



PAKISTAN STOCK EXCHANGE LIMITED

(formerly: Karachi Stock Exchange Limited)

PSX/N-3269

NOTICE

May 23, 2016

Reproduced hereunder the letter No. **PSX/C-452-1632** dated February 26, 2016 sent to **SHABIR TILES & CERAMICS LIMITED**, by the Exchange and response received from the Company, vide their letter No. **FIN/042/2016** dated February 29, 2016 for information of all concerned. (Copy of the same is also available on our Website www.psx.com.pk).



PAKISTAN STOCK EXCHANGE LIMITED

(Formerly Karachi Stock Exchange Limited)

Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.

UAN: 111-001-122 Fax: 32410825

Website: www.psx.com.pk Email: gm@psx.com.pk

Ref. No. PSX/ C-452-1632

February 26, 2016

The Company Secretary
Mr. Aziz Ahmed
Shabbir Tiles & Ceramics Limited
15th Milestone, National Highway,
Landhi, Karachi.

Subject: **ISSUANCE OF RIGHT SHARES**

Dear Sir,

Your attention is invited to our letters no. KSE/C-452-8280 dated December 17, 2014 whereby you were required to provide us the quarterly progress report about utilization of the proceeds of right subscription amount until completion of the purpose of right issue.

It is regretted to note that the progress report has not been communicated so far. You are advised to submit the above immediately for its dissemination to all concerned and ensure its compliance until completion of the purpose.

Sincerely yours,

MUHAMMAD GHUFRAN
Deputy General Manager – Operations

Copy to:

The Director (Enforcement)
Securities and Exchange Commission of Pakistan Islamabad
The Chief Regulatory Officer-PSX
The Deputy Managing Director-PSX



Fin/042/2016

Date: February 29, 2016

Mr. Muhammad Ghufan
 Deputy General Manager - Operations
 Pakistan Stock Exchange
 Stock Exchange Building
 Stock Exchange Road
 Karachi.

ISSUANCE OF RIGHT SHARES

With reference to your letter Ref. No. PSX/C-452-1632, dated February 26, 2016 wherein you have raised an observation to provide quarterly progress report about utilization of the proceeds of right subscription amount until completion of the purpose of right issue.

We wish to draw your attention to our letter Ref. FIN/032/2015, dated January 21, 2015 in reply to your letter ref. no. KSE/C-452-8280, wherein we have clearly mentioned that the progress of utilization of rights issue proceeds is not applicable on us, and the approval of the same was given by the Stock Exchange letter Ref. No. PSX/C-452-721 dated January 30, 2015.

Further, we would like to draw your attention to the "Purpose of Right Shares" wherein we have clearly mentioned that the proceeds of right shares will be utilized to repay part of the short term loan to improve the current ratio and to enable the Company to achieve growth in the years to come. You would appreciate that the short term loan has decreased to a significant extent, the comparison of which is presented as under:

	<u>Rs. In '000</u>
Short term borrowings – as at March 2015 (Before rights issue proceeds)	Rs. 992,325
Short term borrowings – as at June 2015 (After rights issue proceeds)	Rs. 462,776


 Mr. Akbar Ali
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SHABBIR TILES & CERAMICS LTD.

It is clearly evident from the above that the short term borrowings were decreased due to the proceeds of right shares and accordingly the benefits of lower finance costs accrued to the shareholders. Further, we would like to clarify that the purpose of rights issue was completed on the day of transfer funds in Company's account and therefore, there is no need to provide quarterly progress report.

We hope that the above clarification would suffice your requirements.

Thanking you

Yours faithfully

OVAIS JAMANI
Company Secretary

Copy to:

The Director (Enforcement)

Securities and Exchange Commission of Pakistan

The Chief Regulatory Officer – PSX

The Deputy Managing Director – PSX