

SHABBIR TILES AND CERAMICS LIMITED

Condensed Interim Financial Statements

For the Third Quarter and Nine Months Period Ended

March 31, 2021

(Un-Audited)



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Shabbir Tiles and Ceramics Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Rafiq M. Habib
 Syed Masood Abbas Jaffery
 Muhammad Salman Burney
 Imran Ali Habib
 Abdul Hai M. Bhaimia
 Feroze Jehangir Cawasji
 Farhana Mowjee Khan

Chairman
 Chief Executive Officer
 Director
 Director
 Director
 Director
 Director

AUDIT COMMITTEE

Feroze Jehangir Cawasji
 Abdul Hai M. Bhaimia
 Farhana Mowjee Khan

Chairman
 Member
 Member

HUMAN RESOURCES AND
REMUNERATION COMMITTEE

Feroze Jehangir Cawasji
 Muhammad Salman Burney
 Syed Masood Abbas Jaffery

Chairman
 Member
 Member

CHIEF FINANCIAL OFFICER

Waquas Ahmed

COMPANY SECRETARY

Ovais Jamani

AUDITORS

EY Ford Rhodes
 Chartered Accountants

LEGAL ADVISOR

Munawar Malik & Co.
 Advocate Supreme Court

BANKERS

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

REGISTERED OFFICE
AND FACTORY UNIT-1

15th Milestone, National Highway
 Landhi Industrial Area, Karachi-75120

Phone: (021) 38183610-3

Fax: (021) 38183615

E-mail: info@stile.com.pk

URL: <http://www.stile.com.pk>

REGISTRAR AND SHARE TRANSFER
OFFICE

CDC Share registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S
 Main Shahrah-e-Faisal, Karachi-74400. Phone: 0800 23275

URL: www.cdcsrsl.com

Email: info@cdcsrsl.com

FACTORY UNIT-2

Deh Khanto, Tappo Landhi, District Malir, Bin Qasim Town, Karachi

Phone: (021) 34102702

Fax: (021) 34102709

ISLAMABAD
(BUILDING MATERIAL PRODUCTS)

Plot No 1, ANF Empty Parking Road, Yamaha Chowk Road, Model Town,
 Humak, Islamabad.

LAHORE
(BUILDING MATERIAL PRODUCTS)

21 K.M , Ferozpur Road, Opposite , Ahmed CNG Pump, Lahore

Shabbir Tiles and Ceramics Limited

COMPANY INFORMATION

STILE EMPORIUM AND DESIGN STUDIOS
AND SALES OFFICES

STAR GATE EMPORIUM, KARACHI

Metro Cash & Carry, CAA, Near Star Gate, Main Shahrah-e-Faisal,
Karachi.

Phone: (021) 34601372-74

FACTORY EMPORIUM, KARACHI

15th Milestone, National Highway, Landhi Industrial Area, Karachi

Phone: (021) 38183610-3

DHA BUKHARI EMPORIUM, KARACHI

Plot 22-C, Lane 4, Bukhari Commercial, DHA, Phase VI, Karachi.

Phone: (021) 37249564

DHA 26TH STREET EMPORIUM, KARACHI

26th Street Plot C-8-C, DHA Phase 5, Karachi.

Phone: (021) 37228922

FRANCHISE EMPORIUM, KARACHI

Build Mate B82, MidWay Commercial B, Bahria Town Karachi

Phone: 0309-1202094

DHA EMPORIUM, LAHORE

DHA Lahore 164, CCA, Phase 4, Lahore

Phone: (042) 37185710-12

FRANCHISE EMPORIUM, LAHORE

E-105-1-C, Main Boulevard DHA Lahore

Phone: 0301-8282212

THOKAR NIAZ BAIG EMPORIUM, LAHORE

Metro Cash & Carry, Thokar Niaz Baig Multan Road, Lahore

Phone: 0300-0209626

MUREE ROAD EMPORIUM, RAWALPINDI

Al Shareef Plaza, Ground Floor, Shamsabad, Murree Road, Rawalpindi

Phone: (051) 4935521-6

ISLAMABAD EMPORIUM

Metro Islamabad, Plot No. 1-A, Sector 1-11/4, Near Sabzi Mandi,
Islamabad

Phone: (051) 8469524

PESHAWAR EMPORIUM

162/408 Tahkal Payan, University Road, Peshawar

Phone: (091) 3028068

FAISALABAD EMPORIUM

Talha Heights, Main Susan Road, P-243, 2A, Faisalabad

Phone: (041) 8739988

HYDERABAD EMPORIUM

Shop no. 11 & 12, Auto Bhan Tower, Latifabad No. 3, Hyderabad.

Phone: (022) 6112857

MULTAN EMPORIUM

Officers Colony, Main Bosan Road, Chungi No. 9, Next to Crystal Mall,
Multan.

Phone: (061) 2078492

SUKKUR SALES OFFICE

Tooba Plaza, Mezzanine Floor, Workshop Road, Sukkur

Phone:

Phone: (071) 5615560



SHABBIR TILES AND CERAMICS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

The Directors are pleased to present to you the financial results of your Company for the third quarter and nine months period ended March 31, 2021.

FINANCIAL PERFORMANCE AND BUSINESS CHALLENGES

During the period the company continued with the good sales momentum. Both turnover and profits performed better than expected thanks to Government's construction friendly policies. Last quarter of the year, however, started with resurgence of Covid-19 in the country which may impede progress though. We hope that the situation improves sooner otherwise restricted business activities will affect both factory operations and sales volumes. Your Company is conscious of the Covid-19 alert and managing the situation with utmost responsibility making sure that our workspace is safe for our employees by following preventive health measures as prescribed by the Government periodically. This has helped, by the grace of Allah, in prevention of spread of the virus amongst our employees and other stakeholders.

Stile continues to be committed to enhancing its product base and be a pioneer through innovation. The major new product launch during this period includes wooden plank tiles in size 6'x37' which are trendy, durable and appreciated by the market.

The financial performance for the nine months is summarized below:

Particulars	<i>Rs. in '000</i>	
	March 31, 2021	March 31, 2020
Turnover – net	7,467,444	5,575,182
Gross profit	2,406,757	1,136,635
Earnings before interest, tax and depreciation (EBITDA)	1,808,119	577,227
Profit/ (loss) before tax	1,199,024	(16,506)
Profit/ (loss) after tax	766,174	(117,283)
Earnings/ (loss) per share (Rs. / share)	3.20	(0.49)

During the period, sales grew by Rs. 1.89 billion, a growth of 34% largely driven by volumes. Your Company delivered a gross margin of 32%. The major factors behind the rise were process efficiency and cost saving initiatives. The overall profitability of the Company before tax grew to Rs. 1,199 million from a loss of Rs. 16 million in the same period last year. Overall, your Company delivered strong growth in earnings, with focus on optimizing the volume capacity.

FUTURE OUTLOOK

Health and well-being of our employees and associated people remains our primary focus, especially during these tough times. Your Company is operating with the highest standards of safety protocols and ensuring that virus transmission is averted at all stages.

Energy remains one of the greatest subjects of concern, for which your Company is strategizing and working on alternate sources such as direct KE line and RLNG arrangements. These relative expensive alternates, together with the additional monthly payment for GIDC, will become an additional burden on the future cashflows.

From time to time, it is highlighted to authorities that through Finance Act 2019, the new section 108B has been inserted, requiring the manufacturer to bear the dealer's margin and pay tax, which is totally irrational. The tiles manufacturers established in Special Economic Zones are exempt from this clause, which is having a significant cost impact, and is not providing a level playing field to already established players. The authorities should consider that the laws should not act as an unfair burden on the tax compliant companies, rather support all industry and economy to develop with equal opportunity.

We would like to thank our employees and their families for their continued support and commitment during these difficult times and our shareholders for their confidence in the leadership of the Board and management team of the Company.

SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

FEROZE JEHANGIR CAWASJI
Director

شبیر ٹائلز اینڈ سرامکس لمیٹڈ حصص یافتگان کے لئے ڈائریکٹرز رپورٹ برائے تیسری سہ ماہی اور نو ماہ اختتامیہ 31 مارچ 2021

ڈائریکٹرز آپ کی کمپنی کی تیسری سہ ماہی اور نو ماہ اختتامیہ 31 مارچ 2021 کے مالیاتی نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی کارکردگی اور کاروباری چیلنجز:

اس مدت کے دوران کمپنی نے اچھی فروخت کی رفتار کو برقرار رکھا، حکومت کی تعمیری دوستانہ پالیسیوں کی بدولت فروخت اور منافع دونوں نے توقع سے زیادہ بہتر کارکردگی کا مظاہرہ کیا۔ تاہم، سال کی آخری سہ ماہی کا آغاز ملک میں کووڈ-19 کی دوبارہ بحالی سے ہوا ہے جو ترقی کی پیشرفت کو روک سکتا ہے۔ ہم امید کرتے ہیں کہ صورتحال جلد ہی بہتر ہو جائے بصورت دیگر محدود کاروباری سرگرمیاں فیکٹری کے کام اور فروخت دونوں کو متاثر کریں گی۔

آپ کی کمپنی کووڈ-19 کی صورتحال سے بخوبی آگاہ ہے اور پوری ذمہ داری کے ساتھ اس صورتحال کو سنبھال رہی ہے تاکہ یہ یقینی بنایا جاسکے کہ حکومت کے وقتاً فوقتاً تجویز کردہ حفاظتی اقدامات پر عمل کر کے ہمارے کام کی جگہ ہمارے ملازمین کے لئے محفوظ رہے۔ اس سے اللہ کے فضل و کرم سے، ہمارے ملازمین اور دیگر اسٹیک ہولڈرز اس وائرس سے محفوظ رہے ہیں۔

اسٹائل اپنے پروڈکٹ بیس کو بڑھانے اور جدت کے ذریعے انڈسٹری کا علمبردار بننے کے لئے پرعزم ہے، اس عرصے کے دوران جو نئی پروڈکٹس مارکیٹ میں متعارف کی گئی ہیں ان میں لکڑی کے تختوں کی طرح کی ٹائلیں 6x37 سائز میں شامل ہیں جو جدید رجحان کے عین مطابق اور پائیدار ہیں اور مارکیٹ میں اس کو پزیرائی مل رہی ہے۔

ختم ہونے والی نو ماہی کے دوران مالیاتی کارکردگی کا خلاصہ درج ذیل ہے:

روپے ہزاروں میں

تفصیلات	31 مارچ 2021	31 مارچ 2020
خالص فروخت	7,467,444	5,575,182
مجموعی منافع	2,406,757	1,136,635
آمدنی قبل از شرح سود، ٹیکس اور فرسودگی (EBITDA)	1,808,119	577,227
منافع / (نقصان) قبل از ٹیکس	1,199,024	(16,506)
منافع / (نقصان) بعد از ٹیکس	766,174	(117,283)
آمدنی / (نقصان) فی حصص (روپے / حصص)	3.20	(0.49)

اس عرصے کے دوران، خالص فروخت میں 1.89 بلین روپے کا اضافہ ہوا ہے، جو کہ پچھلے سال کے مقابلے میں 34% خاص طور پر زیادہ حجم کی وجہ سے ہے۔ آپ کی کمپنی نے 32% کا مجموعی منافع فراہم کیا ہے۔ اس کامیابی کے پیچھے عمل کی بہترین کارکردگی اور لاگت کی بچت کے اقدامات ہیں۔ کمپنی کا قبل از ٹیکس مجموعی منافع 1,199 ملین روپے ہے جو کہ پچھلے سال کے اسی عرصے میں 16 ملین روپے کے خسارے کی صورت میں تھا۔

مجموعی طور پر، آپ کی کمپنی نے حجم کو وسعت دینے پر توجہ مرکوز رکھی ہوئی ہے جس کے باعث آمدنی میں مضبوط ترقی کی ہے۔

مستقبل کا نقطہ نظر

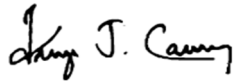
ہمارے ملازمین اور اس سے وابستہ افراد کی صحت اور بہبود ہماری بنیادی توجہ بنی ہوئی ہے ، خاص طور پر ان مشکل حالات کے دوران، آپ کی کمپنی حفاظتی ضابطہ اخلاق کے اعلیٰ ترین معیار کے ساتھ کام کر رہی ہے اور اس بات کو یقینی بنارہی ہے کہ وائرس کی منتقلی کو ہر مرحلے میں روکا جائے۔

توانائی تشویش کا سب سے بڑا موضوع بنی ہوئی ہے ، جس کے لیے آپ کی کمپنی متبادل ذرائع جیسے براہ راست KE لائن اور RLNG کے انتظامات پر حکمت عملی بنا رہی ہے اور کام کر رہی ہے ، یہ نسبتاً مہنگا متبادل ذرائع ہے ، اس ساتھ ساتھ جی آئی ڈی سی کی ماہانہ ادائیگی ، آئندہ کیش فلو پر ایک اضافی بوجھ کی صورت میں اثر انداز ہوگی۔

وقتاً فوقتاً ، حکام کو یہ اجاگر کیا جاتا ہے کہ فنانس ایکٹ 2019 کے ذریعے ، نیا سیکشن B-108 داخل کیا گیا ہے ، جس میں کمپنی کو ڈیلر کا مارجن برداشت کرنا اور ٹیکس ادا کرنا پڑتا ہے ، جو کہ سراسر ناانصافی ہے۔ خصوصی معاشی زون میں قائم ٹائل مینوفیکچررز کو اس شق سے استثنیٰ حاصل ہے ، جس سے ان پر لاگت کا خاص اثر پڑ رہا ہے، اور پہلے سے قائم دوسری کمپنیوں کو مسابقت کا یکساں میدان نہیں مل رہا۔ حکام کو اس بات پر غور کرنا چاہئے کہ ٹیکس کے قوانین پر عمل کرنے والی کمپنیوں پر غیر منصفانہ بوجھ ڈالنا کسی صورت مناسب نہیں، بلکہ تمام صنعتوں اور معیشت کو شانہ بشانہ ترقی کرنے میں مدد ملنی چاہئے۔

ہم ان مشکل اوقات میں مستقل تعاون اور وابستگی پر اپنے ملازمین اور ان کے اہل خانہ کا شکریہ ادا کرنا چاہتے ہیں اور کمپنی کے بورڈ اور مینجمنٹ ٹیم کی قیادت پر اعتماد کے لئے اپنے حصص یافتگان کا بھی شکریہ ادا کرتے ہیں۔

برائے و منجانب - بورڈ آف ڈائریکٹرز



فیروز جہانگیر کاوسی
ڈائریکٹر



سید مسعود عباس جعفری
چیف ایگزیکٹو آفیسر

کراچی: 28 اپریل ، 2021

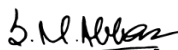
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT March 31, 2021

	Note	March 31, 2021 (Un-audited) ------(Rupees in `000)-----	June 30, 2020 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,374,411	2,672,266
Right-of-use assets	8	253,596	267,718
Investment property		7,346	8,277
Long-term loans		417	184
Long-term security deposits		<u>24,926</u>	<u>22,886</u>
		2,660,696	2,971,331
CURRENT ASSETS			
Stores and spare parts		522,162	337,125
Stock-in-trade	9	1,208,945	1,219,046
Trade debts	10	257,580	256,951
Loans and advances		33,928	31,686
Deposits, prepayments and other receivables		18,186	11,118
Short-term investments	11	1,784,248	200,000
Taxation - net		-	66,032
Cash and bank balances		<u>173,607</u>	<u>295,592</u>
		3,998,656	2,417,550
		6,659,352	5,388,881
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
240,000,000 (June 2020: 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			
239,320,475 (June 2020: 239,320,475) ordinary shares of Rs. 5/- each		1,196,600	1,196,600
Reserves		<u>1,288,622</u>	<u>522,448</u>
		2,485,222	1,719,048
NON-CURRENT LIABILITIES			
Long-term financing		-	209,300
Lease and other liabilities	12	814,853	198,284
Deferred taxation - net		<u>130,963</u>	<u>132,511</u>
		945,816	540,095
CURRENT LIABILITIES			
Trade and other payables		1,958,810	1,333,905
Unclaimed dividend		3,281	2,812
Unpaid dividend		1,130	1,644
Accrued mark-up		10	3,247
Current maturity of long-term financing		-	59,800
Current maturity of lease and other liabilities	12	325,674	1,215,476
Short-term running finance		134,638	125,255
Taxation - net		336,035	-
Sales tax payable		<u>468,736</u>	<u>387,599</u>
		3,228,314	3,129,738
CONTINGENCIES AND COMMITMENTS			
	13	<u>6,659,352</u>	<u>5,388,881</u>

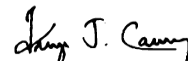
The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



WAQUAS AHMED
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2021
(UN-AUDITED)

Note	Nine months ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2021	2020	2021	2020
----- (Rupees in '000) -----				
Turnover - net	7,467,444	5,575,182	2,612,060	1,864,251
Cost of sales	(5,060,687)	(4,438,547)	(1,782,074)	(1,447,521)
Gross profit	2,406,757	1,136,635	829,986	416,730
Selling and distribution costs	(1,063,672)	(889,237)	(343,000)	(278,331)
Administrative expenses	(217,996)	(198,491)	(64,948)	(64,600)
Reversal / (allowance) for expected credit loss	12,880	(29,562)	(7,991)	(17,081)
	(1,268,788)	(1,117,290)	(415,939)	(360,012)
Other income	12 251,068	35,520	36,037	13,954
Operating profit	1,389,037	54,865	450,084	70,672
Finance costs	(80,058)	(66,570)	(28,685)	(19,139)
Other expenses	(109,955)	(4,801)	(36,598)	(758)
	(190,013)	(71,371)	(65,283)	(19,897)
Profit / (loss) before taxation	1,199,024	(16,506)	384,801	50,775
Taxation				
- Current	(434,398)	(83,910)	(163,864)	(27,964)
- Prior	-	(13,253)	-	-
- Deferred	1,548	(3,614)	22,754	(4,837)
	(432,850)	(100,777)	(141,110)	(32,801)
Profit / (loss) after taxation	766,174	(117,283)	243,691	17,974
----- (Rupee) -----				
Earnings / (loss) per share – basic and diluted	3.20	(0.49)	1.02	0.08

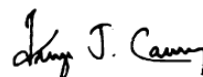
The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



WAQUAS AHMED
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

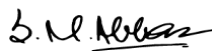
SHABBIR TILES AND CERAMICS LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2021
 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----			
Profit / (loss) after taxation	766,174	(117,283)	243,691	17,974
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	766,174	(117,283)	243,691	17,974

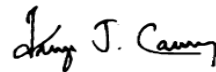
The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



WAQUAS AHMED
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Reserves					Total equity
	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Total reserves	
		Share premium	General reserve	Unappropriated profit / accumulated losses		
----- (Rupees in `000) -----						
Balance as at June 30, 2019 (audited)	1,196,600	449,215	478,000	(19,163)	908,052	2,104,652
Final dividend @ 5% for the year ended June 30, 2019				(59,830)	(59,830)	(59,830)
Loss for the period	-	-	-	(117,283)	(117,283)	(117,283)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period				(117,283)	(117,283)	(117,283)
Balance as at March 31, 2020 (un-audited)	1,196,600	449,215	478,000	(196,276)	730,939	1,927,539
Balance as at June 30, 2020 (audited)	1,196,600	449,215	478,000	(404,767)	522,448	1,719,048
Profit for the period	-	-	-	766,174	766,174	766,174
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	766,174	766,174	766,174
Balance as at March 31, 2021 (un-audited)	1,196,600	449,215	478,000	361,407	1,288,622	2,485,222

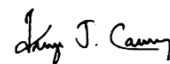
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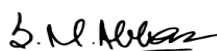
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021
(UN-AUDITED)

	Note	March 31, 2021	March 31, 2020
----- (Rupees in `000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		1,199,024	(16,506)
Adjustments for:			
Depreciation on:			
operating fixed assets	7.1	462,789	469,557
right-of-use assets	8	65,317	56,675
investment property		931	931
Finance costs		80,058	66,570
Dividend income		(17,304)	-
(Reversal) / allowance for expected credit loss		(12,880)	29,562
(Reversal) / provision for slow moving stores and spare parts		(12,414)	21,956
Reversal of provision for slow moving stock-in-trade		(18,041)	(1,455)
Unrealized gain on short-term investments - mutual fund units		(1,069)	-
Remeasurement gain	12.2	(161,749)	-
Gain on disposal of operating fixed assets		(1,178)	(1,054)
		<u>384,460</u>	<u>642,742</u>
Operating profit before working capital changes		1,583,484	626,236
(Increase) / decrease in current assets			
Stores and spare parts		(172,623)	(44,357)
Stock-in-trade		28,142	185,203
Trade debts		12,251	(517,517)
Loans and advances		(2,242)	(1,179)
Deposits, prepayments and other receivables		(7,068)	(300)
		<u>(141,540)</u>	<u>(378,150)</u>
Increase in current liabilities			
Trade and other payables		639,623	83,198
Sales tax payable		81,137	275,846
		<u>720,760</u>	<u>359,044</u>
Cash generated from operations		2,162,704	607,130
Income tax (paid) / refund		(32,331)	154,560
Finance costs paid		(15,059)	(46,591)
Long-term loan - net		(233)	(235)
Long-term security deposits - net		(2,040)	(2,963)
GIDC paid		(166,081)	-
Net cash generated from operating activities		1,946,960	711,901
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(166,734)	(173,625)
Proceeds from disposal of operating fixed assets		2,978	10,465
Short-term investments made during the period - mutual fund units		(2,225,134)	-
Short-term investments redeemed during the period - mutual fund units		1,141,956	-
Dividend received		17,304	-
Net cash used in investing activities		(1,229,630)	(163,160)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(269,100)	(229,900)
Lease rental paid		(79,598)	(65,875)
Dividend paid		-	(60,616)
Net cash used in financing activities		(348,698)	(356,391)
Net increase in cash and cash equivalents		368,632	192,350
Cash and cash equivalents at the beginning of the period		370,337	(64,254)
Cash and cash equivalents at the end of the period	14	<u>738,969</u>	<u>128,096</u>

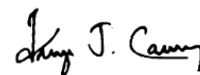
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WAQUAS AHMED
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021
 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

1.1 Shabbir Tiles and Ceramics Limited (the Company) was incorporated in Pakistan as a public limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017) on November 07, 1978 and listed on the Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of tiles and trading of allied building products.

1.2 Geographical location and addresses of all the business units are as under:

Business	Address	Production Facility
Registered office & production plant (Unit 1):	15th Milestone, National Highway, Landhi, Karachi.	Tiles & building material products
Production plant (Unit 2):	Deh Khanto, Tappo Landhi, District Malir, Bin Qasim Town Karachi.	Tiles
Production plant (Islamabad):	Plot No 01, ANF road, Yamaha Chok Road, Model Town, Humak, Islamabad.	Building material products
Production plant (Lahore):	Godown 21- KM Ferozpur Road, Opp. Ahmed CNG Pump Lahore.	Building material products

1.3 The Company also makes sales through various company operated sales outlets located across the country. Considering the quantum, the geographical locations and addresses of all the locations are not presented in these condensed interim financial statements.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 BASIS OF PREPARATION

These condensed interim financial statements are un-audited and do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2020.

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2020 except for the adoption of new standards, amendments and improvements to International Financial Reporting Standards (IFRSs) as disclosed in note 5.

5 NEW STANDARDS, AMENDMENTS AND IMPROVEMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

Standard or interpretation:

IFRS - 3	Definition of a Business (Amendments)
IFRS - 9 / IAS - 39 / IFRS - 7	Interest rate benchmark reform (Amendments)
IAS - 1 / IAS - 8	Definition of Material (Amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards. The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's condensed interim financial statements.

6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2020 except for significant judgement in determining the lease term of contracts with renewal options and discount rates used in calculation of present value of gas infrastructure development cess (GIDC).

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2020.

	Note	March 31, 2021 (Rupees in `000) (Un-audited)	June 30, 2020 (Audited)
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	2,327,253	2,619,310
Capital work-in-progress	7.2	47,158	52,956
		<u>2,374,411</u>	<u>2,672,266</u>
7.1 Operating fixed assets			
Opening Net Book Value (NBV)		2,619,310	3,078,484
Additions including transfers during the period / year - at cost	7.1.1	172,532	176,914
		2,791,842	3,255,398
Disposals during the period / year - at NBV	7.1.1	(1,800)	(9,411)
Depreciation charged during the period / year		(462,789)	(626,677)
Closing NBV		<u>2,327,253</u>	<u>2,619,310</u>

7.1.1 Additions and disposals of operating fixed assets

	Additions at cost / Transfers		Disposals at NBV	
	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	----- (Rupees in `000) -----			
Building on freehold land	67,161	4,735	-	-
Plant and machinery	92,203	162,342	1,335	7,481
Office equipment	6,670	5,429	30	-
Computers and accessories	2,481	1,878	27	-
Vehicles	4,017	2,530	408	1,930
	<u>172,532</u>	<u>176,914</u>	<u>1,800</u>	<u>9,411</u>

	Note	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		(Rupees in `000)	
7.2 Capital work-in-progress			
Plant and machinery		47,158	50,530
Civil works		-	2,426
	7.2.1	<u>47,158</u>	<u>52,956</u>
7.2.1 Movement in capital work-in-progress			
Balance at the beginning of the period / year		52,956	37,832
Additions during the period / year		140,367	118,871
Transfers to operating fixed assets		(146,165)	(103,747)
Balance at the end of the period / year		<u>47,158</u>	<u>52,956</u>
8 RIGHT-OF-USE ASSETS			
Balance at the beginning of the period / year		267,718	-
Impact of initial application of IFRS 16		-	275,211
Additions during the period / year		52,787	70,925
Reassessment of right-of-use assets		(1,592)	-
		<u>318,913</u>	<u>346,136</u>
Depreciation charged during the period / year		(65,317)	(78,418)
Balance at the end of the period / year		<u>253,596</u>	<u>267,718</u>
9 STOCK-IN-TRADE			
Includes stock-in-trade costing Rs. 211.179 million (June 2020: Rs. 117.769 million) which has been written down to its net realizable value (NRV) amounting to Rs. 99.114 million (June 2020: Rs. 63.020 million).			
		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		(Rupees in `000)	
10 TRADE DEBTS - unsecured			
Considered good		257,580	256,951
Considered doubtful		165,084	177,964
		<u>422,664</u>	<u>434,915</u>
Allowance for expected credit loss		(165,084)	(177,964)
		<u>257,580</u>	<u>256,951</u>
11 SHORT-TERM INVESTMENTS			
Term deposit receipts (TDRs) - at amortised cost	11.1	700,000	200,000
Mutual fund units - at fair value through profit or loss	11.2	1,084,248	-
		<u>1,784,248</u>	<u>200,000</u>
11.1	Represents TDRs placed with commercial banks under conventional banking relationship carrying profit at the rate ranging from 7.25% to 7.40% (June 2020: 7.15%) per annum, having latest maturity up to April 05, 2021.		
		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		(Rupees in `000)	
11.2 Mutual fund units - at fair value through profit or loss			
Faysal Islamic Cash Fund (1,407,635.23 units at NAV of Rs.100)		140,764	-
MCB Cash Management Optimizer (1,984,784.86 units at NAV of Rs. 101.0344)		200,532	-
Alhamra Islamic Money Market Fund (1,622,719.80 units at NAV of Rs. 99.51)		161,477	-
Meezan Rozana Amdani Fund (3,972,152.60 units at NAV of Rs. 50)		198,608	-
UBL Liquidity Plus Fund (1,497,282.69 units at NAV of Rs. 101.0184)		151,253	-
HBL Cash Fund (993,881.01 units at NAV of Rs. 101.6062)		100,984	-
Alfalah GHP Money Market Fund (511,544.89 units at NAV of Rs. 98.234)		50,251	-
Alfalah Islamic Rozana Amdani Fund (803,789.66 units at NAV of Rs. 100)		80,379	-
		<u>1,084,248</u>	<u>-</u>

	Note	March 31, 2021 (Rupees in '000) (Un-audited)	June 30, 2020 (Audited)
12 LEASE AND OTHER LIABILITIES			
Lease liabilities	12.1	287,889	289,681
Gas infrastructure development cess (GIDC)	12.2	852,638	1,124,079
		<u>1,140,527</u>	<u>1,413,760</u>

12.1 Lease liabilities

The maturity analysis of lease liabilities including total lease payments and present value of total lease payments is as follows;

Up to one year		98,880	91,397
After one year		189,009	198,284
Total lease liabilities		<u>287,889</u>	<u>289,681</u>

12.2 Gas infrastructure development cess (GIDC)

The maturity analysis of GIDC including total payments and present value of total payments is as follows;

Up to one year		226,794	1,124,079
After one year		625,844	-
Total GIDC	12.2.1	<u>852,638</u>	<u>1,124,079</u>

12.2.1 Pursuant to the decision of the Honorable Supreme Court of Pakistan in August 2020 in respect of Gas Infrastructure Development Cess (GIDC), and its subsequent judgement on the review petitions in November 2020, the management of the Company, during the period, has derecognised the existing liability for GIDC and recognised new liability for GIDC at the present value of future cashflows resulting in remeasurement gain amounting to Rs. 161.749 million recorded in other income in the condensed interim statement of profit or loss for the period. Corresponding liability of GIDC was classified as current liability up till June 30, 2020 until the decision of the Honorable Supreme Court of Pakistan.

13 CONTINGENCIES AND COMMITMENTS**13.1 Contingencies**

There are no material contingencies to report as at the reporting date.

13.2 Commitments

- (i) Commitments in respect of outstanding letters of credit against raw materials and spares amounted to Rs. 311.186 million (June 2020: Rs. 116.224 million).
- (ii) Commitments in respect of capital expenditure amounted to 133.837 million (June 2020: Nil) for the import of machinery.
- (iii) Commitment in respect of bank guarantees issued by a commercial bank, amounted to Rs. 749.007 million (June 2020: Rs. 704.374 million)

	March 31, 2021 (Rupees in '000) ----- (Un-audited) -----	March 31, 2020
14 CASH AND CASH EQUIVALENTS		
Cash and bank balances	173,607	212,398
Short-term investments - term deposit receipts	700,000	-
Short-term running finance	(134,638)	(84,302)
	<u>738,969</u>	<u>128,096</u>

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, staff retirement benefits, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in normal course of business as approved by the Board of Directors of the Company. Balance due from / to the related parties have been disclosed in respective notes to these condensed interim financial statements wherever applicable. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	Nine months ended	
	March 31, 2021	March 31, 2020
	(Rupees in '000)	
	----- (Un-audited) -----	
Associated companies		
Sales	14,731	31,790
Purchases of goods, material and services	91,215	52,325
Insurance premium	19,925	19,797
Insurance claims received	7,613	1,014
Rent and service charges paid	12,034	9,967
Rent income	-	594
Mark-up earned	-	6,253
Mark-up expense	-	1,125
Donation	-	2,483
Commission on letter of guarantee	-	1,880
	18,203	18,151
Staff retirement benefits		
Contribution to provident fund	46,792	40,570
	500	125
	March 31, 2021	June 30, 2020
	(Rupees in '000)	
	(Un-audited)	(Audited)
Balances as at period / year end		
Long-term security deposits	1,266	1,266
Trade debts	5,177	1,714
Bank balances	7,462	9,656
Trade and other payables	8,808	16,367
Short-term running finance	-	125,255

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 28, 2021 by the Board of Directors of the Company.

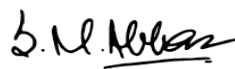
17 GENERAL

17.1 Figures have been rounded off to the nearest rupees in thousands unless otherwise stated.

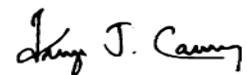
17.2 Certain corresponding figures have been reclassified for better presentation. However, there are no material reclassifications to report.



WAQUAS AHMED
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