	<b>100.0</b>	<b>5,635,216</b>	<b>100.0</b>
Share Capital	1,196,601	24.7	757,341	15.9	721,277	15.2	721,277	14.6	721,277	13.8	360,638	6.4
Share Premium	449,215	9.3	456,288	9.6	456,288	9.6	456,288	9.2	456,288	8.7	389,764	6.9
Reserves	417,866	8.6	480,008	10.1	614,236	12.9	531,914	10.8	457,336	8.8	464,793	8.2
<b>Shareholders' equity</b>	<b>2,063,682</b>	<b>42.6</b>	<b>1,693,637</b>	<b>35.5</b>	<b>1,791,801</b>	<b>37.7</b>	<b>1,709,479</b>	<b>34.6</b>	<b>1,634,901</b>	<b>31.3</b>	<b>1,215,195</b>	<b>21.6</b>
Long Term Finance	750,000	15.5	447,649	9.4	1,023,682	21.5	1,530,448	31.0	2,037,214	39.0	2,543,980	45.1
Liabilities against assets subj. to Fin. Lease	-	-	-	-	2,606	0.1	6,726	0.1	9,160	0.2	13,768	0.2
Deferred tax liabilities	171,794	3.5	184,839	3.9	155,564	3.3	127,796	2.6	58,965	1.1	82,291	1.5
Current liabilities	1,864,506	38.4	2,443,456	51.2	1,782,472	37.5	1,570,402	31.8	1,478,182	28.3	1,779,982	31.6
<b>Total Equities and Liabilities</b>	<b>4,849,982</b>	<b>100.0</b>	<b>4,769,581</b>	<b>100.0</b>	<b>4,756,125</b>	<b>100.0</b>	<b>4,944,851</b>	<b>100.0</b>	<b>5,218,422</b>	<b>100.0</b>	<b>5,635,216</b>	<b>100.0</b>
<b>PROFIT AND LOSS ACCOUNT</b>												
Net Sales	4,098,691	100.0	4,779,969	100.0	4,898,217	100.0	4,630,457	100.0	4,399,779	100.0	4,061,423	100.0
Cost of Sales	3,397,200	82.9	3,745,292	78.4	3,720,162	75.9	3,337,636	72.1	3,268,579	74.3	3,002,044	73.9
<b>Gross profit</b>	<b>701,491</b>	<b>17.1</b>	<b>1,034,677</b>	<b>21.6</b>	<b>1,178,055</b>	<b>24.1</b>	<b>1,292,821</b>	<b>27.9</b>	<b>1,131,200</b>	<b>25.7</b>	<b>1,059,379</b>	<b>26.1</b>
Distribution Cost	429,821	10.5	631,449	13.2	646,662	13.2	652,298	14.1	584,204	13.3	559,697	13.8
Administrative Expenses	104,166	2.5	117,158	2.5	84,149	1.7	71,301	1.5	77,237	1.8	57,718	1.4
Other Income	14,229	0.3	8,663	0.2	3,857	0.1	8,387	0.2	7,486	0.2	3,920	0.1
Other Charges	520	0.0	8,601	0.2	17,130	0.3	21,309	0.5	6,139	0.1	1,905	0.0
<b>Operating Profit before Finance Costs</b>	<b>181,213</b>	<b>4.4</b>	<b>286,132</b>	<b>6.0</b>	<b>433,971</b>	<b>8.9</b>	<b>556,300</b>	<b>12.0</b>	<b>471,106</b>	<b>10.7</b>	<b>443,979</b>	<b>10.9</b>
Financial Charges	226,295	5.5	238,903	5.0	303,097	6.2	365,940	7.9	457,614	10.4	495,362	12.2
<b>Profit/(Loss) before taxation</b>	<b>(45,082)</b>	<b>(1.1)</b>	<b>47,229</b>	<b>1.0</b>	<b>130,874</b>	<b>2.7</b>	<b>190,360</b>	<b>4.1</b>	<b>13,492</b>	<b>0.3</b>	<b>(51,383)</b>	<b>(1.3)</b>
Taxation	17,060	0.4	73,265	1.5	48,552	1.0	115,782	2.5	20,949	0.5	(1,773)	(0.0)
<b>Profit/(Loss) after taxation</b>	<b>(62,142)</b>	<b>(1.5)</b>	<b>(26,036)</b>	<b>(0.5)</b>	<b>82,322</b>	<b>1.7</b>	<b>74,578</b>	<b>1.6</b>	<b>(7,457)</b>	<b>(0.2)</b>	<b>(49,610)</b>	<b>(1.2)</b>



## Shabbir Tiles and Ceramics Limited

### Horizontal Analysis

BALANCE SHEET	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%
Property, plant & Equipment	2,756,649	(6.4)	2,945,072	(6.9)	3,163,042	(5.1)	3,334,490	(6.8)	3,578,311	(6.5)	3,826,126	(7.0)
Investment property	7,452	7,352.0	100	(51.7)	207	(34.1)	314	(25.4)	421	(19.3)	522	(16.2)
Long-term loans, advances & deposits	9,563	1.2	9,445	(13.5)	10,919	8.3	10,078	(14.2)	11,745	(25.8)	15,836	2.1
Current assets	2,076,318	14.4	1,814,964	14.7	1,581,957	(1.1)	1,599,969	(1.7)	1,627,945	(9.2)	1,792,732	14.5
<b>Total Assets</b>	<b>4,849,982</b>	<b>1.7</b>	<b>4,769,581</b>	<b>0.3</b>	<b>4,756,125</b>	<b>(3.8)</b>	<b>4,944,851</b>	<b>(5.2)</b>	<b>5,218,422</b>	<b>(7.4)</b>	<b>5,635,216</b>	<b>(1.1)</b>
Share Capital	1,196,601	58.0	757,341	5.0	721,277	-	721,277	-	721,277	100.0	360,638	-
Share Premium	449,215	(1.6)	456,288	-	456,288	-	456,288	-	456,288	17.1	389,764	-
Reserves	417,866	(12.9)	480,008	(21.9)	614,236	15.5	531,914	16.3	457,336	(1.6)	464,793	(9.6)
<b>Shareholders' equity</b>	<b>2,063,682</b>	<b>21.8</b>	<b>1,693,637</b>	<b>(5.5)</b>	<b>1,791,801</b>	<b>4.8</b>	<b>1,709,479</b>	<b>4.6</b>	<b>1,634,901</b>	<b>34.5</b>	<b>1,215,195</b>	<b>(3.9)</b>
Long Term Finance	750,000	67.5	447,649	(56.3)	1,023,682	(33.1)	1,530,448	(24.9)	2,037,214	(19.9)	2,543,980	(8.2)
Liabilities against assets subj. to Fin. Lease	-	-	-	-	2,606	(61.3)	6,726	(26.6)	9,160	(33.5)	13,768	(80.2)
Deferred tax liabilities	171,794	(7.1)	184,839	18.8	155,564	21.7	127,796	116.7	58,965	(28.3)	82,291	(21.8)
Current liabilities	1,864,506	(23.7)	2,443,456	37.1	1,782,472	13.5	1,570,402	6.2	1,478,182	(17.0)	1,779,982	19.8
<b>Total Equities and Liabilities</b>	<b>4,849,982</b>	<b>1.7</b>	<b>4,769,581</b>	<b>0.3</b>	<b>4,756,125</b>	<b>(3.8)</b>	<b>4,944,851</b>	<b>(5.2)</b>	<b>5,218,422</b>	<b>(7.4)</b>	<b>5,635,216</b>	<b>(1.1)</b>
<b>PROFIT AND LOSS ACCOUNT</b>												
Net Sales	4,098,691	(14.3)	4,779,969	(2.4)	4,898,217	5.8	4,630,457	5.2	4,399,779	8.3	4,061,423	42.3
Cost of Sales	3,397,200	(9.3)	3,745,292	0.7	3,720,162	11.5	3,337,636	2.1	3,268,579	8.9	3,002,044	45.1
<b>Gross profit</b>	<b>701,491</b>	<b>(32.2)</b>	<b>1,034,677</b>	<b>(12.2)</b>	<b>1,178,055</b>	<b>(8.9)</b>	<b>1,292,821</b>	<b>14.3</b>	<b>1,131,200</b>	<b>6.8</b>	<b>1,059,379</b>	<b>35.0</b>
Distribution Cost	429,821	(31.9)	631,449	(2.4)	646,662	(0.9)	652,298	11.7	584,204	4.4	559,697	45.8
Administrative Expenses	104,166	(11.1)	117,158	39.2	84,149	18.0	71,301	(7.7)	77,237	33.8	57,718	1.6
Other Income	14,229	64.3	8,663	124.6	3,857	(54.0)	8,387	12.0	7,486	91.0	3,920	57.3
Other Charges	520	(94.0)	8,601	(49.8)	17,130	(19.6)	21,309	247.1	6,139	222.3	1,905	(69.3)
<b>Operating Profit before Finance Costs</b>	<b>181,213</b>	<b>(36.7)</b>	<b>286,132</b>	<b>(34.1)</b>	<b>433,971</b>	<b>(22.0)</b>	<b>556,300</b>	<b>18.1</b>	<b>471,106</b>	<b>6.1</b>	<b>443,979</b>	<b>30.4</b>
Financial Charges	226,295	(5.3)	238,903	(21.2)	303,097	(17.2)	365,940	(20.0)	457,614	(7.6)	495,362	85.6
<b>Profit / (Loss) before taxation</b>	<b>(45,082)</b>	<b>(195.5)</b>	<b>47,229</b>	<b>(63.9)</b>	<b>130,874</b>	<b>(31.2)</b>	<b>190,360</b>	<b>1,310.9</b>	<b>13,492</b>	<b>(126.3)</b>	<b>(51,383)</b>	<b>(169.9)</b>
Taxation	17,060	(76.7)	73,265	50.9	48,552	(58.1)	115,782	452.7	20,949	(1,281.6)	(1,773)	(106.9)
<b>Profit / (Loss) after taxation</b>	<b>(62,142)</b>	<b>138.7</b>	<b>(26,036)</b>	<b>(131.6)</b>	<b>82,322</b>	<b>10.4</b>	<b>74,578</b>	<b>(1,100.1)</b>	<b>(7,457)</b>	<b>(85.0)</b>	<b>(49,610)</b>	<b>(203.9)</b>





**Statement of Compliance with the  
Code of Corporate Governance**

**Name of Company: SHABBIR TILES AND CERAMICS LIMITED**

**Year ending: June 30, 2015**

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Listing Regulation No. 35 Chapter XI of Karachi Stock Exchange, Listing Regulation No. 35 Chapter XI of Lahore Stock Exchange and Listing Regulation No. 35 Chapter XI of Islamabad Stock Exchange, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

- 1) The Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors (the Board). At present the board includes:

Name of Director	Category of Director		
	Independent	Non – Executive	Executive
Rafiq M. Habib		✓	
Raza Ansari			✓
Ali Suleman Habib		✓	
Abdul Hai M. Bhaimia		✓	
Salim Azhar		✓	
Muhammad Faisal	✓		
Alireza M. Alladin		✓	

The independent directors meets the criteria of independence under clause I (b) of the CCG.

- 2) The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 3) All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution (DFI) or a Non-Banking Finance Institution (NBFI) or, being a member of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.
- 4) No casual vacancy occurred in the Board during the period under review. An Alternate Director was appointed in place of Mr. Alireza M. Alladin being non-executive director due his long absence from the country.
- 5) The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 6) The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.



- 7) All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executives and non-executive directors, have been taken by the Board/shareholders.
- 8) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 9) The Board arranges orientation course for its directors as and when needed to apprise them of their duties and responsibilities. Two of the directors had already passed Corporate Governance Leadership Skills Program of the Pakistan Institute of Corporate Governance and three directors meet the criteria of exemption under clause (xi) of the CCG and are accordingly exempted from director's training program. The Company will take necessary steps for the training of rest of the directors by the end of 30 June 2016.
- 10) No new appointment of Chief Financial Officer(CFO), Company Secretary or Head of Internal Audit has been made during the year.
- 11) The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
- 12) The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- 13) The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- 14) The Company has complied with all the corporate and financial reporting requirements of the CCG.
- 15) The Board has formed an Audit Committee. It comprises three members, of whom one is independent director and two are non-executive directors and the Chairman of the Committee is an independent director.
- 16) The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- 17) The Board has formed Human Resources and Remuneration Committee. It comprises three members, of whom two are non-executive directors and one is an independent director. The Chairman of the Committee is a non-executive director.
- 18) The Board has outsourced the internal audit function to M/s. Noble Computer Services (Private) Limited who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.



- 19) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 20) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21) The 'Closed Period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).
- 22) Material/price sensitive information has been disseminated among all market participants at once through Stock Exchange(s).
- 23) We confirm that all other material principles enshrined in the CCG have been complied with.

**RAZA ANSARI**  
Chief Executive Officer

Karachi: August 27, 2015.



**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE  
CODE OF CORPORATE GOVERNANCE**

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Shabbir Tiles and Ceramics Limited (the Company) for the year ended 30 June 2015 to comply with the requirements of Listing Regulation No. 35 Chapter XI of Karachi Stock Exchange Limited, Listing Regulation No. 35 Chapter XI of Lahore Stock Exchange Limited and Listing Regulation No. 35 Chapter XI of Islamabad Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for its review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2015.

**Chartered Accountants**

**Date: 27.08.2015**

**Place: Karachi**



**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of Shabbir Tiles and Ceramics Limited(the Company) as at 30 June 2015 and the related profit and loss account,statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account,statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015, and of the loss, its comprehensive loss, cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

**Chartered Accountants**  
**Audit Engagement Partner: Khurram Jameel**  
**Date: 27.08.2015**  
**Place: Karachi**



**BALANCE SHEET  
AS AT JUNE 30, 2015**

	Note	2015 (Rupees in 000's)	2014
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	2,756,649	2,945,072
Investment property	7	7,452	100
Long-term loans	8	84	90
Long-term deposits	9	9,479	9,355
		<u>2,773,664</u>	<u>2,954,617</u>
<b>CURRENT ASSETS</b>			
Stores and spare parts	10	129,066	141,099
Stock-in-trade	11	748,090	552,836
Trade debts	12	1,059,101	941,554
Loans, advances, deposits, prepayments and other receivables	13	20,113	16,768
Taxation - net		46,967	38,263
Cash and bank balances	14	72,981	124,444
		<u>2,076,318</u>	<u>1,814,964</u>
<b>TOTAL ASSETS</b>		<u><b>4,849,982</b></u>	<u><b>4,769,581</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 240,000,000 (2014 : 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	15	1,196,601	757,341
Reserves		<u>867,081</u>	<u>936,296</u>
		<u>2,063,682</u>	<u>1,693,637</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term finance	16	750,000	447,649
Deferred tax liability	17	171,794	184,839
		<u>921,794</u>	<u>632,488</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	849,279	525,094
Accrued mark-up		52,614	58,456
Current maturity of long term financing	16	440,883	506,766
Current maturity of liabilities against assets subject to finance lease		-	2,682
Short-term borrowings	19	462,776	1,303,697
Sales tax payable		58,954	46,761
		<u>1,864,506</u>	<u>2,443,456</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>4,849,982</b></u>	<u><b>4,769,581</b></u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

**RAZA ANSARI**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015 (Rupees in 000's)	2014
Turnover	21	<b>4,098,691</b>	4,779,969
Cost of sales	22	<b>(3,397,200)</b>	(3,745,292)
<b>Gross Profit</b>	23	<b>701,491</b>	1,034,677
Distribution costs	24	<b>(429,821)</b>	(631,449)
Administrative expenses	25	<b>(104,166)</b>	(117,158)
		<b>(533,987)</b>	(748,607)
Other income	26	<b>14,229</b>	8,663
Other expenses	27	<b>(520)</b>	(8,601)
		13,709	62
<b>Operating profit</b>		<b>181,213</b>	286,132
Finance costs	28	<b>(226,295)</b>	(238,903)
<b>(Loss) / profit before taxation</b>		<b>(45,082)</b>	47,229
Taxation	29	<b>(17,060)</b>	(73,265)
<b>Loss after taxation</b>		<b>(62,142)</b>	(26,036)
			<b>Rupees (Restated)</b>
<b>Loss per share - basic and diluted</b>	30	<b>(0.32)</b>	(0.15)

The annexed notes from 1 to 39 form an integral part of these financial statements.

**RAZA ANSARI**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>2015</b>	<b>2014</b>
	<b>(Rupees in 000's)</b>	
<b>Loss after taxation</b>	<b>(62,142)</b>	<b>(26,036)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b><u>(62,142)</u></b>	<b><u>(26,036)</u></b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

**RAZA ANSARI**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director





**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015	2014
		(Rupees in 000's)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation		<b>(45,082)</b>	47,229
Adjustments for :			
Depreciation			
- property, plant and equipment		<b>269,466</b>	290,840
- investment property		<b>448</b>	107
Finance costs		<b>226,295</b>	238,903
Provision for doubtful debts		<b>17,103</b>	31,182
Provision for slow moving stores and spare parts		<b>4,119</b>	10,397
Gain on disposal of property, plant and equipment		<b>(3,564)</b>	(219)
		<b>513,867</b>	571,210
<b>Operating profit before working capital changes</b>		<b>468,785</b>	618,439
<b>(Increase) / decrease in current assets</b>			
Stores and spare parts		<b>7,914</b>	(25,058)
Stock-in-trade		<b>(195,254)</b>	(127,079)
Trade debts		<b>(134,650)</b>	(143,047)
Loans, advances, deposits, prepayments and other receivables		<b>(3,345)</b>	18,036
		<b>(325,335)</b>	(277,148)
<b>Increase in current liabilities</b>			
Trade and other payables		<b>324,185</b>	3,433
Sales tax payable		<b>12,193</b>	5,512
		<b>336,378</b>	8,945
<b>Cash generated from operations</b>		<b>479,828</b>	350,236
Income tax paid		<b>(38,808)</b>	(43,003)
Finance cost paid		<b>(232,137)</b>	(218,358)
Long-term loans		<b>6</b>	19
Long-term deposits		<b>(124)</b>	1,455
<b>Net cash generated from operating activities</b>		<b>208,765</b>	90,349
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		<b>(93,474)</b>	(76,998)
Proceeds from disposal of property, plant and equipment		<b>8,194</b>	4,347
<b>Net cash used in investing activities</b>		<b>(85,280)</b>	(72,651)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds / (repayment) of long term finance		<b>236,468</b>	(576,033)
Repayment of short-term borrowings		<b>(80,559)</b>	(6,978)
Dividend paid		<b>-</b>	(72,128)
Proceeds from issue of right shares		<b>439,260</b>	-
Issue costs of right shares		<b>(7,073)</b>	-
Lease rentals paid		<b>(2,682)</b>	(2,447)
<b>Net cash generated from / (used in) financing activities</b>		<b>585,414</b>	657,586
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>708,899</b>	(639,888)
Cash and cash equivalents at the beginning of the year		<b>(1,062,261)</b>	(422,373)
<b>Cash and cash equivalents at the end of the year</b>	31	<b>(353,362)</b>	(1,062,261)

The annexed notes from 1 to 39 form an integral part of these financial statements.

**RAZA ANSARI**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2015**

	Issued subscribed and paid-up capital	Capital reserve share premium	Revenue reserves			Total
			General reserve	Unappropriated profit	Total reserves	
(Rupees in 000's)						
<b>Balance as at June 30, 2013</b>	721,277	456,288	514,000	100,236	1,070,524	1,791,801
Transfer from general reserve	-	-	(36,000)	36,000	-	-
Final dividend @ 10% for the year June 30, 2013	-	-	-	(72,128)	(72,128)	(72,128)
Issue of bonus shares @ 5% for the year June 30, 2013	36,064	-	-	(36,064)	(36,064)	-
Total comprehensive loss for the year	-	-	-	(26,036)	(26,036)	(26,036)
<b>Balance as at June 30, 2014</b>	<b>757,341</b>	<b>456,288</b>	<b>478,000</b>	<b>2,008</b>	<b>936,296</b>	<b>1,693,637</b>
Issue of right shares	<b>439,260</b>	-	-	-	-	<b>439,260</b>
Shares issue cost	-	(7,073)	-	-	(7,073)	(7,073)
Total comprehensive loss for the year	-	-	-	(62,142)	(62,142)	(62,142)
<b>Balance as at June 30, 2015</b>	<b>1,196,601</b>	<b>449,215</b>	<b>478,000</b>	<b>(60,134)</b>	<b>867,081</b>	<b>2,063,682</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

**RAZA ANSARI**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 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 November 07, 1978 and is listed on all Stock Exchanges in Pakistan. 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. STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are as notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

#### 2.2. Standards and amendments to approved accounting standards that are not yet effective

The following standards and amendments to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 10 - Consolidated Financial Statements	January 01, 2015
IFRS 10 - Consolidated Financial Statements IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	January 01, 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	January 01, 2016
IFRS 11 - Joint Arrangements	January 01, 2015
IFRS 11 - Joint Arrangements- Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IFRS 12 - Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 - Fair Value Measurement	January 01, 2015
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 16 - Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 - Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements(Amendment)	January 01, 2016

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standards</b>	<b>IASB effective date (accounting periods beginning on or after)</b>
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 - Regulatory Deferral Accounts	January 01, 2016
IFRS 15 - Revenue from Contracts with Customers	January 01, 2018

### 2.3 New, amended and revised standards and interpretations of IFRSs

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective during the year:

- IAS - 19 Employee Benefits - (Revised)
- IAS - 32 Financial Instruments: Presentation - (Amendments)  
- Offsetting Financial Assets and Financial Liabilities
- IAS - 36 Impairment of Assets – (Amendment)  
- Recoverable Amount Disclosures for Non-Financial Assets
- IAS - 39 Financial Instruments: Recognition and Measurement – (Amendment)  
- Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 Levies

#### **Improvements to accounting standards issued by the IASB**

- IFRS 2 Share-based Payment - Definitions of vesting conditions
- IFRS 3 Business Combinations – Accounting for contingent consideration in a business combination
- IFRS 3 Business Combinations - Scope exceptions for joint ventures
- IFRS 8 Operating Segments – Aggregation of operating segments
- IFRS 8 Operating Segments - Reconciliation of the total of the reportable segments' assets to the entity's assets
- IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
- IAS - 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation / amortisation



IAS - 24 Related Party Disclosures - Key management personnel

IAS - 40 Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

### 3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention.

3.2 These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Property, plant and equipment

##### Owned

These are stated at cost less accumulated depreciation and accumulated impairment except for freehold land and capital work-in-progress, which are stated at cost.

Cost in relation to certain fixed assets, including capital work-in-progress, signifies historical cost and financial charges on borrowings for financing the projects until such time as the projects are substantially ready for their intended use.

Depreciation is charged on the straight line basis, other than freehold land which is determined to have an indefinite life, at the rates specified in note 6 to the financial statements. Depreciation on additions is charged from the month in which the asset is put to use and on disposals upto the month immediately preceding the deletion. No depreciation is charged if asset's residual value exceeds its carrying amount.

Residual values and useful lives are reviewed at each balance sheet date, and adjusted if expectations differ significantly from previous estimates.

Maintenance and repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gain or loss on disposal of property, plant and equipment is recognized in the profit and loss account when incurred.

##### Leased

Assets held under finance leases are capitalized at the lower of present value of the minimum lease payments at the inception of the lease term and the fair value of leased assets. The related obligations under finance lease less finance charges allocated to future periods are shown as liabilities. Finance costs are calculated at the rate implicit in the lease and are charged to profit and loss account. Depreciation is charged to profit and loss account applying the same basis as for owned assets.

#### 4.2 Investment property

Investment property represents the portion of freehold land and building let out on rent and is stated at cost, determined on the basis of area (square feet) rented out less accumulated depreciation and impairment.

Depreciation is charged to profit and loss account applying the straight line method at the rate specified in note 7 to the financial statements. Depreciation on additions is charged from the month in which an asset is put to use and on deletions up to the month immediately preceding the deletion.



Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gain or loss on disposals is taken to profit and loss account for the year.

### 4.3 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated and the impairment loss is recognized as an expense in the profit and loss account.

### 4.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### 4.5 Research and development costs

Research and development costs are expensed as incurred, except for development costs that relate to design of new or improved products which are recognised as an asset to the extent that it is expected that such asset will meet the recognition criteria mentioned in IAS-38 "Intangible Assets".

### 4.6 Stores and spare parts

These are valued at the lower of weighted average cost and net realizable value (NRV). Provision is made for slow moving and obsolete items.

Items in transit and bonded warehouse are valued at cost comprising invoice value plus other charges incurred thereon accumulated to the balance sheet date.

### 4.7 Stock-in-trade

These are valued at the lower of NRV and cost determined as follows:

Raw and packing material	- weighted average cost.
Work-in-process and finished goods	- cost of direct materials and labour plus attributable overheads.
Finished goods - imported products	- weighted average cost.
Stock in transit	- invoice price plus other charges paid thereon.

Provision is made for slow moving and obsolete items.

### 4.8 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less provision for doubtful debts. Provision for doubtful debts is based on the management's assessment of customers' outstanding and creditworthiness. Bad debts are written-off when identified.

### 4.9 Cash and cash equivalents

These are stated at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances net of short-term running finances.



### 4.10 Financial instruments

All financial assets and liabilities are recognised at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights under the instruments are realised, expired or surrendered. Financial liabilities are derecognised when the obligation is extinguished, discharged, cancelled or expired. Any gain or loss on recognition or derecognition of the financial assets and financial liabilities is taken to the profit and loss account.

### 4.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the transaction and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously. Income and expense arising from such assets and liabilities are also offset accordingly.

### 4.12 Long and short-term borrowings

These are recorded at the proceeds received. Installments due within one year are shown as a current liability and mark-up on borrowings is charged as an expense on an accrual basis.

### 4.13 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

### 4.14 Provisions

Provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past event and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

### 4.15 Taxation

#### Current

Provision for current tax is based on the taxable income in accordance with the Income Tax Ordinance, 2001.

#### Deferred

Deferred taxation is provided, proportionate to local sales, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

### 4.16 Staff benefits

#### Defined contribution plan

The Company operates a recognised provident fund for its permanent employees. Equal monthly contributions are made to the fund both by the Company and the employees in accordance with the rules of the scheme. The contributions made by the Company are recognised as employee benefit expense when they are due.





## Compensated absences

The Company provides for its estimated liability towards unavailed earned leaves accumulated by employees on an accrual basis using current salary level.

### 4.17 Foreign currency translation

Transactions in foreign currencies are recorded at the rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences on foreign currency translations are taken to the profit and loss account.

### 4.18 Revenue recognition

Sales are recognised when goods are dispatched to the customers.

Return on bank deposits is recognised on accrual basis.

Rental income arising on investment property is accounted for on a straight-line basis over the lease term.

### 4.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

## 5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of 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 historic 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. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	<b>Notes</b>
- determining the residual values and useful lives of property, plant and equipment and investment property	4.1, 4.2, 4.3, 6 & 7
- impairment of inventories / adjustment of inventories to their net realisable value	4.6, 4.7, 10 & 11
- impairment of trade debts	4.8 & 12
- recognition of current / deferred tax	4.15, 17 & 29
- provision for staff benefits	4.16 & 18.2
- contingencies	20





## Shabbir Tiles and Ceramics Limited

	Note	2015 (Rupees in 000's)	2014
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	6.1	<b>2,735,753</b>	2,888,219
Capital work-in-progress	6.4	<b>20,896</b>	56,853
		<b><u>2,756,649</u></b>	<b><u>2,945,072</u></b>

### 6.1 OPERATING ASSETS

2015	COST			ACCUMULATED DEPRECIATION				NET BOOK VALUE		Depreciation rate %
	As at July 01, 2014	Additions / Transfers *	Disposals	As at June 30, 2015	As at July 01, 2014	Charge for the year	Disposals	As at June 30, 2015	As at June 30, 2015	
(Rupees in 000's)										
<b>Owned</b>										
Freehold land	266,135	-	-	266,135	-	-	-	-	266,135	-
Building on freehold land	793,769	-	-	793,769	258,244	36,160	-	294,404	499,365	5-20
Plant and machinery	3,764,659	118,830	-	3,883,489	1,709,460	225,131	-	1,934,591	1,948,898	5-20
Furniture and fixture	24,310	-	-	24,310	24,061	-	-	24,061	249	20
Office equipment	20,553	452	(74)	20,931	17,200	1,500	(67)	18,633	2,298	20-33
Computers and accessories	13,463	-	(261)	13,202	12,773	482	(237)	13,018	184	50
Vehicles	56,437	2,348 11,595 *	(14,786)	55,594	31,902	6,193 9,062 *	(10,187)	36,970	18,624	20
	<b>4,939,326</b>	<b>121,630</b> <b>11,595*</b>	<b>(15,121)</b>	<b>5,057,430</b>	<b>2,053,640</b>	<b>269,466</b> <b>9,062 *</b>	<b>(10,491)</b>	<b>2,321,677</b>	<b>2,735,753</b>	
<b>Leased Vehicles</b>	<b>11,595</b>	<b>-</b> <b>(11,595)*</b>	<b>-</b>	<b>-</b>	<b>9,062</b>	<b>-</b> <b>(9,062)*</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>4,950,921</b>	<b>121,630</b>	<b>(15,121)</b>	<b>5,057,430</b>	<b>2,062,702</b>	<b>269,466</b>	<b>(10,491)</b>	<b>2,321,677</b>	<b>2,735,753</b>	
(Rupees in 000's)										
(Rupees in 000's)										
<b>Owned</b>										
Freehold land	266,135	-	-	266,135	-	-	-	-	266,135	-
Building on freehold land	793,769	-	-	793,769	219,702	38,542	-	258,244	535,525	5-20
Plant and machinery	3,720,068	45,591	-	3,764,659	1,471,474	237,986	-	1,709,460	2,055,199	5-20
Furniture and fixture	24,310	-	-	24,310	21,899	2,162	-	24,061	249	20
Office equipment	18,818	1,800	(65)	20,553	14,900	2,364	(64)	17,200	3,353	20-33
Computers and accessories	15,694	297	(2,528)	13,463	13,589	1,566	(2,382)	12,773	690	50
Vehicles	59,295	3,550	(6,408)	56,437	30,399	6,133	(4,630)	31,902	24,535	20
	<b>4,898,089</b>	<b>50,238</b>	<b>(9,001)</b>	<b>4,939,326</b>	<b>1,771,963</b>	<b>288,753</b>	<b>(7,076)</b>	<b>2,053,640</b>	<b>2,885,686</b>	
<b>Leased Vehicles</b>	<b>11,595</b>	<b>-</b>	<b>-</b>	<b>11,595</b>	<b>6,975</b>	<b>2,087</b>	<b>-</b>	<b>9,062</b>	<b>2,533</b>	<b>20</b>
<b>Total</b>	<b>4,909,684</b>	<b>50,238</b>	<b>(9,001)</b>	<b>4,950,921</b>	<b>1,778,938</b>	<b>290,840</b>	<b>(7,076)</b>	<b>2,062,702</b>	<b>2,888,219</b>	



## Shabbir Tiles and Ceramics Limited

### 6.2 Depreciation charge for the year has been allocated as follows

	Note	2015 (Rupees in 000's)	2014
Cost of sales	22	264,015	282,374
Distribution costs	24	3,759	5,233
Administrative expenses	25	1,692	3,233
		<b>269,466</b>	<b>290,840</b>

### 6.3 Details of disposal of property, plant and equipment having book value exceeding Rs. 50,000 each are as follows:

Particulars	Cost	Accumulated depreciation	Book value	Sale Proceeds	Gain / (loss)	Mode of Disposal	Purchaser / Insurance Company
(Rupees in 000's)							
<b>Vehicles</b>							
Toyota Altis ARX-003	1,899	1,519	380	378	(2)	Negotiation	Mr. Ayub Ismail, Karachi
Toyota Corolla ANT-012	879	791	88	215	127	Company Policy	Mr. Shamim Ahmed (Employee)
Suzuki Bolan CR-0386	474	379	95	400	305	Insurance Claim	Habib Insurance Company Limited
Toyota Corolla GLI - AVQ-087	1,679	851	828	1,016	188	Company Policy	Mr. Fateh Muhammad (Ex - employee)
Toyoyta Corolla XE - APK-734	915	824	92	243	152	Company Policy	Mr. Muhammad Tariq (Employee)
Suzuki Cultus VXR - ASU-683	810	693	117	559	442	Company Policy	Mr. Muhammad Ali Jinnah (Ex-employee)
Daihatsu Cuore - ATC-851	689	568	121	448	327	Company Policy	Mr. Masroor Raza (Ex-employee)
Toyota Corolla XLI ATR-542	1,289	986	303	786	483	Company Policy	Mr. Faisal Manzoor (Ex-employee)
Daihatsu Cuore AVV-016	809	464	345	500	155	Company Policy	Mr. Navaid Mirza (Ex-employee)
Toyota Corolla XLI AVZ-473	1,519	830	689	1,063	374	Company Policy	Mr. Faisal Akhtar (Ex-employee)
Daihatsu Cuore AWB-372	829	453	376	615	239	Company Policy	Mr. Ahsaan-ul-Haq (Employee)
Daihatsu Cuore - R-J-640	809	410	399	644	245	Company Policy	Mr. Kamran Mukhtar (Employee)
Suzuki Cultus - UA-743	943	402	541	794	253	Company Policy	Mr. Nauman (Ex-employee)
Suzuki Cultus - ARD-868	704	563	141	305	164	Company Policy	Mr. Muhammad Iqbal (Employee)
	<b>14,247</b>	<b>9,733</b>	<b>4,514</b>	<b>7,966</b>	<b>3,452</b>		

### 6.4 Capital work-in-progress

	Note	2015 (Rupees in 000's)	2014
Plant and machinery		19,271	53,028
Civil works		1,625	3,825
		<b>20,896</b>	<b>56,853</b>

#### 6.4.1 Movement in capital work-in-progress

Opening balance	56,853	32,296
Capital expenditure incurred	82,873	56,900
Transfer to operating fixed assets	(118,830)	(30,140)
Disposal	-	(2,203)
Closing balance	<b>20,896</b>	<b>56,853</b>



**7. INVESTMENT PROPERTY**

	COST		ACCUMULATED DEPRECIATION			NET BOOK VALUE		
	As at July 01, 2014	Additions	As at June 30, 2015	As at July 01, 2014	Charge for year	As at June 30, 2015	As at June 2015	Depreciation rate %
(Rupees in 000's)								
Freehold land	3	-	3	-	-	-	3	-
Building on freehold land	1,083	-	1,083	986	97	1,083	-	10
Showroom	-	7,800	7,800	-	351	351	7,449	10
<b>June 2015</b>	<b>1,086</b>	<b>7,800</b>	<b>8,886</b>	<b>986</b>	<b>448</b>	<b>1,434</b>	<b>7,452</b>	
June 2014	1,086	-	1,086	879	107	986	100	

7.1 The fair value of freehold land and buliding on freehold land as at June 30, 2015 amounted to Rs. 6.408 million (2014: Rs. 5.927 million). However, the fair value of the showroom was determined as at December 18, 2014 which amounted to Rs. 7.8 million. The management considers that the fair value of the showroom as at June 30, 2015 is not materially different from the value determined on December 18, 2014.

	Note	2015 (Rupees in 000's)	2014
<b>8. LONG TERM LOANS - unsecured considered good</b>			
Employees		5,613	4,559
Executives	8.1	810	357
	8.2	6,423	4,916
Less: Current maturity	13	(6,339)	(4,826)
		84	90

**8.1 Reconciliation of the carrying amount of loans to Executives**

Opening balance	357	637
Disbursements	1,772	630
Repayments	(1,319)	(910)
Closing balance	810	357

8.2 Represent loans for the purchase of household equipment which are repayable within two years of disbursement. The loans carry markup at the rate of KIBOR +3% per annum (2014: KIBOR +3% per annum).

	2015 (Rupees in 000's)	2014
<b>9. LONG TERM DEPOSITS</b>		
Security deposits		
- Utilities	2,893	2,893
- Rent	6,516	6,392
- Others	70	70
	9,479	9,355



## Shabbir Tiles and Ceramics Limited

	Note	2015 (Rupees in 000's)	2014 (Rupees in 000's)																												
<b>10. STORES AND SPARE PARTS</b>																															
Stores		62,928	65,817																												
Spare parts		106,877	111,838																												
In transit		170	234																												
		<b>169,975</b>	177,889																												
Provision for slow moving and obsolete items	10.1	<b>(40,909)</b>	(36,790)																												
		<b>129,066</b>	141,099																												
<b>10.1 Movement of provision for slow moving and obsolete items</b>																															
Opening balance		36,790	26,393																												
Charge for the year	22	4,119	10,397																												
Closing balance		<b>40,909</b>	36,790																												
<b>11. STOCK-IN-TRADE</b>																															
Raw and packing material		218,554	218,186																												
Work-in-process		55,281	45,268																												
Finished goods		469,742	268,945																												
In transit		4,513	20,437																												
		<b>748,090</b>	552,836																												
<b>11.1</b> The amount of write down to NRV in respect of stock-in-trade was Rs. 65.432 million (2014: Rs. 35.282 million).																															
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		<b>858</b>	9,345																												



## Shabbir Tiles and Ceramics Limited

	Note	2015 (Rupees in 000's)	2014
<b>12.2 Movement of provision for doubtful debts</b>			
Opening balance		34,844	3,662
Provision for the year	25	17,103	31,182
Closing balance		<u>51,947</u>	<u>34,844</u>
<b>13. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>Loans - considered good</b>			
Current portion of long-term loans	8	<u>6,339</u>	<u>4,826</u>
<b>Advances - considered good</b>			
Employees		145	239
Suppliers and contractors		2,282	3,781
Others		396	817
		<u>2,823</u>	<u>4,837</u>
<b>Deposits</b>			
Lease		–	1,156
Others		186	50
		<u>186</u>	<u>1,206</u>
<b>Prepayments</b>			
Rent		4,729	4,364
Others		3,925	1,436
		<u>8,654</u>	<u>5,800</u>
<b>Other receivables</b>			
Insurance claims		2,111	13
Others		–	86
		<u>2,111</u>	<u>99</u>
		<u>20,113</u>	<u>16,768</u>
<b>14. CASH AND BANK BALANCES</b>			
Cash in hand		1,179	748
Cash at banks:			
- current accounts	14.1	59,873	96,881
- PLS saving accounts	14.2	11,929	26,815
		<u>71,802</u>	<u>123,696</u>
		<u>72,981</u>	<u>124,444</u>

**14.1** Include balance of Rs. 10.116 million (2014: Rs. 61.387 million) maintained with Habib Metro Bank Limited, a related party.

**14.2** These carry profit rates ranging from 6% - 9% per annum (2014: 6% - 9% per annum). These include balance of Rs. 9.159 million (2014: Rs. 8.920 million) maintained with Habib Metro Bank Limited, a related party.



## Shabbir Tiles and Ceramics Limited

### 15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

		2015	2014
		(Rupees in 000's)	
Ordinary shares of Rs. 5/- each			
<b>Number of shares in '000</b>			
2015	2014		
199,627	111,775	Fully paid-up in cash	998,140
1,150	1,150	Issued for consideration other than cash	5,750
38,543	38,543	Issued as fully paid bonus shares	192,711
<b>239,320</b>	<b>151,468</b>		<b>1,196,601</b>
			<b>558,880</b>
			<b>5,750</b>
			<b>192,711</b>
			<b>757,341</b>

15.1 The shares held by the related parties as at June 30, 2015 were 18,583,167 (2014: 14,196,265) Ordinary shares of Rs.5/- each.

		Note	2015	2014
		(Rupees in 000's)		
<b>16. LONG TERM FINANCING - secured</b>				
From banking companies :				
Loan I	16.1	<b>128,383</b>	641,915	
Loan II	16.2	<b>62,500</b>	312,500	
Loan III	16.3	<b>1,000,000</b>	-	
		<b>1,190,883</b>	954,415	
Less: Current maturity		<b>(440,883)</b>	(506,766)	
		<b>750,000</b>	447,649	

16.1 Represents loan from National Bank of Pakistan which carries markup rate of six months' KIBOR + 1.15% (2014: six months' KIBOR + 1.15%) per annum, payable semi-annually. The loan is repayable within seven years in fourteen equal semi-annual installments commencing from June 2011. The loan is secured against equitable mortgage of land and hypothecation of present and future plant and machinery of the Company, ranking pari-passu charge.

16.2 Represents loan from Dubai Islamic Bank which carries markup rate of six months' KIBOR + 0.5% (2014: six months' KIBOR + 0.5%) per annum, payable quarterly. The loan is repayable within four years in eight equal quarterly installments commencing from September 2013. The loan is secured against ranking charge over plant and machinery.

16.3 Represents loan from Habib Bank Limited 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 commencing 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.



## Shabbir Tiles and Ceramics Limited

17. DEFERRED TAX LIABILITY	Note	2015 (Rupees in 000's)	2014 (Rupees in 000's)
<b>Taxable temporary differences arising due to:</b>			
Accelerated tax depreciation		513,834	562,126
<b>Deductable temporary differences arising due to:</b>			
Provisions		(50,979)	(37,569)
Assets subject to finance lease		–	(47)
Unused tax losses	17.1	(291,061)	(339,671)
		(342,040)	(377,287)
		171,794	184,839

17.1 As of the balance sheet date, accumulated carry forward tax losses amount to Rs. 909 million (2014: Rs. 1,029 million).

18. TRADE AND OTHER PAYABLES	Note	2015 (Rupees in 000's)	2014 (Rupees in 000's)
Creditors	18.1	139,650	63,393
Accrued liabilities	18.1 & 18.2	667,299	411,011
Advance from customers		18,147	24,717
Payable to Provident Fund	18.3	2,176	1,989
Security deposits		2,874	2,999
Workers' Profit Participation Fund	18.4	–	2,537
Workers' Welfare Fund		3,440	4,404
Unclaimed and unpaid dividends		3,331	3,344
Tax deducted at source		12,178	10,564
Others		184	136
		849,279	525,094

**18.1 Include payable to the following related parties**

- Thal Limited	7,382	–
- Metro-Habib Cash & Carry (Private) Limited	1,637	–
- Habib Metro Pakistan (Private) Limited	184	–
	9,203	–

18.2 Include accrual for leave encashment of Rs. 30.803 million (2014: Rs. 29.553 million) and bonus of Rs. 19.903 million (2014: Rs. 15.474 million).

18.3 Payable to Provident Fund	Note	2015 (Rupees in 000's)	2014 (Rupees in 000's)
		2,176	1,989
		(Unaudited)	(Audited)

**18.3.1 General disclosures**

Size of the Trust	137,339	124,318
Investments - at cost	72,000	71,000
Investment - at fair value	135,058	122,276
Percentage of investments made	98.34%	98.36%



**18.3.2 Categories of investments as a percentage of total assets of provident fund**

	2015 ----- (Unaudited) ----- Rupees in 000's		2014 ----- (Audited) ----- Rupees in 000's	
Fixed deposit	129,742	94.47%	118,550	95.36%
Mutual funds	5,316	3.87%	3,726	3.00%
	<u>135,058</u>	<u>98.34%</u>	<u>122,276</u>	<u>98.36%</u>

**18.3.3** Investments of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

<b>18.4 Workers' Profit Participation Fund</b>	<b>Note</b>	<b>2015 (Rupees in 000's)</b>	<b>2014 (Rupees in 000's)</b>
Balance at the beginning of the year		2,537	7,029
Allocation for the year		–	2,537
		<u>2,537</u>	<u>9,566</u>
Less: Payments made during the year		(2,537)	(7,029)
Balance at the end of the year		<u>–</u>	<u>2,537</u>

**19. SHORT-TERM BORROWINGS – secured**

Term finances	19.1, 19.3 & 19.4	36,433	116,992
Running finances	19.2, 19.3 & 19.4	426,343	1,186,705
		<u>462,776</u>	<u>1,303,697</u>

**19.1** Represent Trust Receipt (TR) and FE-25 facilities from various banks amounting to Rs. 122 million (2014: Rs. 272 million) and Rs. 153 million (2014: Rs. 153 million) respectively. Markup on FE-25 is 5.5% (2014: 5.5%) per annum while on TR facility is 3 months' KIBOR+1% (2014: 3 months' KIBOR+1%) per annum.

**19.2** Represent running finance facilities from various banks amounting to Rs. 1,025 million (2014: Rs. 1,475 million). Markup rates on these finances range from three month KIBOR+0.25% to three months' KIBOR+1% (2014: one month KIBOR+0.75% to six months' KIBOR+ to 0.35%) per annum.

**19.3** These facilities are secured by demand promissory notes, hypothecation of stocks and book debts of the Company ranking pari-passu charge. These facilities are repayable by September 2015.

**19.4** Include borrowings of Rs. 305.005 million (2014: 401.215 million) obtained from Habib Metro Bank Limited, a related party.



**20. CONTINGENCIES AND COMMITMENTS****Contingencies**

**20.1** The Additional Commissioner of Income Tax (Audit Division) has amended the assessment under Section 122 of the Income Tax Ordinance, 2001 for the tax year 2003 whereby, further tax of Rs. 26.8 million was determined to be payable by the Company by disallowing trade discounts of Rs. 73.92 million. Being aggrieved, the Company filed an appeal before the Commissioner of Income Tax (Appeals) which was decided in favour of the Company. However, the Income Tax Department then filed an appeal before the Income Tax Appellate Tribunal who after hearing the arguments from both sides remanded back the case to the Department for re-assessment which is still pending. The Company is confident that the case will be decided in its favour and therefore, no provision for any liability there against has been made in these financial statements.

**Commitments**

- (i) Commitments in respect of outstanding letters of credit issued by a related party amounts to Rs. 64.592 million (2014: 61.343 million).
- (ii) Bank guarantees issued by a related party to Sui Southern Gas Company Limited and Excise & Taxation Department amount to Rs. 268.528 (2014: Rs. 268.528) million and Rs. 35.381 (2014: Rs. 32.381) million respectively.

	Note	2015 (Rupees in 000's)	2014
<b>21. TURNOVER</b>			
<b>Local</b>			
- Manufacturing		4,782,119	5,550,882
- Trading		37,821	38,787
		<u>4,819,940</u>	<u>5,589,669</u>
<b>Less: Sales tax</b>			
- Manufacturing		(789,381)	(910,268)
- Trading		(5,342)	(5,616)
		<u>(794,723)</u>	<u>(915,884)</u>
<b>Less: Trade discounts</b>			
- Manufacturing		(12,770)	(10,241)
- Trading		(5)	(5)
		<u>(12,775)</u>	<u>(10,246)</u>
		<u>4,012,442</u>	4,663,539
<b>Exports</b>		<u>86,249</u>	116,430
		<u>4,098,691</u>	<u>4,779,969</u>



## Shabbir Tiles and Ceramics Limited

	Note	2015 (Rupees in 000's)	2014 (Rupees in 000's)
<b>22. COST OF SALES</b>			
<b>Cost of sales - manufacturing</b>			
<b>Raw and packing materials consumed</b>			
Opening stock		238,623	286,753
Purchases		1,237,017	1,473,601
Closing stock		(223,067)	(238,623)
		<u>1,252,573</u>	<u>1,521,731</u>
<b>Manufacturing expenses</b>			
Salaries, wages and benefits	22.1	631,861	596,925
Fuel and power		1,019,480	1,043,615
Stores and spare parts consumed		287,278	328,658
Provision for slow moving stores and spare parts	10.1	4,119	10,397
Depreciation	6.2	264,015	282,374
Repairs and maintenance		70,389	61,385
Insurance		15,499	18,533
Vehicle running expenses		24,954	20,461
Travelling and conveyance		4,124	4,606
Printing and stationery		2,886	3,078
Communication		1,193	1,615
Rent, rates and taxes		1,807	2,915
Research costs		662	615
Legal and professional charges		1,126	662
Others		809	2,961
		<u>2,330,202</u>	<u>2,378,800</u>
<b>Work-in-process</b>			
Opening stock		45,268	44,711
Closing stock		(55,281)	(45,268)
		<u>3,572,762</u>	<u>3,899,974</u>
<b>Cost of goods manufactured</b>			
		<u>3,572,762</u>	<u>3,899,974</u>
<b>Finished goods</b>			
Opening stock		266,145	90,157
Closing stock		(463,563)	(266,145)
		<u>3,375,344</u>	<u>3,723,986</u>
<b>Cost of sales - trading</b>			
Opening stock		2,800	4,136
Purchases		25,235	19,970
Closing stock		(6,179)	(2,800)
		<u>21,856</u>	<u>21,306</u>
		<u>3,397,200</u>	<u>3,745,292</u>
<b>22.1</b>	Includes Rs. 8.816 million (2014: Rs. 7.692 million) in respect of staff retirement benefits.		
<b>23. GROSS PROFIT</b>			
Manufacturing operations		690,873	1,022,817
Trading operations		10,618	11,860
		<u>701,491</u>	<u>1,034,677</u>



## Shabbir Tiles and Ceramics Limited

	Note	2015 (Rupees in '000)	2014
<b>24. DISTRIBUTION COSTS</b>			
Salaries and benefits	24.1	<b>83,384</b>	88,982
Freight		<b>226,702</b>	411,717
Advertisement and sales promotion		<b>17,798</b>	20,038
Travelling and conveyance		<b>14,740</b>	16,569
Rent, rates and taxes		<b>44,519</b>	42,845
Communication		<b>4,114</b>	4,978
Insurance		<b>3,360</b>	3,459
Depreciation	6.2	<b>3,759</b>	5,233
Vehicle running expenses		<b>11,586</b>	13,584
Repairs and maintenance		<b>6,481</b>	10,009
Utilities		<b>7,373</b>	6,880
Printing and stationery		<b>1,403</b>	2,143
Entertainment		<b>3,026</b>	2,084
Others		<b>1,576</b>	2,928
		<b>429,821</b>	631,449

24.1 Includes Rs. 2.401 million (2014: Rs. 2.536 million) in respect of staff retirement benefits.

### 25. ADMINISTRATIVE EXPENSES

Salaries and benefits	25.1	<b>57,464</b>	54,894
Travelling and conveyance		<b>3,197</b>	3,301
Printing and stationery		<b>2,389</b>	4,889
Legal and professional charges		<b>9,029</b>	7,789
Depreciation			
- on operating fixed assets	6.2	<b>1,692</b>	3,233
- on investment property	7	<b>448</b>	107
Vehicle running expenses		<b>5,643</b>	5,039
Communication		<b>1,171</b>	1,449
Auditors' remuneration	25.2	<b>2,468</b>	1,402
Subscriptions		<b>322</b>	429
Insurance		<b>702</b>	704
Provision for doubtful debts	12.2	<b>17,103</b>	31,182
Others		<b>2,538</b>	2,740
		<b>104,166</b>	117,158

25.1 Includes Rs. 1.967 million (2014: Rs. 1.793 million) in respect of staff retirement benefits.

#### 25.2 Auditors' remuneration

Audit fee	<b>810</b>	768
Half yearly review fee	<b>206</b>	196
Tax services	<b>-</b>	146
Other certifications	<b>1,354</b>	179
Out of pocket expenses	<b>98</b>	113
	<b>2,468</b>	1,402



## Shabbir Tiles and Ceramics Limited

	Note	2015 (Rupees in '000)	2014 (Rupees in '000)
<b>26. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Profit on bank deposits		700	881
<b>Income from non-financial assets</b>			
Rental income from investment property		657	462
Gain on disposal of property, plant and equipment		3,564	219
Income from sale of scrap		6,038	5,213
Exchange gain - net		1,200	–
Others		2,070	1,888
		<u>14,229</u>	<u>8,663</u>
<b>27. OTHER EXPENSES</b>			
Workers' Profit Participation Fund		–	2,537
Workers' Welfare Fund		–	964
Donations		520	5,100
		<u>520</u>	<u>8,601</u>
<b>28. FINANCE COSTS</b>			
Mark-up / interest on:			
Long-term finance		122,323	137,029
Finance leases		28	428
Short term borrowings		98,602	97,579
		<u>220,953</u>	<u>235,036</u>
Bank charges and commission		5,342	3,867
		<u>226,295</u>	<u>238,903</u>
<b>29. TAXATION</b>			
Current		30,105	43,990
Deferred		(13,045)	29,275
		<u>17,060</u>	<u>73,265</u>
<b>29.1</b>	Provision for current taxation has been made on the basis of minimum tax under Section 113 and Final Tax Regime under Section 169 of Income Tax Ordinance, 2001 . Accordingly, tax expense reconciliation with the accounting profit is not presented.		
<b>30. LOSS PER SHARE - Basic and diluted</b>		<b>2015</b>	<b>2014 (Restated)</b>
Loss after taxation (Rupees in '000)		<u>(62,142)</u>	<u>(26,036)</u>
Weighted average number of ordinary shares outstanding during the year (in '000)		<u>191,827</u>	<u>175,997</u>
Loss per share (Rupee)		<u>(0.32)</u>	<u>(0.15)</u>



	Note	2015 (Rupees in '000)	2014 (Rupees in '000)
<b>31. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	14	72,981	124,444
Short-term running finances	19	<u>(426,343)</u>	<u>(1,186,705)</u>
		<u><b>(353,362)</b></u>	<u><b>(1,062,261)</b></u>

**32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The main risk arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees the policies for managing each of these risks which are summarized below:

**32.1 Market risk**

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate and foreign exchange rates.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's certain bank balances, long-term and short-term borrowings. Management of the Company estimates that 1% increase in the market interest rate, with all other factor remaining constant, would decrease the Company's loss before tax by Rs. 16.417 million and a 1% decrease would result in the increase in the Company's loss before tax by the same amount. However, in practice, the actual result may differ from the sensitivity analysis.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the value of a financial asset or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist as a result of transactions with foreign undertakings. As at June 30, 2015, the Company does not have any financial assets or financial liabilities which are denominated in foreign currencies.

**32.2 Credit risk and concentration of credit risk**

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Company is mainly exposed to credit risk on trade debts and bank balances. The Company seeks to minimize the credit risk exposure by dealing mostly with regular and permanent parties who pay on due dates.

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.



## Shabbir Tiles and Ceramics Limited

### Trade debts

2015                      2014  
(Rupees in '000)

The analysis of trade debts is as follows:

Neither past due nor impaired	416,814	461,143
Past due but not impaired		
31 to 90 days	482,114	395,465
91 to 180 days	143,341	53,902
over 180 days	16,832	31,044
	642,287	480,411
	1,059,101	941,554

### Bank balances

### Ratings

A1+	44,808	121,007
A-1+	26,994	2,689
	71,802	123,696
	71,802	123,696

### 32.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarises the maturity profile of the Company's financial liabilities at the following reporting dates:

2015	On demand	Less than 3 months	3 to 12 months (Rupees in '000)	1 to 5 years	Over 5 year	Total
Long-term financing	-	62,500	378,383	750,000	-	1,190,883
Trade and other payables	786,450	-	-	-	-	786,450
Accrued mark-up	-	52,614	-	-	-	52,614
Short term borrowings	-	-	462,776	-	-	462,776
<b>Total</b>	786,450	115,114	841,159	750,000	-	2,492,723
2014	On demand	Less than 3 months	3 to 12 months (Rupees in '000)	1 to 5 years	Over 5 year	Total
Long-term financing	-	-	506,766	447,649	-	954,415
Liabilities against assets subject to finance lease	-	-	2,682	-	-	2,682
Trade and other payables	464,169	-	-	-	-	464,169
Accrued mark-up	-	58,456	-	-	-	58,456
Short term borrowings	-	-	1,303,697	-	-	1,303,697
<b>Total</b>	464,169	58,456	1,813,145	447,649	-	2,783,419

**33. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of financial assets and liabilities reflected in the financial statements approximate their fair values.

**34. CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing majority of its operations through long-term and short-term financing in addition to its equity. The Company has a gearing ratio of 44.48% (2014: 57.17%) as of the balance sheet date.

**35. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise of associates, retirement funds, directors and key management personnel. Detail of transactions / balances with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
Sales	<u>11,650</u>	<u>24,356</u>
Purchases of goods, material and services	<u>75,475</u>	<u>70,788</u>
Insurance premium	<u>22,794</u>	<u>27,016</u>
Insurance claims received	<u>989</u>	<u>3,961</u>
Rent and service charges paid	<u>6,310</u>	<u>5,584</u>
Rent income	<u>591</u>	<u>462</u>
Markup earned	<u>305</u>	<u>243</u>
Markup expense	<u>34,204</u>	<u>33,499</u>
Commission on letter of guarantee	<u>1,952</u>	<u>1,643</u>
Contribution to provident fund	<u>13,184</u>	<u>12,021</u>



**36. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES**

36.1 The aggregate amounts charged in the financial statements for the year are as follows:

	2015			2014		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	(Rupees in '000)					
Managerial remuneration	6,518	–	41,864	4,629	1,587	43,828
Housing and utilities	5,851	–	29,451	4,988	714	29,044
Leave fare assistance, leave encashment and bonus	2,825	–	2,886	2,429	5,562	3,425
Reimbursement of medical expenses	652	–	4,115	463	159	4,313
Retirement benefits	1,214	–	3,703	847	113	3,872
	<u>17,060</u>	<u>–</u>	<u>82,020</u>	<u>13,356</u>	<u>8,135</u>	<u>84,482</u>
	<u>1</u>	<u>–</u>	<u>60</u>	<u>1</u>	<u>1</u>	<u>68</u>

36.2 In addition, the Chief Executive Officer and certain executives are provided with free use of the Company maintained cars.

36.3 Fee amounting to Rs. 1.2 million (2014: Rs. 0.160 million) was paid to seven (2014: seven) Directors for attending Board Meetings during the year.

**37. PRODUCTION CAPACITY**

During the year, the tile production capacity attained was 7.817 million sq. meters (2014: 8.556 million sq. meters) against annual manufacturing capacity of 12.76 million sq. meters (2014: 12.76 million sq. meters). The shortfall is due to low demand during the year.

**38. NUMBER OF EMPLOYEES**

Number of persons employed as at year end were 892 (2014: 888) and the average number of persons employed during the year were 901 (2014: 898).

**39. GENERAL**

39.1 Figures have been rounded off to the nearest thousands unless otherwise stated.

39.2 These financial statements were authorized for issue on 27-8-2015 by the Board of Directors of the Company.

**RAZA ANSARI**  
Chief Executive Officer

**ABDUL HAI M. BHAIMIA**  
Director



**PATTERN OF SHAREHOLDING  
AS ON 30TH JUNE, 2015**

NUMBER OF SHAREHOLDERS	SHARE HOLDING			TOTAL SHARES HELD
	From		To	
881	1	--	100	23,755
801	101	--	500	241,183
560	501	--	1,000	469,070
1,224	1,001	--	5,000	3,421,190
424	5,001	--	10,000	3,420,950
170	10,001	--	15,000	2,221,415
102	15,001	--	20,000	1,852,727
80	20,001	--	25,000	1,875,792
42	25,001	--	30,000	1,185,798
27	30,001	--	35,000	876,888
25	35,001	--	40,000	970,924
14	40,001	--	45,000	596,498
30	45,001	--	50,000	1,491,900
13	50,001	--	55,000	681,520
13	55,001	--	60,000	756,919
6	60,001	--	65,000	375,900
9	65,001	--	70,000	618,587
5	70,001	--	75,000	363,140
6	75,001	--	80,000	475,336
9	80,001	--	85,000	753,279
2	85,001	--	90,000	180,000
2	90,001	--	95,000	189,500
15	95,001	--	100,000	1,496,250
11	100,001	--	105,000	1,130,885
3	110,001	--	115,000	338,500
3	115,001	--	120,000	351,819
3	120,001	--	125,000	371,325
3	125,001	--	130,000	385,943
3	130,001	--	135,000	402,980
1	135,001	--	140,000	137,932
3	145,001	--	150,000	445,500
2	150,001	--	155,000	304,364
7	155,001	--	160,000	1,106,118
2	160,001	--	165,000	324,775
1	165,001	--	170,000	166,712
1	175,001	--	180,000	179,145
2	180,001	--	185,000	365,528
1	185,001	--	190,000	186,250
4	195,001	--	200,000	795,668
1	200,001	--	205,000	204,000
1	210,001	--	215,000	213,391
1	235,001	--	240,000	239,187
1	250,001	--	255,000	251,447
1	265,001	--	270,000	265,900
1	275,001	--	280,000	275,710
1	285,001	--	290,000	287,239
2	310,001	--	315,000	627,721
2	315,001	--	320,000	632,500
1	320,001	--	325,000	320,763
3	325,001	--	330,000	987,411



## Shabbir Tiles and Ceramics Limited

NUMBER OF SHAREHOLDERS	SHARE HOLDING			TOTAL SHARES HELD
	From	--	To	
1	330,001	--	335,000	334,500
1	335,001	--	340,000	339,433
1	350,001	--	355,000	354,366
1	415,001	--	420,000	419,997
1	495,001	--	500,000	500,000
1	540,001	--	545,000	543,000
1	545,001	--	550,000	550,000
1	655,001	--	660,000	658,386
1	670,001	--	675,000	670,500
1	690,001	--	695,000	691,000
1	755,001	--	760,000	758,846
1	1,120,001	--	1,125,000	1,122,631
1	1,130,001	--	1,135,000	1,131,407
1	1,290,001	--	1,295,000	1,291,937
1	1,295,001	--	1,300,000	1,300,000
1	1,375,001	--	1,380,000	1,377,752
1	1,595,001	--	1,600,000	1,598,435
1	1,675,001	--	1,680,000	1,675,695
1	1,890,001	--	1,895,000	1,891,989
1	2,310,001	--	2,315,000	2,311,168
1	2,355,001	--	2,360,000	2,358,987
1	2,440,001	--	2,445,000	2,440,152
1	2,505,001	--	2,510,000	2,509,602
1	2,570,001	--	2,575,000	2,574,660
1	2,775,001	--	2,780,000	2,775,015
4	2,985,001	--	2,990,000	11,953,331
1	3,120,001	--	2,135,000	3,121,549
3	3,450,001	--	3,455,000	10,364,667
1	3,460,001	--	3,465,000	3,460,497
1	3,660,001	--	3,665,000	3,663,993
1	3,845,001	--	3,850,000	3,846,668
2	4,160,001	--	4,165,000	8,325,044
1	4,170,001	--	4,175,000	4,174,641
1	4,650,001	--	4,655,000	4,654,340
1	4,730,001	--	4,735,000	4,732,077
1	5,360,001	--	5,365,000	5,364,471
1	6,205,001	--	6,210,000	6,207,788
1	6,240,001	--	6,245,000	6,243,098
1	7,030,001	--	7,035,000	7,030,157
1	11,350,001	--	11,355,000	11,354,058
1	15,905,001	--	15,910,000	15,909,979
1	60,895,001	--	60,900,000	60,897,425
4,573				239,320,475



## Shabbir Tiles and Ceramics Limited

### DETAILS OF PATTERN OF SHAREHOLDING AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

S. NO.	CATEGORIES OF SHAREHOLDERS	NUMBER OF SHARES HELD	CATEGORY WISE NO. OF SHAREHOLDERS	CATEGORY WISE SHARES HELD	PERCENTAGE (%)
1	INDIVIDUALS		4,484	67,309,388	28.13
2	INVESTMENT COMPANIES		2	5,654	0.00
3	JOINT STOCK COMPANIES		28	12,922,020	5.40
4	DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN		14	11,613,310	4.85
	Mr. Rafiq M. Habib	4,162,522			
	Mr. Alireza M. Alladin	26,510			
	Mr. Ali Suleman Habib	4,162,522			
	Mr. Raza Ansari	101,659			
	Mr. Abdul Hai M. Bhaimia	663,594			
	Mr. Salim Azhar	3,318			
	Mr. Muhammad Faisal	1,659			
	Mrs. Jamila Rafiq W/o Mr. Rafiq M. Habib	1,377,752			
	Mrs. Rukhsana Ismail W/o Mr. Abdul Hai M. Bhaimia	1,113,774			
5	EXECUTIVES		--	--	--
6	ASSOCIATED COMPANIES, UNDERTAKINGS & RELATED PARTIES		2	6,968,217	2.91
	Thal Limited-Pakistan Papersack Division	3,121,549			
	Habib Insurance Company Limited	3,846,668			
7	PUBLIC SECTOR COMPANIES AND CORPORATIONS	--	--	--	--
8	BANKS, DFIs, NBFIs, ISURANCE COMPANIES, TAKAFUL, MODARABAS & PENSION FUNDS		4	2,236,717	0.93
9	MUTUAL FUNDS		3	6,757,528	2.82
	Golden Arrow Selected Stocks Fund Limited	1,291,937			
	CDC - TRUSTEE AKD OPPORTUNITY FUND	101,120			
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	5,364,471			
10	FOREIGN INVESTORS		22	129,568,857	54.14
11	CO-OPERATIVE SOCIETIES		3	40,191	0.02
12	CHARITABLE TRUSTS		6	1,697,183	0.71
13	OTHERS		5	201,410	0.08
	<b>TOTAL</b>		<b>4,573</b>	<b>239,320,475</b>	<b>100.00</b>

SHARE-HOLDERS HOLDING FIVE PERCENT FOR MORE VOTING INTEREST IN THE LISTED COMPANY.

TOTAL PAID-UP CAPITAL OF THE COMPANY.  
5% OF THE PAID-UP CAPITAL OF THE COMPANY.

239,320,475  
11,966,024

NAME(S) OF SHARE-HOLDER(S)	DESCRIPTION	NO. OF SHARES HELD	PERCENTAGE %
ROBERT FINANCE CORPORATION AG	FALLS IN CATEGORY # 10	72,102,223	30.13
AYLESBURY INTERNATIONAL LIMITED	FALLS IN CATEGORY # 10	16,009,983	6.69
MUSTAFA LIMITED	FALLS IN CATEGORY # 10	12,418,386	5.19
<b>TOTAL</b>		<b>100,530,592</b>	<b>42.01</b>



## Shabbir Tiles and Ceramics Limited

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member(s) of **SHABBIR TILES AND CERAMICS LIMITED** and a holder of \_\_\_\_\_  
\_\_\_\_\_ ordinary shares as per Share Register Folio No. \_\_\_\_\_

or CDC Participant ID No. \_\_\_\_\_ Account No. \_\_\_\_\_

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

who is also member of **SHABBIR TILES AND CERAMICS LIMITED** Vide Folio No. \_\_\_\_\_

or CDC Participant ID No. \_\_\_\_\_ Account No. \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

who is also member of **SHABBIR TILES AND CERAMICS LIMITED** Vide Folio No. \_\_\_\_\_

or CDC Participant ID No. \_\_\_\_\_ Account No. \_\_\_\_\_

as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Monday, 5th day of October, 2015 and at any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signed by the said \_\_\_\_\_

Witness \_\_\_\_\_ (Signature)      Witness \_\_\_\_\_ (Signature)

Name \_\_\_\_\_ Name \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_

CNIC No. \_\_\_\_\_ CNIC No. \_\_\_\_\_

Please affix  
Rs. 5/-  
Revenue  
Stamp

SIGNATURE OF MEMBER(S)

#### NOTES :

1. This proxy form duly completed and signed must be received at the Registered Office of the Company, 15th Mile Stone, National Highway, Landhi, Karachi, not less than 48 hours before the time of holding the meeting.

P.T.O.



## Shabbir Tiles and Ceramics Limited

2. No person shall act as proxy unless he / she himself / herself is a member of the Company. Except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

### **FOR CDC ACCOUNT HOLDERS / CORPORATE ENTITIES**

In addition to the above the following requirements have to be met:

- a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- b) Attested copy of CNIC or the passport of the beneficial owners shall be furnished with the proxy form.
- c) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- d) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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