

SHABBIR TILES AND CERAMICS LIMITED

Condensed Interim Financial Statements

For the First Quarter Ended

September 30, 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	Mustafa Jafar	
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 Bank Al Falah Limited	
REGISTERED OFFICE AND FACTORY UNIT-1	15th Milestone, National Highway Landhi Industrial Area, Karachi-75120 Phone: (021) 38183610-3 E-mail: info@stile.com.pk	Fax: (021) 38183615 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. URL: www.cdcsrsl.com	Phone: 0800 23275 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
BUILD MATE EMPORIUM, KARACHI	Build Mate 82-B, Midway Commercial, Bahria Town, Karachi Phone: 0309-1202094
DHA EMPORIUM, LAHORE	DHA Lahore 164, CCA , Phase 4, Lahore Phone: (042) 37185710-12
SANITAR 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) 4935521-23
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. 13 & 14, Fortune Arcade, Jamshoro Road, Near Qasim Chowk, Hyderabad. Phone: 0300-0647227
MULTAN EMPORIUM	Officers Colony, Main Bosan Road, Chungi No. 9, Next to Crystal Mall, Multan. Phone: (061) 2078492
BAHAWALPUR EMPORIUM	Ground Floor, Commercial Building, Khawat No. 199/197, Moza Bandra Multan Road, Bahawalpur. Phone: (062) 2720906
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 FIRST QUARTER ENDED SEPTEMBER 30, 2021

The Directors are pleased to present the financial results of your Company for the first quarter ended September 30, 2021.

FINANCIAL PERFORMANCE AND BUSINESS CHALLENGES

The Company continued its journey of success with the achievement of expected production and sales volumes in the first quarter. The efforts made by the company in the last couple of years by investing in 'product improvement and innovation' and 'brand building', coupled with Government's support to construction sector, are helping in our progress. On the other hand, constant pressures on input costs due to rupee devaluation, continued increase in energy, raw material costs and increases in logistic costs have impacted the overall margins. Your Company remained committed to producing the best quality tiles. Continuous improvement in quality and optimization of production are core to our operational philosophy. Our front-end teams are providing the highest level of customer service previously unheard of in the Tiles and Ceramics Industry.

The financial performance for the first quarter is summarized below:

Particulars	<i>Rs. in ' 000</i>	
	September 30, 2021	September 30, 2020
Turnover – net	2,665,779	2,305,199
Gross profit	800,979	714,093
Earnings before interest, tax and depreciation (EBITDA)	529,753	446,545
Profit before tax	337,089	260,440
Profit after tax	202,656	147,062
Earnings per share (Rs. / share)	0.85	0.61

During the period, net turnover increased by 15.64%, whereas the gross margins decreased by 1%, as a result of significant cost pressures as mentioned above. The overall profitability before tax, however, grew to Rs. 337 million as against Rs. 260 million in the same period last year. The management of the Company remained focused in utilizing maximized operational production capacity and to attain the best mix of sales to improve the bottom line.

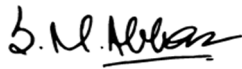
FUTURE OUTLOOK

We feel that the Tile industry will continue to show healthy growth for next couple of years as the friendly government policies are leading to development of several mega projects. However, the industry is facing many challenges. These include energy crises in the shape of gas pressure fluctuations affecting production volumes, rupee depreciation, and increased logistics costs. So far, the company has managed Covid related issues well, but uncertainty still looms as new variants of the virus emerge. Management is also concerned regarding the future of our industry as the rapid depletion of gas reserves in the country are not currently offset with availability of reasonably priced alternatives.

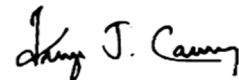
The management is doing its utmost to mitigate the controllable risk factors through production optimization, costs saving initiatives, operational excellence and commercial strategy focused in improving the sales mix. We will continue to invest in marketing initiatives to help brand building, advocacy initiatives with Key Opinion Leaders and expansion of retail presence.

We would like to thank our stakeholders for their continued support and our shareholders for their confidence in the leadership of the Board and management team of the Company. With your continuous support and by the grace of the Almighty, we remain committed to deliver good performance.

On behalf of the Board of Directors



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

شبیر ٹائلز اینڈ سرامکس لمیٹڈ
حصص یافتگان کے لئے ڈائریکٹرز رپورٹ
 براغ پہلی سہ ماہی اختتامیہ 30 ستمبر، 2021

ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لیے آپ کی کمپنی کے مالیاتی نتائج پیش کرنے پر خوشی محسوس کرتے ہیں۔

مالیاتی کارکردگی اور کاروباری چیلنجز

کمپنی نے کامیابی کا سفر متوقع پیداوار اور فروخت کے حجم کے حصول کے ساتھ پہلی سہ ماہی میں بھی جاری رکھا۔ کمپنی کی جانب سے گزشتہ چند سالوں میں 'مصنوعات کی بہتری اور اختراع' اور 'برانڈ بلڈنگ' میں سرمایہ کاری کے ساتھ ساتھ تعمیراتی شعبے میں حکومت کی مدد سے کی گئی کوششیں ہماری ترقی میں معاون ثابت ہو رہی ہیں۔ دوسری طرف، روپے کی قدر میں کمی کی وجہ سے پیداواری لاگت پر مسلسل دباؤ رہا، اور توانائی اور خام مال کی قیمتوں میں اضافے، اور لاجسٹک اخراجات میں اضافے نے مجموعی مارجن کو متاثر کیا۔ آپ کی کمپنی بہترین معیار کی ٹائلیں تیار کرنے کے لیے پرعزم ہے۔ معیار میں مسلسل بہتری اور پیداوار کے ممکنہ حجم کا حصول ہمارے آپریشنل فلسفے کی بنیاد ہے۔ ہماری فرنٹ اینڈ ٹیمیں کسٹمر سروس کی اعلیٰ ترین سطح فراہم کر رہی ہیں جو پہلے ٹائلز اور سیرامکس انڈسٹری میں نہیں سنی گئی تھیں۔

پہلی سہ ماہی کی مالیاتی کارکردگی کا خلاصہ ذیل ہے:

روپے ہزاروں میں

تفصیلات	30 ستمبر 2021	30 ستمبر 2020
خالص فروخت	2,665,779	2,305,199
مجموعی منافع	800,979	714,093
آمدنی قبل از شرح سود، ٹیکس اور فرسودگی (EBITDA)	529,753	446,545
منافع قبل از ٹیکس	337,089	260,440
منافع بعد از ٹیکس	202,656	147,062
آمدنی فی حصص (روپے / حصص)	0.85	0.61

اس مدت کے دوران، خالص فروخت میں 15.64 فیصد کا اضافہ ہوا، جب کہ پیداواری لاگت پر مسلسل دباؤ کی وجہ سے مجموعی مارجن میں 1 فیصد کی کمی واقع ہوئی، جیسا کہ اوپر بیان کیا گیا ہے۔ تاہم منافع قبل از ٹیکس، 337 ملین روپے تک پہنچ گیا ہے جو کے گزشتہ سال کے اسی مدت میں 260 ملین روپے تھا۔ کمپنی کی انتظامیہ زیادہ سے زیادہ آپریشنل پیداواری صلاحیت کو بروئے کار لانے اور فروخت کے بہترین مرکب کو حاصل کرنے پر توجہ مرکوز کی ہوئی ہے تا کہ زیادہ سے زیادہ منافع حاصل کیا جا سکے۔

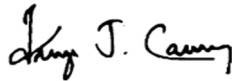
مستقبل کی پیش بینی:

ہمیں لگتا ہے کہ ٹائلز انڈسٹری اگلے کچھ سالوں تک صحت مند ترقی دکھاتی رہے گی کیونکہ حکومت کی دوستانہ پالیسیاں کئی میگا پراجیکٹس کی ترقی کا باعث بن رہی ہیں۔ تاہم صنعت کو بہت سے چیلنجز کا سامنا ہے۔ ان میں گیس کے دباؤ کے اتار چڑھاؤ کی وجہ سے پیداواری حجم کا متاثر ہونا، روپے کی قدر میں کمی، اور لاجسٹکس کے بڑھتے ہوئے اخراجات شامل ہیں۔ اب تک کمپنی نے کووڈ-19 سے متعلقہ مسائل کو اچھی طرح سے سنبھالا ہے، لیکن وائرس کی نئی اقسام کے سامنے آنے کے باعث غیر یقینی صورتحال برقرار ہے۔ انتظامیہ ہماری صنعت کے مستقبل کے حوالے سے بھی فکر مند ہے کیونکہ ملک میں گیس کے ذخائر میں تیزی سے کمی اور مناسب قیمتوں پر اس کے متبادل کی عدم دستیابی ہے۔

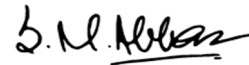
انتظامیہ پیداواری حجم کے ممکنہ حصول، لاگت بچانے کے اقدامات، آپریشنل ایکسیلنس اور فروخت کے مرکب کو بہتر بنانے پر توجہ مرکوز رکھی ہوئی ہے۔ اس کے علاوہ کمپنی، تجارتی حکمت عملی کے ذریعے ممکنہ خطرات کے عوامل کو کم کرنے کے لیے اپنی پوری کوشش کر رہی ہے۔ ہم برانڈ کی تعمیر میں مدد کے لیے مارکیٹنگ کے اقدامات، کلیدی رائے کے رہنماؤں کے ساتھ وکالت کے اقدامات اور خوردہ موجودگی کی توسیع میں سرمایہ کاری جاری رکھیں گے۔

ہم اپنے تمام متعلقین کا ان کی مسلسل حمایت اور اپنے شیئر ہولڈرز کا کمپنی کے بورڈ اور انتظامی ٹیم کی قیادت پر اعتماد کے لیے شکریہ ادا کرنا چاہیں گے۔ آپ کے مسلسل تعاون اور اللہ تعالیٰ کے فضل و کرم سے ہم اچھی کارکردگی پیش کرنے کے لیے پرعزم ہیں۔

برائے و منجانب - بورڈ آف ڈائریکٹرز



فیروز جہانگیر کاوسجی
ڈائریکٹر



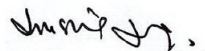
سید مسعود عباس جعفری
چیف ایگزیکٹو آفیسر


کراچی: 28 اکتوبر، 2021

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	September 30, 2021 (Un-audited)	June 30, 2021 (Audited)
Note	------(Rupees in `000)-----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7 2,682,091	2,696,148
Right-of-use assets	8 239,834	240,668
Investment property	6,725	7,035
Long-term loans	175	350
Long-term security deposits	26,947	27,025
	<u>2,955,772</u>	<u>2,971,226</u>
CURRENT ASSETS		
Stores and spare parts	451,623	440,609
Stock-in-trade	9 1,527,837	1,465,862
Trade debts	10 260,883	234,251
Loans and advances	75,256	37,901
Deposits, prepayments and other receivables	21,408	15,395
Short-term investments	11 1,706,180	1,679,595
Cash and bank balances	116,190	178,786
	<u>4,159,377</u>	<u>4,052,399</u>
	<u>7,115,149</u>	<u>7,023,625</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
240,000,000 (June 2021: 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	1,196,600	1,196,600
Reserves	1,649,992	1,447,336
	<u>2,846,592</u>	<u>2,643,936</u>
NON-CURRENT LIABILITIES		
Long-term financing - secured	12 181,318	159,190
Deferred income	47,477	41,765
Lease liabilities	13 182,650	173,289
Gas infrastructure development cess (GIDC) payable	505,731	566,365
Deferred tax liability - net	24,433	54,157
	<u>941,609</u>	<u>994,766</u>
CURRENT LIABILITIES		
Trade and other payables	2,063,299	2,203,255
Unclaimed dividend	3,281	3,281
Unpaid dividend	1,130	1,130
Current maturity of lease liabilities	13 94,147	108,156
Current maturity of GIDC payable	235,691	231,200
Taxation - net	517,573	422,641
Sales tax payable	411,827	415,260
	<u>3,326,948</u>	<u>3,384,923</u>
CONTINGENCIES AND COMMITMENTS	14	
	<u>7,115,149</u>	<u>7,023,625</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


MUSTAFA JAFAR
Chief Financial Officer

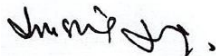

SYED MASOOD ABBAS JAFFERY
Chief Executive Officer


FEROZE JEHANGIR CAWASJI
Director

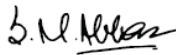
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021
(UN-AUDITED)

	Quarter ended	
	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----	
Turnover - net	2,665,779	2,305,199
Cost of sales	(1,864,800)	(1,591,106)
Gross profit	800,979	714,093
Selling and distribution costs	(357,150)	(358,019)
Administrative expenses	(78,141)	(83,553)
(Allowance) / reversal for expected credit loss	(14,858)	14,584
	(450,149)	(426,988)
Other income	45,772	17,356
Operating profit	396,602	304,461
Finance costs	(25,116)	(15,884)
Other expenses	(34,397)	(28,137)
	(59,513)	(44,021)
Profit before taxation	337,089	260,440
Taxation		
- Current	(164,157)	(110,045)
- Deferred	29,724	(3,333)
	(134,433)	(113,378)
Profit after taxation	202,656	147,062
	----- (Rupee) -----	
Earnings per share – basic and diluted	0.85	0.61

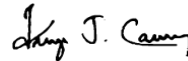
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MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

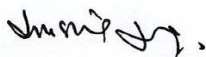


FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021
 (UN-AUDITED)

	Quarter ended	
	September 30, 2021	September 30, 2020
	(Rupees in '000) -----	
Profit after taxation	202,656	147,062
Other comprehensive income	-	-
Total comprehensive income for the period	202,656	147,062

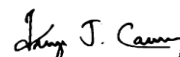
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MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

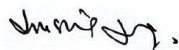


FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021
(UN-AUDITED)

	Reserves					Total equity
	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Total reserves	
		Share premium	General reserve	(Accumulated losses) / Unappropriated profit		
----- (Rupees in `000) -----						
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	-	-	-	147,062	147,062	147,062
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period				147,062	147,062	147,062
Balance as at September 30, 2020 (un-audited)	1,196,600	449,215	478,000	(257,705)	669,510	1,866,110
Balance as at June 30, 2021 (audited)	1,196,600	449,215	478,000	520,121	1,447,336	2,643,936
Profit for the period	-	-	-	202,656	202,656	202,656
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	202,656	202,656	202,656
Balance as at September 30, 2021 (un-audited)	1,196,600	449,215	478,000	722,777	1,649,992	2,846,592

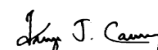
The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

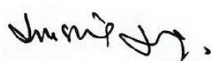


FEROZE JEHANGIR CAWASJI
Director

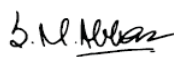
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021
(UN-AUDITED)

	September 30, 2021	September 30, 2020
Note	----- (Rupees in `000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	337,089	260,440
Adjustments for:		
Depreciation on:		
operating fixed assets	7.1 144,510	149,298
right-of-use assets	8 22,728	20,613
investment property	310	310
Finance costs	25,116	15,884
Dividend income on mutual funds	(17,773)	(55)
Allowance / (Reversal) for expected credit loss	14,858	(14,584)
Provision for slow moving stores and spare parts	5,363	3,689
Provision / (Reversal) for slow moving stock-in-trade	4,191	(3,205)
Unrealized gain on short-term investments - mutual fund units	(1,952)	-
Gain on disposal of operating fixed assets	-	(342)
Gain on disposal of lease asset	(3,067)	
	<u>194,284</u>	<u>171,608</u>
Operating profit before working capital changes	531,373	432,048
(Increase) / decrease in current assets		
Stores and spare parts	(16,377)	(14,309)
Stock-in-trade	(66,166)	68,320
Trade debts	(41,490)	14,046
Loans and advances	(37,355)	9,824
Deposits, prepayments and other receivables	(6,013)	(424)
	<u>(167,401)</u>	<u>77,457</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(139,956)	365,533
Sales tax payable	(3,433)	40,644
	<u>(143,389)</u>	<u>406,177</u>
Cash generated from operations	220,583	915,682
Income tax paid	(69,225)	(32,792)
Finance costs paid	(2,694)	(8,803)
Long-term loan - net	175	27
Long-term security deposits - net	78	-
GIDC paid	(71,178)	(23,726)
Net cash generated from operating activities	77,739	850,388
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(127,371)	(41,597)
Proceeds from disposal of operating fixed assets	-	1,520
Short-term investments made during the period - mutual fund units	(612,633)	(50,000)
Short-term investments redeemed during the period - mutual fund units	688,000	-
Dividend on mutual funds received	17,773	-
Net cash used in investing activities	(34,231)	(90,077)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained during the period	27,873	
Repayment of long-term financing	(3,114)	(109,100)
Lease rental paid	(30,863)	(25,689)
Net cash used in financing activities	(6,104)	(134,789)
Net increase in cash and cash equivalents	37,404	625,522
Cash and cash equivalents at the beginning of the period	778,786	495,592
Cash and cash equivalents at the end of the period	15 816,190	1,121,114

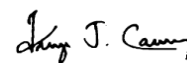
The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
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 QUARTER ENDED SEPTEMBER 30, 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, 2021.

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, 2021 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 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

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, 2021 except for significant judgement in determining the lease term of contracts with renewal options, discount rates used in calculation of present value of gas infrastructure development cess (GIDC) and long term loan

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, 2021.

	Note	September 30, 2021 (Rupees in `000) (Un-audited)	June 30, 2021 (Audited)
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	2,264,549	2,237,914
Capital work-in-progress	7.2	417,542	458,234
		<u>2,682,091</u>	<u>2,696,148</u>
7.1 Operating fixed assets			
Opening Net Book Value (NBV)		2,237,914	2,619,310
Additions including transfers during the period / year - at cost	7.1.1	171,145	242,368
		2,409,059	2,861,678
Disposals during the period / year - at NBV	7.1.1	-	(2,780)
Depreciation charged during the period / year		(144,510)	(620,984)
Closing NBV		<u>2,264,549</u>	<u>2,237,914</u>

7.1.1 Additions and disposals of operating fixed assets

	Additions at cost / Transfers		Disposals at NBV	
	September 30, 2021 (Un-audited)	June 30, 2021 (Audited)	September 30, 2021 (Un-audited)	June 30, 2021 (Audited)
	(Rupees in `000)			
Building on freehold land	23,544	68,460	-	-
Plant and machinery	69,701	120,353	-	1,852
Office equipment	1,536	14,889	-	30
Computers and accessories	945	3,263	-	30
Vehicles	75,419	35,403	-	868
	<u>171,145</u>	<u>242,368</u>	<u>-</u>	<u>2,780</u>

		September 30, 2021	June 30, 2021
		(Rupees in `000)	
		(Un-audited)	(Audited)
7.2 Capital work-in-progress	Note		
Plant and machinery		327,932	320,462
Civil works		53,741	58,813
Office Equipment		173	676
Advance against vehicles	7.2.1	32,614	77,649
Borrowing cost capitalized during the period / year	7.2.2	<u>3,082</u>	<u>634</u>
		<u><u>417,542</u></u>	<u><u>458,234</u></u>
7.2.1	Include advance of Rs. 15.677 million (2021: Rs. 40.318 million) paid to Indus Motor Company Limited, a related party		
7.2.2 Movement in capital work-in-progress			
Balance at the beginning of the period / year		458,234	52,956
Additions during the period / year		116,558	574,545
Transfers to operating fixed assets	7.3	(160,332)	(169,901)
Borrowing cost capitalized during the period / year		<u>3,082</u>	<u>634</u>
Balance at the end of the period / year		<u><u>417,542</u></u>	<u><u>458,234</u></u>
7.3	Includes Rs. 37.116 million (2021: Rs. 33.406 million) purchased from Indus Motors Company Limited, a related party		
8 RIGHT-OF-USE ASSETS		September 30, 2021	June 30, 2021
		(Rupees in `000)	
		(Un-audited)	(Audited)
Cost			
Balance at the beginning of the period / year		407,394	346,136
Additions during the period / year		36,678	70,725
Disposal during the period		(25,826)	-
Remeasurement of lease liabilities		(285)	(9,467)
Balance at end of the period / year		<u><u>417,961</u></u>	<u><u>407,394</u></u>
Accumulated Depreciation			
Balance at beginning of the period / year		166,726	78,418
Depreciation charged during the period / year		22,728	88,308
Disposal of depreciation during the period		(11,327)	-
Balance at end of the period / year		<u><u>178,127</u></u>	<u><u>166,726</u></u>
Net Book Value		<u><u>239,834</u></u>	<u><u>240,668</u></u>
9 STOCK-IN-TRADE			
Includes stock-in-trade costing Rs. 266.329 million (June 2021: Rs. 229.558 million) which has been written down to its net realizable value (NRV) amounting to Rs. 84.980 million (June 2021: Rs. 73.363 million).			
10 TRADE DEBTS - unsecured	Note	September 30, 2021	June 30, 2021
		(Rupees in `000)	
		(Un-audited)	(Audited)
Considered good		260,883	234,251
Considered doubtful		173,094	158,236
		<u>433,977</u>	<u>392,487</u>
Allowance for expected credit loss		(173,094)	(158,236)
		<u><u>260,883</u></u>	<u><u>234,251</u></u>
11 SHORT-TERM INVESTMENTS		September 30, 2021	June 30, 2021
		(Rupees in `000)	
		(Un-audited)	(Audited)
At amortised cost			
Term deposit receipts (TDRs)			
up to three months		700,000	600,000
more than three months		56,000	56,000
	11.1	<u>756,000</u>	<u>656,000</u>
At fair value through profit or loss			
Mutual fund units		950,180	1,023,595
		<u><u>1,706,180</u></u>	<u><u>1,679,595</u></u>
11.1	Represents term deposit receipts (TDRs) ranging from 1 month to 1 year term (2021: 15 days to 1 years term) with various commercial banks under conventional banking relationship carrying profit at the rate of 7% to 8.2% (2021: 7% to 9%) per annum, having latest maturity up to June 07, 2022.		

12 LONG TERM FINANCING - SECURED	Note	September 30,	June 30,
		2021 (Rupees in `000) (Un-audited)	2021 (Audited)
Movement of long-term financing:			
Balance at beginning of the period / year		159,190	269,100
Financing received during the period / year	12.1	27,873	200,321
Repayment made during the period / year		(3,114)	(269,100)
Recognised as deferred income		(6,011)	(41,765)
Unwinding of finance cost		3,082	634
Remeasurement of long term financing		298	-
Balance at end of the period / year		<u>181,318</u>	<u>159,190</u>

12.1 This represents long term financing facility obtained from a conventional bank under State Bank of Pakistan (SBP) refinance scheme for renewable energy, recognised initially at fair value. The total facility amounts to Rs. 500 million and carries mark-up at the rate of 3% plus 0.45% (2021: 3% plus 0.45%) per annum payable quarterly. The facility is repayable in ten years with two years grace period from the date of disbursement. The facility is secured against first specific hypothecation charge over present and future plant and machinery related to the solar power project for the disbursed amount in addition to margin of 10% covered through lien over Term Deposit Receipt (TDR). The incremental borrowing rate for the purposes of discounting adjustment for recognition at fair value is taken at 7.95% (2021: 7.95%) per annum.

12.2 This represents deferred income recognised in respect of the benefit of below-market interest rate on long term finances. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The Company has used the prevailing market rate of mark-up for similar instruments to calculate fair values of respective loans. The discount rate used is 7.95% per annum.

13 LEASE LIABILITIES	Note	September 30,	June 30,
		2021 (Rupees in '000) (Un-audited)	2021 (Audited)
Lease liabilities	13.1	276,797	281,445
Currenty maturity of lease liabilities		(94,147)	(108,156)
		<u>182,650</u>	<u>173,289</u>

13.1 Movement of lease liabilities:

Balance at beginning of the period / year	281,445	289,681
Additions during the period / year	36,678	70,725
Disposal during the period	(17,566)	
Remeasurement of lease liabilities	(285)	(9,467)
Unwinding of finance cost during the period / year	7,388	34,896
Payments made during the period / year	(30,863)	(104,390)
Balance at end of the period / year	<u>276,797</u>	<u>281,445</u>

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

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

14.2 Commitments

- Commitments in respect of outstanding letters of credit against raw materials and spares amounted to Rs. 432.936 million (June 2021: Rs. 236.770 million).
- Commitments in respect of capital expenditure amounted to 400.253 million (June 2021: Rs. 132.950 million) for the import of machinery.
- Commitment in respect of bank guarantees issued by a commercial bank in favour of

	September 30,	June 30,
	2021 (Un-audited) (Rupees in `000)	2021 (Audited)
Sui Southern Gas Company Limited	368,775	368,775
Nazir of Sindh High Court	303,754	281,842
Pakistan State Oil	40,000	40,000
Excise and Taxation Department	98,381	73,381
	<u>810,910</u>	<u>763,998</u>



Unmatched Quality Tiles

Shabbir Tiles and Ceramics Limited
15th Milestone, National Highway,
Landhi, Karachi-75120.

Phone: +92-213-818 3610-13

E-mail: info@stile.com.pk

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