

SHABBIR TILES AND CERAMICS LIMITED

Condensed Interim Financial Statements

For the Second quarter and Half Year ended

December 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
 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: 0300-8269689
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
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, 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: 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 : 0300-2019171
GILGIT BALSTISTAN EMPORIUM	Shop no. 14, Akbar Market, Khomar Yarkot, Gilgit DHA Phase 6, Karachi Phone: 05811-553865
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 SECOND QUARTER AND HALF YEAR ENDED DECEMBER 31, 2022

The Directors are pleased to present the financial results of your Company for the second quarter and half year ended December 31, 2022.

Pakistan's economy continued to face serious challenges exacerbated by restrictions on imports of non-essential items, which negatively impacted manufacturing industry across various sectors. Macroeconomic risks remain high as the country faces challenges associated with the current account deficit, heavy debt burden, rupee depreciation and lower demand for its traditional exports amid subdued global growth. With inflation continuing to hamper the purchasing power, the demand in the construction sector reduced significantly. Import restrictions had no impact on the operations of the Company during the half year under review, as adequate inventory levels for imported raw materials were being maintained but pose a risk to future manufacturing operations.

During the half year under review, the Company continued upward trajectory in revenue by 10% increase as compared to the last year, on the back of price increases and better product mix. However, the market activity slowed due to Floods in the first quarter, an underperforming construction sector and government projects being put on hold. Margins were impacted adversely due to devaluation of rupee, local freight costs and a significant increase in coal prices, resulting in lower gross margins.

Business performance improved during Q2 due to focused approach to rationalize and reduce manufacturing cost, the GP margins improved to 19% as compared to 10% of Q1. Efforts were made to manage the energy mix with reduced utilization of costly diesel and LPG. On the other hand, despite devaluation of rupee, by switching to alternate sources of imported materials and development new recipes resulted in lower manufacturing cost and improving margins. Further, sales volume from company operated retail outlets also picked up which also helped in reduced loss in Q2.

The financial performance is summarized below:

Particulars	<i>Rs. in ' 000</i>			
	For the quarter ended		For the half year ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Turnover – net	3,439,050	3,109,210	6,357,275	5,774,989
Gross profit	639,910	884,149	944,527	1,685,128
Earnings before interest, tax and depreciation	207,766	551,561	187,952	1,081,314
(Loss) / Profit before tax	(32,411)	355,201	(272,386)	692,290
Profit / (Loss) after tax	8,688	218,069	(196,302)	420,725
Earnings per share (Rs. / share)	0.04	0.91	(0.82)	1.76

During the period, the gross margins decreased to 15% versus 29%, as a result of the reasons discussed above. With lower sales volumes, the fixed costs remained unabsorbed, and the Company incurred a loss before tax of Rs. 272 million as against profit before tax of Rs. 692 million in the same period last year.

FUTURE OUTLOOK

Restrictions on imports of non-essential items is expected to continue for next couple of months until the Country is able to build adequate foreign currency reserves under the IMF program. At the time of issuance of this report, the Company has sufficient inventory of imported raw materials to sustain its operations for coming months and is working very closely with banks to secure import of raw materials to be able to operate the plant uninterrupted until the end of this fiscal year. In parallel, the management has also embarked on a plan of substituting imported raw materials by identifying and developing their sources locally in order to be in a position to run the business sustainably going forward.

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

Karachi: February 27, 2023

شبیر ٹائلز اینڈ سرامکس لمیٹڈ حصص یافتگان کے لئے ڈائریکٹرز رپورٹ

برائے دوسری سہ ماہی اور نصف سال اختتامیہ 31 دسمبر 2022

ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والی دوسری سہ ماہی اور نصف سال کے لئے آپ کی کمپنی کے مالی نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

غیر ضروری اشیاء کی درآمد پر پابندیوں کی وجہ سے پاکستان کی معیشت کوشدید دشواری کا سامنا ہے، جس نے مینوفیکچرنگ انڈسٹری کے مختلف شعبوں کو منفی طور پر متاثر کیا ہے۔ بڑے اقتصادی مسائل بہت زیادہ ہوجکے ہیں کیونکہ ملک کو کرنٹ اکاؤنٹ کے خسارے کے ساتھ ساتھ قرضوں کی ادائیگی، روپے کی قدر میں کمی اور بین الاقوامی سطح پر تجارت میں کمی کے باعث اپنی برآمدات کی مانگ میں کمی سے منسلک چیلنجز کا سامنا ہے۔ مہنگائی کی وجہ سے قوت خرید میں رکاوٹ پیدا ہونے سے تعمیراتی شعبے کی طلب میں نمایاں کمی واقع ہوئی ہے۔ درآمدی پابندیوں کی وجہ سے کمپنی کے آپریشنز پر کوئی اثر نہیں پڑا ہے، کیونکہ درآمد شدہ خام مال کا پہلے سے ہی مناسب انتظام کر لیا گیا تھا لیکن پابندی اگر برقرار رہتی ہے تو مستقبل میں مینوفیکچرنگ آپریشنز کے لیے خطرہ ہے۔

زیر جائزہ ششماہی کے دوران، قیمتوں میں اضافے اور پروڈکٹ کے بہتر امتزاج کی وجہ سے کمپنی کی خالص فروخت میں گزشتہ سال کے مقابلے میں 10 فیصد اضافہ ہوا ہے۔ تاہم، پہلی سہ ماہی میں سیلاب کی وجہ سے مارکیٹ کی سرگرمی سست پڑ گئی تھی، تعمیراتی شعبے کی کارکردگی کم ہوئی تھی اور حکومتی منصوبوں کو روک دیا گیا تھا۔ روپے کی قدر میں کمی، مقامی مال برداری کی لاگت اور کوئلے کی قیمتوں میں نمایاں اضافے کی وجہ سے بھی منافع پر منفی اثر پڑا ہے، جس کے نتیجے میں مجموعی منافع کم ہوا ہے۔

اس سہ ماہی میں کمپنی نے مینوفیکچرنگ لاگت کو معقول بنانے اور کم کرنے پر توجہ مرکوز رکھی ہے، مہنگے ڈیزل اور ایل پی جی کے کم استعمال کے ساتھ انرجی مکس کو منظم کرنے کی کوششیں کی گئیں ہیں جس کی وجہ دوسری سہ ماہی کے اختتام پر کمپنی کی کاروباری کارکردگی بہتر ہوئی ہے اور مجموعی منافع 19% تک پہنچ گیا ہے جو کہ گزشتہ سہ ماہی میں 10% تھا۔ دوسری جانب، روپے کی قدر میں کمی کے باوجود، درآمدی مواد کے متبادل ذرائع پر جانے اور نئی ترکیبیں تیار کرنے کے نتیجے میں پیداواری لاگت کم ہوئی اور مجموعی منافع میں بہتری آئی۔ مزید یہ کہ کمپنی سے اپنے ریٹیل آؤٹ لیٹس سے فروخت کا حجم بھی بڑھ گیا جس نے دوسری سہ ماہی میں نقصان کو کم کرنے میں بھی مدد کی۔

مالیاتی کارکردگی کا خلاصہ درج ذیل ہے:

روپے ہزاروں میں

تفصیلات		دوسری سہ ماہی		نصف سال	
		31 دسمبر 2021	31 دسمبر 2022	31 دسمبر 2021	31 دسمبر 2022
خالص فروخت		3,109,210	3,439,050	5,774,989	6,357,275
مجموعی منافع		884,149	639,910	1,685,128	944,527
آمدنی قبل از شرح سود، ٹیکس اور فرسودگی (EBITDA)		551,561	207,766	1,081,314	187,952
(نقصان) / منافع قبل از ٹیکس		355,201	(32,411)	692,290	(272,386)
(نقصان) / منافع بعد از ٹیکس		218,069	8,688	420,725	(196,302)
آمدنی / (نقصان) فی حصص (روپے / حصص)		0.91	0.04	1.76	(0.82)

اس مدت کے دوران، مجموعی منافع 15% رہا ہے جو کہ گزشتہ سال کے دوران 29% تھا، جس کی وجوہات اوپر بیان کی گئی ہیں۔ فروخت کے کم حجم کے ساتھ، مقررہ اخراجات جذب نہیں ہوئے، اور کمپنی کو قبل از ٹیکس 272 ملین روپے کا نقصان اٹھانا پڑا۔ جو کہ گزشتہ سال کی اسی مدت میں 692 ملین روپے کے قبل از ٹیکس منافع کی صورت میں تھا۔

مستقبل کی پیش بینی:

توقع ہے کہ غیر ضروری اشیاء کی درآمد پر پابندیاں اگلے کچھ ماہ تک جاری رہیں گی جب تک کہ ملک آئی ایم ایف پروگرام کے تحت غیر ملکی کرنسی کے مناسب ذخائر بنانے کے قابل نہیں ہو جاتا۔ اس رپورٹ کے اجراء کے وقت، کمپنی کے پاس آنے والے مہینوں تک اپنے آپریشنز کو برقرار رکھنے کے لیے درآمد شدہ خام مال کی کافی انویٹری موجود ہے اور وہ خام مال کی درآمد کو محفوظ بنانے کے لیے بینکوں کے ساتھ مل کر کام کر رہی ہے تاکہ پلانٹ کو اس مالی سال کے اختتام تک بلا تعطل چلانے کے قابل بنایا جا سکے۔ اس کے ساتھ، انتظامیہ نے درآمد شدہ خام مال کے متبادل کے لیے مقامی طور پر ان کے ذرائع تلاش کرنے اور تبدیل کرنے کا منصوبہ بھی شروع کیا ہے تاکہ کاروبار کو پائیدار طریقے سے آگے بڑھایا جا سکے۔

ہم اپنے اسٹیک ہولڈرز 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

Anthony J. Casey

فیروز جہانگیر کاوسجی
ڈائریکٹر

S. M. Abbas

سید مسعود عباس جعفری
چیف ایگزیکٹو آفیسر

کراچی: 27 فروری 2023



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

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Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

DRAFT

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of **Shabbir Tiles and Ceramics Limited**

Report on review of **Condensed Interim Financial Statements**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Shabbir Tiles And Ceramics Limited** (the Company) as at **31 December 2022**, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income and the notes forming part thereof for the three-months period ended 31 December 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures of the six-months period ended 31 December 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Omer Chughtai**.

Chartered Accountants 

Place: Karachi

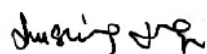
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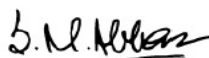
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
------(Rupees in '000)-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,572,854	3,456,004
Right-of-use assets	8	321,392	263,363
Investment properties		5,172	5,793
Long-term security deposits		42,642	32,149
Deferred tax asset - net		123,413	-
		<u>4,065,473</u>	<u>3,757,309</u>
CURRENT ASSETS			
Stores and spare parts		592,561	503,682
Stock-in-trade	9	2,569,782	1,584,510
Trade debts	10	266,209	175,043
Loans and advances		99,993	50,847
Prepayments and other receivables		29,359	15,308
Short-term investments	11	699,325	1,348,374
Cash and bank balances		79,641	126,497
		<u>4,336,870</u>	<u>3,804,261</u>
		<u>8,402,343</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>	1,200,000
Issued, subscribed and paid-up capital		1,196,600	1,196,600
Reserves		<u>1,269,716</u>	<u>1,645,508</u>
		<u>2,466,316</u>	<u>2,842,108</u>
NON-CURRENT LIABILITIES			
Long-term financing - secured	12	543,314	223,825
Deferred income	13	79,841	58,271
Lease liabilities	14	265,935	198,725
Gas Infrastructure Development Cess (GIDC) payable	15	184,427	316,669
Deferred tax liability - net		-	34,733
		<u>1,073,517</u>	<u>832,223</u>
CURRENT LIABILITIES			
Trade and other payables		2,749,041	2,549,399
Unclaimed dividend		3,279	3,279
Unpaid dividend		4,732	2,942
Accrued mark-up		34,999	-
Current portion of long-term financing	12	10,287	8,712
Current portion of deferred income	13	5,494	5,494
Current portion of lease liabilities	14	118,149	111,355
Current portion of GIDC payable	15	615,380	463,229
Short-term running finance		709,028	-
Taxation - net		255,481	354,403
Sales tax payable - net		356,640	388,426
		<u>4,862,510</u>	<u>3,887,239</u>
CONTINGENCIES AND COMMITMENTS	16	<u>8,402,343</u>	<u>7,561,570</u>

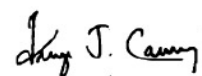
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

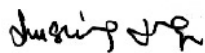


FEROZE JEHANGIR CAWASJI
Director

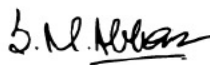
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	------(Rupees in '000)-----			
Turnover - net	6,357,275	5,774,989	3,439,050	3,109,210
Cost of sales	(5,412,748)	(4,089,861)	(2,799,140)	(2,225,061)
Gross profit	944,527	1,685,128	639,910	884,149
Selling and distribution costs	(962,932)	(790,423)	(524,873)	(433,273)
Administrative expenses	(184,962)	(161,422)	(92,987)	(83,281)
(Allowance) of / reversal for expected credit loss	(14,146)	(11,434)	(3,357)	3,424
	(1,162,040)	(963,279)	(621,217)	(513,130)
Other income	55,281	95,893	17,248	50,121
Operating (loss) / profit	(162,232)	817,742	35,941	421,140
Finance costs	(95,943)	(55,660)	(60,260)	(30,544)
Other expenses	(14,211)	(69,792)	(8,092)	(35,395)
	(110,154)	(125,452)	(68,352)	(65,939)
(Loss) / profit before taxation	(272,386)	692,290	(32,411)	355,201
Taxation				
- Current	(82,062)	(327,504)	(17,919)	(163,347)
- Deferred	158,146	55,939	59,018	26,215
	76,084	(271,565)	41,099	(137,132)
(Loss) / profit after taxation	(196,302)	420,725	8,688	218,069
	----- (Rupee) -----			
(Loss) / earnings per share – basic and diluted	(0.82)	1.76	0.04	0.91

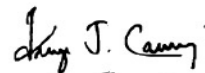
The annexed notes from 1 to 20 form an integral part of these condensed interim financial



MUSTAFA JAFAR
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer

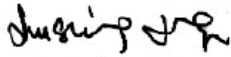


FEROZE JEHANGIR CAWASJI
Director

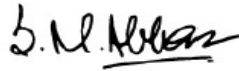
SHABBIR TILES AND CERAMICS LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE HALF YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- (Rupees in '000) -----			
(Loss) / profit after taxation	(196,302)	420,725	8,688	218,069
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	(196,302)	420,725	8,688	218,069

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



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Chief Financial Officer



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Chief Executive Officer

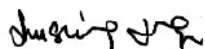


FEROZE JEHANGIR CAWASJI
Director

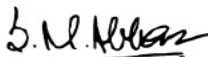
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

	Reserves					Total equity
	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Total reserves	
		Share premium	General reserve	Unappropriated profit / (loss)		
----- (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	-	-	-	420,725	420,725	420,725
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	420,725	420,725	420,725
Final dividend @ 25% for the year ended June 30, 2021				(299,150)	(299,150)	(299,150)
Balance as at December 31, 2021 (unaudited)	<u>1,196,600</u>	<u>449,215</u>	<u>478,000</u>	<u>641,696</u>	<u>1,568,911</u>	<u>2,765,511</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	-	-	-	(196,302)	(196,302)	(196,302)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(196,302)	(196,302)	(196,302)
Final dividend @ 15% for the year ended June 30, 2022				(179,490)	(179,490)	(179,490)
Balance as at December 31, 2022 (unaudited)	<u>1,196,600</u>	<u>449,215</u>	<u>478,000</u>	<u>342,501</u>	<u>1,269,716</u>	<u>2,466,316</u>

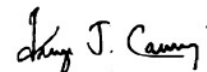
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Chief Financial Officer



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Chief Executive Officer

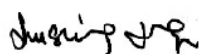


FEROZE JEHANGIR CAWASJI
Director

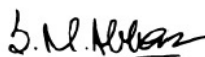
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

	December 31, 2022	December 31, 2021
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(272,386)	692,290
Adjustments for:		
Depreciation on:		
operating fixed assets	7.1 299,261	284,458
right-of-use assets	8.3 64,513	48,285
investment property	621	621
Finance costs	95,943	55,660
Dividend income on mutual fund	(12,623)	-
Allowance / (reversal) for expected credit loss	14,146	11,434
Provision for slow moving stores and spare parts	17,969	11,904
Provision for slow moving stock-in-trade	3,215	4,427
Unrealized gain on short-term investments - mutual fund units	-	(1,820)
Amortization of deferred income	12.4 (2,747)	-
Gain on disposal of operating fixed assets	(566)	(1,349)
Gain on disposal of lease assets	-	(5,608)
	<u>479,732</u>	<u>408,012</u>
	207,346	1,100,302
(Increase) / decrease in current assets		
Stores and spare parts	(106,848)	(100,723)
Stock-in-trade	(988,487)	(151,198)
Trade debts	(105,312)	31,793
Loans and advances	(49,146)	(54,654)
Prepayments and other receivables	(14,051)	(17,967)
	<u>(1,263,844)</u>	<u>(292,749)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	199,642	182,739
Sales tax payable	(31,786)	(28,523)
	<u>167,856</u>	<u>154,216</u>
Cash (used in) / generated from operations	<u>(888,642)</u>	<u>961,769</u>
Income tax paid	(180,984)	(404,309)
Finance costs paid	(41,035)	(10,326)
Long-term loan - net	-	294
Long-term security deposits - net	(10,493)	(3,572)
GIDC paid	-	(71,178)
Net cash (used in) / generated from operating activities	<u>(1,121,154)</u>	<u>472,678</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(418,969)	(279,721)
Proceeds from disposal of operating fixed assets	3,424	1,613
Short-term investments made during the period - mutual fund units	(942,884)	(1,585,395)
Short-term investments redeemed during the period - mutual fund units	1,533,574	1,582,992
Dividend on mutual fund received	12,623	-
Net cash generated / (used in) from investing activities	<u>187,768</u>	<u>(280,511)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained during the period	12.1 & 12.3 350,317	66,894
Repayment of long-term financing	(4,936)	(3,114)
Payment of principal portion of lease	(48,538)	(60,480)
Dividend paid	(177,700)	(297,212)
Net cash generated from / (used in) financing activities	<u>119,143</u>	<u>(293,912)</u>
Net decrease in cash and cash equivalents	<u>(814,243)</u>	<u>(101,745)</u>
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>(223,387)</u>	<u>677,041</u>

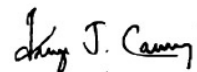
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



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 HALF YEAR ENDED DECEMBER 31, 2022
 (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 The figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they are required to review only the cumulative figures for the half year ended ended December 31, 2022.
- 3.3 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)
			December 31, 2022	June 30, 2022
			----(Rupees in '000)----	
	Operating fixed assets	7.1	2,186,738	2,390,644
	Capital work-in-progress	7.2	1,386,116	1,065,360
			<u>3,572,854</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	98,213	740,659
			<u>2,488,857</u>	<u>2,978,573</u>
	Disposals during the period / year - at NBV	7.1.1	(2,858)	(1,280)
	Depreciation charged during the period / year		(299,261)	(586,649)
	Closing NBV		<u>2,186,738</u>	<u>2,390,644</u>

7.1.1 Additions and disposals of operating fixed assets

	Additions at cost / transfers		Disposals at NBV	
	(Unaudited) December 31, 2022	(Audited) June 30, 2022	(Unaudited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----				
Building on freehold land	-	29,563	-	-
Plant and machinery	84,859	566,915	-	380
Office equipment	7,602	13,833	-	17
Computers and accessories	882	2,631	4	90
Vehicles (note 7.2.2)	4,870	127,717	2,854	793
	<u>98,213</u>	<u>740,659</u>	<u>2,858</u>	<u>1,280</u>

7.2	Capital work-in-progress	Note	(Unaudited)	(Audited)
			December 31, 2022	June 30, 2022
			----(Rupees in '000)----	
	Plant and machinery		1,386,116	1,060,552
	Advance against vehicles		-	4,808
		7.2.1	<u>1,386,116</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		395,614	1,308,635
Transfers to operating fixed assets	7.2.2	(74,858)	(701,509)
Balance at the end of the period / year		<u>1,386,116</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) December 31, 2022	(Audited) June 30, 2022
8 RIGHT-OF-USE ASSETS		----- (Rupees in '000) -----	
Cost	8.1	619,489	496,947
Accumulated depreciation	8.2	(298,097)	(233,584)
		<u>321,392</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		127,063	148,044
Disposal during the period / year		-	(61,923)
Modification of lease liabilities		(4,521)	3,432
Balance at end of the period / year		<u>619,489</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	64,513	101,723
On disposal during the period / year		-	(34,865)
Balance at end of the period / year		<u>298,097</u>	<u>233,584</u>
		<u>321,392</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) December 31, 2022	(Unaudited) December 31, 2021
		----- (Rupees in '000) -----	
Cost of sales		18,706	6,216
Selling and distribution costs		45,807	16,512
		<u>64,513</u>	<u>22,728</u>
		(Unaudited) December 31, 2022	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
9 STOCK-IN-TRADE			
Raw material - in hand		1,540,029	924,784
- in transit		54,043	147,048
		<u>1,594,072</u>	<u>1,071,832</u>
Work-in-process		80,704	42,804
Finished goods		925,316	496,968
Less: Provision for obsolescence		(30,309)	(27,094)
		<u>2,569,783</u>	<u>1,584,510</u>
10 TRADE DEBTS - UNSECURED			
Considered good		266,209	175,043
Considered doubtful		191,866	177,719
		<u>458,075</u>	<u>352,762</u>
Allowance for expected credit loss		(191,866)	(177,719)
		<u>266,209</u>	<u>175,043</u>
11 SHORT-TERM INVESTMENTS			
At amortised cost			
Term deposit receipts (TDRs)	11.1 & 12.2	406,000	416,000
Treasury bills	11.2	-	48,359
At fair value through profit or loss			
Mutual fund units		293,325	884,015
		<u>699,325</u>	<u>1,348,374</u>

- 11.1 Represents Term Deposit Receipts (TDRs) from one week to 3 months term (June 2022: 15 days to 3 months term) under conventional banking relationship carrying interest at the rate 14.2% to 17% (June 2022: 9% to 18.5%) per annum, having latest maturity up to January 04, 2023.
- 11.2 This carried markup rate of nil (June 2022: 14.5%) per annum having latest maturity upto nil (June 2022: having a maturity upto three months with latest maturity in July 2022).

	Note	(Unaudited) December 31, 2022	(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	263,601	232,537
		<u>553,601</u>	<u>232,537</u>
Current portion of long-term financing		<u>(10,287)</u>	<u>(8,712)</u>
		<u>543,314</u>	<u>223,825</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.			
		(Unaudited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----			
12.3 Movement of long-term financing:	Note		
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		(4,936)	(9,624)
Recognised as deferred income		(24,317)	(24,195)
Accretion of interest		9,511	15,748
Balance at end of the period / year		<u>263,601</u>	<u>232,537</u>
Current portion of long-term financing		<u>(10,287)</u>	<u>(8,712)</u>
		<u>253,314</u>	<u>223,825</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		(2,747)	(2,195)
Balance at end of the period / year		<u>85,335</u>	<u>63,765</u>
Current portion of deferred income		<u>(5,494)</u>	<u>(5,494)</u>
		<u>79,841</u>	<u>58,271</u>
14 LEASE LIABILITIES			
Lease liabilities	14.1	384,084	310,080
Current portion of lease liabilities		(118,149)	(111,355)
		<u>265,935</u>	<u>198,725</u>

	Note	(Unaudited) December 31, 2022	(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		127,063	148,044
Disposal during the period / year		-	(32,666)
Modification of lease liabilities		(4,521)	3,432
Accretion of finance cost during the period / year		22,972	29,352
Payments made during the period / year		(71,510)	(119,527)
Balance at end of the period / year		<u>384,084</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		19,909	53,511
Payments made during the period / year		-	(71,178)
	15.1	<u>799,807</u>	<u>779,898</u>
Current portion of GIDC payable		<u>(615,380)</u>	<u>(463,229)</u>
Balance at end of the period / year		<u>184,427</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. 161.816 million (June 2022: Rs. 514.696 million).		
(ii)	Commitments in respect of capital expenditure amounting to 19.561 million (June 2022: Rs. 51.950 million) for the import of machinery.		
(iii)	Commitment in respect of bank guarantees amounting to Rs. 1,137.742 million (June 2022: Rs. 938.538 million) issued by a commercial bank.		
17 CASH AND CASH EQUIVALENTS			
		----- (Unaudited) -----	
	Note	Decemeber 31, 2022	Decemeber 31, 2021
(Rupees in '000)			
Short-term investments	11	406,000	602,000
Cash and bank balances		79,641	75,041
Short-term running finance	16	(709,028)	-
		<u>(223,387)</u>	<u>677,041</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:

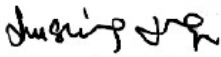
	----- (Unaudited) ----- Half year ended ended	
	December 31, 2022	December 31, 2021
	(Rupees in '000)	
Associated companies		
Sales	10,085	6,341
Purchases of goods, material and services	100,185	87,026
Insurance premium	15,194	14,360
Insurance claims received	2,970	1,100
Rent and service charges paid	9,828	8,680
Staff retirement benefits		
Contribution to provident fund	<u>17,138</u>	<u>14,581</u>
Key management personnel		
Remuneration and other benefits	42,478	45,205
Fee for attending board meetings	<u>1,800</u>	<u>600</u>
	(Unaudited)	(Audited)
	December 31, 2022	June 30, 2022
	(Rupees in '000)	
Balances as at period / year end		
Long-term security deposits	1,975	1,975
Trade debts	853	1,999
Bank balances	17,205	11,685
Trade and other payables	<u>46,044</u>	<u>33,600</u>

19 DATE OF AUTHORIZATION FOR ISSUE

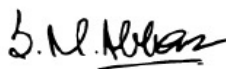
These condensed interim financial statements were authorized for issue on February 27, 2023 by the Board of Directors of the Company.

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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