

SHABBIR TILES AND CERAMICS LIMITED

Condensed Interim Financial Statements

For the Second Quarter and Half Year ended

December 31, 2023

(Un-Audited)



CONTENTS

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

Shabbir Tiles and Ceramics Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Rafiq M. Habib
 Syed Masood Abbas Jaffery
 Muhammad Salman Burney
 Imran Ali Habib
 Abdul Hai M. Bhaimia
 Feroze Jehangir Cawasji
 Farhana Mowjee Khan

Chairman
 Chief Executive Officer
 Director
 Director
 Director
 Director
 Director

AUDIT COMMITTEE

Feroze Jehangir Cawasji
 Imran Ali Habib
 Abdul Hai M. Bhaimia
 Farhana Mowjee Khan

Chairman
 Member
 Member
 Member

HUMAN RESOURCES AND
REMUNERATION COMMITTEE

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

Chairman
 Member
 Member
 Member

CHIEF FINANCIAL OFFICER

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, Tauheed Commercial, 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 , 0300-2006509
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 EMPORIUM	Shop No. 80, Opposite JS Bank, Military Road, Sukkur Phone: (071) 5816848 , 0315-3008046

SHABBIR TILES AND CERAMICS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE SECOND QUARTER AND HALF YEAR ENDED DECEMBER 31, 2023

The Directors are pleased to present the financial results of your Company for the second quarter and half year ended December 31, 2023.

The country continued to grapple with a persistent economic crisis characterized by fiscal deficits, external imbalances, and insufficient foreign exchange reserves. These macroeconomic challenges have created a complex landscape for businesses across sectors. Notably, the surging inflation has emerged as a significant impediment to investments in the real estate sector, consequently impacting the performance of the construction industry. The resultant price hikes have set off a domino effect, amplifying input costs and undermining overall profitability.

To counter these economic challenges, Pakistan embarked on an IMF standby loan agreement, providing a degree of relief to the nation's reserves. However, the consequential substantial increase in gas and electricity tariffs, mandated by the IMF agreement during this period, has conspicuously impacted our company's input costs. This escalation, compounded by pre-existing challenges in maintaining competitive pricing, has triggered survival concerns for the manufacturing industry, especially for tile manufacturers heavy reliance on sustained and reasonably priced gas supplies.

The financial performance is summarized below:

Particulars	Rs. in ' 000			
	For the quarter ended		For the half year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Turnover – net	4,214,153	3,439,050	8,432,474	6,357,275
Gross profit	950,025	639,910	2,036,075	944,527
Earnings before interest, tax and depreciation	429,404	207,766	1,009,882	187,952
Profit / (loss) before tax	182,637	(32,411)	515,814	(272,386)
Profit / (loss) after tax	124,250	8,688	266,344	(196,302)
Earnings per share (Rs. / share)	0.52	0.04	1.11	(0.82)

During the period, the gross margins increased to 24% versus 15%, as a result of the better product mix and product repricing. The market though remained sluggish; the front-end team made sure that the products of Stile kept their absolute share. During Q2, the increase in gas tariff substantially impacted the bottom line. This rise added to the existing challenges of maintaining competitive pricing, prompting us to explore cost-effective measures in our production processes.


FUTURE OUTLOOK

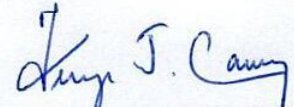
Going forward, the Federal government's support to the construction sector will be pivotal which will also help in stimulating economic growth. Recognizing the construction sector as a crucial player in addressing unemployment issues, we believe that sustained focus on construction sector can make a meaningful impact on reducing unemployment levels.

In light of the challenges posed by the exorbitant increase in gas tariffs, it is urged that the authorities should re-consider the cross subsidy of gas tariffs charged to the general industry. Implementing the proposed OGRA recommendations would create a more equitable playing field, fostering a conducive environment for sustainable growth in the manufacturing sector. Further, decision-makers should consider the fact that Sindh is a producer of natural gas, ensuring that industries established in the region should not be subjected to higher tariff.

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 CAWAJI
 Director

Karachi: February 28, 2024

شبیر ٹائلز اینڈ سرامکس لمیٹڈ حصص یافتگان کے لئے ڈائریکٹرز رپورٹ

برائے دوسری سہ ماہی اور نصف سال اختتامیہ 31 دسمبر 2023

ڈائریکٹرز 31 دسمبر 2023 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۔ ملک، مالیاتی خسارے، بیرونی عدم توازن اور غیر ملکی زرمبادلہ کے ناکافی ذخائر کی وجہ سے مسلسل معاشی بحران سے دوچار ہے۔ ان عوامل کی وجہ سے تمام شعبہ جات میں کاروبار کے لیے مشکلات میں اضافہ ہوا ہے۔ خاص طور پر، بڑھتی ہوئی افراط تعمیراتی شعبہ میں سرمایہ کاری کے لیے ایک رکاوٹ ہے، جس کے نتیجے میں تعمیراتی صنعت کی کارکردگی متاثر ہو رہی ہے۔ قیمتوں میں اضافے کی وجہ سے لاگت میں اضافہ ہوا ہے اور مجموعی منافع کو نقصان پہنچا ہے۔

ان معاشی مشکلات کا مقابلہ کرنے کے لیے، پاکستان نے آئی ایم ایف سے فوری قرض کا معاہدہ کیا ہے، جس سے ملکی ذخائر کو کچھ حد تک ریلیف ملا ہے۔ تاہم، اس مدت کے دوران آئی ایم ایف کے معاہدے کے تحت گیس اور بجلی کے نرخوں میں لازمی اضافے نے ہماری کمپنی کے اخراجات کو واضح طور پر متاثر کیا ہے۔ اس اضافہ کے ساتھ ساتھ مسابقتی قیمتوں کو برقرار رکھنے کے چیلنجز نے پیداواری صنعت کے لیے بقا کے خدشات کو جنم دیا ہے، خاص طور پر ٹائلز تیار کنندگان کے لیے جو مستقل اور مناسب قیمت والی گیس کی فراہمی پر بہت زیادہ انحصار کرتی ہے۔

مالی کارکردگی کا خلاصہ ذیل ہے:

روپے ہزاروں میں

تفصیلات		دوسری سہ ماہی		نصف سال	
		31 دسمبر 2022	31 دسمبر 2023	31 دسمبر 2022	31 دسمبر 2023
خالص فروخت		3,439,050	4,214,153	6,357,275	8,432,474
مجموعی منافع		639,910	950,025	944,527	2,036,075
آمدنی / (نقصان) قبل از شرح سود، ٹیکس اور فرسودگی (EBITDA)		207,766	429,404	187,952	1,009,882
منافع / (نقصان) قبل از ٹیکس		(32,411)	182,637	(272,386)	515,814
منافع / (نقصان) بعد از ٹیکس		8,688	124,250	(196,302)	266,344
آمدنی / (نقصان) فی حصص (روپے / حصص)		0.04	0.52	(0.82)	1.11

اس عرصے کے دوران، بہتر مصنوعاتی امتزاج اور مصنوعات کی قیمت کی تبدیلی کے نتیجے میں مجموعی منافع 15% سے بڑھ کر 24% ہو گیا ہے۔ مارکیٹ اگرچہ عدم استحکام کا شکار رہی۔ مگر کمپنی کی سیلز ٹیم نے اس بات کو یقینی بنایا ہے کہ کمپنی کی مصنوعات اپنا حصہ برقرار رکھیں دوسری سہ ماہی کے دوران، گیس ٹیرف میں اضافے نے منافع کو کافی حد تک متاثر کیا ہے۔ اس اضافے نے مسابقتی قیمتوں کو برقرار رکھنے کے موجودہ چیلنجز میں اضافہ کیا ہے، جس سے ہمیں اپنے پیداواری عمل میں لاگت میں کمی کے مؤثر اقدامات کو تلاش کرنے پر آمادہ کیا گیا ہے۔

مستقبل کی پیش بینی:

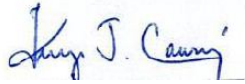
تعمیراتی شعبے کے لیے وفاقی حکومت کی معاونت اہم ثابت ہوگی جو معاشی ترقی کو تیز کرنے میں بھی مددگار ثابت ہوگی۔ بے روزگاری کے مسائل کو حل کرنے میں تعمیراتی شعبے کی اہمیت کو تسلیم کرتے ہوئے، ہم سمجھتے ہیں کہ تعمیراتی شعبے پر مسلسل توجہ بے روزگاری کی سطح کو کم کرنے میں بامعنی اثر ڈال سکتی ہے۔

گیس کے نرخوں میں بے تحاشہ اضافے سے درپیش مشکلات کی روشنی میں، حکام پر زور دیا جاتا ہے کہ وہ عام صنعت پر عائد گیس ٹیرف کی کراس سبسڈی پر دوبارہ غور کریں۔ اوگرا کی مجوزہ سفارشات پر عمل درآمد سے پیداواری شعبہ میں پائیدار ترقی کے لیے سازگار ماحول پیدا ہوگا۔

مزید، 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 نرخ نہیں لگئے چاہئیں

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

برائے و منجانب - بورڈ آف ڈائریکٹرز



فیروز جہانگیر کاوسجی
ڈائریکٹر



سید مسعود عباس جعفری
چیف ایگزیکٹو آفیسر

کراچی: 28 فروری 2024



INDEPENDENT AUDITOR'S REVIEW REPORT

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

Report on review of **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 December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 financial statements based on our review.

The figures for the quarters ended December 31, 2023 and December 31, 2022 in the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income have not been subject to review and therefore, we do not express a conclusion thereon.

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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The condensed interim financial statements of the Company for the half year ended December 31, 2022 and the financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated March 1, 2023 and September 28, 2023 respectively.

The engagement partner on the review resulting in this independent auditor's review report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: February 29, 2024

UDIN: RR2023100689x305mLAS

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2023

ASSETS		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,120,263	3,342,400
Investment property		3,941	4,551
Right-of-use assets	7	301,956	327,200
Long-term deposits		39,750	31,817
Deferred tax asset - net		47,023	41,089
		<u>3,512,933</u>	<u>3,747,057</u>
CURRENT ASSETS			
Stores and spare parts		802,403	728,936
Stock-in-trade	8	2,963,466	2,058,968
Trade debts	9	445,890	411,969
Prepayments, deposits and other receivables		71,176	116,773
Loans and advances		89,371	46,530
Short-term investments	10	963,303	1,337,306
Cash and bank balances		240,637	404,639
		<u>5,576,246</u>	<u>5,105,121</u>
TOTAL ASSETS		<u><u>9,089,179</u></u>	<u><u>8,852,178</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
240,000,000 (June 2023: 240,000,000) ordinary shares of Rs. 5 per share		<u>1,200,000</u>	<u>1,200,000</u>
Issued, subscribed and paid-up share capital			
239,320,475 (June 2023: 239,320,475) ordinary shares of Rs. 5 per share		1,196,600	1,196,600
Reserves		<u>1,769,975</u>	<u>1,503,631</u>
		<u>2,966,575</u>	<u>2,700,231</u>
NON-CURRENT LIABILITIES			
Long-term financing - secured	11	518,195	536,712
Lease liability against right-of-use assets	12	210,153	224,112
Deferred income	13	74,347	77,094
Gas infrastructure development cess (GIDC) payable	14	-	46,998
		<u>802,695</u>	<u>884,916</u>
CURRENT LIABILITIES			
Trade and other payables		3,270,774	3,682,665
Current portion of term finance arrangements	11	34,037	22,820
Current portion of lease liability against right-of-use assets	12	146,936	156,112
Current portion of deferred income	13	5,494	5,494
Current portion of GIDC payable	14	825,027	767,915
Short-term borrowings		300,000	-
Unclaimed dividend		4,158	4,184
Unpaid dividend		2,489	2,761
Accrued markup		24,911	20,334
Sales tax payable		454,719	346,154
Taxation - net		251,364	258,592
		<u>5,319,909</u>	<u>5,267,031</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,122,604</u></u>	<u><u>6,151,947</u></u>
		<u><u>9,089,179</u></u>	<u><u>8,852,178</u></u>
CONTINGENCIES AND COMMITMENTS			
	15		

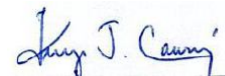
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



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 (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half Year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----			
Turnover - net	8,432,474	6,357,275	4,214,153	3,439,050
Cost of sales	(6,396,399)	(5,412,748)	(3,264,128)	(2,799,140)
Gross profit	2,036,075	944,527	950,025	639,910
Selling and distribution expenses	(1,238,056)	(962,932)	(646,578)	(524,873)
Administrative expenses	(204,625)	(184,962)	(101,707)	(92,987)
Allowance for expected credit losses	(10,711)	(14,146)	(11,889)	(3,357)
	(1,453,392)	(1,162,040)	(760,174)	(621,217)
Other income	110,558	55,281	57,146	17,248
Operating profit / (loss)	693,241	(162,232)	246,997	35,941
Finance costs	(94,140)	(95,943)	(47,678)	(60,260)
Other expenses	(83,287)	(14,211)	(16,682)	(8,092)
	(177,427)	(110,154)	(64,360)	(68,352)
Profit / (loss) before taxation	515,814	(272,386)	182,637	(32,411)
Taxation				
- Current	(255,405)	(82,062)	(41,959)	(17,919)
- Deferred	5,935	158,146	(16,428)	59,018
	(249,470)	76,084	(58,387)	41,099
Profit / (loss) after taxation	266,344	(196,302)	124,250	8,688
	----- (Rupee) -----			
Earnings / (loss) per share – basic and diluted	1.11	(0.82)	0.52	0.04

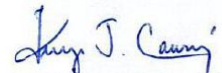
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Waqas 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 (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	------(Rupees in '000)-----			
Profit / (loss) after taxation	266,344	(196,302)	124,250	8,688
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>266,344</u>	<u>(196,302)</u>	<u>124,250</u>	<u>8,688</u>

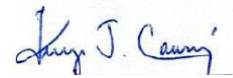
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Chief Financial Officer



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 HALF YEAR ENDED DECEMBER 31, 2023

Issued, subscribed and paid-up capital	Reserves				Total reserves	Total equity
	Capital reserve	Revenue reserves		Unappro- priated profit / (loss)		
	Share premium	General reserve				
----- (Rupees in '000) -----						
Balance as at July 1, 2022 (Audited)	1,196,600	449,215	478,000	718,293	1,645,508	2,842,108
Final Dividend @ 15% for the year ended June 30, 2022	-	-	-	(179,490)	(179,490)	(179,490)
Loss after taxation	-	-	-	(196,302)	(196,302)	(196,302)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(196,302)	(196,302)	(196,302)
Balance as at December 31, 2022 (Un-audited)	<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>
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	-	-	-	266,344	266,344	266,344
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	266,344	266,344	266,344
Balance as at December 31, 2023 (Un-audited)	<u>1,196,600</u>	<u>449,215</u>	<u>478,000</u>	<u>842,760</u>	<u>1,769,975</u>	<u>2,966,575</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

SHABIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	515,814	(272,386)
Adjustments for non-cash and other items:		
Depreciation on:		
Operating fixed assets	6.1 336,613	299,261
Right-of-use assets	7.2 62,705	64,513
Investment property	610	621
Finance costs	94,140	95,943
Dividend income	(26,554)	(12,623)
Allowance for expected credit losses	10,711	14,146
Provision for slow moving stores and spare parts	13,851	17,969
Provision for slow moving and obsolete stock-in-trade	4,457	3,215
Unrealised gain	(9,219)	-
Amortisation of deferred income	13 (2,747)	(2,747)
Gain on disposal of operating fixed assets	(1,152)	(566)
	<u>483,415</u>	<u>479,732</u>
Operating profit before working capital changes	999,229	207,346
Increase in current assets		
Stores and spare parts	(87,318)	(106,848)
Stock-in-trade	(908,955)	(988,487)
Trade debts	(44,632)	(105,312)
Loans and advances	(42,841)	(49,146)
Trade deposits, short-term prepayments and other receivables	45,597	(14,051)
	(1,038,149)	(1,263,844)
(Decrease) / increase in current liabilities		
Trade and other payables	(411,891)	199,642
Sales tax payable	108,565	(31,786)
	(303,326)	167,856
Cash used in operations	(342,246)	(888,642)
Income tax paid	(262,633)	(180,984)
Finance costs paid	(89,563)	(41,035)
Long-term deposits	(7,933)	(10,493)
Net cash used in operating activities	(702,375)	(1,121,154)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure - fixed assets for own use	(122,549)	(418,969)
Proceeds from disposal of operating fixed assets	9,225	3,424
Investments made	(1,752,656)	(942,884)
Investments redeemed	2,237,837	1,533,574
Dividend received	26,554	12,623
Net cash generated from investing activities	398,411	187,768
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained during the period	11 -	350,317
Repayment of long-term financing	(19,394)	(4,936)
Short term financing obtained during the period	300,000	-
Repayment of principal portion of lease liabilities	(60,596)	(48,538)
Dividend paid	(298)	(177,700)
Net cash generated from financing activities	219,712	119,143
Net decrease in cash and cash equivalents	(84,252)	(814,243)
Cash and cash equivalents at the beginning of the period	777,548	590,856
Cash and cash equivalents at the end of the period	16 <u>693,296</u>	<u>(223,387)</u>

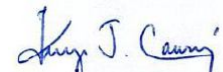
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Waquas Ahmed
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

SHABIR TILES AND CERAMICS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

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 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. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards 34; 'Interim Financial Reporting', (IAS 34) issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act),
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act and IFAS differ with the requirements of IAS 34, the provisions of and directives issued under the Act and IFAS 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.

4.1 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

(a) Amendments to published accounting and reporting standards which became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

(b) Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with approved accounting and reporting 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	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	2,554,196	2,743,070
Capital work-in-progress (CWIP)	6.2	566,067	599,330
		<u>3,120,263</u>	<u>3,342,400</u>
6.1 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	6.1.1	155,812	970,554
		<u>2,898,882</u>	<u>3,361,198</u>
Disposals during the period / year at NBV	6.1.1	(8,073)	(3,263)
Depreciation charged during the period / year		(336,613)	(614,865)
Closing Net Book Value		<u>2,554,196</u>	<u>2,743,070</u>
6.1.1 Additions and disposals of operating fixed assets			
		Additions at cost / transfers	Disposals at NBV
		December 31, 2023	December 31, 2023
		June 30, 2023	June 30, 2023
		(Un-audited)	(Un-audited)
		(Audited)	(Audited)
		----- (Rupees in '000) -----	
Building on freehold land		-	9,673
Plant and machinery		95,363	919,115
Office equipment		11,302	18,669
Computers and accessories		1,542	2,803
Vehicles		47,605	20,294
		<u>155,812</u>	<u>970,554</u>
		<u>8,073</u>	<u>3,263</u>

	Note	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
6.2 Capital work-in-progress			
Plant and machinery		564,831	568,752
Office equipment		1,236	468
Advance against vehicles		-	30,110
	6.2.1	<u>566,067</u>	<u>599,330</u>
6.2.1 Movement in capital work-in-progress			
Balance at the beginning of the period / year		599,330	1,028,112
Additions during the period / year		112,361	500,956
Transfers to operating fixed assets	6.2.2	(145,624)	(929,738)
Balance at the end of the period / year		<u>566,067</u>	<u>599,330</u>
6.2.2			
Includes vehicles of Rs. 12.937 million (June 2023: Rs. 12.844 million) purchased from Indus Motors Company Limited, a related party.			
		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
7 RIGHT-OF-USE ASSETS			
Cost	7.1	647,772	610,311
Accumulated depreciation	7.2	(345,816)	(283,111)
		<u>301,956</u>	<u>327,200</u>
7.1 Cost			
Balance at the beginning of the period / year		610,311	496,947
Additions during the period / year		34,261	178,940
Disposal during the period / year		-	(67,517)
Remeasurement of lease liabilities		3,200	1,941
Balance at end of the period / year		<u>647,772</u>	<u>610,311</u>
7.2 Accumulated Depreciation			
Balance at beginning of the period / year		283,111	233,584
Charged during the period / year	7.3	62,705	117,044
On disposal during the period / year		-	(67,517)
Balance at end of the period / year		<u>345,816</u>	<u>283,111</u>
		<u>301,956</u>	<u>327,200</u>
Depreciation rate %		<u>10-33</u>	<u>10-33</u>
7.3 Depreciation charge for the period has been allocated as follows		December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
		----- (Rupees in '000) -----	
Cost of sales- Manufacturing		17,029	18,706
Selling and distribution expenses		45,676	45,807
		<u>62,705</u>	<u>64,513</u>

			December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		Note	----- (Rupees in '000) -----	
8	STOCK-IN-TRADE			
	Raw material - in hand		1,441,895	797,689
	- in transit		88,386	206,912
			<u>1,530,281</u>	<u>1,004,601</u>
	Work-in-process		109,832	109,518
	Finished goods	8.1	1,365,926	982,965
	Less: Provision for slow moving and obsolete stock-in-trade		<u>(42,573)</u>	<u>(38,116)</u>
			<u><u>2,963,466</u></u>	<u><u>2,058,968</u></u>
8.1	Includes stock-in-trade costing Rs. 986.579 million (June 2023: Rs. 766.563 million) which has been written down to its net realisable value (NRV) amounting to Rs. 358.583 million (June 2023: Rs. 254.766 million).			
		Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
9	TRADE DEBTS		----- (Rupees in '000) -----	
	Unsecured			
	Considered good		445,890	411,969
	Considered doubtful		167,881	157,975
			<u>613,771</u>	<u>569,944</u>
	Allowance for expected credit losses		<u>(167,881)</u>	<u>(157,975)</u>
			<u><u>445,890</u></u>	<u><u>411,969</u></u>
10	SHORT-TERM INVESTMENTS			
	At amortised cost			
	Term deposit receipts (TDRs) up to three months	10.1	151,650	276,000
	Treasury bills up to three months		301,009	96,909
	At fair value through profit or loss			
	Mutual fund units		<u>510,644</u>	<u>964,397</u>
			<u><u>963,303</u></u>	<u><u>1,337,306</u></u>
10.1	Represents term deposit receipts (TDRs) ranging from 7 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 19.63% to 20.50% (2023: 17.5% to 20.25%) per annum, having latest maturity up to January 02, 2024 (June 2023: July 05, 2023). This includes a TDR with 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 11.			
		Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
11	LONG-TERM FINANCING - SECURED		----- (Rupees in '000) -----	
	Conventional Banks			
	SBP refinance scheme for renewable energy	11.1 & 11.3	262,232	269,532
	Term Loan	11.2	290,000	290,000
	Current maturity of long-term financing		<u>(34,037)</u>	<u>(22,820)</u>
			<u><u>518,195</u></u>	<u><u>536,712</u></u>

- 11.1 There is no material change in the terms and conditions of the long-term financing obtained from a conventional bank under State Bank of Pakistan's (SBP) Refinance Scheme for Renewable Energy as disclosed in the Company's annual audited financial statements for the year ended June 30, 2023.
- 11.2 There is no material change in the terms and conditions of the term loan obtained from Allied Bank Limited to finance the CAPEX requirement of the Company as disclosed in the Company's annual audited financial statements for the year ended June 30, 2023.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
11.3 Movement of long-term financing:			
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		(19,394)	(10,715)
Recognised as deferred income		-	(24,317)
Unwinding of finance cost		12,094	21,221
Remeasurement of long-term financing		-	-
Balance at end of the period / year		<u>262,232</u>	<u>269,532</u>
Current maturity of long-term financing		<u>(34,037)</u>	<u>(22,820)</u>
		<u>228,195</u>	<u>246,712</u>
12 LEASE LIABILITIES			
Lease liabilities	12.1	357,089	380,224
Current maturity of lease liabilities		<u>(146,936)</u>	<u>(156,112)</u>
		<u>210,153</u>	<u>224,112</u>
12.1 Movement of lease liabilities:			
Balance at beginning of the period / year		380,224	310,080
Additions during the period / year		34,261	178,940
Remeasurement of lease liabilities		3,200	1,941
Unwinding of finance cost during the period / year		25,266	49,251
Payments made during the period / year		<u>(85,862)</u>	<u>(159,988)</u>
Balance at end of the period / year		<u>357,089</u>	<u>380,224</u>
13 DEFERRED INCOME			
Balance at beginning of the period / year		82,588	63,765
Recognised during the period / year		-	24,317
Amortized during the period / year		<u>(2,747)</u>	<u>(5,494)</u>
Balance at end of the period / year		79,841	82,588
Current maturity of deferred income		<u>(5,494)</u>	<u>(5,494)</u>
		<u>74,347</u>	<u>77,094</u>
14 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		10,114	35,015
		<u>825,027</u>	<u>814,913</u>
Current maturity of GIDC payable		<u>(825,027)</u>	<u>(767,915)</u>
Balance at end of the period / year		<u>-</u>	<u>46,998</u>

- 14.1 There is no material change in the status of GIDC as disclosed in note 23.1 to the annual financial statement of the Company for the year ended June 30, 2023.

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There is no change in the status of contingencies as disclosed in note 27.1 in the audited financial statements of the Company for the year ended June 30, 2023.

15.2 Commitments

(i) Commitments in respect of outstanding letters of credit against raw materials and spares amounting to Rs. 621.709 million (June 2023: Rs. 757.131 million).

(ii) Commitment in respect of bank guarantees issued by a commercial bank in favour of:

	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
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 Limited	16,516	16,516
Parco Pearl (Private) Limited	100,000	100,000
	<u>1,219,705</u>	<u>1,177,006</u>

	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	December 31, 2022
Term deposit receipt up to three months	151,650	406,000
Market Treasury Bills up to three months	301,009	-
Cash and bank balances	240,637	79,641
Short-term running finance	-	(709,028)
	<u>693,296</u>	<u>(223,387)</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 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 period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	Half Year ended	
	December 31, 2023 ----- (Rupees in '000) ----- ----- (Un-audited) -----	December 31, 2022
Associated companies		
Sales	13,749	10,085
Purchases of goods, material and services	179,150	100,185
Insurance premium	23,953	15,194
Insurance claims received	10,781	2,970
Rent and service charges paid	11,681	9,828
Donation paid	500	-

	Half Year ended	
	December 31, 2023	December 31, 2022
	----- (Rupees in '000) ----- ----- (Un-audited) -----	
Staff retirement benefits		
Contribution to provident fund	19,187	17,138
Key management personnel		
Remuneration and other benefits	41,689	42,478
Fee for attending board meetings	2,000	1,800
	December 31, 2023	June 30, 2023
	----- (Rupees in '000) ----- (Un-audited) (Audited)	
Balances as at period / year end		
Long-term security deposits	1,974	1,975
Trade debts	4,283	690
Bank balances	42,088	20,808
Trade and other payables	79,347	55,095

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

- 18.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of investments in units of open-end collective investment schemes (mutual funds) are based on the net assets quoted by the respective funds and the Mutual Fund Association of Pakistan at each reporting date. The estimated fair value of all other assets and liabilities are considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced.

- 18.2 International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data.

Assets	As at December 31, 2023 (Unaudited)			
	Level 1	Level 2	Level 3	Total

----- (Rupees in '000) -----

Financial assets - fair value through profit or loss:
- Short-term investments (units of mutual fund)

-	510,644	-	510,644
-	<u>510,644</u>	-	<u>510,644</u>

Assets	As at June 30, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total

----- (Rupees in '000) -----

Financial assets - fair value through profit or loss:
- Short-term investments (units of mutual fund)

-	964,397	-	964,397
-	<u>964,397</u>	-	<u>964,397</u>

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 28, 2024 by the Board of Directors of the Company.

20 GENERAL

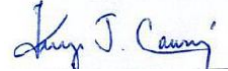
Figures have been rounded off to the nearest rupees in thousands unless otherwise stated.



Waqas Ahmed
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director



Unmatched Quality Tiles

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

Phone: +92-213-818 3610-13

E-mail: info@stile.com.pk

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