

SHABBIR TILES AND CERAMICS LIMITED

Condensed Interim Financial Statements

For the Quarter Ended

September 30 , 2024

(Un-Audited)



CONTENTS

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

Shabbir Tiles and Ceramics Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

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

Chairman
 Chief Executive Officer
 Director
 Director
 Director
 Director
 Director

AUDIT COMMITTEE

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

Chairman
 Member
 Member
 Member

HUMAN RESOURCES AND
REMUNERATION COMMITTEE

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

Chairman
 Member
 Member
 Member

CHIEF FINANCIAL OFFICER

Umair Ali Bhatti

COMPANY SECRETARY

Muhammad Waleed

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
 Bank Al Habib
 Muslim Commercial Bank
 United Bank Limited
 Askari Bank Limited

REGISTERED OFFICE
AND FACTORY UNIT-1

15th Milestone, National Highway
 Landhi Industrial Area, Karachi-75120

Phone: (021) 38183610-3

Fax: (021) 38183615

E-mail: info@stile.com.pk

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: 0324-2018875
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: 0315-3008034
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) 4926280-1
GUJRANWALA EMPORIUM	Main GT Road, Chan da Qila, opposite Haji Murad Trust Eye Hospital, Gujranwala Phone : 0336-4690885
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
RAHIM YAR KHAN EMPORIUM	Commercial Plot No. 1, New Officers Colony, Club Road, Near Jullundur Mall Rahim Yar Khan. Phone: 0300-8216848

SHABBIR TILES AND CERAMICS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

The Directors are pleased to present the financial results of the Company for the first quarter ended September 30, 2024.

Economic growth has remained modest, and the construction sector shows no signs of recovery, which continues to affect the tile market. The market size has contracted significantly due to reduced demand, with most activity now focused on renovation projects and government contracts. Private sector projects have been notably impacted and delayed. Tile manufacturers continue to face challenges from low demand. The post budget 2025 scenario and the prevalent rising inflationary trend is expected to continue going forward thereby negatively impacting the purchasing power of consumers. This has resulted in lower volumes for the company and accordingly the financial results were below expectation.

The financial performance is summarized below:

Particulars	September 30, 2024	September 30, 2023
Turnover – net	3,582,745	4,218,321
Gross profit	659,735	1,086,050
(Loss) / Earnings before interest, tax and depreciation	144,843	580,478
(Loss) / Profit before taxation and levy	(99,905)	333,177
(Loss) / Profit after tax	(85,688)	142,094
(Loss) / Earnings per share (Rs. / share)	(0.36)	0.59

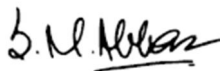
FUTURE OUTLOOK

The positive momentum in macroeconomic conditions points to encouraging growth prospects and an improvement in business sentiment. The implementation of the IMF program, along with a reduction in inflation and interest rates, is expected to provide stability and predictability for businesses and investors, thereby aiding economic recovery. This macroeconomic stability is likely to serve as a catalyst for growth in the construction industry. However, the benefits of these developments will take time to fully permeate through the broader market with timely stimulus from the government through favourable steps for the construction sector.

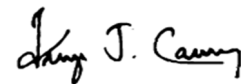
The Company remains committed to improving its operational performance and adapting to evolving conditions. Our focus will remain to increase operational cost efficiencies and mitigate the challenge of rising input costs. Similarly, we are also working aggressively on localization of raw materials, alternate sources of energy and improved modes of transportation.

Our diverse product portfolio is expected to be a key asset in this environment, offering a competitive edge by addressing a wide range of customer needs. This diversity will help safeguard revenue streams, even in the face of economic headwinds. We are confident that, with the continued support of our valued stakeholders, we will successfully steer through this challenging period.

On behalf of the Board of Directors



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

Karachi: October 28, 2024

شیر ٹائلز اینڈ سرامکس لمیٹڈ
حصص یافتگان کے لئے ڈائریکٹرز رپورٹ
برائے پہلی سہ ماہی اختتامیہ 30 ستمبر، 2024

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2024 کو ختم ہونے والی پہلی سہ ماہی کے لیے مالیاتی نتائج پیش کرنے پر خوشی محسوس کر رہے ہیں۔ اقتصادی ترقی اور تعمیراتی شعبے میں بحالی کے کوئی آثار نظر نہیں آ رہے ہیں، جو ٹائلز مارکیٹ کو متاثر کر رہے ہیں۔ طلب کی کمی کی وجہ سے مارکیٹ کے حجم میں نمایاں کمی آئی ہے، زیادہ تر سرگرمیاں اب تزئین و آرائش کے منصوبوں اور حکومتی معاہدوں پر مرکوز ہیں جس کے نتیجے میں نجی شعبے کے منصوبے خاصے متاثر ہوئے ہیں اور تاخیر کا شکار ہوئے ہیں ٹائلز مینوفیکچررز کو طلب کی کمی کی وجہ سے مشکلات کا سامنا کرنا پڑتا ہے۔ بجٹ 2025 کے بعد کا منظر نامہ اور مہنگائی کے بڑھتے ہوئے رجحانات سے توقع کی جاسکتی ہے کہ اس میں مزید اضافہ ہو گا جس سے صارفین کی قوت خرید پر منفی اثرات مرتب ہوں گے۔ جس کے نتیجے میں کمپنی کے حجم میں کمی آئی ہے اور اس کے مطابق مالیاتی نتائج توقع سے کم ہوئے ہیں۔

سہ ماہی کی مالی کارکردگی کا خلاصہ ذیل ہے:

روپے ہزاروں میں

تفصیلات	30 ستمبر 2023	30 ستمبر 2024
خالص فروخت	4,218,321	3,582,745
مجموعی منافع	1,086,050	659,735
آمدنی قبل از شرح سود، ٹیکس اور فرسودگی (EBITDA)	580,478	144,843
منافع / (نقصان) قبل از ٹیکس	333,177	(99,905)
منافع / (نقصان) بعد از ٹیکس	142,094	(85,688)
آمدنی / (نقصان) فی حصص (روپے / حصص)	0.59	(0.36)

مستقبل کا نقطہ نظر

معاشی حالات میں مثبت پیشرفت، ترقی کے حوصلہ افزا امکانات اور کاروبار میں بہتری کی طرف اشارہ کرتی ہے۔ مہنگائی اور شرح سود میں کمی کے ساتھ آئی ایم ایف پروگرام کے نفاذ سے کاروبار اور سرمایہ کاری میں استحکام کی توقع ہے اور اس سے معاشی بحالی میں مدد ملے گی۔ ممکنہ طور پر یہ معاشی حالات میں استحکام سے تعمیراتی صنعت میں ترقی کی راہ ہموار ہوگی۔ تاہم، حکومت کی جانب سے تعمیراتی شعبے کے لیے سازگار اقدامات کے نتائج کو وسیع تر مارکیٹ میں مکمل طور پر پہنچنے میں وقت لگے گا۔

کمپنی اپنی آپریشنل کارکردگی کو بہتر بنانے اور بدلتے ہوئے حالات کے مطابق خود کو ڈھالنے کے لیے پر عزم ہے۔ ہماری توجہ آپریشنل لاگت کی افادیت کو بڑھانے اور بڑھتی ہوئی مال کی لاگت کے چیلنج کو کم کرنے پر رہے گی۔ اسی طرح ہم خام مال کی مقامی طور پر خریداری، توانائی کے متبادل ذرائع اور نقل و حمل کے بہتر طریقوں پر بھی جارحانہ انداز میں کام کر رہے ہیں۔

ہماری جداگانہ پروڈکٹ پورٹ فولیو کاروباری ماحول میں ہمارا ایک کلیدی اثاثہ ہے، جو کہ صارفین کی ضروریات کو پورا کرتے ہوئے مسابقتی برتری کی پیشکش کرتا ہے۔ یہ جداگانہ پروڈکٹ پورٹ فولیو معاشی مشکلات کے باوجود آمدنی کے سلسلے کو محفوظ رکھنے میں ہماری مدد کرے گا۔ ہمیں یقین ہے کہ اپنے قابل قدر حصص یافتگان کی مسلسل حمایت کے ساتھ، ہم اس مشکل دور سے کامیابی کے ساتھ آگے بڑھیں گے۔

برائے و منجانب - بورڈ آف ڈائریکٹرز

Angus J. Casey

فیروز جہانگیر کاوسی

ڈائریکٹر

S. M. Abbas

سید مسعود عباس جعفری

چیف ایگزیکٹو آفیسر

کراچی: 28 اکتوبر 2024

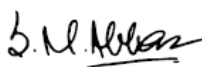
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2024

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	------(Rupees in '000)-----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,785,830	2,880,148
Right-of-use assets	7	300,617	337,617
Investment property		2,999	3,309
Long-term deposits		41,969	41,969
Deferred tax asset - net		122,169	79,530
		<u>3,253,584</u>	<u>3,342,573</u>
CURRENT ASSETS			
Stores and spare parts		858,314	821,644
Stock-in-trade	8	2,913,222	2,948,284
Trade debts	9	505,193	423,681
Loans and advances		121,292	104,668
Prepayments, deposits and other receivables		34,589	27,107
Short-term investments	10	306,000	206,363
Cash and bank balances		395,069	286,376
		<u>5,133,679</u>	<u>4,818,123</u>
		<u>8,387,263</u>	<u>8,160,696</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
240,000,000 (June 2024: 240,000,000) ordinary shares of Rs. 5 per share		<u>1,200,000</u>	<u>1,200,000</u>
Share Capital			
Issued, subscribed and paid-up share capital		1,196,600	1,196,600
Capital Reserves			
Share Premium		449,215	449,215
Revenue reserves			
Unappropriated profit		810,893	896,581
General Reserves		478,000	478,000
		<u>2,934,708</u>	<u>3,020,396</u>
TOTAL EQUITY			
NON-CURRENT LIABILITIES			
Long-term financing	11	451,178	494,102
Deferred income	12	45,844	47,021
Lease liabilities	13	232,258	269,558
		729,280	810,681
CURRENT LIABILITIES			
Trade and other payables		2,605,342	2,727,383
Accrued markup		19,108	25,330
Taxation - net		93,345	144,471
Current maturity of long term financing	11	102,972	66,775
Current maturity of deferred income	12	4,710	4,710
Current maturity of lease liabilities	13	124,919	124,919
Current maturity of gas infrastructure development cess payable	14	830,406	829,952
Short-term borrowings		525,182	-
Sales tax payable		410,691	399,480
Unclaimed dividend		4,155	4,155
Unpaid dividend		2,445	2,444
		<u>4,723,275</u>	<u>4,329,619</u>
		<u>5,452,555</u>	<u>5,140,300</u>
		<u>8,387,263</u>	<u>8,160,696</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	15		

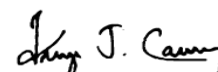
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

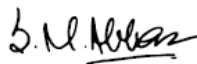
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter ended	
	September 30, 2024	September 30, 2023
------(Rupees in '000)-----		
Turnover - net	3,582,745	4,218,321
Cost of sales	(2,923,010)	(3,132,271)
Gross profit	659,735	1,086,050
Selling and distribution expenses	(596,312)	(591,478)
Administrative expenses	(116,190)	(102,918)
(Allowance) / Reversal for expected credit losses	(14,617)	1,178
	(727,119)	(693,218)
Other income	29,576	53,412
Operating (Loss) / profit	(37,808)	446,244
Finance costs	(56,580)	(46,462)
Other expenses	(5,517)	(66,605)
	(62,097)	(113,067)
(Loss) / Profit before taxation and levy	(99,905)	333,177
Levy	(174)	(4,009)
(Loss) / Profit before taxation	(100,079)	329,168
Taxation		
- Current	(28,248)	(209,437)
- Deferred	42,639	22,363
	14,391	(187,074)
(Loss) / Profit after taxation	(85,688)	142,094
----- (Rupee) -----		
Earnings / (loss) per share – basic and diluted	(0.36)	0.59

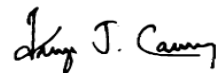
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

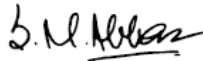
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter ended	
	September 30, 2024	September 30, 2023
	------(Rupees in '000)-----	
(Loss) / Profit after taxation	(85,688)	142,094
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	<u>(85,688)</u>	<u>142,094</u>

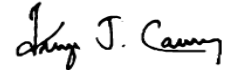
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cav
Director

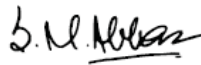
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

Issued, subscribed and paid-up capital	Reserves			Total reserves	Total equity	
	Capital reserve	Revenue reserves				
	Share premium	General reserve	Unappro- priated profit / (loss)			
----- (Rupees in '000) -----						
Balance as at July 1, 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 loss for the period	-	-	-	142,094	142,094	142,094
Balance as at September, 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>
Balance as at June 30, 2024 (Audited)	1,196,600	449,215	478,000	896,581	1,823,796	3,020,396
Profit after taxation	-	-	-	(85,688)	(85,688)	(85,688)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	(85,688)	(85,688)	(85,688)
Balance as at September 30, 2024 (Un-audited)	<u>1,196,600</u>	<u>449,215</u>	<u>478,000</u>	<u>810,893</u>	<u>1,738,108</u>	<u>2,934,708</u>

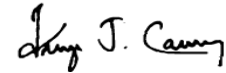
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawas
Director

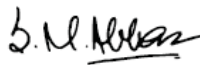
SHABBIR TILES AND CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

		September 30, 2024	September 30, 2023
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		(99,905)	333,177
Adjustments for non-cash and other items:			
Depreciation on:			
Operating fixed assets	6.1	150,857	169,485
Right-of-use assets	7.2	37,000	31,044
Investment property		311	310
Finance costs		56,580	46,462
Dividend income		(1,159)	(20,644)
Allowance for expected credit losses		14,617	(1,178)
Provision for slow moving stores and spare parts		12,912	8,142
Provision for slow moving and obsolete stock-in-trade		8,192	(89)
Amortisation of deferred income	12	(1,177)	(1,373)
Gain on disposal of operating fixed assets		(282)	(47)
		<u>277,851</u>	<u>232,112</u>
Operating profit before working capital changes		177,946	565,289
(Increase) / decrease in current assets			
Stores and spare parts		(49,582)	41,207
Stock-in-trade		26,870	(1,043,465)
Trade debts		(96,129)	(158,707)
Loans and advances		(16,624)	(90,877)
Trade deposits, short-term prepayments and other receivables		(7,482)	31,937
		(142,947)	(1,219,905)
(Decrease) / increase in current liabilities			
Trade and other payables		(122,041)	(196,392)
Sales tax payable		11,211	57,069
		(110,830)	(139,323)
Cash used in operations		(75,831)	(793,939)
Income tax paid		(79,374)	(148,001)
Levies paid		(174)	(4,009)
Finance costs paid		(54,965)	(49,004)
Long-term deposits		-	(400)
Net cash used in operating activities		(210,344)	(995,353)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(58,618)	(35,783)
Proceeds from disposal of operating fixed assets		2,361	48
Short term investment made during the year		-	(664,931)
Short term investment redeemed during the year		150,363	1,377,893
Dividend on mutual funds received		1,159	20,644
Net cash generated from investing activities		95,265	697,871
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(14,110)	(9,316)
Repayment of lease liabilities		(37,300)	(24,139)
Dividend paid		-	(255)
Net cash used in financing activities		(51,410)	(33,710)
Net decrease in cash and cash equivalents		(166,489)	(331,192)
Cash and cash equivalents at the beginning of the period		286,376	777,548
Cash and cash equivalents at the end of the period	16	<u>119,887</u>	<u>446,356</u>

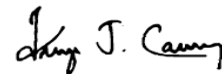
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

SHABBIR TILES AND CERAMICS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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, 2024.

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, 2024.

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, 2025. 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, 2024.

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, 2024.

	Note	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
----- (Rupees in '000) -----			
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	2,628,064	2,731,423
Capital work-in-progress (CWIP)	6.2	157,766	148,725
		<u>2,785,830</u>	<u>2,880,148</u>
6.1 Operating fixed assets			
Opening Net Book Value (NBV)		2,731,423	2,743,070
Additions including transfers from CWIP during the period / year - at cost	6.1.1	49,577	661,007
		<u>2,781,000</u>	<u>3,404,077</u>
Disposals during the period / year at NBV	6.1.1	(2,079)	(8,074)
Depreciation charged during the period / year		(150,857)	(664,580)
Closing Net Book Value		<u>2,628,064</u>	<u>2,731,423</u>
6.1.1 Additions and disposals of operating fixed assets			
		<u>Additions at cost / transfers</u>	<u>Disposals at NBV</u>
		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
Building on freehold land		-	-
Plant and machinery		30,508	591,663
Office equipment		751	19,555
Computers and accessories		938	2,184
Vehicles		17,380	47,605
		<u>49,577</u>	<u>661,007</u>
		<u>2,079</u>	<u>8,072</u>
		<u>2,079</u>	<u>8,074</u>

	Note	September 30, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited)
6.2 Capital work-in-progress			
Plant and machinery		157,628	148,339
Office equipment		138	386
Advance against vehicles		-	-
	6.2.1	<u>157,766</u>	<u>148,725</u>
6.2.1 Movement in capital work-in-progress			
Balance at the beginning of the period / year		148,725	599,330
Additions during the period / year		53,844	189,814
Transfers to operating fixed assets	6.2.2	(44,803)	(640,419)
Balance at the end of the period / year		<u>157,766</u>	<u>148,725</u>
6.2.2	Includes vehicles of Rs. 17.379 million (June 2024: Rs. 12.937 million) purchased from Indus Motors Company Limited, a related party.		
		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
7 RIGHT-OF-USE ASSETS	Note		
Cost	7.1	667,746	667,746
Accumulated depreciation	7.2	(367,129)	(330,129)
		<u>300,617</u>	<u>337,617</u>
7.1 Cost			
Balance at the beginning of the period / year		667,746	610,311
Additions during the period / year		-	138,184
Disposal during the period / year		-	(84,670)
Remeasurement of lease liabilities		-	3,921
Balance at end of the period / year		<u>667,746</u>	<u>667,746</u>
7.2 Accumulated Depreciation			
Balance at beginning of the period / year		330,129	283,111
Charged during the period / year	7.3	37,000	131,688
On disposal during the period / year		-	(84,670)
Balance at end of the period / year		<u>367,129</u>	<u>330,129</u>
		<u>300,617</u>	<u>337,617</u>
Depreciation rate %		<u>10-33</u>	<u>10-33</u>
7.3 Depreciation charge for the period has been allocated as follows		September 30, 2024 (Un-audited)	September 30, 2023 (Un-audited)
		----- (Rupees in '000) -----	
Cost of sales- Manufacturing		9,000	8,875
Selling and distribution expenses		28,000	22,169
		<u>37,000</u>	<u>31,044</u>

			September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
			----- (Rupees in '000) -----	
8	STOCK-IN-TRADE	Note		
	Raw material - in hand		1,276,642	1,286,868
	- in transit		124,016	79,384
			<u>1,400,658</u>	<u>1,366,252</u>
	Work-in-process		102,703	145,569
	Finished goods	8.1	1,492,517	1,510,928
	Less: Provision for slow moving and obsolete stock-in-trade		(82,656)	(74,465)
			<u>2,913,222</u>	<u>2,948,284</u>
8.1	Includes stock-in-trade costing Rs. 835.01 million (June 2024: Rs. 802.07 million) which has been written down to its net realisable value (NRV) amounting to Rs. 417.31 million (June 2024: Rs. 331.46 million).			
		Note	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
			----- (Rupees in '000) -----	
9	TRADE DEBTS			
	Unsecured			
	Considered good		505,193	423,681
	Considered doubtful		194,859	180,243
			<u>700,052</u>	<u>603,924</u>
	Allowance for expected credit losses		(194,859)	(180,243)
			<u>505,193</u>	<u>423,681</u>
10	SHORT-TERM INVESTMENTS			
	At amortised cost			
	Term deposit receipts (TDRs) up to three months	10.1	306,000	56,000
	Treasury bills up to three months			-
	At fair value through profit or loss			
	Mutual fund units		-	150,363
			<u>306,000</u>	<u>206,363</u>
10.1	Represents term deposit receipts (TDRs) ranging from 1 month to 3 months term (June 2024: 3 months) with commercial banks under conventional banking relationship carrying profit at the rate of 14% to 18% (2024: 18.72%) per annum, 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	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
			----- (Rupees in '000) -----	
11	LONG-TERM FINANCING - SECURED			
	Conventional Banks			
	SBP refinance scheme for renewable energy	11.1 & 11.3	264,150	270,877
	Term Loan	11.2	290,000	290,000
			<u>(102,972)</u>	<u>(66,775)</u>
	Current maturity of long-term financing		<u>451,178</u>	<u>494,102</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, 2024.

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, 2024.

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
11.3 Movement of long-term financing:			
Balance at beginning of the period / year		270,877	269,532
Reversal of government grant			24,317
Financing received during the period / year		-	-
Repayment made during the period / year		(14,110)	(53,649)
Recognised as deferred income		-	-
Unwinding of finance cost		7,383	30,677
Remeasurement of long-term financing		-	-
Balance at end of the period / year		<u>264,150</u>	<u>270,877</u>
Current maturity of long-term financing		<u>(30,472)</u>	<u>(30,525)</u>
		<u>233,678</u>	<u>240,352</u>
12 DEFERRED INCOME			
Balance at beginning of the period / year		51,731	82,588
Reversal of government grant			(24,317)
Recognised during the period / year		-	-
Amortized during the period / year		(1,177)	(6,540)
Balance at end of the period / year		<u>50,554</u>	<u>51,731</u>
Current maturity of deferred income		<u>(4,710)</u>	<u>(4,710)</u>
		<u>45,844</u>	<u>47,021</u>
13 LEASE LIABILITIES			
Lease liabilities	13.1	357,177	394,477
Current maturity of lease liabilities		(124,919)	(124,919)
		<u>232,258</u>	<u>269,558</u>
13.1 Movement of lease liabilities:			
Balance at beginning of the period / year		394,477	380,224
Additions during the period / year		-	138,184
Remeasurement of lease liabilities		-	3,921
Unwinding of finance cost during the period / year		13,000	56,227
Payments made during the period / year		(50,300)	(184,079)
Balance at end of the period / year		<u>357,177</u>	<u>394,477</u>
14 GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE			
Balance at beginning of the period / year		829,952	814,913
Unwinding of finance cost during the period / year		454	15,039
		<u>830,406</u>	<u>829,952</u>
Current maturity of GIDC payable		<u>(830,406)</u>	<u>(829,952)</u>
Balance at end of the period / year		<u>-</u>	<u>-</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, 2024.

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, 2024

15.2 Commitments

(i) Commitments in respect of outstanding letters of credit against raw materials and spares amounting to Rs. 202.895 million (June 2024: Rs. 575.15 million).

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

	September 30, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited)
Sui Southern Gas Company Limited	923,195	467,195
Nazir of Sindh High Court	384,713	384,713
Pakistan State Oil Company Limited	80,000	80,000
Excise and Taxation Department	193,281	171,281
K Electric Limited	16,516	16,516
Parco Pearl (Private) Limited	100,000	100,000
	<u>1,697,705</u>	<u>1,219,705</u>
	September 30, 2024 (Un-audited) ----- (Rupees in '000) -----	September 30, 2023
16 CASH AND CASH EQUIVALENTS		
Term deposit receipt up to three months	250,000	68,681
Market Treasury Bills up to three months	-	-
Cash and bank balances	395,069	377,675
Short-term running finance	(525,182)	-
	<u>119,887</u>	<u>446,356</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:

	Quarter ended	
	September 30, 2024 ----- (Rupees in '000) ----- ----- (Un-audited) -----	September 30, 2023
Associated companies		
Sales	360	6,256
Purchases of goods, material and services	67,113	90,095
Insurance premium	11,886	10,695
Insurance claims received	969	6,569
Rent and service charges paid	6,189	4,408
Donation paid	-	500

	Quarter ended	
	September 30, 2024	September 30, 2023
	----- (Rupees in '000) ----- ----- (Un-audited) -----	
Staff retirement benefits		
Contribution to provident fund	10,753	9,757
Key management personnel		
Remuneration and other benefits	24,856	20,354
Fee for attending board meetings	1,100	1,300
	September 30, 2024	June 30, 2024
	----- (Rupees in '000) ----- (Un-audited) (Audited)	
Balances as at period / year end		
Long-term security deposits	1,975	1,975
Trade debts	543	2,517
Bank balances	45,024	19,480
Trade and other payables	21,935	36,166

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 September 30, 2024 (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 funds)

-	-	-	-
-	-	-	-

Assets	As at June 30, 2024 (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 funds)

-	150,363	-	150,363
-	150,363	-	150,363

19 DATE OF AUTHORISATION FOR ISSUE

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

20 GENERAL

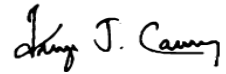
Figures have been rounded off to the nearest rupees in thousands unless otherwise stated.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawas
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>