

# **SHABBIR TILES AND CERAMICS LIMITED**

Condensed Interim Financial Statements

For the Third Quarter and Nine Months ended

March 31, 2022

(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: <a href="http://www.stile.com.pk">http://www.stile.com.pk</a>
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: <a href="http://www.cdcsrsl.com">www.cdcsrsl.com</a>	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)	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

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: 0345-3019124

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: 0301-8282212

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, next to KFC  
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: 0301-8726867

WAH CANTT EMPORIUM

Khan Plaza, Khasra No 434, GT Road, near Raja Saab Mall, Wah Cantt  
Phone: (051) 4926280-81

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, 2022**

The Directors are pleased to present the financial results of your Company for the third quarter and nine months ended March 31, 2022.

**BUSINESS CHALLENGES AND FINANCIAL PERFORMANCE**

Non-availability of gas reached un-precedented levels during the quarter under review, resulting in margins being impacted due to expensive alternate energy sources such as LPG and diesel in order to continue operating plants. Continuous weakening of rupee and increase in the international prices of raw materials, also exerted pressure on gross margins. Despite these challenges, the management continued to keep focus in producing best in class quality, efficient product mix and promoting exclusive products through company operated emporiums.

The financial performance for the nine months is summarized below:

Particulars	<i>Rs. in ' 000</i>	
	March 31, 2022	March 31, 2021
Turnover – net	8,755,489	7,467,444
Gross profit	2,288,447	2,406,757
Earnings before interest, tax and depreciation (EBITDA)	1,403,011	1,808,119
Profit before tax	804,753	1,199,024
Profit after tax	465,525	766,174
Earnings per share (Rs. / share)	1.95	3.20

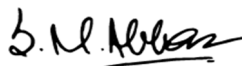
During the period, the gross margins decreased to 26% versus 32%, as a result of the reasons discussed above. The overall profit before tax was Rs. 805 million as against Rs. 1,199 million in the same period last year.

**FUTURE OUTLOOK**

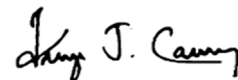
Depleting natural gas reserves continue to threaten sustainability of industrial sector, specially tile which considers natural gas as the most essential raw material. A strong Governmental resolve to address this risk is more critical than ever. The Company is heavily dependent on natural gas for its energy needs. International supply chain constraints during the pandemic had resulted in a surge in coal and oil prices and now resumption in economic activity around the world is likely to continue pushing energy prices higher. Recent geopolitical tensions between Russia and West will exacerbate the situation even further. Further, Pak Rupee have also depreciated further due to domestic political uncertainty and will continue to put further pressure on cost of imported raw materials. These factors will continue to bear down on the tile industry and it will be even more challenging for the Company to maintain margins in the near future.

We take this opportunity to thank all stakeholders for their continued support.

On behalf of the Board of Directors



**SYED MASOOD ABBAS JAFFERY**  
Chief Executive Officer



**FEROZE JEHANGIR CAWASJI**  
Director

Karachi: April 22, 2022

## شبیر ٹائلز اینڈ سرامکس لمیٹڈ حصص یافتگان کے لئے ڈائریکٹرز رپورٹ برائے تیسری سہ ماہی اور نو ماہ اختتامیہ 31 مارچ 2022

ڈائریکٹرز آپ کی کمپنی کی تیسری سہ ماہی اور نو ماہ اختتامیہ 31 مارچ 2022 کے مالیاتی نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### مالیاتی کارکردگی اور کاروباری چیلنجز

زیر نظر سہ ماہی کے دوران گیس کی عدم دستیابی غیر معمولی سطح پر پہنچ گئی، جس کے نتیجے میں کمپنی کے پلانٹ کو چلانے کے لیے مہنگے متبادل توانائی کے ذرائع جیسے ایل پی جی اور ڈیزل کا استعمال کرنا پڑا جس کی وجہ سے کمپنی کا منافع متاثر ہوا ہے۔ روپے کی قدر میں مسلسل کمی اور خام مال کی بین الاقوامی قیمتوں میں اضافے نے بھی مجموعی مارجن پر دباؤ ڈالا ہوا ہے۔ ان چیلنجز کے باوجود کمپنی نے ٹائلز کی بہترین پیداوار، موثر پروڈکٹ مکس اور کمپنی کے زیر انتظام ایمپوریمز کے ذریعے خصوصی مصنوعات کو فروغ دینے پر توجہ مرکوز رکھی ہوئی ہے۔

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

روپے ہزاروں میں

تفصیلات	31 مارچ 2022	31 مارچ 2021
خالص فروخت	8,755,489	7,467,444
مجموعی منافع	2,288,447	2,406,757
آمدنی قبل از شرح سود، ٹیکس اور فرسودگی (EBITDA)	1,403,011	1,808,119
منافع قبل از ٹیکس	804,753	1,199,024
منافع بعد از ٹیکس	465,525	766,174
آمدنی فی حصص (روپے / حصص)	1.95	3.20

اس مدت کے دوران، مجموعی مارجن پچھلے سال کے 32% کے مقابلے میں 26% ہو گیا ہے، جس کی وجوہات اوپر بیان کی گئی ہیں، منافع قبل از ٹیکس 805 ملین روپے ہے جو کہ پچھلے سال کی اسی مدت میں 1,199 ملین روپے تھا۔

### مستقبل کا نقطہ نظر

قدرتی گیس کے ذخائر کی کمی صنعتی شعبے کی پائیداری کو خطرہ بنا رہی ہے، خاص طور پر ٹائلز انڈسٹری جہاں قدرتی گیس کو انتہائی ضروری خام مال سمجھتا جاتا ہے۔ اس خطرے سے نمٹنے کے لیے ایک مضبوط حکومتی اقدام پہلے سے زیادہ ضروری ہے۔

کمپنی اپنی توانائی کی ضروریات کے لیے قدرتی گیس پر بہت زیادہ انحصار کرتی ہے۔ وبا کے باعث بین الاقوامی سپلائی چین متاثر رہی جس کے نتیجے میں کونیلے اور تیل کی قیمتوں میں بے پناہ اضافہ ہوا تھا اور اب پوری دنیا میں معاشی سرگرمیوں کی بحالی سے توانائی کی قیمتوں میں مزید اضافے کا امکان ہے۔ روس اور مغرب کے درمیان حالیہ جغرافیائی سیاسی تناؤ صورتحال کو مزید خراب کر رہا ہے۔ مزید برآں، ملکی سیاسی غیر یقینی صورتحال کی وجہ سے پاکستانی روپے کی قدر میں مزید کمی ہوئی ہے اور درآمدی خام مال کی قیمت پر مزید دباؤ جاری رہے گا۔ یہ عوامل ٹائل کی صنعت پر اثر انداز ہوتے رہیں گے اور کمپنی کے لیے مستقبل قریب میں مارجن کو برقرار رکھنا اور بھی زیادہ مشکل ہوگا۔

ہم اس موقع پر اپنے تمام اسٹیک ہولڈرز کی مسلسل حمایت پر شکریہ ادا کرتے ہیں۔

برائے و منجانب - بورڈ آف ڈائریکٹرز

*Jimmy J. Cassidy*

فیروز جہانگیر کاوسی  
ڈائریکٹر

*S. M. Abbas*

سید مسعود عباس جعفری  
چیف ایگزیکٹو آفیسر

کراچی: 22 اپریل ، 2022

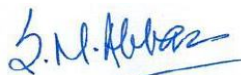
SHABBIR TILES AND CERAMICS LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2022

	Note	March 31, 2022 (Un-audited) ------(Rupees in '000)-----	June 30, 2021 (Audited)
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	3,324,813	2,696,148
Right-of-use assets	8	273,268	240,668
Investment properties		6,104	7,035
Long-term loans		7	350
Long-term security deposits		32,197	27,025
Deferred tax asset - net		6,297	-
		<u>3,642,686</u>	<u>2,971,226</u>
<b>CURRENT ASSETS</b>			
Stores and spare parts		528,939	440,609
Stock-in-trade	9	1,687,501	1,465,862
Trade debts	10	199,508	234,251
Loans and advances		66,646	37,901
Deposits, prepayments and other receivables		22,017	15,395
Short-term investments	11	1,138,260	1,679,595
Cash and bank balances		133,224	178,786
		<u>3,776,095</u>	<u>4,052,399</u>
		<u>7,418,781</u>	<u>7,023,625</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
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		<u>1,613,711</u>	<u>1,447,336</u>
		<u>2,810,311</u>	<u>2,643,936</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured	12	217,815	159,190
Deferred Income		55,874	41,765
Lease liabilities	13	214,626	173,289
Gas infrastructure development cess (GIDC) payable	14	238,551	566,365
Deferred tax liability - net		-	54,157
		<u>726,866</u>	<u>994,766</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,542,029	2,203,255
Unclaimed dividend		3,279	3,281
Unpaid dividend		2,942	1,130
Accrued mark-up		1,987	-
Current maturity of lease liabilities	13	102,244	108,156
Current maturity of GIDC payable	14	529,648	231,200
Taxation - net		312,267	422,641
Sales tax payable		387,208	415,260
		<u>3,881,604</u>	<u>3,384,923</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15	<u>7,418,781</u>	<u>7,023,625</u>

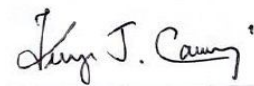
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



**MUSTAFA JAFAR**  
Chief Financial Officer



**SYED MASOOD ABBAS JAFFERY**  
Chief Executive Officer



**FEROZE JEHANGIR CAWASJI**  
Director



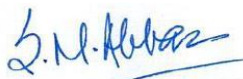
SHABBIR TILES AND CERAMICS LIMITED  
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2022  
(UN-AUDITED)

	Nine Months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	------(Rupees in '000)-----			
Turnover - net	8,755,489	7,467,444	2,980,500	2,612,060
Cost of sales	(6,467,042)	(5,060,687)	(2,377,181)	(1,782,074)
<b>Gross profit</b>	<b>2,288,447</b>	2,406,757	<b>603,319</b>	829,986
Selling and distribution costs	(1,184,634)	(1,063,672)	(394,211)	(343,000)
Administrative expenses	(251,340)	(217,996)	(89,918)	(64,948)
(Allowance) / reversal for expected credit loss	(13,653)	12,880	(2,219)	(7,991)
	(1,449,627)	(1,268,788)	(486,348)	(415,939)
Other income	136,968	251,068	41,075	36,037
<b>Operating profit</b>	<b>975,788</b>	1,389,037	<b>158,046</b>	450,084
Finance costs	(87,530)	(80,058)	(31,870)	(28,685)
Other expenses	(83,505)	(109,955)	(13,713)	(36,598)
	(171,035)	(190,013)	(45,583)	(65,283)
<b>Profit before taxation</b>	<b>804,753</b>	1,199,024	<b>112,463</b>	384,801
Taxation				
- Current	(399,682)	(434,398)	(72,178)	(163,864)
- Deferred	60,454	1,548	4,515	22,754
	(339,228)	(432,850)	(67,663)	(141,110)
<b>Profit after taxation</b>	<b>465,525</b>	766,174	<b>44,800</b>	243,691
	----- (Rupee) -----			
<b>Earnings per share – basic and diluted</b>	<b>1.95</b>	3.20	<b>0.19</b>	1.02

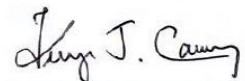
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



**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 COMPREHENSIVE INCOME  
 FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2022  
 (UN-AUDITED)

	Nine Months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----			
<b>Profit after taxation</b>	465,525	766,174	44,800	243,691
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	465,525	766,174	44,800	243,691

The annexed notes from 1 to 19 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, 2022  
(UN-AUDITED)

	Issued, subscribed and paid-up capital	Reserves			Total reserves	Total equity
		Capital reserve	Revenue reserves			
		Share premium	General reserve	Unappropriated (Loss) / profit		
----- (Rupees in '000) -----						
<b>Balance as at June 30, 2020 (audited)</b>	1,196,600	449,215	478,000	(404,767)	522,448	1,719,048
Profit after taxation	-	-	-	766,174	766,174	766,174
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	766,174	766,174	766,174
<b>Balance as at March 31, 2021 (un-audited)</b>	1,196,600	449,215	478,000	361,407	1,288,622	2,485,222
<b>Balance as at June 30, 2021 (audited)</b>	<b>1,196,600</b>	<b>449,215</b>	<b>478,000</b>	<b>520,121</b>	<b>1,447,336</b>	<b>2,643,936</b>
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)
<b>Balance as at March 31, 2022 (un-audited)</b>	<b>1,196,600</b>	<b>449,215</b>	<b>478,000</b>	<b>686,496</b>	<b>1,613,711</b>	<b>2,810,311</b>

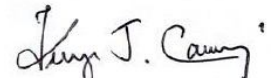
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**MUSTAFA JAFAR**  
Chief Financial Officer



**SYED MASOOD ABBAS JAFFERY**  
Chief Executive Officer



**FEROZE JEHANGIR CAWASJI**  
Director

SHABBIR TILES AND CERAMICS LIMITED  
CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022  
(UN-AUDITED)

	Note	March 31, 2022 ----- (Rupees in '000) -----	March 31, 2021 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		804,753	1,199,024
<b>Adjustments for:</b>			
Depreciation on:			
operating fixed assets	7.1	435,694	462,789
right-of-use assets	8	74,103	65,317
investment property		931	931
Finance costs		87,530	80,058
Allowance / (Reversal) for expected credit loss		13,653	(12,880)
Provision / (Reversal) for slow moving stores and spare parts		26,285	(12,414)
Provision / (Reversal) for slow moving stock-in-trade		2,482	(18,041)
Unrealized gain on short-term investments - mutual fund units		(1,550)	(1,069)
Remeasurement gain		-	(161,749)
Gain on disposal of operating fixed assets		(2,652)	(1,178)
Gain on disposal of lease assets		(5,608)	-
		<u>630,868</u>	<u>401,764</u>
<b>Operating profit before working capital changes</b>		<b>1,435,621</b>	<b>1,600,788</b>
<b>(Increase) / decrease in current assets</b>			
Stores and spare parts		(114,615)	(172,623)
Stock-in-trade		(224,121)	28,142
Trade debts		21,090	12,251
Loans and advances		(28,745)	(2,242)
Deposits, prepayments and other receivables		(6,622)	(7,068)
		<u>(353,013)</u>	<u>(141,540)</u>
<b>Increase / (Decrease) in current liabilities</b>			
Trade and other payables		338,774	649,006
Sales tax payable		(28,052)	81,137
		<u>310,722</u>	<u>730,143</u>
<b>Cash generated from operations</b>		<b>1,393,330</b>	<b>2,189,391</b>
Income tax paid		(510,056)	(32,331)
Finance costs paid		(15,668)	(15,059)
Long-term loan - net		343	(233)
Long-term security deposits - net		(5,172)	(2,040)
GIDC paid		(71,178)	(166,081)
<b>Net cash generated from operating activities</b>		<b>791,599</b>	<b>1,973,647</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(1,057,987)	(166,734)
Proceeds from disposal of operating fixed assets		3,453	2,978
Short-term investments made during the period - mutual fund units		(2,802,226)	(2,225,134)
Short-term investments redeemed during the period - mutual fund units		3,165,111	1,141,956
<b>Net cash used in investing activities</b>		<b>(691,649)</b>	<b>(1,246,934)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing obtained during the period	12.1	66,894	-
Repayment of long-term financing		(5,413)	(269,100)
Lease rental paid		(89,653)	(79,598)
Dividend paid		(297,340)	-
<b>Net cash used in financing activities</b>		<b>(325,512)</b>	<b>(348,698)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(225,562)</b>	<b>378,015</b>
Cash and cash equivalents at the beginning of the period		778,786	495,592
<b>Cash and cash equivalents at the end of the period</b>	16	<b>553,224</b>	<b>873,607</b>

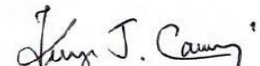
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



**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, 2022  
 (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):	78-A Factory Adda, Dina Nath main Multan road, 46 KM Road, 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 but subject to limited scope review by the statutory auditors as required under Section 237 of the Companies Act 2017. These condensed interim financial statements 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 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

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:

### Amendment:

IFRS 9, IAS 39, IFRS 7, IFRS 4 & - Interest Rate Benchmark Reform - Phase 2 (Amendments)

IFRS 16

IFRS 16 - COVID-19 - Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of above amendments to IFRSs did not have any material impact 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.

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	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
----(Rupees in '000)----			
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	2,406,053	2,237,914
Capital work-in-progress (CWIP)	7.2	918,760	458,234
		<u>3,324,813</u>	<u>2,696,148</u>
<b>7.1 Operating fixed assets</b>			
Opening Net Book Value (NBV)		2,237,914	2,619,310
Additions including transfers from CWIP during the period / year - at cost	7.1.1	604,634	242,368
		2,842,548	2,861,678
Disposals during the period / year - at NBV	7.1.1	(801)	(2,780)
Depreciation charged during the period / year		(435,694)	(620,984)
Closing NBV		<u>2,406,053</u>	<u>2,237,914</u>
<b>7.1.1 Additions and disposals of operating fixed assets</b>			
		<b>Additions at cost / Transfers</b>	<b>Disposals at NBV</b>
		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees in '000) -----	
Building on freehold land		76,268	68,460
Plant and machinery		406,898	120,353
Office equipment		11,460	14,889
Computers and accessories		2,053	3,263
Vehicles	7.3	107,955	35,403
		<u>604,634</u>	<u>242,368</u>
		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
		----(Rupees in '000)----	
<b>7.2 Capital work-in-progress</b>			
Plant and machinery		892,323	320,462
Civil works		-	58,813
Office Equipment		-	676
Advance against vehicles	7.2.1	18,630	77,649
Borrowing cost capitalized	7.2.2	7,807	634
		<u>918,760</u>	<u>458,234</u>
<b>7.2.1</b>			
Includes advance of Rs. 13.885 million (June 2021: Rs. 40.318 million) paid to Indus Motor Company Limited, a related party.			

	Note	March 31, 2022 (Un-audited) ----(Rupees in '000)----	June 30, 2021 (Audited)
<b>7.2.2 Movement in capital work-in-progress</b>			
Balance at the beginning of the period / year		458,234	52,956
Additions during the period / year		1,020,713	574,545
Transfers to operating fixed assets	7.3	(567,360)	(169,901)
Borrowing cost capitalized during the period / year	7.2.3	7,173	634
Balance at the end of the period / year		<u>918,760</u>	<u>458,234</u>
<b>7.2.3</b>	The borrowing costs capitalised during the period amounting to Rs. 7.173 million (June 30, 2021: Rs. 0.634 million). The rate used to determine the amount of borrowing costs eligible for capitalisation ranging between 7.95% to 8.31%, which is the effective interest rate at the time of recognition of the specific borrowing.		
<b>7.3</b>	Includes amount of Rs. 48.282 million (June 30, 2021: Rs. 33.406 million) related to purchase of vehicles from Indus Motors Company Limited, a related party.		
<b>8 RIGHT-OF-USE ASSETS</b>		March 31, 2022 (Un-audited) ----(Rupees in '000)----	June 30, 2021 (Audited)
<b>Cost</b>			
Balance at the beginning of the period / year		407,394	346,136
Additions during the period / year		137,770	70,725
Disposal during the period / year		(61,923)	-
Remeasurement of lease liabilities		(4,009)	(9,467)
Balance at end of the period / year		<u>479,232</u>	<u>407,394</u>
<b>Accumulated Depreciation</b>			
Balance at beginning of the period / year		166,726	78,418
Depreciation charged during the period / year		74,103	88,308
Disposal of depreciation during the period		(34,865)	-
Balance at end of the period / year		<u>205,964</u>	<u>166,726</u>
<b>Net Book Value</b>		<u>273,268</u>	<u>240,668</u>
<b>9 STOCK-IN-TRADE</b>			
Includes stock-in-trade costing Rs. 164.786 million (June 2021: Rs. 229.558 million) which has been written down to its net realizable value (NRV) amounting to Rs. 52.308 million (June 2021: Rs. 73.363 million).			
<b>10 TRADE DEBTS</b>	Note	March 31, 2022 (Un-audited) ----(Rupees in '000)----	June 30, 2021 (Audited)
<b>Unsecured</b>			
Considered good		199,508	234,251
Considered doubtful		171,826	158,236
		<u>371,334</u>	<u>392,487</u>
Allowance for expected credit loss		(171,826)	(158,236)
		<u>199,508</u>	<u>234,251</u>
<b>11 SHORT-TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
Term deposit receipts (TDRs)			
up to three months		420,000	600,000
more than three months		56,000	56,000
	11.1	<u>476,000</u>	<u>656,000</u>
<b>At fair value through profit or loss</b>			
Mutual fund units	11.2	662,260	1,023,595
		<u>1,138,260</u>	<u>1,679,595</u>
<b>11.1</b>	Represents term deposit receipts (TDRs) ranging from 15 days to 1 year term (June 2021: 15 days to 1 year term) with various commercial banks under conventional banking relationship carrying profit at the rate of 7% to 11.8% (June 2021: 7% to 9%) per annum, having latest maturity up to June 07, 2022.		

	Note	March 31, 2022 (Un-audited) ------(Rupees in '000)-----	June 30, 2021 (Audited)
<b>11.2 Mutual fund units - at fair value through profit or loss</b>			
MCB Arif Habib Cash Management Optimizer		-	150,311
Al Meezan Rozana Amdani Fund (537,052.054 Units at NAV of Rs. 50)		26,853	201,552
Faysal Islamic Cash Fund (118,329.116 Units at NAV of Rs. 100)		11,833	123,121
MCB Arif Habib Al Hamra Islamic Money Market Fund		-	100,721
UBL Liquidity Plus Funds (1,119,428.890 Units at NAV of Rs. 101.24)		113,331	153,551
HBL Asset Management Ltd - HBL Cash Fund (919,552.834 Units at NAV of Rs. 101.969)		93,766	102,418
Alfalaha GHP Money Market Fund (527,770.130 Units at NAV of Rs. 98.557)		52,016	101,004
Alfalaha Islamic Rozana Amdani Fund (8,873.470 Units at NAV of Rs. 100)		887	842
Lakson Investment Money Market Fund (540,742.487 Units at NAV of Rs. 101.786)		55,041	60,075
UBL Al Ameen Islamic Cash Plan - 1 (212,559.013 Units at NAV of Rs. 100)		21,256	30,000
MCB Arif Habib (PCMF) (3,688,740.081 Units at NAV of Rs. 50.4678)		186,163	-
NBP Money Market Fund (10,204,827.722 Units at NAV of Rs. 9.9085)		101,114	-
		<u>662,260</u>	<u>1,023,595</u>

**12 LONG-TERM FINANCING - SECURED****Conventional bank**

SBP refinance scheme for renewable energy	12.1	217,815	159,190
Current maturity of long-term financing		-	-
		<u>217,815</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% (June 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 rates taken for the purposes of discounting adjustment for recognition at fair value are ranging between 7.95% to 8.31% (June 2021: 7.95%) per annum.

	Note	March 31, 2022 (Un-audited) ------(Rupees in '000)-----	June 30, 2021 (Audited)
<b>Movement of long-term financing:</b>			
Balance at beginning of the period / year		159,190	269,100
Financing received during the period / year		66,894	200,321
Repayment made during the period / year		(5,413)	(269,100)
Recognised as deferred income	12.2	(14,109)	(41,765)
Unwinding of finance cost		11,253	634
Balance at end of the period / year		<u>217,815</u>	<u>159,190</u>

- 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.



		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
	Note	----(Rupees in '000)----	
<b>13 LEASE LIABILITIES</b>			
Lease liabilities	13.1	316,870	281,445
Current maturity of lease liabilities		<u>(102,244)</u>	<u>(108,156)</u>
		<u><b>214,626</b></u>	<u><b>173,289</b></u>
<b>13.1 Movement of lease liabilities:</b>			
Balance at beginning of the period / year		281,445	289,681
Additions during the period / year		137,770	70,725
Disposal during the period / year		(32,666)	-
Remeasurement of lease liabilities		(4,009)	(9,467)
Unwinding of finance cost during the period / year		23,983	34,896
Payments made during the period / year		<u>(89,653)</u>	<u>(104,390)</u>
Balance at end of the period / year		<u><b>316,870</b></u>	<u><b>281,445</b></u>
<b>14 GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE</b>			
Balance at beginning of the year		797,565	1,124,079
Accrual during the year		-	14,764
Derecognition of existing liability		-	(1,138,843)
		<u>797,565</u>	-
Recognition of new liability		-	977,095
Unwinding of finance cost		41,812	57,730
Payments made during the year		<u>(71,178)</u>	<u>(237,260)</u>
		<u>768,199</u>	<u>797,565</u>
Current maturity of GIDC payable	14.2	<u>(529,648)</u>	<u>(231,200)</u>
Balance at end of the year		<u><b>238,551</b></u>	<u><b>566,365</b></u>

**14.1** Pursuant to the decision of the Honorable Supreme Court of Pakistan in August 2020 in respect of GIDC, and its subsequent judgement on the review petitions in November 2020, the management of the Company, in the prior year, has derecognised the liability for GIDC and recognised new liability for GIDC at the present value of future cashflows.

**14.2** The Company also filed a Suit with the Honorable Sindh High Court (SHC) in September 2020 against collection of GIDC installments, preliminary taking the stance that it had not passed on the burden of GIDC to the ultimate customer. The SHC granted a stay in September 2020 against recovery of GIDC payable from the Company until the matter is finalised. The matter is currently pending in the SHC. The Company started making payments under protest from November 2020 in 48 equal monthly installments. However, the installments for the period from October 2021 till March 2022 amounting to Rs. 142.355 million were not paid under the aforementioned stay order and are included in current maturity

## 15 CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

The taxation authorities passed amended assessment orders for the tax years 2018 and 2019 wherein disallowances were made in respect of various issues including excess bank credit entries, excess claim of sales tax, provision against Gas Infrastructure Development Cess and claim of certain expenses. Consequently, tax demands of Rs. 110.116 million and Rs. 148.904 million for the tax years 2018 and 2019 were created. The Company has filed appeals against the aforesaid orders before the Commissioner Inland Revenue (Appeals-II), Karachi, which are pending adjudication. Moreover, automatic stay from recovery of tax has been obtained in terms of section 140 of the Ordinance by making payment of 10% of the tax demands created above.

### 15.2 Commitments

- (i) Commitments in respect of outstanding letters of credit against raw materials and spares amounting to Rs. 355.390 million (June 2021: Rs. 236.770 million).
- (ii) Commitments in respect of capital expenditure amounting to 295.279 million (June 2021: Rs. 132.950 million) for the import of machinery.
- (iii) Commitment in respect of bank guarantees issued by a commercial bank in favour of:

	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
	----(Rupees in '000)----	
Sui Southern Gas Company Limited	432,076	368,775
Nazir of Sindh High Court	328,563	281,842
Pakistan State Oil	40,000	40,000
Excise and Taxation Department	108,381	73,381
K Electric	<u>13,294</u>	
	<u><b>922,314</b></u>	<u><b>763,998</b></u>

	March 31, 2022	March 31, 2021
	(Rupees in '000)	
	----- (Un-audited) -----	
<b>16 CASH AND CASH EQUIVALENTS</b>		
Short-term investments - TDRs with maturity upto three months	420,000	700,000
Cash and bank balances	133,224	173,607
	<u>553,224</u>	<u>873,607</u>

**17 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, 2022	March 31, 2021
	(Rupees in '000)	
	----- (Un-audited) -----	
<b>Associated companies</b>		
Sales	14,659	14,731
Purchases of goods, material and services	126,733	91,215
Insurance premium	20,746	19,925
Insurance claims received	1,351	7,613
Rent and service charges paid	12,915	12,034
Donation paid	3,845	
<b>Staff retirement benefits</b>		
Contribution to provident fund	22,534	18,203
<b>Key management personnel</b>		
Remuneration and other benefits	67,161	46,792
Fee for attending board meetings	1,300	500
	March 31, 2022	June 30, 2021
	(Rupees in '000)	
	----- (Un-audited) -----	
<b>Balances as at period / year end</b>		
Long-term security deposits	1,974	1,266
Trade debts	5,063	1,200
Bank balances	23,136	14,013
Trade and other payables	28,296	13,018

**18 DATE OF AUTHORIZATION FOR ISSUE**


These condensed interim financial statements were authorized for issue on April 22, 2022 by the Board of Directors of the Company.

**19 GENERAL**

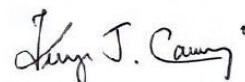
19.1 Figures have been rounded off to the nearest rupees in thousands unless otherwise stated.



**MUSTAFA JAFAR**  
Chief Financial Officer



**SYED MASOOD ABBAS JAFFERY**  
Chief Executive Office



**FEROZE JEHANGIR CAWASJI**  
Director



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