

SHABBIR TILES AND CERAMICS LIMITED

Condensed Interim Financial Statements

For the First Quarter ended

September 30, 2023

(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

Waqas Ahmed

COMPANY SECRETARY

Ovais Jamani

AUDITORS

A.F. Ferguson & Co
 Chartered Accountants

LEGAL ADVISOR

Sohail and Partners

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 METRO 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) 4926281
GUJRANWALA EMPORIUM	Main GT Road, Chan da Qila, opposite Haji Murad Trust Eye Hospital, Gujranwala Phone : 0315-2780820
GILGIT BALSTISTAN EMPORIUM	Shop no. 14, Akbar Market, Khomar Yarkot, Gilgit Phone: 05811-553865 , 0300-8285725
DERA GHAZI KHAN EMPORIUM	Plot No. A-1/2, New Defence View Housing Scheme, Jampur Road, Dera Ghazi Khan. Phone: 0315-2781937-38
SUKKUR SALES OFFICE	Tooba Plaza, Mezzanine Floor, Workshop Road, Sukkur Phone: Phone: (071) 5615560

SHABBIR TILES AND CERAMICS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

The Directors are pleased to present the financial results of your Company for the first quarter ended September 30, 2023.

The start of the new fiscal year has been promising, as Pakistan has embarked on a new IMF program that is expected to bring about significant enhancements to the country's macroeconomic landscape. The program will facilitate the release of both multilateral and bilateral funding, ultimately resulting in the augmentation of foreign reserves. This development has mitigated the immediate threat of default and the restrictions on imports are also expected to be eased out in the near future, which will lead to the normalization of trade and manufacturing operations.

The tile manufacturers continued to grapple with low demand while contending with soaring inflation, which resulted in either shut down of the operations or curtailed production. On the other hand, your Company demonstrated resilience during these difficult times, primarily due to its diversified product range and commitment to quality, making it the preferred choice among customers in the market.

The financial performance is summarized below:

Particulars	September 30, 2023	September 30, 2022
Turnover – net	4,218,321	2,918,225
Gross profit	1,086,050	304,617
Earnings / (loss) before interest, tax and depreciation	580,478	(19,814)
Profit / (loss) before tax	333,177	(239,975)
Profit / (loss) after tax	142,094	(204,990)
Earnings / (loss) per share (Rs. / share)	0.59	(0.86)

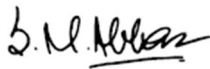
FUTURE OUTLOOK

The prevailing economic conditions are creating significant obstacles for businesses. Elevated inflation, escalating interest rates, and the vulnerable rupee position are expected to hinder the demand for tiles in the immediate future. Nevertheless, the potential for political stability in Pakistan and the redirection of resources toward public sector development could function as pivotal catalyst for the national economy, potentially stimulating the revival of construction industry.

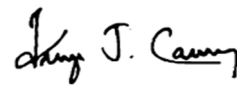
The possible news of a gas tariff increase and the proposed method of imposing higher tariffs on comingled natural gas and RLNG due to the shortage of indigenous gas will create significant survival challenges for the industry. Decision-makers should take into account the fact that Sindh, being a producer of its own natural gas, should be granted priority, and industries based in Sindh should not be subjected to elevated charges. Furthermore, ensuring a consistent supply of natural gas is absolutely crucial for the survival of the company.

Despite these complexities, we are primed to adeptly maneuver through these difficulties. The company's diverse product portfolio is expected to be a key strength in this environment, providing a buffer against competition and enabling the Company to cater to a wide range of customer needs. This diversity could help maintain revenue streams even if demand decreases due to the economic conditions. We look forward to the unwavering support of our valued stakeholders as we navigate this challenging period.

On behalf of the Board of Directors



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

Karachi: October 24, 2023

شبیر ٹائلز اینڈ سرامکس لمیٹڈ
حصص یافتگان کے لئے ڈائریکٹرز رپورٹ
 براغ پہلی سہ ماہی اختتامیہ 30 ستمبر، 2023

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے لیے مالیاتی نتائج پیش کرنے پر خوشی محسوس کرتے ہیں۔

نئے مالی سال کا آغاز امید افزا رہا ہے، کیونکہ پاکستان نے آئی ایم ایف کے ایک نئے پروگرام کا آغاز کیا ہے جس سے ملک کی معیشت میں نمایاں اضافہ متوقع ہے۔ یہ پروگرام کثیر جہتی اور دو طرفہ سرمایہ کاری کے اجراء میں سہولت فراہم کرے گا، جس کے نتیجے میں غیر ملکی ذخائر میں اضافہ ہوگا۔ اس پیشرفت نے ڈیفالٹ کے فوری خطرے کو کم کر دیا ہے اور مستقبل قریب میں درآمدات پر پابندیوں میں بھی نرمی کی توقع ہے، جو تجارت اور صنعت و حرفت کو معمول پر لانے کا باعث بنے گی۔

ٹائلز کی صنعت کو مہنگائی کی وجہ سے ٹائلز کی طلب میں کمی کا سامنا ہے، جس کے نتیجے میں یا تو آپریشن بند ہو گئے یا پیداوار میں کمی ہوئی ہے۔ دوسری طرف، آپ کی کمپنی نے اس مشکل وقت کے دوران اپنی مصنوعات کی رینج اور ٹائلز کی کوالٹی میں اضافہ کیا ہے جس کی وجہ سے، اسے مارکیٹ میں صارفین کی طرف سے ترجیح دی جا رہی ہے۔

سہ ماہی کی مالی کارکردگی کا خلاصہ ذیل ہے:

روپے ہزاروں میں

تفصیلات	30 ستمبر 2023	30 ستمبر 2022
خالص فروخت	4,218,321	2,918,225
مجموعی منافع	1,086,050	304,617
آمدنی / (نقصان) قبل از شرح سود، ٹیکس اور فرسودگی (EBITDA)	580,478	(19,814)
منافع / (نقصان) قبل از ٹیکس	333,177	(239,975)
منافع / (نقصان) بعد از ٹیکس	142,094	(204,990)
آمدنی / (نقصان) فی حصص (روپے / حصص)	0.59	(0.86)

مستقبل کی پیش بینی:

موجودہ معاشی حالات کاروبار کے لیے اہم رکاوٹیں پیدا کر رہے ہیں۔ بڑھتی ہوئی افراط زر، بڑھتی ہوئی شرح سود، اور روپے کی قدر میں کمی کی وجہ سے مستقبل میں ٹائلز کی مانگ متاثر ہونے کی توقع ہے۔

اس کے باوجود، پاکستان میں سیاسی استحکام کے امکانات اور وسائل کو عوامی شعبے کی ترقی کی طرف گامزن کرنے سے معیشت میں بہتری آسکتی ہے، جو ممکنہ طور پر تعمیراتی صنعت کی بحالی کو تحریک دے سکتا ہے۔

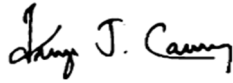
گیس کی قیمت میں اضافے کی ممکنہ خبریں اور مقامی گیس کی کمی کی وجہ سے آنے والی قدرتی گیس اور آر ایل این جی پر زیادہ ٹیرف لگانے کا مجوزہ طریقہ صنعت کی بقا کے لیے مشکلات پیدا کرے گا۔ فیصلہ سازوں کو اس حقیقت کو مدنظر رکھنا چاہیے کہ سندھ اپنی قدرتی گیس چوں کہ خود پیدا کرتا ہے، لہذا اسے ترجیح دی جانی چاہیے اور سندھ میں قائم صنعتوں پر اضافی چارجز نہیں لگنے چاہئیں۔ مزید برآں، قدرتی گیس کی مسلسل فراہمی کو یقینی بنانا کمپنی کی بقا کے لیے بہت ضروری ہے۔

ان پیچیدگیوں کے باوجود، ہم ان مشکلات سے نبرد آزما ہونے کے لیے تیار ہیں۔ توقع کی جاتی ہے کہ کمپنی کا پروڈکٹ پورٹ فولیو اس ماحول میں ایک کلیدی کردار ادا کرے گا، اور مارکیٹ میں مقابلے کے باوجود کمپنی کو صارفین کی وسیع ضروریات کو پورا کرنے کے قابل بنائے گا۔

اگر معاشی حالات کی وجہ سے طلب میں کمی آتی ہے تو یہ پروڈکٹ پورٹ فولیو ٹائلز کی فروخت کے سلسلے کو برقرار رکھنے میں مدد دے سکتا ہے۔

ہم اس مشکل دور میں اپنے صارفین کی غیر متزلزل حمایت کے منتظر ہیں۔

برائے و منجانب - بورڈ آف ڈائریکٹرز



فیروز جہانگیر کاوسجی
ڈائریکٹر



سید مسعود عباس جعفری
چیف ایگزیکٹو آفیسر

کراچی: 24 اکتوبر 2023

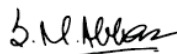
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)	
Note	------(Rupees in '000)-----		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,208,697	3,342,400
Right-of-use assets	8	296,156	327,200
Investment properties		4,241	4,551
Long-term security deposits		32,217	31,817
Deferred tax asset - net		<u>63,452</u>	<u>41,089</u>
		3,604,763	3,747,057
CURRENT ASSETS			
Stores and spare parts		<u>679,587</u>	728,936
Stock-in-trade	9	<u>3,102,522</u>	2,058,968
Trade debts	10	<u>571,854</u>	411,969
Loans and advances		<u>137,407</u>	46,530
Prepayments, deposits and other receivables		<u>84,836</u>	116,773
Short-term investments	11	<u>320,117</u>	1,337,306
Cash and bank balances		<u>377,675</u>	404,639
		<u>5,273,998</u>	<u>5,105,121</u>
		8,878,761	8,852,178
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
240,000,000 (June 2023: 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		<u>1,196,600</u>	1,196,600
Reserves		<u>1,645,725</u>	<u>1,503,631</u>
		2,842,325	2,700,231
NON-CURRENT LIABILITIES			
Long-term financing - secured	12	<u>522,206</u>	536,712
Deferred Income	13	<u>75,721</u>	77,094
Lease liabilities	14	<u>230,585</u>	224,112
Gas infrastructure development cess (GIDC) payable	15	<u>-</u>	46,998
		828,512	884,916
CURRENT LIABILITIES			
Trade and other payables		<u>3,486,274</u>	3,682,665
Unclaimed dividend		<u>4,182</u>	4,184
Unpaid dividend		<u>2,508</u>	2,761
Current maturity of long-term financing	12	<u>33,271</u>	22,820
Current maturity of deferred income	13	<u>5,494</u>	5,494
Current maturity of lease liabilities	14	<u>125,500</u>	156,112
Current maturity of GIDC payable	15	<u>820,606</u>	767,915
Accrued Markup		<u>6,838</u>	20,334
Taxation - net		<u>320,028</u>	258,592
Sales tax payable		<u>403,223</u>	346,154
		<u>5,207,924</u>	<u>5,267,031</u>
CONTINGENCIES AND COMMITMENTS	16	<u>8,878,761</u>	<u>8,852,178</u>

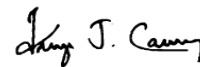
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



WAQUAS AHMED
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

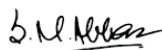
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR QUARTER ENDED SEPTEMBER 30, 2023
(UN-AUDITED)

	Quarter ended	
	September 30, 2023	September 30, 2022
------(Rupees in '000)-----		
Turnover - net	4,218,321	2,918,225
Cost of sales	(3,132,271)	(2,613,608)
Gross profit	1,086,050	304,617
Selling and distribution costs	(591,478)	(438,059)
Administrative expenses	(102,918)	(91,975)
Reversal / (Allowance) for expected credit loss	1,178	(10,789)
	(693,218)	(540,823)
Other income	53,412	38,033
Operating profit / (loss)	446,244	(198,173)
Finance costs	(46,462)	(35,683)
Other expenses	(66,605)	(6,119)
	(113,067)	(41,802)
Profit / (loss) before taxation	333,177	(239,975)
Taxation		
- Current	(213,446)	(64,143)
- Deferred	22,363	99,128
	(191,083)	34,985
Profit / (loss) after taxation	142,094	(204,990)
	----- (Rupee) -----	
Earnings / (loss) per share – basic and diluted	0.59	(0.86)

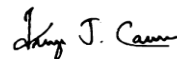
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WAQUAS AHMED
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED SEPTEMBER 30, 2023
 (UN-AUDITED)

	Quarter ended	
	September 30, 2023	September 30, 2022
	----- (Rupees in '000) -----	
Profit / (loss) after taxation	142,094	(204,990)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	142,094	(204,990)

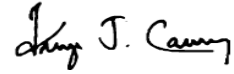
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WAQUAS AHMED
 Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
 Chief Executive Officer



FEROZE JEHANGIR CAWASJI
 Director

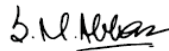
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2023
(UN-AUDITED)

	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, 2022 (audited)	1,196,600	449,215	478,000	718,293	1,645,508	2,842,108
Loss after taxation	-	-	-	(204,990)	(204,990)	(204,990)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(204,990)	(204,990)	(204,990)
Balance as at September 30, 2022 (un-audited)	<u>1,196,600</u>	<u>449,215</u>	<u>478,000</u>	<u>513,303</u>	<u>1,440,518</u>	<u>2,637,118</u>
Balance as at June 30, 2023 (audited)	1,196,600	449,215	478,000	576,416	1,503,631	2,700,231
Profit after taxation	-	-	-	142,094	142,094	142,094
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	142,094	142,094	142,094
Balance as at September 30, 2023 (un-audited)	<u>1,196,600</u>	<u>449,215</u>	<u>478,000</u>	<u>718,510</u>	<u>1,645,725</u>	<u>2,842,325</u>

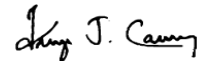
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



WAQUAS AHMED
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

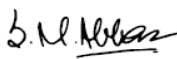
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023
(UN-AUDITED)

	Note	September 30, 2023 ----- (Rupees in '000) -----	September 30, 2022 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		333,177	(239,975)
Adjustments for non cash and other items:			
Depreciation on:			
operating fixed assets	7.1	169,485	151,507
right-of-use assets	8.3	31,044	32,661
investment property		310	310
Finance costs		46,462	35,683
Dividend income on mutual fund		(20,644)	(12,040)
(Reversal) / allowance for expected credit loss		(1,178)	10,789
Provision for slow moving stores and spare parts		8,142	7,468
(Reversal of provision) / provision for slow moving stock-in-trade		(89)	2,606
Amortization of deferred income	13	(1,373)	(1,373)
Gain on disposal of operating fixed assets		(47)	(20)
		<u>232,112</u>	<u>227,591</u>
Operating profit / (loss) before working capital changes		565,289	(12,384)
(Increase) / decrease in current assets			
Stores and spare parts		41,207	(44,439)
Stock-in-trade		(1,043,465)	(926,579)
Trade debts		(158,707)	(127,108)
Loans and advances		(90,877)	(64,050)
Prepayments and other receivables		31,937	2,946
		<u>(1,219,905)</u>	<u>(1,159,230)</u>
Increase / (decrease) in current liabilities			
Trade and other payables		(196,392)	122,795
Sales tax payable		57,069	(148,970)
		<u>(139,323)</u>	<u>(26,175)</u>
Cash used in operations		(793,939)	(1,197,789)
Income tax paid		(152,010)	(101,129)
Finance costs paid		(49,004)	(3,653)
Long-term security deposits - net		(400)	(8,100)
Net cash used in operating activities		(995,353)	(1,310,671)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(35,783)	(180,509)
Proceeds from disposal of operating fixed assets		48	24
Short-term investments made during the period - mutual fund units		(664,931)	(649,456)
Short-term investments redeemed during the period - mutual fund units		1,377,893	1,453,427
Dividend on mutual fund received		20,644	12,040
Net cash inflows from investing activities		697,871	635,526
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained during the period	12	-	290,000
Repayment of long-term financing		(9,316)	(2,461)
Repayment of principal portion of lease liabilities		(24,139)	(42,459)
Dividend paid		(255)	(140)
Net cash (used in) / inflows from financing activities		(33,710)	244,940
Net decrease in cash and cash equivalents		(331,192)	(430,205)
Cash and cash equivalents at the beginning of the period		777,548	590,856
Cash and cash equivalents at the end of the period	17	446,356	160,651

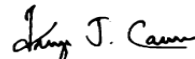
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



WAQUAS AHMED
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

SHABBIR TILES AND CERAMICS LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 FOR THE QUARTER ENDED SEPTEMBER 30, 2023
 (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 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, 2023.

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, 2023 except for the adoption of and the amendments to approved accounting standards adopted during the period 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:

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

The adoption of the above amendments to the approved accounting standards did not have any material effect on the Company's 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, 2023.

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, 2023.

	Note	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
-----(Rupees in '000)----			
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	2,626,703	2,743,070
Capital work-in-progress (CWIP)	7.2	581,994	599,330
		<u>3,208,697</u>	<u>3,342,400</u>
7.1 Operating fixed assets			
Opening Net Book Value (NBV)		2,743,070	2,390,644
Additions including transfers from CWIP during the period / year - at cost	7.1.1	53,119	970,554
		2,796,189	3,361,198
Disposals during the period / year - at NBV	7.1.1	(1)	(3,263)
Depreciation charged during the period / year		(169,485)	(614,865)
Closing NBV		<u>2,626,703</u>	<u>2,743,070</u>
7.1.1 Additions and disposals of operating fixed assets			
		Additions at cost / Transfers	Disposals at NBV
		September 30, 2023 (Un-audited)	September 30, 2023 (Un-audited)
		June 30, 2023 (Audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
Building on freehold land		-	9,673
Plant and machinery		16,919	919,115
Office equipment		4,611	18,669
Computers and accessories		1,260	2,803
Vehicles		30,329	20,294
		<u>53,119</u>	<u>970,554</u>
			September 30, 2023 (Un-audited)
			June 30, 2023 (Audited)
			----- (Rupees in '000) -----
7.2 Capital work-in-progress			
Plant and machinery		561,668	568,752
Office Equipment		3,625	468
Advance against vehicles		16,701	30,110
	7.2.1	<u>581,994</u>	<u>599,330</u>
7.2.1 Movement in capital work-in-progress			
Balance at the beginning of the period / year		599,330	1,028,112
Additions during the period / year		30,380	500,956
Transfers to operating fixed assets	7.2.2	(47,716)	(929,738)
Balance at the end of the period / year		<u>581,994</u>	<u>599,330</u>
7.2.2			
Includes vehicles of Rs. 12.93 million (June 2023: Rs. 12.83 million) purchased from Indus Motors Company Limited, a related party			

8	RIGHT-OF-USE ASSETS	Note	September 30, 2023 (Un-audited) ----(Rupees in '000)----	June 30, 2023 (Audited)
	Cost	8.1	610,311	610,311
	Accumulated Depreciation	8.2	(314,155)	(283,111)
			<u>296,156</u>	<u>327,200</u>
8.1	Cost			
	Balance at the beginning of the period / year		610,311	496,947
	Additions during the period / year		-	178,940
	Disposal during the period / year		-	(67,517)
	Remeasurement of lease liabilities		-	1,941
	Balance at end of the period / year		<u>610,311</u>	<u>610,311</u>
8.2	Accumulated Depreciation			
	Balance at beginning of the period / year		283,111	233,584
	Charged during the period / year	8.3	31,044	117,044
	On disposal during the period / year		-	(67,517)
	Balance at end of the period / year		<u>314,155</u>	<u>283,111</u>
			<u>296,156</u>	<u>327,200</u>
	Depreciation rate %		<u>11-67</u>	<u>11-67</u>
8.3	Depreciation charge for the period/year has been allocated as follows		September 30, 2023 (Un-audited) ----(Rupees in '000)----	September 30, 2022 (Un-audited)
	Cost of sales- manufacturing		8,875	9,779
	Selling and distribution costs		22,169	22,882
			<u>31,044</u>	<u>32,661</u>
9	STOCK-IN-TRADE		September 30, 2023 (Un-audited) ----(Rupees in '000)----	June 30, 2023 (Audited)
	Raw material - in hand		1,503,615	797,689
	- in transit		385,861	206,912
			<u>1,889,476</u>	<u>1,004,601</u>
	Work-in-process		115,396	109,518
	Finished goods	9.1	1,135,677	982,965
	Less: Provision for obsolescence		(38,027)	(38,116)
			<u>3,102,522</u>	<u>2,058,968</u>
9.1	Includes stock-in-trade costing Rs. 827.284 million (June 2023: Rs. 766.563 million) which has been written down to its net realizable value (NRV) amounting to Rs. 277.435 million (June 2023: Rs. 254.766 million).			
10	TRADE DEBTS	Note	September 30, 2023 (Un-audited) ----(Rupees in '000)----	June 30, 2023 (Audited)
	Unsecured			
	Considered good		571,854	411,969
	Considered doubtful		156,797	157,975
			<u>728,651</u>	569,944
	Allowance for expected credit loss		(156,797)	(157,975)
			<u>571,854</u>	<u>411,969</u>
11	SHORT-TERM INVESTMENTS			
	At amortised cost			
	Term deposit receipts (TDRs)			
	up to three months	11.1	68,681	276,000
	Treasury bills			
	up to three months		-	96,909
	At fair value through profit or loss			
	Mutual fund units		251,436	964,397
			<u>320,117</u>	<u>1,337,306</u>
11.1	Represents term deposit receipts (TDRs) ranging from 15 days to 3 months term (June 2023: 15 days to 3 months) with commercial banks under conventional banking relationship carrying profit at the rate of 19.82% to 20.25% (2023: 17.5% to 20.25%) per annum, having latest maturity up to October 02, 2023 (June 2023: July 05, 2023). This includes a TDR with the Bank Alfalah amounting to Rs. 56.00 million (June 2023: 56.00 million) which is placed under lien against the SBP refinance scheme for renewable energy as disclosed in note 12.			

12 LONG-TERM FINANCING - SECURED	Note	September 30,	June 30,
		2023	2023
		----(Rupees in '000)----	
		(Un-audited)	(Audited)
Conventional Banks			
SBP refinance scheme for renewable energy	12.1 & 12.3	265,477	269,532
Term Loan	12.2	290,000	290,000
Current maturity of long-term financing		<u>(33,271)</u>	<u>(22,820)</u>
		<u>522,206</u>	<u>536,712</u>

12.1 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 2023: 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.

12.2 This represents term loan 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.

12.3 Movement of long-term financing:	Note	September 30,	June 30,
		2023	2023
		----(Rupees in '000)----	
		(Un-audited)	(Audited)
Balance at beginning of the period / year		269,532	232,537
Financing received during the period / year		-	50,806
Repayment made during the period / year		(9,316)	(10,715)
Recognised as deferred income		-	(24,317)
Unwinding of finance cost		7,431	21,221
Remeasurement of long-term financing		<u>(2,170)</u>	-
Balance at end of the period / year		265,477	269,532
Current maturity of long-term financing		<u>(33,271)</u>	<u>(22,820)</u>
		<u>232,206</u>	<u>246,712</u>

13 DEFERRED INCOME		September 30,	June 30,
		2023	2023
		----(Rupees in '000)----	
		(Un-audited)	(Audited)
Balance at beginning of the year		82,588	63,765
Recognised during the year		-	24,317
Amortized during the year		<u>(1,373)</u>	<u>(5,494)</u>
Balance at end of the year		81,215	82,588
Current maturity of deferred income		<u>(5,494)</u>	<u>(5,494)</u>
		<u>75,721</u>	<u>77,094</u>

	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	----(Rupees in '000)----	
14 LEASE LIABILITIES		
Lease liabilities	356,085	380,224
Current maturity of lease liabilities	<u>(125,500)</u>	<u>(156,112)</u>
	<u>230,585</u>	<u>224,112</u>
14.1 Movement of lease liabilities:		
Balance at beginning of the period / year	380,224	310,080
Additions during the period / year	-	178,940
Remeasurement of lease liabilities	-	1,941
Unwinding of finance cost during the period / year	11,581	49,251
Payments made during the period / year	<u>(35,720)</u>	<u>(159,988)</u>
Balance at end of the period / year	<u>356,085</u>	<u>380,224</u>
15 GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE		
Balance at beginning of the period / year	814,913	779,898
Unwinding of finance cost during the period / year	5,693	35,015
Payments made during the period / year	-	-
	<u>820,606</u>	<u>814,913</u>
Current maturity of GIDC payable	<u>(820,606)</u>	<u>(767,915)</u>
Balance at end of the period / year	<u>-</u>	<u>46,998</u>
15.1	There is no material change in the status of GIDC as disclosed in note 23 to the annual financial statement of the Company for the year ended June 30, 2023.	

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There is no change in the status of contingencies as reported in the audited financial statements of the Company for the year ended June 30, 2023.

16.2 Commitments

- (i) Commitments in respect of outstanding letters of credit against raw materials and spares amounting to Rs. 532.248 million (June 2023: Rs. 757.131 million).
- (ii) Commitment in respect of bank guarantees issued by a commercial bank in favour of:

	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	----(Rupees in '000)----	
Sui Southern Gas Company Limited	467,195	447,396
Nazir of Sindh High Court	384,713	384,713
Pakistan State Oil Company Limited	80,000	80,000
Excise and Taxation Department	171,281	148,381
K Electric	16,516	16,516
Parco Pearl (Private) Limited	<u>100,000</u>	<u>100,000</u>
	<u>1,219,705</u>	<u>1,177,006</u>

	Septmeber 30, 2023	Septmeber 30, 2022
	(Rupees in '000)	
	----- (Un-audited) -----	
17 CASH AND CASH EQUIVALENTS		
Short-term investments - TDRs with maturity upto three months	68,681	56,000
Cash and bank balances	377,675	104,651
	<u>446,356</u>	<u>160,651</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:

	Quarter ended	
	September 30, 2023	September 30, 2022
	(Rupees in '000)	
	----- (Un-audited) -----	
Associated companies		
Sales	6,256	7,539
Purchases of goods, material and services	90,095	37,453
Insurance premium	10,695	8,553
Insurance claims received	6,569	2,781
Rent and service charges paid	4,408	4,954
Donation paid	500	-
Staff retirement benefits		
Contribution to provident fund	9,757	8,668
Key management personnel		
Remuneration and other benefits	20,354	18,618
Fee for attending board meetings	1,300	1,100
	<u>1,300</u>	<u>1,100</u>
	<u>9,757</u>	<u>8,668</u>
	<u>20,354</u>	<u>18,618</u>
	<u>1,300</u>	<u>1,100</u>
	<u>56,187</u>	<u>55,095</u>
	<u>76,951</u>	<u>20,808</u>
	<u>6,712</u>	<u>690</u>
	<u>1,975</u>	<u>1,975</u>
Balances as at period / year end		
Long-term security deposits	1,975	1,975
Trade debts	6,712	690
Bank balances	76,951	20,808
Trade and other payables	56,187	55,095

19 DATE OF AUTHORIZATION FOR ISSUE

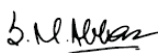
These condensed interim financial statements were authorized for issue on October 24, 2023 by the Board of Directors of the Company.

20 GENERAL

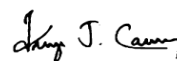
Figures have been rounded off to the nearest rupees in thousands unless otherwise stated.



WAQUAS AHMED
Chief Financial Officer



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director



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