

SHABBIR TILES AND CERAMICS LIMITED

Condensed Interim Financial Statements

For the Third quarter and Nine Months ended
March 31, 2023

(Un-Audited)



CONTENTS

| | |
|----|---|
| 01 | Company Information |
| 03 | Directors' Report (English and Urdu) |
| 06 | Condensed Interim Statement of Financial Position |
| 07 | Condensed Interim Statement of Profit or Loss |
| 08 | Condensed Interim Statement of Comprehensive Income |
| 09 | Condensed Interim Statement of Changes in Equity |
| 10 | Condensed Interim Statement of Cash Flows |
| 11 | Notes to the Condensed Interim Financial Statements |

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
 Imran Ali Habib
 Abdul Hai M. Bhaimia
 Farhana Mowjee Khan

Chairman
 Member
 Member
 Member

HUMAN RESOURCES AND
REMUNERATION COMMITTEE

Feroze Jehangir Cawasji
 Muhammad Salman Burney
 Farhana Mowjee Khan
 Syed Masood Abbas Jaffery

Chairman
 Member
 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. 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)

78-A , Factory Adda, Dina Nath main Multan Road, 46KM, 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 | 39-C, Bukhari Commercial area, Lane 15, Main Khayaban-e-Ittehad Road DHA Phase 6, 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: 0307-0228246 |
| NEW TOWN EMPORIUM, KARACHI | Shop No. 3, KDA Scheme No. 7, Chandni Chowk (New Town), Karachi Phone: (021) 34921011 |
| DHA EMPORIUM, LAHORE | DHA Lahore 164, CCA , Phase 4, Lahore Phone: (042) 37185710-12 |
| THOKAR NIAZ BAIG EMPORIUM, LAHORE | Metro Cash & Carry, Thokar Niaz Baig Multan Road, Lahore Phone: 0301-8245893 |
| LIVIN EMPORIUM, LAHORE | Ferozepur Road: 83 - Main Ferozepur Road, Main Ichhra, Lahore Phone: 0301-8207942 |
| MUREE ROAD EMPORIUM, RAWALPINDI | Al Shareef Plaza, Ground Floor, Shamsabad, Murree Road, Rawalpindi Phone: (051) 4935521-23 |
| ISLAMABAD EMPORIUM | Metro Islamabad: Metro Cash & Carry, Sector I-11/4, 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, next to KFC Near Qasim Chowk, Hyderabad. Phone: 0300-8540459 |
| 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: 0300-2032142 |
| WAH CANTT EMPORIUM | Khan Plaza, Khasra No 434, GT Road, near Raja Saab Mall, Wah Cantt Phone: (051) 4926280-81 |
| GUJRANWALA EMPORIUM | Main GT Road, Chan da Qila, opposite Haji Murad Trust Eye Hospital, Gujranwala Phone : 0315-2780417 |
| GILGIT BALSTISTAN EMPORIUM | Shop no. 14, Akbar Market, Khomar Yarkot, Gilgit Phone: 05811-553865 , 0300-8285725 |
| SUKKUR SALES OFFICE | Tooba Plaza, Mezzanine Floor, Workshop Road, Sukkur Phone: Phone: (071) 5615560 |

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SHABBIR TILES AND CERAMICS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023

The Directors are pleased to present the financial results of your Company for the third quarter and nine months ended March 31, 2023.

Pakistan's economy continues to face multifaceted challenges on account of depleting foreign exchange reserves, un-precedented inflation and measures taken by the Government to curtail import of non-essential raw materials, which severely impacted local manufacturing industries. Delay in finalization of IMF package continued to erode market and business confidence.

Pakistan tiles and ceramics industry has been adversely impacted due to:

- o Slow down of construction projects resulting in suppression of market
- o Increasing input costs due to devaluation of rupee, skyrocketing energy cost and restricted imports of raw materials and machine parts.

All these adverse factors affected the industry to the extent that a number of tile manufacturers had to either shut down their operations or had to curtail their production.

We are glad to report that your Company in this period of turmoil continued its operations at optimum level and able to produce better than expected results due to specific measures taken by the management viz:

- o Initiatives on cost controls and timely pricing decisions
- o Efficient management of energy mix
- o Development of local sources of raw materials
- o Brand building measures, including advocacy with key architects
- o Strategy to focus on high value SKUs.

As a result of the above mentioned measures, the gross margins improved as compared to preceding half year. The financial performance is summarized below:

Rs. in ' 000

| Particulars | For the quarter ended | | For the nine months ended | |
|--|-----------------------|----------------|---------------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Turnover – net | 4,140,556 | 2,980,500 | 10,497,831 | 8,755,489 |
| Gross profit | 1,179,411 | 603,319 | 2,123,938 | 2,288,447 |
| Earnings before interest, tax and depreciation | 568,539 | 321,697 | 756,491 | 1,403,011 |
| Profit before tax | 343,477 | 112,463 | 71,091 | 804,753 |
| Profit / (loss) after tax | 143,056 | 44,800 | (53,246) | 465,525 |
| Earnings / (loss) per share (Rs. / share) | 0.60 | 0.19 | (0.22) | 1.95 |

FUTURE OUTLOOK

Pakistan's economic growth is expected to be slow in the medium-term. Industry output is also expected to shrink with import restrictions, weakened confidence, higher borrowing costs and heightened economic and political uncertainty. Further, inflation will remain high in coming months, due to currency depreciation and recent rise in energy prices (natural gas and petroleum). These cost pressures have a negative impact on builders / developers to slow down their progress towards completion of their projects. However, as soon as the country's political situation becomes stable, it is anticipated that the construction climate will also get better.

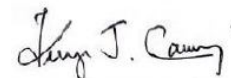
The industry needs much needed support to sustain its business operations as regards imports of raw materials. Further, the recent increase in gas tariff and the proposed mechanism of charging higher tariff for comingled natural gas and RLNG due to shortage of indigenous gas would put the industry under survival challenges. The decision makers shall consider the fact that Sindh being its own producer of natural gas should be given priority and the industries established in Sindh should not be charged higher. In addition, sustained supplies of natural gas is extremely imperative for the survival of the Company.

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 Director



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 2023

ڈائریکٹرز آپ کی کمپنی کی تیسری سہ ماہی اور نو ماہ اختتامیہ 31 مارچ 2023 کے مالیاتی نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

پاکستان کی معیشت کو غیر ملکی زرمبادلہ کے ذخائر میں کمی، مہنگائی اور حکومت کی جانب سے غیر ضروری خام مال کی درآمد کو کم کرنے کے لیے اٹھائے گئے اقدامات کی وجہ سے کئی چیلنجز کا سامنا ہے جس نے مقامی صنعتوں کو بری طرح متاثر کیا ہے۔ آئی ایم ایف پیکیج میں تاخیر نے مارکیٹ اور کاروباری اعتماد کو مسلسل نقصان پہنچایا ہے۔

پاکستان کی ٹائلز اور سیرامکس کی صنعت ان وجوہات کی وجہ سے بری طرح متاثر ہوئی ہے:

o تعمیراتی منصوبوں میں سست روی جس کے نتیجے میں مارکیٹ پر دباؤ بڑھا ہے۔
o روپے کی قدر میں کمی، توانائی کی بڑھتی لاگت اور خام مال اور مشینی حصوں کی محدود درآمدات کی وجہ سے ان پٹ لاگت میں اضافہ۔

ان تمام منفی عوامل نے صنعت کو اس حد تک متاثر کیا کہ متعدد ٹائلز کی کمپنیوں کو یا تو اپنا کام بند کرنا پڑا یا اپنی پیداوار کو کم کرنا پڑا ہے۔ ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بحران کے اس دور میں آپ کی کمپنی نے بہترین سطح پر اپنا کام جاری رکھا جس کی بنیادی وجہ انتظامیہ کی طرف سے اٹھائے گئے مخصوص اقدامات ہیں جیسے کہ:

o لاگت کے کنٹرول اور بروقت قیمتوں کے فیصلے پر اقدامات
o توانائی کے مرکب کا موثر انتظام
o خام مال کی خریداری کے مقامی ذرائع
o برانڈ کی پروموشن کے لیے آرکیٹیکٹس کا مثبت کردار۔
o اپنے اعلیٰ ٹائلز پر توجہ مرکوز کرنے کی حکمت عملی۔

مذکورہ بالا اقدامات کے نتیجے میں، گزشتہ ششماہی کے مقابلے مجموعی مارجن میں بہتری آئی ہے۔ مالیاتی کارکردگی کا خلاصہ ذیل میں دیا گیا ہے۔

روپے ہزاروں میں

| نو ماہ اختتامیہ | | تیسری سہ ماہی | | تفصیلات |
|-----------------|--------------|---------------|--------------|---|
| 31 مارچ 2022 | 31 مارچ 2023 | 31 مارچ 2022 | 31 مارچ 2023 | |
| 8,755,489 | 10,497,831 | 2,980,500 | 4,140,556 | خالص فروخت |
| 2,288,447 | 2,123,938 | 603,319 | 1,179,411 | مجموعی منافع |
| 1,403,011 | 756,491 | 321,697 | 568,539 | آمدنی قبل از شرح سود، ٹیکس اور فرسودگی (EBITDA) |
| 804,753 | 71,091 | 112,463 | 343,477 | منافع قبل از ٹیکس |
| 465,525 | (53,246) | 44,800 | 143,056 | (نقصان) / منافع بعد از ٹیکس |
| 1.95 | (0.22) | 0.19 | 0.60 | آمدنی / (نقصان) فی حصص (روپے / حصص) |

مستقبل کا نقطہ نظر

پاکستان کی اقتصادی ترقی سال کے دوران میں سست رہنے کی توقع ہے درآمدی پابندیوں، کمزور اعتماد، زیادہ قرض لینے کی لاگت اور بڑھتی ہوئی اقتصادی اور سیاسی غیر یقینی صورتحال کے ساتھ صنعتی پیداوار کے کم ہونے کی بھی توقع ہے۔ مزید برآں، کرنسی کی قدر میں کمی اور توانائی کی قیمتوں میں حالیہ اضافے (قدرتی گیس اور پیٹرولیم) کی وجہ سے آنے والے مہینوں میں افراط زر بلند رہے گا۔ لاگت کے یہ دباؤ بلڈرز/ڈیولپرز پر منفی اثر ڈالتے ہیں اور ان کے منصوبے سست روی کا شکار رہتے ہیں تاہم جیسے ہی ملک کی سیاسی صورتحال مستحکم ہوگی، توقع ہے کہ تعمیراتی ماحول بھی بہتر ہو جائے گا۔

صنعت اپنے کاروبار کو برقرار رکھنے کے لیے خام مال کی درآمدات پر بہت زیادہ انحصار کرتی ہے۔ مزید یہ کہ گیس ٹیرف میں حالیہ اضافہ اور مقامی گیس کی کمی کی وجہ سے آنے والی قدرتی گیس اور آر ایل این جی کے لیے زیادہ ٹیرف وصول کرنے کا مجوزہ طریقہ کار صنعت کی بقا کے لیے چیلنج ہے۔ حکومت کو اس بات پر غور کرنا چاہیے کہ سندھ قدرتی گیس چوں کہ خود پیدا کرتی ہے اس لیے سندھ میں قائم صنعتوں سے زیادہ قیمت وصول نہ کی جائے۔ اس کے علاوہ، قدرتی گیس کی مسلسل فراہمی کمپنی کی بقا کے لیے انتہائی ضروری ہے۔

ہم اپنے اسٹیک ہولڈرز کی مسلسل حمایت اور کمپنی کے بورڈ اور انتظامی ٹیم کی قیادت پر اعتماد کے لیے اپنے شیئر ہولڈرز کا 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

Henry J. Cassey

فیروز جہانگیر کاوسجی
ڈائریکٹر

S. M. Abbas

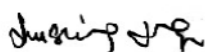
سید مسعود عباس جعفری
چیف ایگزیکٹو آفیسر

کراچی: 29 اپریل 2023

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

| | (Unaudited) March 31, 2023 | (Audited) June 30, 2022 |
|--|----------------------------------|-------------------------------|
| Note | ------(Rupees in '000)----- | |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 7 3,491,469 | 3,456,004 |
| Right-of-use assets | 8 343,121 | 263,363 |
| Investment properties | 4,862 | 5,793 |
| Long-term security deposits | 37,350 | 32,149 |
| Deferred tax asset - net | 71,541 | - |
| | <u>3,948,343</u> | <u>3,757,309</u> |
| CURRENT ASSETS | | |
| Stores and spare parts | 590,267 | 503,682 |
| Stock-in-trade | 9 1,844,231 | 1,584,510 |
| Trade debts | 10 281,583 | 175,043 |
| Loans and advances | 37,633 | 50,847 |
| Deposits, prepayments and other receivables | 38,275 | 15,308 |
| Short-term investments | 11 1,214,242 | 1,348,374 |
| Cash and bank balances | 141,834 | 126,497 |
| | <u>4,148,065</u> | <u>3,804,261</u> |
| | <u>8,096,408</u> | <u>7,561,570</u> |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorised capital | | |
| 240,000,000 (June 2022: 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 | <u>1,412,772</u> | <u>1,645,508</u> |
| | <u>2,609,372</u> | <u>2,842,108</u> |
| NON-CURRENT LIABILITIES | | |
| Long-term financing - secured | 12 529,650 | 223,825 |
| Deferred income | 13 78,468 | 58,271 |
| Lease liabilities | 14 273,097 | 198,725 |
| Gas Infrastructure Development Cess (GIDC) payable | 15 116,373 | 316,669 |
| Deferred tax liability - net | - | 34,733 |
| | <u>997,588</u> | <u>832,223</u> |
| CURRENT LIABILITIES | | |
| Trade and other payables | 2,868,593 | 2,549,399 |
| Unclaimed dividend | 4,189 | 3,279 |
| Unpaid dividend | 2,761 | 2,942 |
| Accrued mark-up | 5,854 | - |
| Current portion of long-term financing | 12 26,851 | 8,712 |
| Current portion of deferred income | 13 5,494 | 5,494 |
| Current portion of lease liabilities | 14 126,256 | 111,355 |
| Current portion of GIDC payable | 15 691,599 | 463,229 |
| Taxation - net | 280,136 | 354,403 |
| Sales tax payable - net | 477,715 | 388,426 |
| | <u>4,489,448</u> | <u>3,887,239</u> |
| CONTINGENCIES AND COMMITMENTS | 16 | |
| | <u>8,096,408</u> | <u>7,561,570</u> |

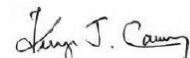
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

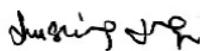


FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023
(UNAUDITED)

| | Nine months ended | | Quarter ended | |
|--|-----------------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | ------(Rupees in '000)----- | | | |
| Turnover - net | 10,497,831 | 8,755,489 | 4,140,556 | 2,980,500 |
| Cost of sales | (8,373,893) | (6,467,042) | (2,961,145) | (2,377,181) |
| Gross profit | 2,123,938 | 2,288,447 | 1,179,411 | 603,319 |
| Selling and distribution costs | (1,592,548) | (1,184,634) | (629,616) | (394,211) |
| Administrative expenses | (282,690) | (251,340) | (97,728) | (89,918) |
| (Allowance) of / reversal for expected credit loss | (1,177) | (13,653) | 12,969 | (2,219) |
| | (1,876,415) | (1,449,627) | (714,375) | (486,348) |
| Other income | 97,165 | 136,968 | 41,884 | 41,075 |
| Operating profit | 344,688 | 975,788 | 506,920 | 158,046 |
| Finance costs | (144,130) | (87,530) | (48,187) | (31,870) |
| Other expenses | (129,467) | (83,505) | (115,256) | (13,713) |
| | (273,597) | (171,035) | (163,443) | (45,583) |
| Profit before taxation | 71,091 | 804,753 | 343,477 | 112,463 |
| Taxation | | | | |
| - Current | (230,611) | (399,682) | (148,549) | (72,178) |
| - Deferred | 106,274 | 60,454 | (51,872) | 4,515 |
| | (124,337) | (339,228) | (200,421) | (67,663) |
| (Loss) / Profit after taxation | (53,246) | 465,525 | 143,056 | 44,800 |
| | ----- (Rupee) ----- | | | |
| (Loss) / Earnings per share – basic and diluted | (0.22) | 1.95 | 0.60 | 0.19 |

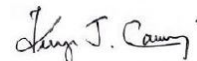
The annexed notes from 1 to 20 form an integral part of these condensed interim financial



MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

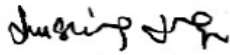


FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023
(UNAUDITED)

| | Nine Months Ended | | Quarter ended | |
|---|------------------------------|-----------------------|-----------------------|----------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | ----- (Rupees in '000) ----- | | | |
| (Loss) / Profit after taxation | (53,246) | 465,525 | 143,056 | 44,800 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive (loss) / income for the period | <u>(53,246)</u> | <u>465,525</u> | <u>143,056</u> | <u>44,800</u> |

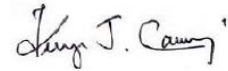
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

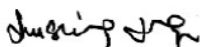


FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023
(UNAUDITED)

| | Reserves | | | | | Total equity |
|---|---|--------------------|--------------------|--------------------------|-------------------|------------------|
| | Issued, subscribed and paid-up capital | Capital reserve | Revenue reserves | | Total reserves | |
| | | Share premium | General reserve | Unappropriated profit | | |
| ----- (Rupees in '000) ----- | | | | | | |
| Balance as at June 30, 2021 (audited) | 1,196,600 | 449,215 | 478,000 | 520,121 | 1,447,336 | 2,643,936 |
| Profit after taxation | - | - | - | 465,525 | 465,525 | 465,525 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 465,525 | 465,525 | 465,525 |
| Final dividend @ 25% for the year ended June 30, 2021 | | | | (299,150) | (299,150) | (299,150) |
| Balance as at March 31, 2022 (unaudited) | <u>1,196,600</u> | <u>449,215</u> | <u>478,000</u> | <u>686,496</u> | <u>1,613,711</u> | <u>2,810,311</u> |
| Balance as at June 30, 2022 (audited) | 1,196,600 | 449,215 | 478,000 | 718,293 | 1,645,508 | 2,842,108 |
| Loss after taxation | - | - | - | (53,246) | (53,246) | (53,246) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (53,246) | (53,246) | (53,246) |
| Final dividend @ 15% for the year ended June 30, 2022 | | | | (179,490) | (179,490) | (179,490) |
| Balance as at March 31, 2023 (unaudited) | <u>1,196,600</u> | <u>449,215</u> | <u>478,000</u> | <u>485,557</u> | <u>1,412,772</u> | <u>2,609,372</u> |

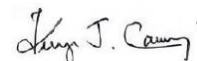
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

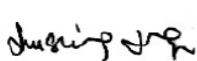


FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023
(UNAUDITED)

| | Note | March 31, 2023 | March 31, 2022 |
|---|-------------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 71,091 | 804,753 |
| Adjustments for: | | | |
| Depreciation on: | | | |
| operating fixed assets | 7.1 | 444,899 | 435,694 |
| right-of-use assets | 8.3 | 95,440 | 74,103 |
| investment property | | 931 | 931 |
| Finance costs | | 144,130 | 87,530 |
| Dividend income on mutual fund | | 27,267 | 58,517 |
| Allowance for expected credit loss | | 1,177 | 13,653 |
| Provision for slow moving stores and spare parts | | 24,435 | 26,285 |
| Provision for slow moving stock-in-trade | | 15,319 | 2,482 |
| Unrealized gain on short-term investments - mutual fund units | | (1,221) | (1,550) |
| Amortization of deferred income | 12.4 | (4,120) | - |
| Gain on disposal of operating fixed assets | | (870) | (2,652) |
| Gain on disposal of lease assets | | - | (5,608) |
| | | <u>747,387</u> | <u>689,385</u> |
| | | 818,478 | 1,494,138 |
| (Increase) / decrease in current assets | | | |
| Stores and spare parts | | (111,020) | (114,615) |
| Stock-in-trade | | (275,040) | (224,121) |
| Trade debts | | (107,717) | 21,090 |
| Loans and advances | | 13,214 | (28,745) |
| Prepayments and other receivables | | (22,967) | (6,622) |
| | | <u>(503,530)</u> | <u>(353,013)</u> |
| Increase / (decrease) in current liabilities | | | |
| Trade and other payables | | 319,194 | 338,774 |
| Sales tax payable | | 89,289 | (28,052) |
| | | <u>408,483</u> | <u>310,722</u> |
| Cash generated from operations | | 723,431 | 1,451,847 |
| Income tax paid | | (304,878) | (510,056) |
| Finance costs paid | | (110,202) | (15,668) |
| Long-term loan - net | | - | 343 |
| Long-term security deposits - net | | (5,201) | (5,172) |
| GIDC paid | | - | (71,178) |
| | | <u>303,150</u> | <u>850,116</u> |
| Net cash generated from operating activities | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure | | (483,628) | (1,057,987) |
| Proceeds from disposal of operating fixed assets | | 4,134 | 3,453 |
| Short-term investments made during the period - mutual fund units | | (2,454,285) | (2,802,226) |
| Short-term investments redeemed during the period - mutual fund units | | 2,506,279 | 3,165,111 |
| Dividend on mutual fund received | | (27,267) | (58,517) |
| | | <u>(454,767)</u> | <u>(750,166)</u> |
| Net cash used in investing activities | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term financing obtained during the period | 12.1 & 12.3 | 356,103 | 66,894 |
| Repayment of long-term financing | | (7,822) | (5,413) |
| Payment of principal portion of lease | | (85,925) | (89,653) |
| Dividend paid | | (178,761) | (297,340) |
| | | <u>83,595</u> | <u>(325,512)</u> |
| Net cash generated from / (used in) financing activities | | | |
| Net decrease in cash and cash equivalents | | | |
| Cash and cash equivalents at the beginning of the period | | 590,856 | 778,786 |
| Cash and cash equivalents at the end of the period | 17 | <u>522,834</u> | <u>553,224</u> |

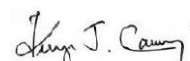
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



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 NINE MONTHS PERIOD ENDED MARCH 31, 2023
 (UNAUDITED)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Shabbir Tiles and Ceramics Limited ('the Company') was incorporated in Pakistan as a public limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017) on November 07, 1978 and is 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 other than those stated in note 1.3 are as under:

| Business Unit | 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): | 78-A Factory Adda, Dina Nath main Multan road, 46 KM Road, Lahore | Building material products |

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

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs and IFAS, the provisions of and directives issued under the Act have been followed.

3 BASIS OF PREPARATION

- 3.1 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, 2022.
- 3.2 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, 2022 except for the adoption of and the amendments to approved accounting standards adopted during the period of as disclosed in note 5.

5 AMENDMENTS TO APPROVED ACCOUNTING STANDARDS ADOPTED DURING THE PERIOD

There are certain amendments to the standards and new interpretations that are mandatory for the Company's accounting periods beginning on July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these 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, 2022.

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, 2022.

| 7 | PROPERTY, PLANT AND EQUIPMENT | Note | (Unaudited) | (Audited) |
|-----|---|-------|--------------------------|------------------|
| | | | March 31, 2023 | June 30, 2022 |
| | | | ----(Rupees in '000)---- | |
| | Operating fixed assets | 7.1 | 2,195,179 | 2,390,644 |
| | Capital work-in-progress | 7.2 | 1,296,290 | 1,065,360 |
| | | | <u>3,491,469</u> | <u>3,456,004</u> |
| 7.1 | Operating fixed assets | | | |
| | Opening net book value (NBV) | | 2,390,644 | 2,237,914 |
| | Additions during the period / year - at cost | 7.1.1 | 252,698 | 740,659 |
| | | | <u>2,643,342</u> | <u>2,978,573</u> |
| | Disposals during the period / year - at NBV | 7.1.1 | (3,264) | (1,280) |
| | Depreciation charged during the period / year | | (444,899) | (586,649) |
| | Closing NBV | | <u>2,195,179</u> | <u>2,390,644</u> |

7.1.1 Additions and disposals of operating fixed assets

| | Additions at cost / transfers | | Disposals at NBV | |
|------------------------------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|
| | (Unaudited) March 31, 2023 | (Audited) June 30, 2022 | (Unaudited) March 31, 2023 | (Audited) June 30, 2022 |
| ----- (Rupees in '000) ----- | | | | |
| Building on freehold land | - | 29,563 | - | - |
| Plant and machinery | 231,658 | 566,915 | - | 380 |
| Office equipment | 13,906 | 13,833 | - | 17 |
| Computers and accessories | 2,264 | 2,631 | 4 | 90 |
| Vehicles (note 7.2.2) | 4,870 | 127,717 | 3,260 | 793 |
| | <u>252,698</u> | <u>740,659</u> | <u>3,264</u> | <u>1,280</u> |

| 7.2 | Capital work-in-progress | Note | (Unaudited) | (Audited) |
|-----|--------------------------|-------|--------------------------|------------------|
| | | | March 31, 2023 | June 30, 2022 |
| | | | ----(Rupees in '000)---- | |
| | Plant and machinery | | 1,296,290 | 1,060,552 |
| | Advance against vehicles | | - | 4,808 |
| | | 7.2.1 | <u>1,296,290</u> | <u>1,065,360</u> |

7.2.1 Movement in capital work-in-progress

| | | | |
|---|-------|------------------|------------------|
| Balance at the beginning of the period / year | | 1,065,360 | 458,234 |
| Additions during the period / year | | 452,586 | 1,308,635 |
| Transfers to operating fixed assets | 7.2.2 | (221,656) | (701,509) |
| Balance at the end of the period / year | | <u>1,296,290</u> | <u>1,065,360</u> |

7.2.2 This includes vehicle of Rs. 4.87 million (June 2022: 63.682) purchased from Indus Motor Company Limited , a related party.

| | Note | (Unaudited) March 31, 2023 | (Audited) June 30, 2022 |
|---|---|----------------------------------|----------------------------------|
| 8 RIGHT-OF-USE ASSETS | | ----- (Rupees in '000) ----- | |
| Cost | 8.1 | 672,145 | 496,947 |
| Accumulated depreciation | 8.2 | (329,024) | (233,584) |
| | | <u>343,121</u> | <u>263,363</u> |
| 8.1 Cost | | | |
| Balance at the beginning of the period / year | | 496,947 | 407,394 |
| Additions during the period / year | | 179,927 | 148,044 |
| Disposal during the period / year | | - | (61,923) |
| Modification of lease liabilities | | (4,729) | 3,432 |
| Balance at end of the period / year | | <u>672,145</u> | <u>496,947</u> |
| 8.2 Accumulated depreciation | | | |
| Balance at beginning of the period / year | | 233,584 | 166,726 |
| Charged during the period / year | 8.3 | 95,440 | 101,723 |
| On disposal during the period / year | | - | (34,865) |
| Balance at end of the period / year | | <u>329,024</u> | <u>233,584</u> |
| | | <u>343,121</u> | <u>263,363</u> |
| Depreciation rate % | | <u>11-67</u> | <u>11-67</u> |
| 8.3 Depreciation charge for the period / year has been allocated as follows: | | (Unaudited) March 31, 2023 | (Unaudited) March 31, 2022 |
| | Note | ----- (Rupees in '000) ----- | |
| Cost of sales | | 27,293 | 23,607 |
| Selling and distribution costs | | 68,148 | 50,496 |
| | | <u>95,441</u> | <u>74,103</u> |
| 9 STOCK-IN-TRADE | | (Unaudited) March 31, 2023 | (Audited) June 30, 2022 |
| | | ----- (Rupees in '000) ----- | |
| Raw material - in hand | | 986,680 | 924,784 |
| - in transit | | 29,906 | 147,048 |
| | | <u>1,016,586</u> | <u>1,071,832</u> |
| Work-in-process | | 77,173 | 42,804 |
| Finished goods | 9.1 | 792,885 | 496,968 |
| Less: Provision for obsolescence | | (42,413) | (27,094) |
| | | <u>1,844,231</u> | <u>1,584,510</u> |
| 9.1 | Represents stock-in-trade costing Rs. 295.859 million (June 2022: Rs. 177.866 million) which has been written down to its net realizable value (NRV) amounting to Rs. 94.472 million (June 2022: Rs. 56.975 million). | | |
| 10 TRADE DEBTS - UNSECURED | | | |
| Unsecured | | | |
| Considered good | | 281,583 | 175,043 |
| Considered doubtful | | 178,896 | 177,719 |
| | | <u>460,479</u> | <u>352,762</u> |
| Allowance for expected credit loss | | (178,896) | (177,719) |
| | | <u>281,583</u> | <u>175,043</u> |
| 11 SHORT-TERM INVESTMENTS | | | |
| At amortised cost | | | |
| Term deposit receipts (TDRs) | | | |
| Term deposit receipts (TDRs) | 11.1 & 12.2 | 381,000 | 416,000 |
| Treasury bills | | - | 48,359 |
| At fair value through profit or loss | | | |
| Mutual fund units | | 833,242 | 884,015 |
| | | <u>1,214,242</u> | <u>1,348,374</u> |

- 11.1 Represents Term Deposit Receipts (TDRs) from 15 days to 3 months term (June 2022: 15 days to 3 months term) under conventional banking relationship carrying interest at the rate 14.2% to 18.5% (June 2022: 9% to 18.5%) per annum, having latest maturity up to April 15, 2023.

| | Note | (Unaudited) March 31, 2023 | (Audited) June 30, 2022 |
|--|--|----------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | | |
| 12 LONG-TERM FINANCING - SECURED | | | |
| Conventional Banks | | | |
| Long-term financing facility | 12.1 | 290,000 | - |
| SBP Refinance facility for Renewable Energy | 12.2 & 12.3 | 266,501 | 232,537 |
| | | <u>556,501</u> | <u>232,537</u> |
| Current portion of long-term financing | | <u>(26,851)</u> | <u>(8,712)</u> |
| | | <u><u>529,650</u></u> | <u><u>223,825</u></u> |
| 12.1 | This represents long term financing facility obtained from Allied Bank Limited to finance the CAPEX requirement of the Company. The total facility amounts to Rs. 300 million and carries mark-up at the rate of six months KIBOR plus 0.35% per annum payable semi annually. The facility is repayable in six years with two years grace period from the date of disbursement in eight equal semi annual installments. The facility is secured against first pari pasu hypothecation charge on fixed assets of the Company inclusive of 25% margin. | | |
| 12.2 | This represents long-term financings obtained from a conventional bank under State Bank of Pakistan's (SBP) Refinance Scheme for Renewable Energy to setup a Solar Power Project. The total facility amounts to Rs. 500 million and carries markup rate of 3% plus spread of 0.45% per annum payable quarterly. These financings are recognized at the present value using the effective interest rates applicable at the dates of the drawdown at 3 month KIBOR plus 0.5% (June 2022: 3 month KIBOR plus 0.5%) per annum. The differential of present value and the drawn amounts are recognized as deferred income and will be amortized when the related asset is available for use. The financings are 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 TDR. | | |
| 12.3 Movement of long-term financing: | Note | (Unaudited) March 31, 2023 | (Audited) June 30, 2022 |
| ----- (Rupees in '000) ----- | | | |
| Balance at beginning of the period / year | | 232,537 | 159,190 |
| Financing received during the period / year | | 50,806 | 91,418 |
| Repayment made during the period / year | | (7,822) | (9,624) |
| Recognised as deferred income | | (24,317) | (24,195) |
| Accretion of interest | | 15,297 | 15,748 |
| Balance at end of the period / year | | <u>266,501</u> | <u>232,537</u> |
| Current portion of long-term financing | | <u>(26,851)</u> | <u>(8,712)</u> |
| | | <u><u>239,650</u></u> | <u><u>223,825</u></u> |
| 13 DEFERRED INCOME | | | |
| Balance at beginning of the period / year | | 63,765 | 41,765 |
| Recognised during the period / year | | 24,317 | 24,195 |
| Amortized during the period / year | | (4,120) | (2,195) |
| Balance at end of the period / year | | <u>83,962</u> | <u>63,765</u> |
| Current portion of deferred income | | <u>(5,494)</u> | <u>(5,494)</u> |
| | | <u><u>78,468</u></u> | <u><u>58,271</u></u> |
| 14 LEASE LIABILITIES | | | |
| Lease liabilities | 14.1 | 399,353 | 310,080 |
| Current portion of lease liabilities | | (126,256) | (111,355) |
| | | <u><u>273,097</u></u> | <u><u>198,725</u></u> |

| | Note | (Unaudited) March 31, 2023 | (Audited) June 30, 2022 |
|--|------|----------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | | |
| 14.1 Movement of lease liabilities: | | | |
| Balance at beginning of the period / year | | 310,080 | 281,445 |
| Additions during the period / year | | 179,927 | 148,044 |
| Disposal during the period / year | | - | (32,666) |
| Modification of lease liabilities | | (4,729) | 3,432 |
| Accretion of finance cost during the period / year | | 35,102 | 29,352 |
| Payments made during the period / year | | (121,027) | (119,527) |
| Balance at end of the period / year | | <u>399,353</u> | <u>310,080</u> |

15 GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE

| | | | |
|--|------|----------------|----------------|
| Balance at beginning of the period / year | | 779,898 | 797,565 |
| Accretion of finance cost during the period / year | | 28,074 | 53,511 |
| Payments made during the period / year | | - | (71,178) |
| | 15.1 | <u>807,972</u> | <u>779,898</u> |
| Current portion of GIDC payable | | (691,599) | (463,229) |
| Balance at end of the period / year | | <u>116,373</u> | <u>316,669</u> |

15.1 There is no material change in the status of GIDC as disclosed in note 22 to the annual financial statement of the Company for the year ended June 30, 2022.

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There is no material change in the status of contingencies as disclosed in note 27.1 to the annual financial statement of the Company for the year ended June 30, 2022.

16.2 Commitments

- (i) Commitments in respect of outstanding letters of credit against raw materials and spares amounting to Rs.426.629 million (June 2022: Rs. 514.696 million).
- (ii) Commitments in respect of capital expenditure amounting to Nil (June 2022: Rs. 51.950 million) for the import of machinery.
- (iii) Commitment in respect of bank guarantees amounting to Rs. 1,198.392 million (June 2022: Rs. 938.538 million) issued by a commercial bank.

| | Note | ----- (Unaudited) ----- March 31, 2023 | March 31, 2022 |
|-------------------------------------|------|--|-------------------|
| (Rupees in '000) | | | |
| 17 CASH AND CASH EQUIVALENTS | | | |
| Short-term investments | 11 | 381,000 | 420,000 |
| Cash and bank balances | | 141,834 | 133,224 |
| | | <u>522,834</u> | <u>553,224</u> |

18 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 as approved by the Board of Directors of the Company. Balances outstanding with related parties have been disclosed in the respective notes to these financial statements. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

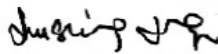
| | ----- (Unaudited) ----- | |
|---|-------------------------|-------------------|
| | Nine months ended | |
| | March 31, 2023 | March 31, 2022 |
| | (Rupees in '000) | |
| Associated companies | | |
| Sales | 10,694 | 14,659 |
| Purchases of goods, material and services | 169,688 | 126,733 |
| Insurance premium | 24,806 | 20,746 |
| Insurance claims received | 6,276 | 1,351 |
| Rent and service charges paid | 14,400 | 12,915 |
| Donation paid | - | 3,845 |
| Staff retirement benefits | | |
| Contribution to provident fund | 25,529 | 22,534 |
| Key management personnel | | |
| Remuneration and other benefits | 63,453 | 67,161 |
| Fee for attending board meetings | 2,500 | 1,300 |
| | (Unaudited) | (Audited) |
| | March 31, 2023 | June 30, 2022 |
| | (Rupees in '000) | |
| Balances as at period / year end | | |
| Long-term security deposits | 1,975 | 1,975 |
| Trade debts | 422 | 1,999 |
| Bank balances | 28,210 | 11,685 |
| Trade and other payables | 52,286 | 33,600 |

19 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 29, 2023 by the Board of Directors of the Company.

20 GENERAL

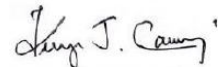
Figures have been rounded off to the nearest rupees in thousands unless otherwise stated.



MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director



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