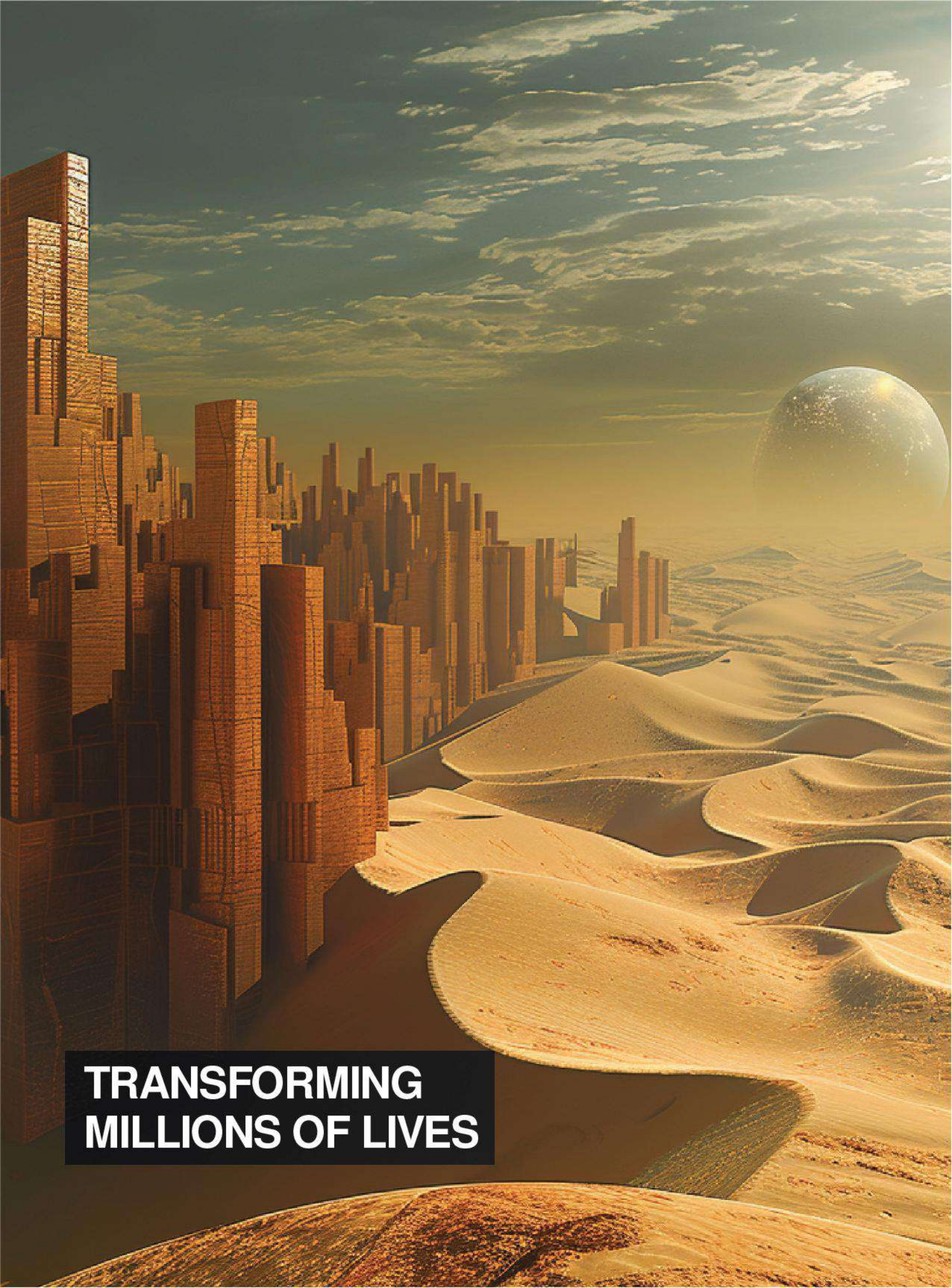


Shabbir Tiles and Ceramics Limited

2024
annual report





**TRANSFORMING
MILLIONS OF LIVES**

COVER STORY

STCL's journey reflects our unwavering commitment to this nation and its people. We have spent over 4 decades aspiring to shape a legacy to transform millions of lives across Pakistan through our products.

We take pride in sharing that our relentless efforts and dedication to deliver locally manufactured, highest European quality standard tiles across the nation has transformed millions of lives. Today, our impact extends to every fifth house in Pakistan is built using STILE tiles.

Looking ahead, we are committed to building upon this legacy, striving to achieve even more for Pakistan & its people, while strengthening our bond & dedication to the nation.



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Proxy Form



ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT



MISSION:

Our Mission is to maintain our position as the Leader in the Tile industry of Pakistan and for this purpose:

- We are committed to quality products and will provide our customers with innovative sizes, designs and color scheme that they will be delighted to have and shall provide them with excellent services to earn their loyalty.
- We shall treat our employees fairly and shall provide conducive working environment for them to learn and to grow with the company.
- The company shall earn adequate profits for its progress & growth and for providing reasonable return to its shareholders.

VISION:

While maintaining our "STILE" brand as the Market Leader, we continue to delight our customers by also bringing in international brands in the field of Building Materials, by offering the Best Quality and Innovative Products at competitive prices, taking into account the stakeholders' interest.

CORE VALUES:

Shabbir Tiles and Ceramics Limited (STCL) upholds high standards of integrity and ethical conduct. Our Code of Conduct ensures that all employees and directors act in a manner that supports the company's reputation and complies with legal requirements. The key principles include:

HUMILITY & RESPECT:

We believe in tolerance and mutual respect, recognizing that broad perspectives foster responsibility.

JUSTICE & INTEGRITY:

We uphold responsibility as the cornerstone of success, ensuring that integrity drives all our decisions.

ENTREPRENEURSHIP:

Innovation is at our core, challenging the status quo with a vision to create what has never been.

TEAMWORK:

We achieve excellence through collaboration, understanding that collective effort produces the best outcomes.

CLEANLINESS & 5S:

We prioritize cleanliness, reflecting our belief that order and discipline are essential for a thriving work environment.

OPTIMUM USE OF RESOURCES:

We are committed to efficiency, ensuring that the best results are achieved by giving our best efforts.

CODE OF CONDUCT:

Shabbir Tiles and Ceramics Limited (STCL) upholds high standards of integrity and ethical conduct. Our Code of Conduct ensures that all employees and directors act in a manner that supports the company's reputation and complies with legal requirements. The key principles include:

INTEGRITY AND TRANSPARENCY:

Employees must act with integrity and transparency in all business dealings, both within and outside the company, and promote fair business practices.

PROFESSIONAL WORKPLACE:

STCL maintains a professional and respectful work environment free from harassment and discrimination based on religion, age, gender, race, or ethnicity.

COMPANY IMAGE:

Employees should avoid any activities or behaviors that could harm the company's reputation, both during and outside of work hours.

CONFLICT OF INTEREST:

Any personal interests that might affect impartiality must be declared. Company resources should not be used for personal purposes, and involvement in outside business activities requires permission from the CEO.

CONFIDENTIAL INFORMATION:

Employees are required to keep confidential information secure and not use it for personal gain. This obligation extends beyond employment.

GIFTS:

Accepting gifts or borrowing money from business partners is prohibited if it could influence business decisions. Gifts must adhere to business etiquette.

INTELLECTUAL PROPERTY:

Employees must protect and respect STCL's intellectual property and that of others, ensuring corporate secrets are not disclosed without appropriate agreements.

EXTERNAL BUSINESS AND RESOURCES:

Employees should not engage in outside business activities without permission. Company resources must not be used for personal purposes without authorization.

POLITICAL ACTIVITY:

STCL does not support political parties, and employees engaging in political activities will be granted leave according to legal agreements.

FINANCIAL INTEGRITY:

All financial transactions must be accurately recorded in the company's books, with no hidden accounts or funds.

HEALTH AND SAFETY:

Employees must ensure their own safety and that of others, and not misuse any safety equipment provided by the company.

ENVIRONMENT:

Employees are expected to contribute to environmental protection through resource conservation and waste minimization.

HANDLING VIOLATIONS:

Employees should report any rule violations to their superior or the Compliance Officer. Confidential reporting is allowed, and failure to report is a breach of the Code.

LEGAL PROCEEDINGS:

Employees involved in legal proceedings must inform their manager. The company may provide defense in certain cases.

STCL is committed to investigating and addressing any violations of the Code, with appropriate actions taken after consultation with the Board of Directors or Compliance Officer.



PROFILE OF THE COMPANY



Incorporated in 1978, Shabbir Tiles and Ceramics Limited (STCL) is the pioneer and first private sector enterprise in the ceramic industry of Pakistan, listed at Pakistan Stock Exchange.

The Company Brand 'STILE' enjoys the leading position in the Ceramic and Porcelain Tiles industry of Pakistan as its product range is unprecedented in terms of diversity. STILE offers a wide range of sizes, surface finishes, colors, and designs in Porcelain, Vitrified and Ceramic tiles, that conform to high quality standards of durability and aesthetic values. The Company has successfully diversified into building and installation materials and has achieved considerable success in manufacturing and marketing it.

BUSINESS ACTIVITIES

STCL is a Public Listed Company engaged in manufacturing, marketing and sales of Porcelain, Vittrified & Ceramic tiles and other allied Building Material products.

MARKETS

STILE products are distributed through the largest nationwide retailship network comprising of retailers operating in more than 35 cities of Pakistan. Through this, STCL has successfully distinguished itself in the face of tough competition.

STILE has its flagship company operated outlets, "STILE EMPORIUMS", located nationwide where the Company is committed to fulfilling customers' aesthetic aspirations and providing them with exceptional customer experience to create exquisite home interiors & exteriors.

OWNERSHIP AND OPERATING STRUCTURE

STCL is a public listed company that was incorporated in Pakistan in 1978, involved in manufacturing, marketing, and sale of Porcelain, Vitrified & Ceramic tiles and other allied building material products. We have successfully expanded our presence across the country.

Our products are distributed through the largest nationwide network comprising of over 300 retailers operating in more than 35 cities of Pakistan. The company has successfully distinguished itself in the face of tough competition.

STILE is the only Brand in Pakistan, which has been tested and certified on ISO & European quality standards by Centro Ceramico, Italy.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Rafiq M. Habib (Chairman)
Masood Jaffery (Chief Executive Officer)
Muhammad Salman Burney (Director)
Imran Ali Habib (Director)
Abdul Hai M. Bhaimia (Director)
Feroze Jehangir Cawasji (Director)
Farhana Mowjee Khan (Director)

AUDIT COMMITTEE

Feroze Jehangir Cawasji (Chairman)
Imran Ali Habib (Member)
Abdul Hai M. Bhaimia (Member)
Farhana Mowjee Khan (Member)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Feroze Jehangir Cawasji (Chairman)
Muhammad Salman Burney (Member)
Farhana Mowjee Khan (Member)
Masood Jaffery (Member)

SENIOR MANAGEMENT TEAM

Masood Jaffery (Chief Executive Officer)
Waqas Ahmed (Director – Sales, FG & Logistics)
Umair Ali Bhatti (Chief Financial Officer)
Tafveez Amin (Director – Admin & IR)

REGISTERED OFFICE

15th Milestone, National Highway,
Landhi Industrial Area, Karachi-75120
Phone: +92-21-38183610-13
Fax: +92-21-38183615
E-mail: info@stile.com.pk
Website: <http://www.stile.com.pk>

CHIEF FINANCIAL OFFICER

Umair Ali Bhatti

COMPANY SECRETARY

Muhammad Waleed

CHIEF INTERNAL AUDITOR

Zafar Hussain Qureshi

AUDITORS

A. F. Ferguson – Chartered Accountants

LEGAL ADVISORS

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
United Bank Limited

REGISTRAR AND SHARE TRANSFER

CDC Share Registrar Services Limited,
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Sharah-e-Faisal, Karachi-74400.
Phone: 0800 23275
Website: www.cdcsrsl.com
Email: info@cdcsrsl.com



OUR COLLECTIONS & PRODUCT PORTFOLIO



OUR PRODUCT PORTFOLIO



PORCELAIN:

STILE is the only real porcelain tile manufacturer in Pakistan that conforms to the highest European quality standards. STILE porcelain tiles have a water absorption level of less than 0.5%, giving them exceptional strength and durability. These tiles add a modern touch to any living space and bring a distinct charm to your lifestyle, offering unparalleled design ideas that help you transform your dream home into reality.

The
Elite Collection **24"x48"**
600mm x 1200mm

MODISH **24"x24"**
COLLECTION 600mm x 600mm

VEIN PORCELAIN **24"x24"**
600mm x 600mm

The
BOOKMATCH **24"x48"**
Signature Collection 600mm x 1200mm

The All-New
LANDSCAPE **24"x24"**
Signature Collection 600mm x 600mm

Allure **16"x32"**
Collection 400mm x 800mm

SIGNATURE
COLLECTION **24"x48"**
SPECIAL FINISHES 600mm x 1200mm

SIGNATURE
COLLECTION **24"x24"**
SPECIAL FINISHES 600mm x 600mm



VITRIFIED:

STILE Vitrified Tiles conform to high International quality standards and are renowned for enhancing both the exterior and interior of any space. These tiles offer high slip resistance in both dry and wet conditions, making them ideal for high-traffic areas. When used outdoors, they elevate the facade of any structure.

WOODEN PLANKS 6.37
140mm x 925mm

Exclusive Outdoor
VITRIFIED 16.16
Collection 400mm x 400mm

The
VINTAGE 6.37
Collection 140mm x 925mm



CERAMIC:

STILE Ceramic Tiles conform to high European quality standards and are known for enhancing the aesthetics of any space while offering durability and resistance to household chemicals. From niches to spacious areas, and across walls & floors, these tiles suit a wide range of tastes and styles.

Tile Art

12"x12" | 12"x24" | 10"x16"

The
Origami
Collection

MODISH
COLLECTION
8"x26" | 9"x36" | 12"x24"

The
VINTAGE
Collection
12"x12"

ORNAMENT
10"x20"

The
Kashi Kari
Collection

The
Eclipse
Collection

The
BRICKS
Collection
12"x24"

Chic
12"x26"

The
Arabesque
Collection

The
Nature's Nest
Collection

Magnifico
12"x24"

Belleza
12"x18"

The
Mirage
Collection

Mosaic
Collection
8"x12"

The
Mystique
Collection
10"x24"

The
Artistico
Collection
10"x16"

BUILDING & INSTALLATION MATERIALS



STILE BOND:

STILE Bond is a high-performance cementitious mortar designed for the interior and exterior installation of all kinds of tiles and natural stone on walls & floors. It offers a bond that is five times stronger than ordinary Portland cement, providing high-tech sticking that holds tiles securely without slippage.



STILE LATEX 73:

STILE Latex 73 is a liquid admixture that enhances the performance of any kind of cement mortar, including tile bond. Formulated with advanced polymers & additives, it offers superior performance in various tiling projects, ensuring reliable results.



STILE UNSANDED GROUT:

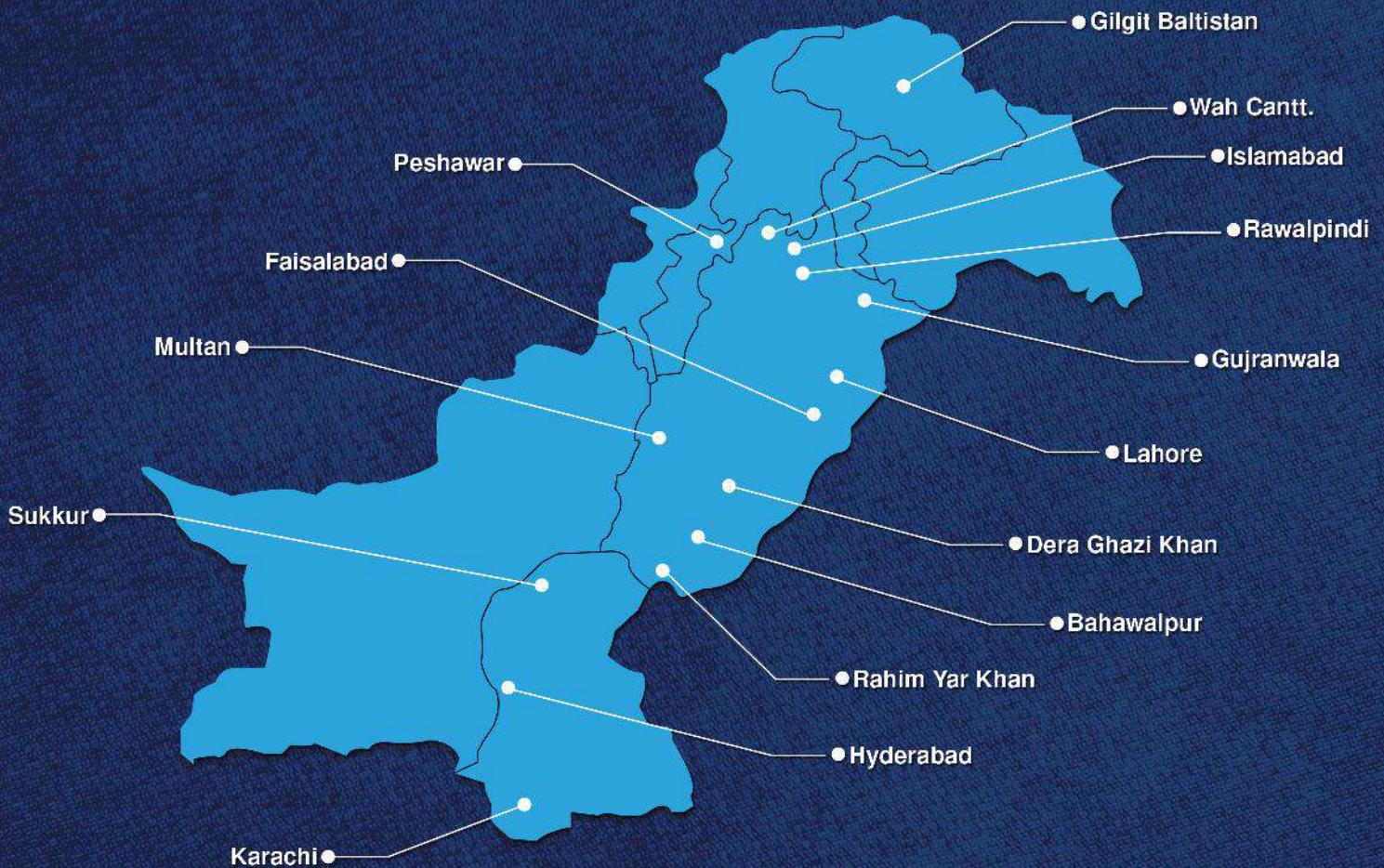
STILE Unsanded grout is a blend of Portland cement, chemical additives, and color fast pigments. Available in 21 colors, it complements the appearance of any wall or floor tile. It is water-resistant, crack-resistant, and enhances the performance of STILE Grout Admix.



STILE GROUT ADMIX:

STILE Grout Admix is a liquid polymer admixture formulated for use with STILE Unsanded Grout to enhance efficiency & durability of unsanded grout. It reduces problems like cracking, pinholes, color fading & shrinkage.

GEOGRAPHICAL PRESENCE



REGISTERED OFFICE AND FACTORY UNIT 1:

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

REGISTERED OFFICE AND FACTORY UNIT 2:

Deh Khanto, Tappo Landhi, District
Malir, Bin Qasim Town, Karachi

STILE EMPORIUMS AND SALES OFFICES

KARACHI:

DHA Bukhari: Plot 39-C, Bukhari Commercial, Lane-15, Ph-VI, DHA, +92-21-37249564

26th Street: Plot C-8-C, 26th Street, Tauheed Commercial, Ph-V, DHA, +92-21-37228922

Star Gate: Star Gate Metro, Sharah-e-Faisal, +92-21-34601372-74

New Town: Shop No. 3, KDA Scheme No. 7, Chandni Chowk, +92-21-34921011

Bahria Town: Build-Mate, 82-B, Midway Commercial, Bahria Town, +92-324-2018875

Factory Outlet: 15th Milestone, National Highway, Landhi, +92-21-38183610

HYDERABAD:

Fortune Arcade: Shop No. 13 & 14, Jamshoro Road, Next to KFC, Near Qasim Chowk, +92-315-3008034

SUKKUR:

Shop No. 80, Opposite JS Bank, Military Road, +92-71-5816848, +92-315-3008046

RAHIM YAR KHAN:

Commercial Plot No.1, New Officers Colony, Club Road, Near Jullundar Mall, +92-300-8216848

BAHAWALPUR:

Multan Road: Ground Floor, Commercial Building, Khawat No. 199/197, Moza Bandra, +92-300-2032142

DERA GHAZI KHAN:

Jampur Road: Plot No. A-1/2, New Defence View Housing Scheme, +92-315-2781937

MULTAN:

Officers Colony: Main Bosan Road, Chungi No.9, Next to Crystal Mall, +92-61-2078492

FAISALABAD:

Susan Road: Talha Heights, P-243, 2-A, Near Khyber Bank, +92-41-8739988

LAHORE:

DHA Lahore: 164, CCA, Phase-IV, DHA, +92-42-37185710-12

Metro Thokar: Metro Cash & Carry, Thokar Niaz Baig, Multan Road, +92-301-8245893

Ferozepur Road: 83 - Main Ferozepur Road, Main Ichhra, +92-301-8207942

GUJRANWALA:

Main GT Road: Chan da Qila, Opp. Haji Murad Trust Eye Hospital, +92-336-4690885

RAWALPINDI:

Al Shareef Plaza: Ground Floor, Shamsabad, Main Muree Road, +92-51-4935521-23

ISLAMABAD:

Metro Cash & Carry: Sector I-11/4, +92-51-8469524

PESHAWAR:

University Road: 162/408, Tahkal Payan, +92-91-3028068

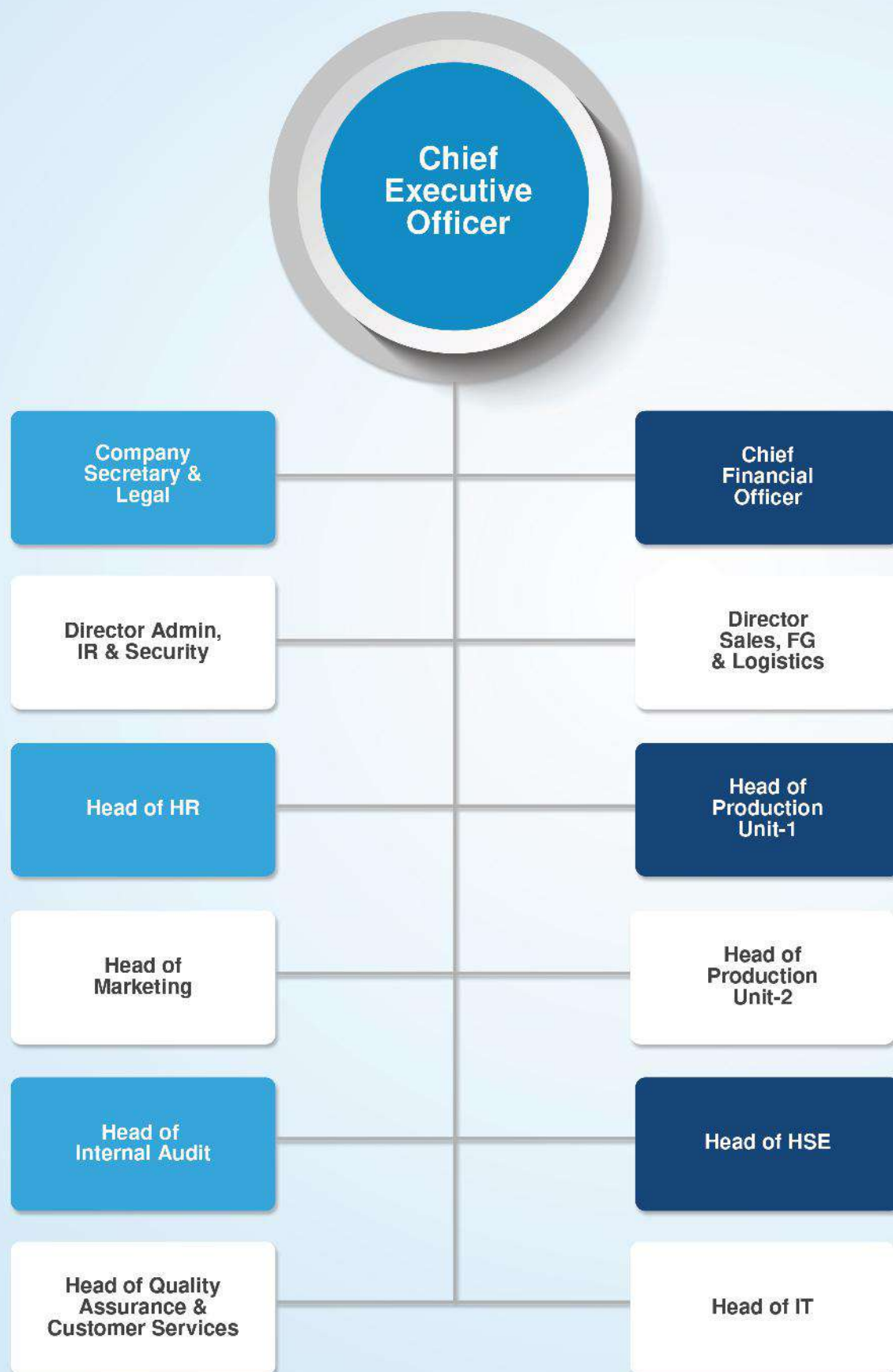
WAH CANTT:

Khan Plaza: Khasra 434, G.T. Road, Near Raja Saab Mall, +92-51-4926280-81

GILGIT:

Akbar Market: Shop No.14, Khomar Yarkot, +92-300-8285725

ORGANIZATIONAL CHART



POSITION OF STILE WITHIN THE VALUE CHAIN



SIGNIFICANT FACTORS AFFECTING THE EXTERNAL ENVIRONMENT AND THE ORGANIZATION'S RESPONSE

Political Factors

Political uncertainty, weak governance, inconsistent policies, declining investment and inefficiencies in Public Sector Enterprises (PSEs).

Organization's Response

The Company prioritizes customer satisfaction, operational excellence, and cost optimization to strengthen its financial position. We actively engage with relevant authorities to stay ahead of future policies and measures, ensuring we remain informed and agile in a dynamic market.

Economic Factors

High inflation, local currency depreciation, rising energy and raw material costs, slow customer demand, project delays, and supply chain disruptions.

Organization's Response

The Company implements robust controls on credit, secures payments diligently, and optimizes cash management practices to uphold liquidity and ensure a steady cash flow, even in the face of economic challenges.

Social/Environmental Factors

Growing attention to environmental protection and the sustainable use of resources.

Organization's Response

The Company is dedicated to fostering a safe and secure work environment, supported by our Health, Safety, and Environment Department. We focus on minimizing waste, adopting green technologies, and enhancing energy efficiency. To further our sustainability goals, we have installed 3.8 MW of solar power. Additionally, we are committed to advancing our Corporate Social Responsibility (CSR) practices as we work towards our sustainability objectives.

Technological Factors

Risk of technological obsolescence.

Organization's Response

The Company implements comprehensive internal control systems, utilizing advanced tools such as penetration testing and firewalls to safeguard its technological infrastructure. The board conducts regular reviews of financial operations and implements corrective actions as necessary to ensure operational continuity and security.

Legal Factors

Compliance with all the applicable laws and regulations.

Organization's Response

The Company is committed to strict compliance with all applicable laws and regulations. We continuously monitor any new legislation that may affect our operations, ensuring that we always remain in full legal compliance.

THE EFFECT OF SEASONALITY ON BUSINESS IN TERMS OF PRODUCTION AND SALES

STCL recognizes that seasonality significantly affects production, particularly due to rising energy costs in winter for certain energy sources. To mitigate risks associated with reliance on a single energy source, we employ a balanced mix of renewable and non-renewable energy.

Our approach to managing seasonality includes a comprehensive planning process that accounts for forecasted demand, supplier lead times, scheduled plant maintenance, energy consumption, and fluctuations in energy prices. This proactive strategy ensures that our production processes remain stable despite seasonal variations.

In response to rising production costs of raw material and energy prices, the Company strategically absorbs a portion of these costs rather than fully passing them on to our customers. Our approach includes proactive planning to drive sales, optimizing inventory management, and ensuring consistent product availability. This allows us to remain responsive to the evolving needs of our clientele while delivering exceptional value and service.

SWOT ANALYSIS OF THE COMPANY



Strengths

Strengths

- Established and long-standing legacy of 46 years in Pakistan
- Two state-of-the-art manufacturing facilities
- Strong network with collaboration of over 300 retailers nationwide
- Competent & committed human resources
- The only vertically integrated organization in industry from R&D, Manufacturing to Retailing
- Certification by ISO Quality Standards
- Product quality certified by European quality standards - Centro Ceramico, Italy
- Company operated outlets - STILE Emporiums with value-added services including design consultancy



Weaknesses

Weaknesses

- Dependence on imported raw materials
- Non-regulated/structured building material market
- Mining sector is not fully developed in Pakistan



Opportunities

Opportunities

- Great potential in the local market to capture new markets and grow consumer base
- New product innovations and additional variants can grow and diversify the portfolio
- Increasing urbanization coupled with increasing awareness and focus towards lifestyle
- Potential for export



Threats

Threats

- Frequent changes in government policies and restrictive import regulations
- Lack of level playing field for compliant organizations
- High inflation and record increase in energy costs
- Deteriorating exchange rates
- Intense competition prevailing in the industry

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

STILE stands out as Pakistan's only tile brand with European quality certification. With more than 45 years in the industry, STILE has crafted a remarkable story driven by a commitment to premium quality and innovative design. The brand offers a wide variety of sizes and styles, consistently striving to enhance its image through top-notch products and exceptional customer service at STILE Emporiums. It's about making quality accessible and setting new standards in the tile industry. The Company's competitive landscape and market positioning in terms of Porter's five-forces model is described below:

POTENTIAL OF NEW ENTRANTS INTO THE INDUSTRY

The tile industry is capital-intensive, posing significant barriers for SMEs seeking to enter the market, which limits the potential for new entrants alongside existing players. Additionally, market saturation, driven by a contracting construction sector, has diminished the appeal for newcomers. Nevertheless, the current capacity within the industry is adequate to meet today's demand for tiles, as well as anticipated needs in the near term.

COMPETITION IN THE INDUSTRY

In a competitive landscape featuring both new and established players, STILE has consistently upheld its leadership position for decades. Our steadfast commitment to exceptional quality, rigorously monitored at every stage, distinguishes us in the locally manufactured tile industry. What truly sets STILE products apart are their innovative sizes & finishes, an extensive collection and a diverse array of designs and services.

BARGAINING POWER OF CUSTOMERS

The bargaining power of customers is notably high in today's market, primarily due to the abundance of available products. This surplus gives price-sensitive customers significant leverage, making competitive pricing crucial. To effectively address this challenge, STILE is committed to offering exceptional value for money through our differentiated products. By focusing on quality, innovative designs, and unique features, we not only meet customer expectations but also strengthen our position within the competitive landscape. This strategy enables us to cultivate customer loyalty and ensures that we remain a preferred choice in the market.

THE BARGAINING POWER OF SUPPLIERS

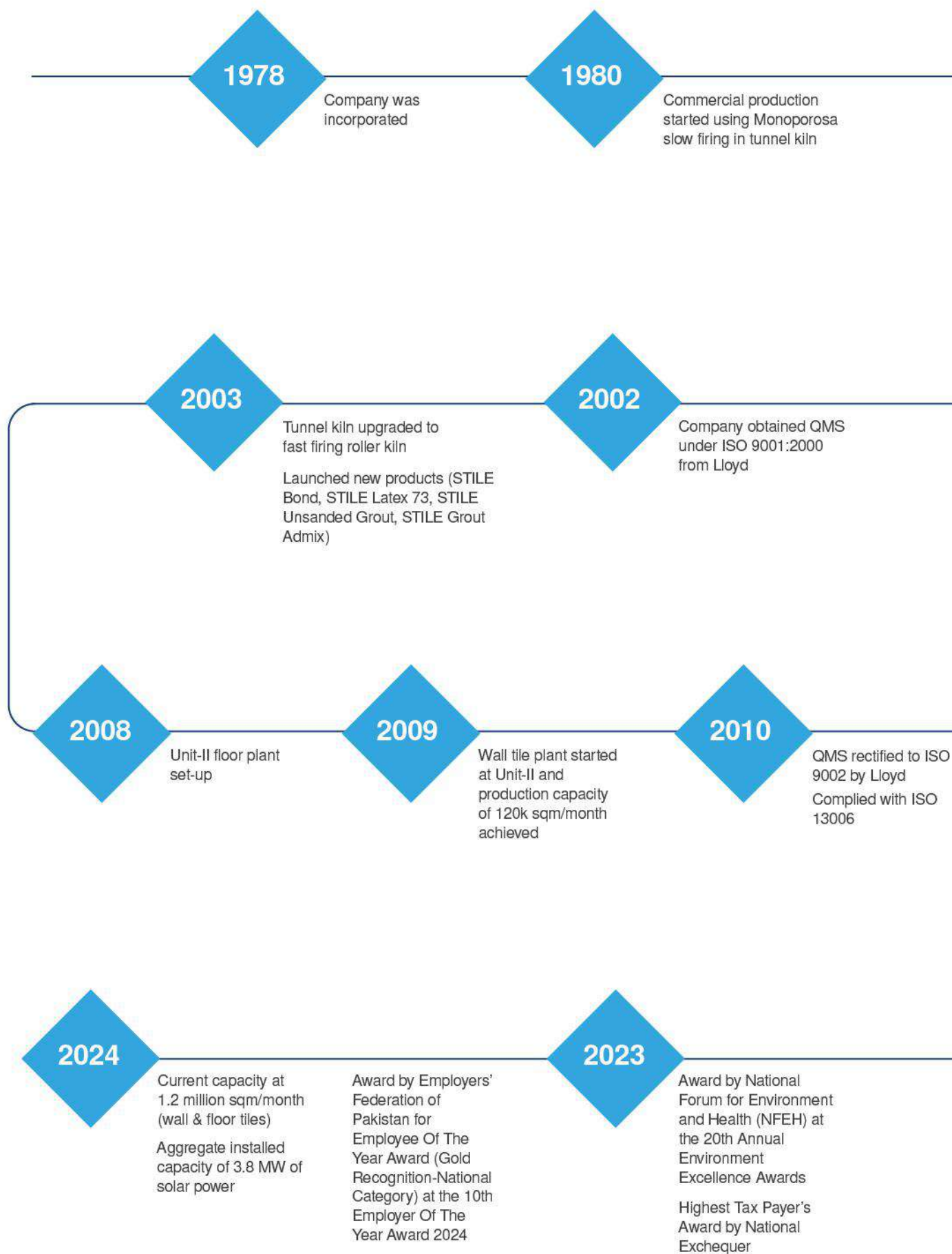
In the tile industry, the bargaining power of suppliers plays a critical role in shaping competitive dynamics and market positioning, particularly when procurement involves a blend of local and imported raw materials. Key factors influencing this bargaining power include the diversity of suppliers, the quality and uniqueness of their offerings, and their market concentration. To address these challenges, STILE has implemented proactive supplier management strategies. By fostering strong relationships, negotiating long-term contracts, and exploring alternative sources, STILE has strengthened its supply chain resilience, enabling it to maintain a strong competitive position in the market.

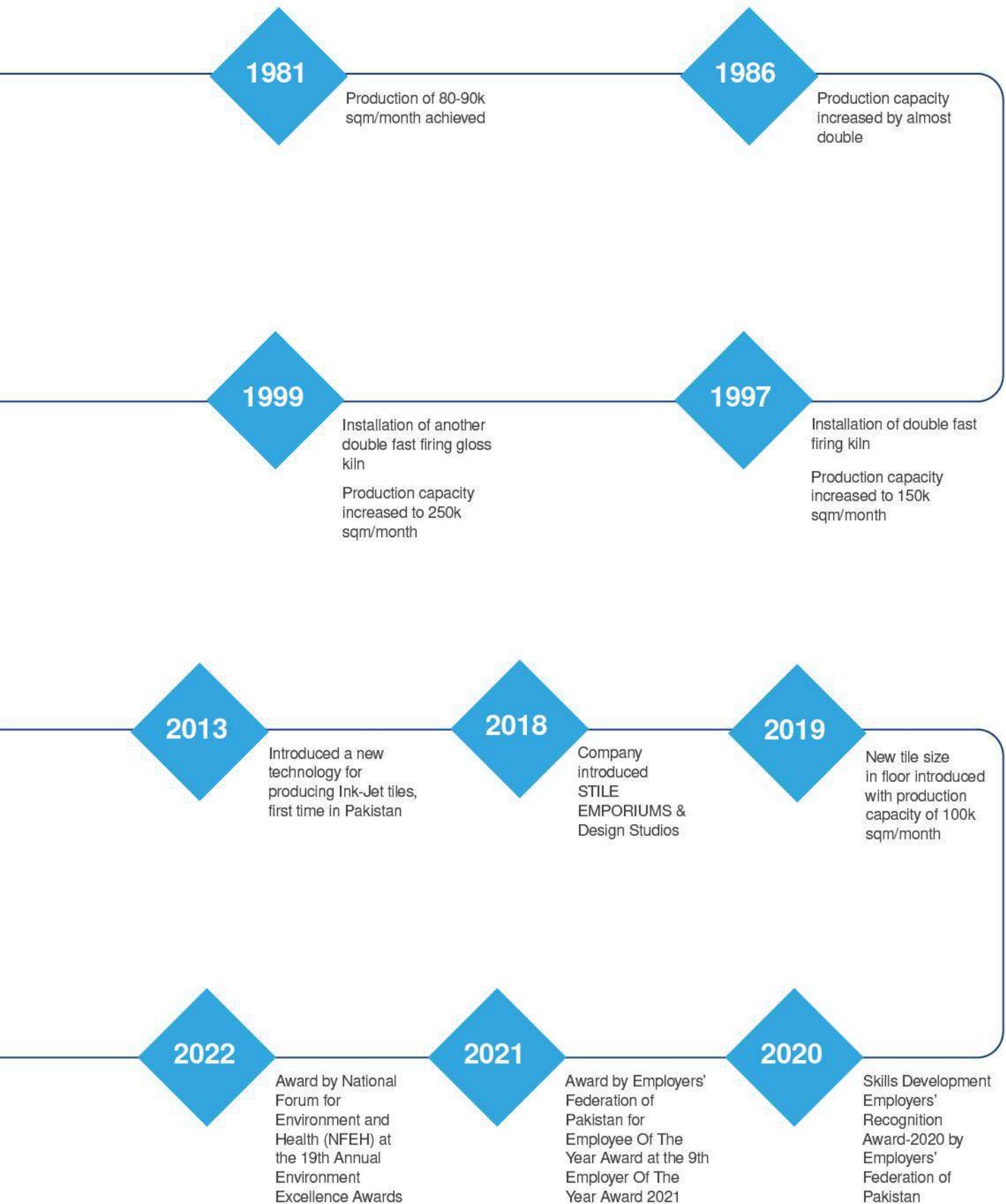
SUBSTITUTE PRODUCTS OR SERVICES

Recently, tiles have emerged as an essential choice for housing solutions. Alternatives such as wooden flooring, wallpaper, paint, marble, and carpeting exist, but they often fail to provide the same value as tiles. While these substitutes may attract some consumers due to their low switching costs, the overall impact on tile demand remains minimal.



KEY MILESTONES OF THE COMPANY





CALENDAR OF SIGNIFICANT EVENTS

JUL '23

Launch of STILE & Design Magazine I First Edition 2023
Launch of STILE Khabarnama I First Edition 2023

AUG '23

Award by National Forum for Environment and Health (NFEH) at the 20th Annual Environment Excellence Awards
STILE Talks goes live on TV & Radio

SEP '23

Launch of The Landscape Collection
Launch of The Bookmatch Collection
Launch of STILE Emporium in Dera Ghazi Khan

OCT '23

Launch of the Grand campaign - The Majestic STILE of Pakistan
Pinktober Celebrations

NOV '23

Sales Training Meeting 2023

DEC '23

Launch of STILE & Design Magazine I Second Edition 2023
Launch of STILE Khabarnama I Second Edition 2023

JAN '24

Launch of STILE Emporium in Sukkur

FEB '24

STILE Art Design - A Young Architects Program (YAP) Initiative with NUST University, Islamabad
Exclusive Home & Lifestyle Partnership and Ceremony with Quetta Gladiators at PSL 9 Sports Gala 2023-24

MAR '24

STILE Gladiators Meetup at STILE Emporium - DHA Bukhari, Karachi
Launch of STILE Emporium in Rahim Yar Khan
International Women's Day celebrations
STILE Art Design - A Young Architects Program (YAP) Initiative with Indus Valley School of Art and Architecture, Karachi

APR '24

World Health & Safety Day

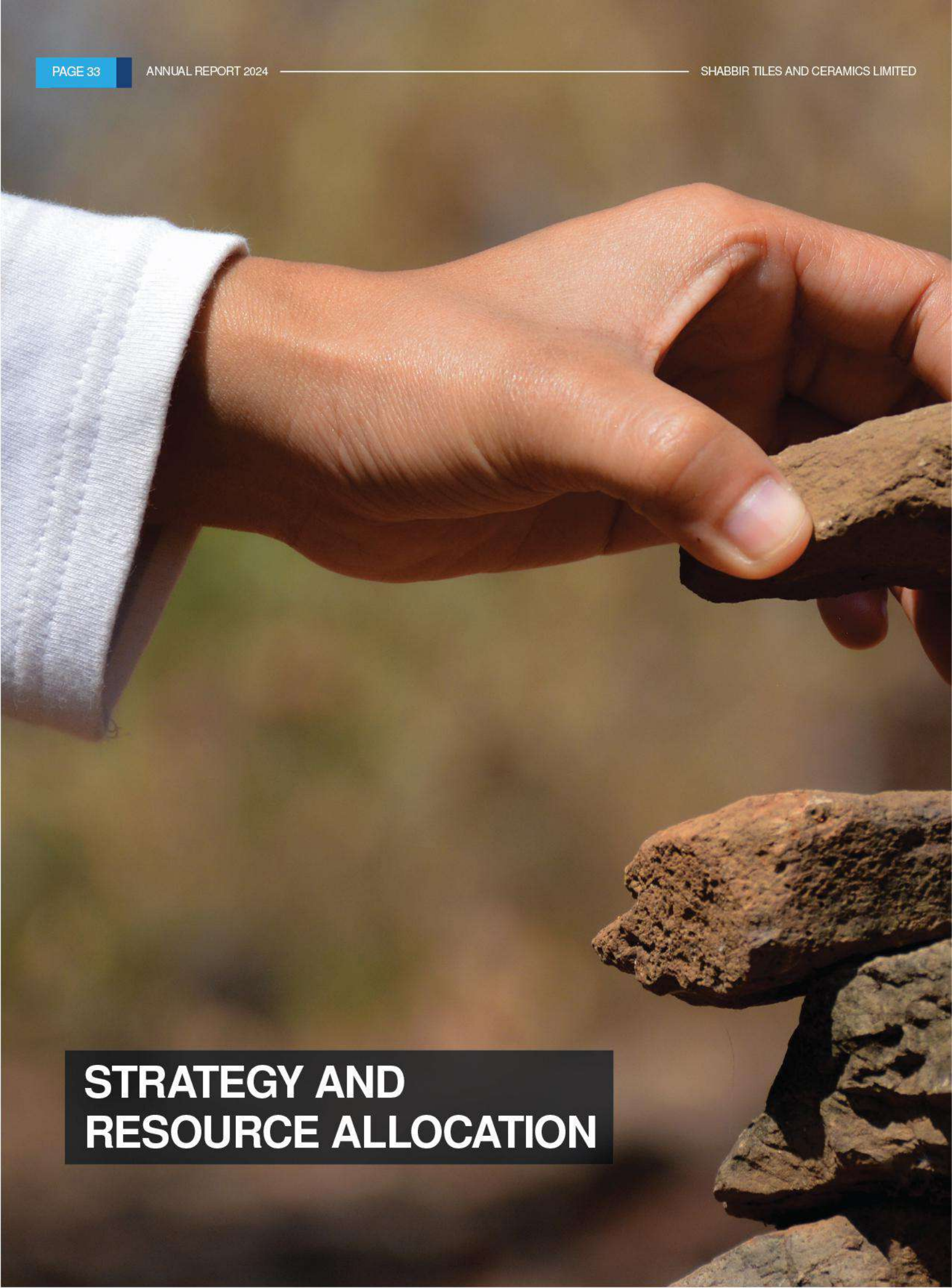
MAY '24

STILE Strategy House Meeting 2024
STILE Art Design - A Young Architects Program (YAP) Initiative with Pakistan Institute of Fashion and Design, Lahore

JUN '24

Launch of Nature's Nest Collection
Launch of Eclipse Collection





STRATEGY AND RESOURCE ALLOCATION



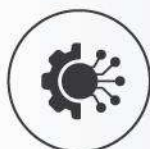
KEY RESOURCES AND CAPABILITIES OF THE COMPANY WHICH PROVIDE SUSTAINABLE COMPETITIVE ADVANTAGE

At STCL, we leverage our unique capabilities and resources to create lasting value and maintain a sustainable competitive edge. Here's how we stand out in the industry:



Together, these initiatives ensure that we not only meet but exceed our customers' expectations, solidifying our position as a trusted leader in the industry.

THE EFFECTS OF TECHNOLOGICAL CHANGE, SOCIETAL ISSUES, AND ENVIRONMENTAL CHALLENGES ON THE COMPANY'S STRATEGY AND RESOURCE ALLOCATION



TECHNOLOGICAL

The company's strategy includes future investments to adapt and capitalize on technological advancements. In regards to this, we have adapted to digital platforms, such as Online Emporium & employed ERP Tools.



SOCIETAL ISSUES

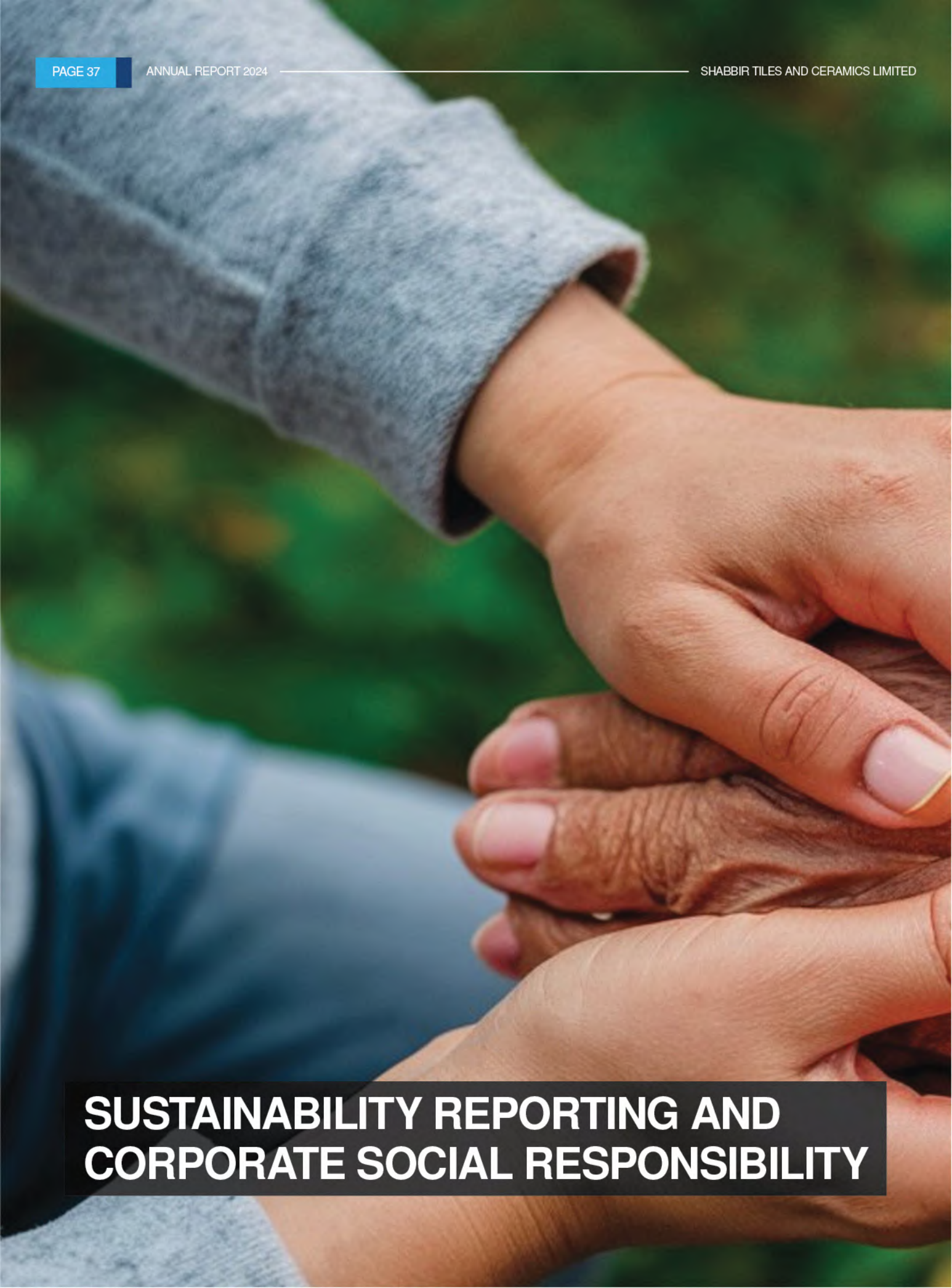
We are committed to promoting our greatest possible impact by enabling innovation through the following initiatives:

- Leveraging scientific advancements to deliver enhanced product benefits to customers.
- Consistently innovating materials and promotional tools in line with industry advancements.



ENVIRONMENTAL CHALLENGES

We believe in making a difference in peoples' lives and hence, try our best to operate responsibly. In this regard, the Company has moved to recycling waste and conversion into green energy, such as solar power.



SUSTAINABILITY REPORTING AND CORPORATE SOCIAL RESPONSIBILITY



OUR APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY

With a strong sense of Corporate Social Responsibility (CSR), we at STCL believe in making a difference in lives - a difference that permeates the fabric of society towards uplifting the economic well-being of the people wherever they are.

Our definition of environmental sustainability is meeting the needs of the present while leaving the world in a better place for the future. It's our conviction to be a net-positive company, one where the positive impact of our people and products (our handprint) exceeds the negative impact of our operations (our footprint). We take the time to learn what our stakeholders expect and value from us, whether that's customers who want innovative, sustainable products or investors who want to understand our priorities and our progress.

In allocation of resources, priority is given to causes consistent with the sustainability of our business and the Company's core values. The Company believes in supporting the community and has a policy to contribute at least 1% of its profit before tax. Over the years, our Company has contributed significantly towards the welfare of the society through various social activities. Under the CSR policy, the Company mainly emphasizes on healthcare, education and society.

CSR at STCL is about how we manage our business processes to produce an overall positive impact on society. And in doing so, it is the policy of STCL to contribute to activities, organizations and causes that duly advance both, a public and a corporate purpose in furtherance of the Company's image, interests, and responsibilities.



**SUSTAINABLE CONSTRUCTIONS
SESSION AT DUBAI EXPO 2020**

OUR FOCUS IS ON THE FOLLOWING AREAS



**HEALTH AND
WELLNESS ORGANIZATION
SERVING THE
UNDERPRIVILEGED**



**WELFARE TO
NEIGHBOUR
COMMUNITIES**



**EDUCATION
INSTITUTIONS**



**ENVIRONMENTAL
AWARENESS AND
CONSERVATION**

OUR PERFORMANCE AND INITIATIVES ON SUSTAINABILITY



EMISSION CONTROLS MEASURE

We recognize the variety of activities both upstream and downstream of our operations, we follow multiple approaches to determine the amount of GHG emissions generated throughout our value chain.



WATER CONSERVATION

We recognize the importance of water in sustaining our environment. We are committed to managing our water usage responsibly and efficiently for which we have installed a water filtration plant to reuse the processed water in our production.



RENEWABLE ENERGY SOURCING

With rising energy prices and demand, we are working to reduce the negative impacts of our emissions by investing in renewable energy. We are committed to shifting a greater proportion of our electricity demand from renewable sources throughout STCL operational areas of Pakistan. In pursuance of this goal, we have achieved an aggregated installed capacity of 3.8 MW of solar power.

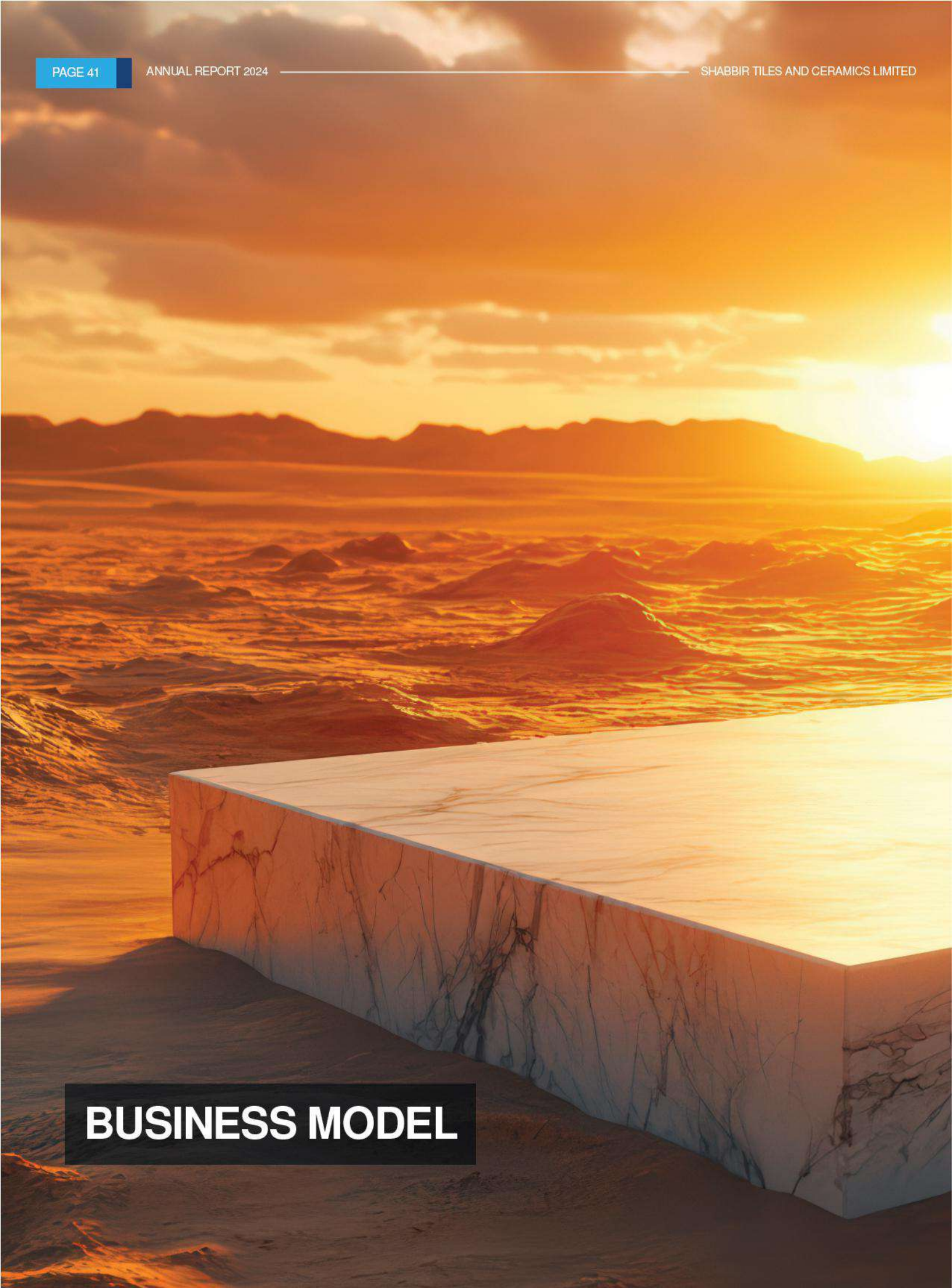
OUR SUSTAINABILITY VISION

The goals we have set to achieve by 2030 are built on three key pillars:

- Expanding our product handprint: Increasing the positive impacts that our products have on the world.
- Reducing our environmental footprint: Limiting the negative impact our operations have on the environment.
- Increasing our social handprint: Ensuring that people are safe and live with health, happiness, and human dignity.

We believe that focusing our efforts through the lens of these three pillars, guiding our operations & policies, we will achieve our vision of being a net-positive force for Pakistan.

Our sustainability goals show our commitment to developing effective strategies and prioritizing key areas of work that will support multiple goals. Accountability for progress on these critical priorities rests with the top executives, ensuring our Board's broad engagement across the Company in our sustainability work.



BUSINESS MODEL



BUSINESS MODEL

Inputs	Source of Differentiation	Outputs	Relating Capital
Raw Materials	High Quality Imported Frits from Italy, Spain, France, Turkey & China	• Original Porcelain • Special Finishes • Customized Product • Homogeneous Series	Manufactured
• 2-Manufacturing Units for Tiles • 3-Manufacturing Units for Bond & Grout	• State-of-the-Art Italian Equipment • Power Generation through Green Energy • Waste Water Recycling System • Press-manufactured Wooden Planks • Automated Guided Vehicles for WIP Transportation • Automated Bond & Grout Plant • Real time monitoring devices for quality parameters • Automatic Packaging & Palletizing	• Porcelain Tiles • Vitrified Tiles • Ceramic Tiles • 3x10in Subway Tiles • 4x4in Tiles	Manufactured
Employees	Qualified Engineers, Business and Science Graduates	Work done with standard SOPs	Human
Technical Expertise in Production Process	• Highest Quality Production • Strong R&D • Pioneer in Products • Italian Consultation	Differentiated Products	Intellectual & Manufactured

Our Process



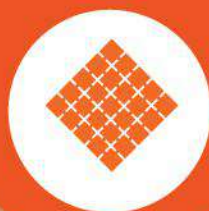
STCL aims to be a leading manufacturer of high-quality tiles and its related products.

Our mission is to become the preferred brand by delivering Lifestyle collection, Special finishes & Classic collection, innovative for residential & commercial places while ensuring customer satisfaction and operational excellence.

Business Segments

STCL specializes in the production and distribution of a diverse range of tile products:

- Porcelain tiles
- Ceramic tiles
- Vitrified tiles
- Bond & Grout



Channels



Direct Sales:

- Emporiums
- Projects
- E-Commerce Platforms

Indirect Sales:

- Exclusive Retailers
- Sub-Retailers
- Retailers

Customer

- After Sales Support
- Exceptional Customer Service
- Mega Sales
- Collaboration with Banks
- Events & Road Shows
- Digital Tools
- Mobile App Tile Visualiser for Tile Estimation



A hand is shown pouring a stream of sand from a glass bottle into a larger pile of sand on a beach. The background is a clear blue sky and ocean, creating a serene and natural setting. The sand is a light tan color, and the glass bottle is transparent.

DISCLOSURES ON IT GOVERNANCE AND CYBERSECURITY

Virtual servers have become indispensable tools for optimizing IT infrastructure. Server virtualization involves dividing the resources of a physical server into multiple isolated virtual servers. These Virtual Machines (VMs) allow different operating systems to run on the same hardware. Our IT department has been using virtual servers that give us the ability to run multiple operating systems on a single hardware. Besides the benefit of cost, it also helps in achieving other benefits such as:

- Increased Flexibility
- Better Resource Deployment
- Enhanced Security
- Higher Availability
- Disaster Recovery & Business Continuity

The team has acquired the capacity to handle the implementation and management of the virtual servers through self-learning.

COMPANY'S POLICY ON SIGNIFICANT MATTERS:

• PREPARATION OF SUCCESSION PLANNING:

At STCL, succession planning is essential for ensuring a steady and capable leadership pipeline. We focus on developing a pool of high-potential employees who are ready to step into key roles as needed. This involves assessing their skills & readiness to take on significant responsibilities, ensuring they are well-prepared for leadership and other critical positions.

Our succession planning efforts are designed to identify and nurture talent, providing the necessary training & development to prepare them for future roles. This proactive approach helps us maintain operational continuity and leadership stability, which are crucial for achieving our long-term business objectives.

By emphasizing succession planning, STCL demonstrates its commitment to building a strong, resilient workforce and securing our future leadership, ultimately supporting our ongoing success and growth.

• MERIT-BASED RECRUITMENT:

At STCL, our merit-based recruitment policy is fundamental to securing top talent who align with our organizational objectives, values, and culture. This policy governs the recruitment, selection, and appointment of management employees, ensuring a rigorous, fair, and consistent approach.

Our objective is to attract a diverse pool of highly qualified candidates while maintaining cost-efficiency. The recruitment process is designed to ensure that the most suitable individuals are selected for each position, thereby enhancing our workforce, and supporting the company's long-term success. By adhering to merit-based principles, STCL upholds commitment to excellence and fosters a productive, goal-oriented work environment.

• PERFORMANCE BASED APPRAISAL SYSTEM:

Our Performance Management System is designed to enhance organizational performance by aligning individuals, teams, and company goals. This system fosters continuous communication between employees and supervisors, focusing on objectives and competencies to promote a culture of recognition and growth.

THE PERFORMANCE MANAGEMENT PROCESS AT STCL COMPRISES OF THREE KEY PHASES:

- a) Objective Setting: Establishing clear, measurable goals at the beginning of the performance cycle.
- b) Performance Evaluation: Conducting a comprehensive assessment of employee performance at the end of the cycle, emphasizing open dialogue and constructive feedback between supervisors and employees.
- c) Rewards and Recognition: Acknowledging outstanding performance and addressing developmental needs to encourage continuous improvement.

Our approach ensures that every employee is evaluated fairly, rewarded appropriately, and provided with opportunities for professional development, ultimately driving the long-term success of both the individuals and the organization.

• PROMOTION, REWARD, AND MOTIVATION:

At STCL, our approach to Promotion, Reward, and Motivation is closely aligned with our Performance Management System to foster a culture of continuous growth and recognition.

a) Promotion: STCL promotes employees based on merit, performance, and competency development. Promotions are awarded to those who consistently meet or exceed their goals, demonstrating readiness for increased responsibilities and contributing to the organization's success.

b) Reward: Our reward system recognizes outstanding performance through both financial rewards, such as bonuses and salary increments, and non-financial rewards, including recognition awards and development opportunities. This approach ensures that exceptional contributions are rewarded & celebrated.

c) Motivation: By fostering a transparent and fair performance management process, we motivate employees to strive for excellence. Continuous feedback, recognition, and career development opportunities are integral to maintaining high levels of engagement and driving both individual & organization's success.

• TRAINING AND DEVELOPMENT:

Our Training & Development policy is pivotal in enhancing employee capabilities & performance and is essential for current & future roles within the company. It provides equitable access to development opportunities, reflecting our commitment to continuous learning and improvement. By focusing on both immediate and long-term skill requirements, the policy aims to boost efficiency and productivity, while also supporting personal growth. This structured approach underscores our dedication to maintaining a highly skilled & effective workforce, driving overall business success, and aligning with STCL's strategic goals.

• GENDER AND RACE DIVERSITY:

Our commitment at STCL is to create an inclusive workplace where every employee, regardless of gender or race, is valued and has equal opportunities for growth. Diversity enriches our organization and enhances our ability to innovate & serve our employees effectively. Discrimination or harassment based on gender, race, or any other characteristic will not be tolerated.

We ensure equal opportunity in hiring & career development, foster a culture of respect & inclusion, and provide training as per developmental needs. Our recruitment practices are designed to promote diversity, and we support a range of needs through mentorship & flexible work arrangements. Any incidents of discrimination or harassment should be reported immediately, and we will address them promptly. Our goal is to build a diverse & inclusive team where everyone feels valued, supported, and empowered to reach their full potential.

• EMPLOYEE ENGAGEMENT AND FEEDBACK:

At STCL, we are deeply committed to enhancing employee engagement and well-being. We believe that an engaged workforce contributes to a healthier work environment and drives organizational success. To support this, we offer various initiatives that foster connection and celebrate achievements.

Employees have opportunities to engage with leadership through informal sessions like Coffee with the CEO, where they can share ideas and feedback. Our Annual Sales Conferences and the STILE Sports Gala are key events that recognize accomplishments & encourage team spirit. These efforts are part of our broader commitment to maintaining a supportive and dynamic work environment where employees feel valued & motivated.

GOVERNANCE

A close-up photograph of a hand holding a mound of golden-brown sand. The sand is being poured, creating a dynamic spray of particles that catches the light against a blurred background of a turquoise ocean and a clear blue sky. The hand is positioned in the lower right, with fingers slightly curled to support the sand. The overall mood is serene and natural, suggesting themes of sustainability and craftsmanship.



BOARD COMPOSITION:

The Board comprises of 7 Directors possessing diverse skill set and expertise.

- 2 Independent Directors (including 1 female director)
- 4 Non-Executive Directors
- 1 Executive Director

INDEPENDENT DIRECTORS:

Our Board comprises of 2 Independent Directors namely Mr. Feroze Jehangir Cawasji and Mrs. Farhana Mowjee Khan who are not involved in the Company's management nor are connected with any business or other relationships that could interfere materially with or appear to affect their judgement. All the independent directors have provided their consent to act as director, along with 'Declaration to the Company' that they qualify the criteria of independence notified under the Companies Act 2017. Their names are included in Data Bank of Independent Directors maintained by PICG.

PRESENCE OF EXECUTIVE DIRECTORS ON OTHER BOARDS:

The Executive Director of Shabbir Tiles and Ceramics Limited is not currently serving as a non-executive director of any other Company.

DIVERSITY IN THE BOARD:

The Company has a balanced Board; a diverse group of highly qualified professionals having an appropriate mix of core competencies, diversity, requisite skills, knowledge and experience. This diversity ensures that all relevant perspectives are represented in decision making. The Company maintains female representation on the Board of Directors according to the regulatory requirement of at least 1 female director.

ROLE OF CHAIRMAN:

The principal role of the Chairman of the Board is to manage and lead the Board of Directors of the Company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer. The Chairman acts as the communicator for Board decisions where appropriate.

The concept of separation of the role of the Chairman from that of the CEO implies that the Chairman should be independent from management and free from any interest and any business or other relationship which could interfere with the Chairman's independent judgment other than interests resulting from Company shareholdings and remuneration.

MORE SPECIFICALLY, THE DUTIES AND RESPONSIBILITIES OF THE CHAIRMAN ARE AS FOLLOWS:

- To act as the Chair of Board meetings and ensure effective oversight of the Board over the management.
- To set the Vision & Mission of the Company in line with the Company's core values.
- To act as a liaison between management and the Board, and provide independent advice and counsel to the CEO.
- To keep abreast generally of the activities of the Company and its management, and ensure that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments.
- To sit on other Committees of the Board where appropriate as determined by the Board, and to recommend to the Board, after consultation with the Directors, the appointment of members of the Committees of the Board.
- To develop and set the agendas for meetings of the Board, in consultation with the CEO, and to recommend an annual schedule of the date, time, and location of Board and Committee meetings.
- To call special meetings of the Board where appropriate, and to determine the date, time, and location of annual general meetings & extraordinary general meetings of shareholders, and to develop the agenda for the meeting.
- To act as the Chair of the shareholders' meetings, and to review and sign minutes of Board & shareholders' meetings.
- To assess and make recommendations to the Board regarding the effectiveness of the Board as a whole, the Committees of the Board, and individual Directors, and to issue the Chairman's Review Report on the overall performance & effectiveness on the role of the Board in achieving the Company's objectives.

ROLE OF CEO:

The Chief Executive Officer is responsible for leading the development and execution of the Company's long-term strategy with a view to creating shareholder value. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short-term plans.

The CEO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of management. The CEO also communicates on behalf of the Company to shareholders, employees, government authorities, other stakeholders and the public.

MORE SPECIFICALLY, THE DUTIES AND RESPONSIBILITIES OF THE CEO INCLUDE THE FOLLOWING:

- Lead, in conjunction with the Board, the development of the Company's strategy, and lead & oversee the implementation of the Company's long and short-term plans in accordance with its strategy.
- Ensure the Company is appropriately organized & staffed and has the authority to hire & terminate staff as necessary to enable it to achieve the approved strategy.
- Ensure that the annual budget of the Company is approved by the Board, and the Company operates within the approved annual budgetary limits, including capital expenditure, with approving authorities in place in line with the approved policies of the Board.
- Assess the principal risks of the Company and ensure that these risks are being monitored & managed and ensure effective internal controls & management information systems are in place.
- Ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully & ethically and maintain high standards of corporate citizenship & social responsibility wherever it does business.
- Act as a liaison between management and the Board, and ensure that the Directors are properly informed, with sufficient information provided to the Board to enable the Directors to form appropriate judgments.
- Communicate effectively with shareholders, employees, government authorities, other stakeholders, & the public, and ensure the integrity of all public disclosures by the Company.
- Keep abreast of all material undertakings & activities of the Company and all material external factors affecting the Company, and ensure that processes & systems are in place to establish that the CEO and management of the Company are adequately informed.
- Develop Board agendas in consultation with the Chairman, and request that special meetings of the Board be called when appropriate, determining the date, time, and location of the annual general meeting, extraordinary general meeting of shareholders, and developing the agenda for the meeting in consultation with the Chairman.
- Sit on committees of the Board where appropriate as determined by the Board.
- Abide by specific internally established control systems & authorities, lead by personal example, and encourage all employees to conduct their activities in accordance with all applicable laws and the Company's standards & policies, including its environmental, safety, & health policies.

DIRECTORS' PROFILES

RAFIQ M. HABIB CHAIRMAN

Mr. Rafiq M. Habib is the Group Chairman of 'House of Habib' belonging to the renowned Habib family which has won national and international acclaim for its initiative drives, straight dealings and pioneering spirit in business ventures & philanthropy.

He actively participates in social welfare programs and is currently serving as the Trustee of several welfare institutions covering a wide range of social activities, education being the prime focus where the family runs its own schools and supports other schools presently imparting high quality primary education to over 8000 children.

The family also runs a Vocational Training Centre and has now embarked on building a world class (not-for-profit) University in partnership with 'Carnegie Mellon' and 'Texas A&M'. The family also runs hospitals, soup kitchens, disaster relief work, in short supporting the needy in every way. He served on the Board of Governors of 'Pakistan Institute of Management'. He is a Rotarian, an effective major donor, supports Polio Plus program and actively promotes street schools, home schools etc.

He has wide business experience in Insurance and Banking Industry, promoted many Public Limited Companies including Toyota – Indus Motor Company Limited. He is the Chairman of Habib Insurance Company Limited, Thal Limited, Shabbir Tiles and Ceramics Limited. He is also a consultant to 'Habib Bank AG Zurich'.

He also served for several years on the Board of Directors of 'Philips Electrical Company of Pakistan Ltd.' and was the first Chairman on the Advisory Board of 'Standard Chartered Bank' in Pakistan.

He has made the most remarkable contribution in the creation of new job opportunities.

MUHAMMAD SALMAN BURNEY NON-EXECUTIVE DIRECTOR

Mr. Salman Burney joined the Board in February 2016 as a Non-Executive Director. He also served as the Vice President/ Area General Manager for GlaxoSmithKline Pakistan, Iran and Afghanistan. He began his career with ICI Pakistan in Sales & Marketing within various roles in Pakistan & African/ Eastern Region at ICI PLC, London and as General Manager of ICI's Agrochemicals & Seeds Business. He joined SmithKline Beecham in 1992, and was appointed Managing Director, SmithKline Beecham in 1997 with additional responsibility for Iran and the Caspian Region. He held the position of MD for GSK in Pakistan, and was responsible for GSK's Pharmaceutical business in Pakistan, Iran & Afghanistan. He has a degree in Economics from Trinity College, University of Cambridge, UK. Mr. Salman Burney has been the President of Pakistan's Foreign Investors Chamber and as Chairperson of the MNC Pharma Association, has led the industry interface with the government on various issues.

MASOOD JAFFERY EXECUTIVE DIRECTOR & CEO

Mr. Masood Jaffery has around thirty-five years of rich and eminent work experience holding senior level positions in the pharmaceutical industry in Pakistan and Overseas. Amongst the several leadership positions that he held, Mr. Masood Jaffery was the Director Marketing & Sales, SB / GSK Pakistan, Vice President Commercial, GSK ME Africa, General Manager & Vice President GSK Saudi Arabia as well as the Managing Director & Board member of Glaxo Saudi Arabia Ltd. His last position before joining STCL was VP & Program Leader, GSK MENA/CIS/SSA/Subcontinent.

Mr. Masood Jaffery did his B. Pharmacy from the University of Karachi and MBA from the Institute of Business Administration (IBA). He attended the Leadership Program at INSEAD and Marketing & Business Development at Ashridge Management College, UK.

Mr. Masood Jaffery joined Shabbir Tiles and Ceramics Limited in March 2017 and has played a significant role in building & establishing the company towards successes. He holds an important stance as a role model to his colleagues encouraging them to grow & maintain a friendly work environment.

IMRAN ALI HABIB

NON-EXECUTIVE DIRECTOR

Imran Ali Habib is the Senior Vice President at Habib American Bank in New York, USA. Prior to his transfer to United States in 2016, he served as Senior Vice President with Habib Bank AG Zurich in United Arab Emirates from 2008-2016. He has a graduate degree in Business Administration from Bryant University (2002), USA, and has attended the Program for Leadership Development at Harvard Business School. Mr. Imran Ali Habib also serves as a Director on the Board of Directors of Indus Motor Company Limited & Thal Limited.

ABDUL HAI M. BHAIMIA

NON-EXECUTIVE DIRECTOR

He brings more than forty years of managerial, entrepreneurial and professional experience in the fields of industrial management, business & finance. His current directorships include Pak Grease Manufacturing Company (Pvt.) Limited and Askari General Insurance Company Limited.

FARHANA MOWJEE KHAN

INDEPENDENT DIRECTOR

Qualified as a Chartered Accountant, she started her career from Ernst & Young UK and soon was appointed Manager with Ernst & Young with specific responsibility for certain banking clients including – Midland Bank Group; Banque Paribas and National Bank of Kuwait- and in manufacturing for Dairy Crest Ltd. owned at that time by the UK Milk Marketing Board. Upon relocating to Pakistan in 1991, Farhana Mowjee helped in running the family business; Razaque Steels (Pvt.) Ltd and continues as one of two directors and is 50% shareholder of the company till date. She is also the director of Bank Al Habib Limited.

At the request of the Government, she served as a Board member on Small and Medium Enterprises Development Authority (SMEDA); Engineering Development Board – Ministries of Industries, Government of Pakistan (both these from around 2002-2005/6); and Institute Management Committees (IMC) of Government Polytechnic Institute for Women in Karimabad (from around 1999 to 2006 or so).

FEROZE JEHANGIR CAWASJI

INDEPENDENT DIRECTOR

Started professional career in January 1978 at A.F. Ferguson & Co., Chartered Accountants with their Lahore office as a Trainee Student. He was involved in various capacities in the audits of organizations that included banking, pharmaceutical, fertilizer, gas transmission & distribution, etc.

In November 1988, he joined Pakistan Refinery Limited (PRL) as Audit and Systems Manager and a year later, was made the Comptroller responsible for Accounting and IT.

Effective November 2001, he was nominated as the first Secretary General of Oil Companies Advisory Committee (OCAC). Later in November 2003, he joined Pak Arab Refinery Limited (PARCO) as Deputy Managing Director. In June 2012, he was appointed as the Chief Executive of Pak Arab Pipeline Company Limited which is a joint venture between PARCO, Shell Pakistan, PSO and Total PARCO Marketing Limited.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 46th Annual General Meeting of SHABBIR TILES AND CERAMICS LIMITED will be held on Thursday, October 24, 2024 at 10:30 a.m. at Institute of Chartered Accountants of Pakistan (ICAP), Near Three Swords, Clifton, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2024, together with the Chairman's Review Report, Directors' report and Auditors' thereon. As required under section 223(7) of the Companies Act, 2017, Financial Statements of the Company have been uploaded on Company's website, which can be downloaded from the weblink in the Notes.
2. To approve Final Cash Dividend of Rs. 0.75 per share (15%) for the year 2023-24 as recommended by the Board of Directors.
3. To appoint auditors and fix their remuneration for the year ending June 30, 2025. The present auditors M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible have offered themselves for re-appointment.
4. To transact any other ordinary business of the Company with the permission of the Chairman.

By Order of the Board



MUHAMMAD WALEED
Company Secretary

Karachi: October 2, 2024

NOTES:

1. Circulation of Annual Report through QR Code and Through Weblink

In accordance with section 223(7) of the Companies Act, 2017, and pursuant to SRO 389(I)/2023 DATED 21 March 2023 of the Securities and Exchange Commission of Pakistan, the Company had obtained Shareholder's approval in the 45th Annual General Meeting of the Company held on 23rd October 2023 to circulate the Annual Report of the Company to Members through QR Code and Weblink.

<https://www.stile.com.pk/annual-report/annual-report-2024.pdf>



2. Participation in the AGM via physical presence or through video conferencing

SECP through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of members in general meeting through electronic means as a regular feature in addition to holding physical meetings. Accordingly, the shareholders intending to participate in the meeting via video link, are requested to register their intent beforehand by submitting their particulars at the designated e-mail address corporate@stile.com.pk as per the table below. Video conference link details and login credentials will be shared with ONLY those Shareholders, whose particulars are received on or before October 22, 2024, from their registered e-mail addresses.

Shareholder Name	Folio/CDC No.	CNIC Number	Cell No.	Registered Email ID

The login facility will be opened at 10:00 a.m. on October 24, 2024 enabling the participants to join the proceedings which will start at 10:30 a.m. sharp.

Members whose names appearing in the Register of Members as of October 17, 2024, are entitled to attend and vote at the Meeting.

3. CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books of the Company will remain closed from October 18, 2024 to October 24, 2024 (both days inclusive) for the purpose of Annual General Meeting. Transfers requests received by CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400, Phone # (021) 111111500, email: cdcsrcsl@cdcsrcsl.com at the close of business on October 16, 2023; will be treated in time for the purpose to attend the Annual General Meeting.

4. FOR ATTENDING THE MEETING:

In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

5. PROXIES:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in-group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(iii) Notarized copies of CNIC or the passport of the beneficial owners and the proxy be furnished with the proxy form.

(iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

(v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

6. CODE OF CONDUCT FOR SHAREHOLDERS IN GENERAL MEETING:

Section 215 of Companies Act, 2017 (the "Act") and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, state the Code of Conduct of the Shareholders as follows:

a) Shareholders are not permitted to exert influence or approach the management directly for decisions which may lead to the creation of hurdles in the smooth functioning of management. The law states that Shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation.

- b) Any shareholder who fails to conduct in the manner provided in this section and as specified by the Commission shall be guilty of an offence under this section and shall be liable to a penalty not exceeding level 1 on the standard scale.
- c) Additionally, in compliance with Section 185 of Companies Act, 2017; the Company is not permitted to distribute gifts in any form to its members in its meeting.

7. UPDATING OF PARTICULARS:

The Shareholders are requested to promptly notify change in their address, if any, to the Company's Share Registrar. In case of corporate entity, the shareholders are requested to promptly notify change in their particulars.

8. SUBMISSION OF COPIES OF VALID CNIC NOT PROVIDED EARLIER:

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier, to the Company's Share Registrar. In case of non-availability of a valid copy of the Shareholder's CNIC in the records of the Company, the Company shall withhold the Dividend under the provision of Section 243 of the Company's Act, 2017.

9. WITHHOLDING OF TAX ON DIVIDEND:

Currently, the deduction of withholding tax on the amount of dividend paid by the companies under section 150 of Income Tax Ordinance, 2001, are as under:

(a) For persons appearing in Active Tax Payer list (ATL)	15%
(b) For persons not appearing in Active Tax Payer list (ATL)	30%

Shareholders who have filed their Return are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as persons not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

10. WITHHOLDING TAX ON DIVIDEND IN CASE OF JOINT ACCOUNT HOLDERS:

In order to enabling the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determine by the Principal Shareholder) for deduction of withholding tax on dividend of the Company, shareholders are requested to please furnish the shareholding ratio details of themselves as Principal shareholder and their Joint Holders, to the Company's Share Registrar, enabling the Company to compute withholding tax of each shareholder accordingly. The required information must reach the Company's Share Registrar by October 17, 2024, otherwise each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

11. TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS THROUGH EMAIL:

In pursuance of the directions given by SECP vide SRO 787(1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.stile.com.pk and send the said form duly filled in and signed along with copy of his/her/its CNIC/Passport or other such information in the case of a body corporate to the Company's share registrar. The Company's Annual Financial Statements for the year ended June 30, 2024 is also being circulated to the shareholders in compliance of section 223(6) of the Companies Act, 2017.

12. SUBMISSION OF CNIC / NTN DETAILS (MANDATORY REQUIREMENT):

As per Securities and Exchange Commission of Pakistan (SECP) vide SRO 889(1)/2011 and SRO 831(I)/2012, dividend counters in electric form should bear the CNIC number of the authorized person or registered member, except in case of minor (s) and corporate members. Accordingly, Members who have not yet submitted photocopy of their valid computerized National Identity Card (CNIC) to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company' Share Registrar. In case of non-receipt of the copy of valid CNIC, the Company would be constrained under the law to withhold the dividend of such shareholders.

13. PAYMENT OF CASH DIVIDEND ELECTRONICALLY (MANDATORY REQUIREMENT):

In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder ONLY through electronic mode directly into the bank account designated by the entitled shareholder. Notice in this regard has already been published by the Company in the newspapers, however, shareholders are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and send the duly signed Electronic Mandate Form along with a copy of valid CNIC / NTN to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar i.e. M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block-'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 (in case of shareholding in Physical Form):

Shareholder's details:	
Name of the Shareholder(s)	
Folio No. / CDS Account No.	
CNIC No. (Copy attached)	
Mobile / Landline No.	
Shareholder's Bank details:	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch's Name and Address	

In case of non-provision of above information, the Company will have to withhold the cash dividend according to section 243(3) of the Companies Act, 2017.

14. CONVERSION OF PHYSICAL SHARES INTO BOOK-ENTRY FORM (I.E. CDC ACCOUNT):

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form.

The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form

15. UNCLAIMED DIVIDEND / UNPAID SHARES:

In compliance of Section 244 of the Companies Act 2017, once the company has completed stipulated formalities, any unclaimed dividend and /or shares that have remained outstanding for a period of three years from the date of becoming due and payable or more shall be credited to the Federal Government (in case of dividend) or delivered to the SECP (in case of physical shares). Shareholders who by any reason could not collect and remain their unclaimed dividend/shares are advised to contact our Shares Registrar of the Company, M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-8, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 to collect / inquire about their unclaimed dividend or shares, if any.



THE JOURNEY OF STILE



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CHAIRMAN'S REVIEW REPORT AND DIRECTORS' REPORT



CHAIRMAN'S REVIEW REPORT:

Dear Shareholders,

I have great pleasure in presenting the Chairman's review report for the year ended June 30, 2024.

MACRO ECONOMIC OVERVIEW:

The economy after going through a severe turbulence during the past 24 months has started to stabilize following the general elections in February 2024. Political stability, successful IMF review and stable currency have resulted in improved business confidence. However, significant increase in gas and electricity tariffs negatively impacted the ceramic manufacturing industry which is highly dependent on energy.

Your company has always remained focused on innovation and efficiency while maintaining strict financial discipline. In FY 24, we again demonstrated our ability to navigate through extremely challenging times. Your Company has grown in terms of revenues and has remained profitable. Other performance parameters also followed a positive trajectory. These achievements are commendable given the prevailing environment.

BUSINESS OVERVIEW:

Economic growth, while modest, has not shown any positive sign of recovery in the construction sector which continues to impact the tile market. The market size of tiles has significantly contracted due to diminished demand, with most activity now concentrated in renovation and government projects. Private sector initiatives have been notably affected and stalled. Moving forward, the future of the industry will heavily rely on robust government policies to drive growth in construction sector.

Despite the challenging circumstances, your company managed to sustain its operations and achieve better-than-expected results. Management implemented several measures including timely price revisions, improvement in overall product mix and optimization of energy consumption through beneficial energy mix.

PERFORMANCE SCORECARD:

The company achieved 9.4% increase in gross revenue and a remarkable improvement in Profit Before Tax. Excellence in customer satisfaction has allowed the company to maintain its market share despite challenging economic conditions. Retail outlets have become key branding platforms, reinforcing the company's lifestyle brand image and securing prestigious projects. To expand our retail footprint, we opened several new locations over the year. Additionally, a significant marketing initiative was undertaken through a partnership with Quetta Gladiators for the Pakistan Super League 2024, aiming to boost brand visibility.

The company has made significant progress in sustainability initiatives, showcasing its dedication to environmental responsibility through efforts such as solar energy adoption and waste recovery programs. These initiatives not only reflect the company's commitment to reducing its environmental impact but also enhance value for shareholders. Overall, the company has effectively solidified its market position and is well-positioned for continued growth and success in the future.

BOARD PERFORMANCE AND ROLE IN ACHIEVING COMPANY'S OBJECTIVES:

In compliance with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has established a formal and effective mechanism to conduct an annual evaluation of its own performance, as well as that of its Members and Sub-Committees. The approval and successful implementation of this evaluation mechanism further demonstrate the Board's commitment to adhering to corporate governance standards.

The objective of the Board has been to ensure that the organization is being managed effectively, in a way that helps it to achieve its objectives whilst also safeguarding the integrity of the organization and the interests of its stakeholders.

The board's overall performance has been commendable, showcasing strong leadership and strategic decision-making throughout the assessed period. Their relentless dedication to upholding the company's values and vision has translated into remarkable achievements, driving the organization towards its objectives. The board's effectiveness in fulfilling its role cannot be understated, as it has adeptly navigated challenges and harnessed opportunities to deliver positive outcomes. By fostering a culture of transparency, accountability, and innovation, the board has inspired all stakeholders and empowered the leadership team to work cohesively towards shared goals. Their insightful guidance and prudent risk management have played a pivotal role in ensuring the company's sustained growth and success in a competitive market landscape.

FUTURE OUTLOOK:

The positive momentum in macroeconomics signals promising growth prospects and improved business sentiments. The IMF program and reducing inflation and Interest rates are expected to bring some stability and predictability for businesses and investors, thereby supporting economic recovery. This macroeconomic stability is expected to act as a catalyst to the construction industry.

The Company is determined to keep pace and focus on overcoming challenges by improving its operating results. Being socially responsible, financially strong, and operationally smart will remain the key objectives. The Company is well positioned to continue creating significant value addition for the stakeholders in the years ahead.

ACKNOWLEDGEMENT:

I am truly thankful for the unwavering leadership and determination demonstrated by every member of our Company. I extend my heartfelt gratitude to the Board of Directors, Audit and Human Resource and Remuneration Committees, our dedicated staff, reliable partners, and supportive retailers for their collective efforts in surpassing expectations. It is through their hard work and commitment that we have been able to achieve remarkable outcomes and move forward together as a successful team.



Rafiq M. Habib
Chairman

حوصلہ افزائی کی ہے اور ٹیم کی قیادت کو مشترکہ مقاصد کے لیے مل جل کر کام کرنے کے لیے بااختیار بنایا ہے۔ ان کی بصیرت افروز رہنمائی اور دانشمندانہ رسک مینجمنٹ نے کمپنی کی پائیدار ترقی اور کامیابی کو یقینی بنانے میں اہم کردار ادا کیا ہے۔

مستقبل کی پیش بینی

معیشت کی ترقی کے امکانات بہتر کاروباری رجحان کی نشاندہی کرتی ہے۔ آئی ایم ایف پروگرام اور افراط زر اور شرح سود میں کمی سے کاروباری اداروں اور سرمایہ کاروں کے لئے قدرے استحکام کی توقع کی جارہی ہے، جس سے معاشی بحالی میں مدد ملے گی۔ توقع ہے کہ یہ استحکام تعمیراتی صنعت کے لئے محرک ثابت ہو گا۔

کمپنی اپنے آپریٹنگ نتائج کو بہتر بنا کر تیزی سے مشکلات پر قابو پانے کے لئے پرعزم ہے۔ کلیدی مقاصد میں سماجی طور پر ذمہ دار، مالی طور پر مضبوط، اور آپریشنل طور پر اسمارٹ ہونا شامل ہو گا۔ کمپنی آنے والے سالوں میں شریک کاروں کے لئے اہم ویلیو ایڈیشن پیدا کرنے کے لئے مضبوط پوزیشن میں ہے۔

اعتراف

میں اپنی کمپنی کے ہر رکن کی ثابت قدمی اور عزم کا مشکور ہوں۔ میں بورڈ آف ڈائریکٹرز، آڈٹ اور ہیومن ریسورسز اور معاوضہ کمیٹیوں، ہمارے وقف عملے، قابل اعتماد شراکت داروں اور معاون ریٹیلرز کا تہہ دل سے شکریہ ادا کرتا ہوں جنہوں نے توقعات سے بڑھ کر کاوشیں کیں۔ یہ ان کی سخت محنت اور عزم کی وجہ سے ہی ہم قابل ذکر نتائج حاصل کرنے اور ایک کامیاب ٹیم کے طور پر مل کر آگے بڑھنے میں کامیاب ہوئے ہیں۔



رفیق ایم حبیب

چیئرمین

کارکردگی اسکور کارڈ

کمپنی نے مجموعی آمدنی میں 9.4 فیصد اضافہ اور قبل از ٹیکس منافع میں نمایاں بہتری حاصل کی۔ کسٹمرز کے اطمینان میں بہتری نے کمپنی کو دشوار معاشی حالات کے باوجود اپنے مارکیٹ شیئر کو برقرار رکھنے کی اجازت دی ہے۔ ریٹیل ایمپوریمز کلیدی برانڈنگ پلیٹ فارم بن چکی ہیں، جو کمپنی کے طرز زندگی کے برانڈ امیج کو مضبوط کرتی ہیں اور باوقار منصوبوں کو محفوظ کرتی ہیں۔ اپنے خوردہ قدموں کو بڑھانے کے لئے، ہم نے سال کے دوران کئی نئے ایمپوریمز کا افتتاح کیا ہے۔ مزید برآں، پاکستان سپر لیگ ۲۰۲۴ کے لئے کوئٹہ گلیڈی ایٹرز کے ساتھ شراکت داری کے ذریعے ایک اہم مارکیٹنگ اقدام کیا گیا تھا، جس کا مقصد برانڈ کی نمائش کو فروغ دینا تھا۔

کمپنی نے شمسی توانائی کو اپنانے اور خام مال کے دوبارہ استعمال جیسی کاوشوں کے ذریعے ماحولیاتی ذمہ داری کے ضمن میں اپنی لگن کا اظہار کرتے ہوئے پائیدار اقدامات میں نمایاں پیش رفت کی ہے۔ یہ اقدامات نہ صرف اپنے ماحولیاتی اثرات کو کم کرنے کے لئے کمپنی کے عزم کی عکاسی کرتے ہیں بلکہ حصص داران کے لئے قدر میں بھی اضافہ کرتے ہیں۔ مجموعی طور پر، کمپنی نے مؤثر طریقے سے اپنی مارکیٹ پوزیشن کو مستحکم کیا ہے اور مستقبل میں ترقی اور کامیابی کی راہ کو ہموار کیا ہے۔

کمپنی مقاصد کے حصول میں بورڈ کا کردار

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کی دفعات کی تعمیل میں بورڈ نے اپنی کارکردگی کے ساتھ ساتھ اپنے ممبروں اور ذیلی کمیٹیوں کی کارکردگی کا سالانہ جائزہ لینے کے لئے ایک باضابطہ اور مؤثر طریقہ کار وضع کیا ہے۔ اس تشخیصی طریقہ کار کی منظوری اور کامیاب نفاذ ادارتی نظم و ضبط کے معیارات پر عمل کرنے کے بورڈ کے عزم کو مزید واضح کرتا ہے۔

بورڈ کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کو مؤثر طریقے سے منظم کیا جا رہا ہے، اس طرح سے کہ کمپنی کی سالمیت اور اس کے شریک کار کے مفادات کا بھی تحفظ ہو اور اسے اپنے مقاصد کے حصول میں مدد ملے۔

بورڈ کی مجموعی کارکردگی قابل ستائش رہی ہے، جس نے اس پورے عرصے کے دوران مضبوط قیادت اور حکمت عملی کا مظاہرہ کیا ہے۔ کمپنی کی اقدار اور تدبیر کو برقرار رکھنے کے لئے ان کی انتھک لگن نے نمایاں کامیابیاں حاصل کی ہیں، جس نے کمپنی کو اپنے مقاصد کی طرف گامزن کیا ہے۔ اپنے کردار کو پورا کرنے میں بورڈ کے اثرات کو نظر انداز نہیں کیا جاسکتا، کیونکہ اس نے چیلنجوں سے بخوبی نبرد آزما ہو کر مثبت نتائج فراہم کرنے کے مواقع سے فائدہ اٹھایا ہے۔ شفافیت، احتساب اور جدت طرازی کے کلچر کو فروغ دے کر بورڈ نے تمام شریک کاروں کی

چیئر مین کی جائزہ رپورٹ

معزز حصص یافتگان،

چیئر مین کی جائزہ رپورٹ برائے سال منہمہ ۳۰ جون ۲۰۲۲ء پیش کرتے ہوئے بے حد مسرت ہو رہی ہے۔

معاشی جائزہ

گزشتہ ۲۴ ماہ کے دوران شدید بدامنی سے گزرنے کے بعد فروری ۲۰۲۲ء میں ہونے والے عام انتخابات کے بعد معیشت مستحکم ہونا شروع ہو گئی ہے۔ سیاسی استحکام، آئی ایم ایف کے کامیاب جائزے اور کرنسی میں استحکام کے نتیجے میں کاروباری اعتماد میں بہتری آئی ہے۔ تاہم، گیس اور بجلی کے نرخوں میں نمایاں اضافے نے سرامک مینوفیکچرنگ انڈسٹری کو منفی طور پر متاثر کیا جس کا توانائی پر بہت زیادہ انحصار ہے۔ آپ کی کمپنی نے ہمیشہ سخت مالی نظم و ضبط کو برقرار رکھتے ہوئے جدت طرازی اور کارکردگی پر توجہ مرکوز کی ہے۔ مالی سال ۲۰۲۲ء میں ہم نے ایک بار پھر انتہائی مشکل وقت سے گزرنے کی اپنی صلاحیت کا مظاہرہ کیا۔ آپ کی کمپنی نے آمدنی کے لحاظ سے ترقی کی ہے اور منافع بخش رہی ہے۔ کارکردگی کے دیگر متعین پیمانوں میں بھی مثبت پیش رفت ہوئی ہے۔ موجودہ ماحول کو دیکھتے ہوئے یہ کامیابیاں قابل ستائش ہیں۔

کاروباری جائزہ

اقتصادی شرح نمو کم ہونے کے باعث تعمیراتی شعبے میں بحالی کا کوئی مثبت اشارہ نہیں ملا ہے جس کا اثر ٹائل مارکیٹ پر مسلسل پڑ رہا ہے۔ طلب میں کمی کی وجہ سے ٹائلوں کا مارکیٹ حجم نمایاں طور پر سکڑ گیا ہے، جس میں زیادہ تر سرگرمی اب تزئین و آرائش اور سرکاری منصوبوں پر مرکوز ہے۔ نجی شعبے کے اقدامات خاص طور پر متاثر ہوئے ہیں اور رک گئے ہیں۔ آئندہ دنوں میں، تعمیراتی شعبے میں ترقی کو آگے بڑھانے کے لئے صنعت کا مستقبل مضبوط حکومتی پالیسیوں پر بہت زیادہ انحصار کرے گا۔

دشوار حالات کے باوجود، آپ کی کمپنی اپنے آپریشنز کو برقرار رکھنے اور توقع سے بہتر نتائج حاصل کرنے میں کامیاب رہی ہے۔ انتظامیہ نے قیمتوں میں بروقت ترمیم، مجموعی مصنوعات کے امتزاج میں بہتری اور فائدہ مند توانائی امتزاج کے ذریعے توانائی کی لاگت کو بہتر بنانے سمیت متعدد اقدامات پر عمل درآمد کیا ہے۔

DIRECTORS' REPORT:

The Directors of the Company are pleased to present their report along with the Audited Financial Statements for the year ended June 30, 2024.

BUSINESS ENVIRONMENT:

The economic conditions in the country proved to be challenging throughout the year. The country experienced high inflation rate and record increase in energy costs, contributing to a general economic slowdown. As a result, the construction sector experienced a notable downturn confronting unparalleled obstacles and slow customer demands. Higher construction material costs and inflationary pressures resulted in project delays or even cancellations. This has affected the tile industry adversely with capacity utilization in some cases dropping to less than 50% and some companies even shutting down their production facilities.

Despite significant challenges faced by the industry, your Company was able to achieve gross revenue of Rs. 20 billion showing value growth of 9.4% and almost 100% growth in Profit Before Tax as compared to last year. The management took timely decisions to improve sales mix, implement timely price revisions to offset cost base increase and achieve cost optimizations through various efficiency initiatives.

I would like to congratulate the entire management team who has worked tirelessly throughout the year and achieved such remarkable results.

FINANCIAL PERFORMANCE:	2024	2023
	Rs. in '000'	
Turnover	20,224,930	18,491,978
Gross profit	3,619,352	2,987,080
Earnings before interest, taxes and depreciation (EBITDA)	1,602,435	1,231,342
Depreciation	797,510	733,151
Finance cost	198,630	193,674
Profit before taxation	606,295	304,517
Profit after taxation	320,165	37,613
Earnings per share (Rs.)	1.34	0.16

REVENUE:

During the fiscal year, the industry's market size experienced a substantial contraction. The Company adeptly leveraged its differentiated product portfolio in alignment with its strategic approach and managed to maintain its market share. Despite 10% decrease in volumes, the Company's revenue exhibited growth of 10%, attributed to better product mix and price increases where possible.

PROFITABILITY:

The company faced a formidable challenge due to substantial increase in Energy costs, particularly gas (100% increase) and electricity (70% increase). However, your Company demonstrated resilience and achieved a gross profit of Rs. 3,619 million, showing a 21% growth from the previous year. Selling and distribution costs surged by Rs. 359 million, primarily driven by higher outward freight expenses resulting from axle load restrictions and soaring diesel prices. Administrative expenditures rose by Rs. 11 million, primarily because of inflation.

LIQUIDITY AND CASH FLOW MANAGEMENT:

Effective controls on credit and securing advance payments have played a significant role in managing the company's liquidity position. By efficiently managing these aspects, the company ensured a steady cash flow, which is essential for its financial stability and growth. Moreover, the company wisely invested surplus funds at competitive rates to maximize returns on its idle cash. This approach to cash management not only safeguards the company against potential liquidity challenges but also allows it to capitalize on profitable investment opportunities.

COMMERCIAL STRATEGY:

The Company continued its focus on strengthening the STILE brand. To improve brand visibility and quality image, new emporiums were launched during the year to increase the retail footprint and enhance our market presence which serves as our branding platform. Another significant step was taken by entering into partnership with Quetta Gladiators for Pakistan Super League 2024 to enhance brand image. We remain committed to making constant efforts to maintain Stile's position as a premium brand in the industry.

CONTRIBUTION TO NATIONAL EXCHEQUER:

Your company contributed approximately Rs. 3,721 million (2023: Rs. 3,064 million) into the Government Treasury on account of income taxes, sales tax, custom duties and other government levies.

BUSINESS RISKS AND CHALLENGES:

Following are the major risks, which may affect our business operations:

Fluctuation / interruption in gas supply due to curtailment, gas reserve depletion

Revision in gas allocation policy and increased gas tariff (comingled natural gas and RLNG) exerting pressures on input cost

Rising LPG & coal prices

Contraction in construction leading to low secondary sales

Devaluation of rupee

Freight cost upsurge due to supply chain disruption, diesel prices.

Increase in material costs and overheads due to high inflation

CORPORATE AND SOCIAL RESPONSIBILITY:

Throughout the years, your Company has played a substantial role in advancing the well-being of society through a range of social initiatives. Guided by our CSR policy, the company places particular emphasis on healthcare, the workplace, environmental stewardship, and broader societal impact. The Company has taken several initiatives in this respect including grants to Indus Hospital Karachi and Patient Aid Foundation.

HEALTH & SAFETY:

The Company consistently strives to establish a work environment that is both safe and secure for its associates. Guided by fundamental safety principles, the Company aims to create a workplace where individuals experience the satisfaction of working with a genuine sense of safety and security. To this end, the Health & Safety Division has been instituted by the Company to proactively prevent industrial accidents and their reoccurrence while also safeguarding the health of its associates.

ENVIRONMENT:

We recognize our responsibility to protect and sustain the environment for future generations. Our environmental initiatives include minimizing and recycling of waste, adopt green technologies for improving the energy mix to enhance our environmental performance and support sustainable practices across our operations. The aggregate installed capacity of our onsite solar power is 3.8 MW.

ADEQUACY OF INTERNAL CONTROLS:

The Company has employed an effective system of internal controls to carry on the business of the Company in an orderly manner, safeguard its assets and secure the accuracy and reliability of its records. The management supervision and reviews are an essential element of the system of internal controls. The board ensures adequacy of internal control activities either directly or through its committees. The board also reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information. Analysis of budgetary control is in place and the Board reviews material variances with explanations and actions taken thereon on periodic basis.

The Board has outsourced the internal audit function to external professionals who possess the requisite qualifications and experience for this role. These professionals are well-versed in the Company's policies and procedures. Additionally, the Board has designated a Head of Internal Audit, a qualified individual, as required under Listed Companies (Code of Corporate Governance Regulations) 2019.

AUDITORS:

The present Auditors M/s. A. F. Ferguson & Co., Chartered Accountants (a member firm of PwC network), are due to retire in the forthcoming annual general meeting of the company and being eligible, have offered themselves for reappointment. The Board has recommended reappointment of the retiring auditors for the year ending June 30, 2024, for approval of the shareholders in the forthcoming Annual General Meeting.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE:

The Company Management is fully cognizant of its responsibility as recognized by the Companies Act, 2017 provisions and Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP). The following comments are acknowledgement of Board's commitment to high standards of Corporate Governance and continuous improvement:

- 1) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- 2) Proper books of account have been maintained by the Company;
- 3) Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgment;
- 4) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of these financial statements;
- 5) The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue with the objective to further strengthen the controls and improve the system;
- 6) There are no significant doubts upon the Company's ability to continue as a going concern;
- 7) A summary of key operating and financial data of the Company of the last six years is available in the annual report.

- 8) There has been no material departure from the best practices of Corporate Governance, as detailed in the Regulations of Rule Book of Pakistan Stock Exchange.
- 9) The Company operates a contributory provident fund scheme for all permanent employees. The value of Provident Fund Investments as per the unaudited accounts of STCL Provident Fund Trust for the year ended June 30, 2024 was Rs. 406.096 million (2023: Rs. 331.868 million):
- 10) There are no outstanding statutory payments due on account of taxes, levies and charges except as those disclosed in these financial statements.

BOARD OF DIRECTORS & ITS COMMITTEES:

THE BOARD:

The Board comprises of two independent Directors (including one female director), four non-executive Directors and one executive Director.

During the year, five meetings of Board of Directors (BOD) were held. All the meetings were held in Pakistan. The attendance and the composition of the Board of Directors are as follows:

Name of Director	Designation	No. of meetings attended
Mr. Rafiq M. Habib	Chairman	5
Mr. Masood Jaffery	Executive Director & CEO	5
Mr. Feroze Jehangir Cawasji	Independent Director	5
Mr. Abdul Hai M. Bhaimia	Non-Executive Director	5
Mrs. Farhana Mowjee Khan	Independent Director	5
Mr. Muhammad Salman Burney	Non-Executive Director	5
Mr. Imran Ali Habib	Non-Executive Director	5

Leave of absence was granted to the Directors who could not attend the Board meetings.

BOARD AUDIT COMMITTEE:

The Board's Audit Committee plays a pivotal role in aiding the Board to meet its oversight responsibilities. This includes the review and communication of financial and non-financial information to shareholders, evaluating internal control systems and risk management practices, and overseeing the audit process. The Committee possesses the authority to request information from management and to directly consult with external auditors or advisors when deemed appropriate. Subsequent to each meeting, the Committee's Chairman delivers a report to the Board. The Committee consists of two non-executive directors and two independent directors, including one female director. The Chairman of the Board Audit Committee is an independent director.

During the year, five meetings of Board Audit Committee were held. The attendance and the composition of the committee is as follows:

Name of Director	Designation	No. of meetings attended
Mr. Feroze Jehangir Cawasji	Independent Director (Chairman)	5
Mr. Abdul Hai M. Bhaimia	Non-Executive Director	3
Mrs. Farhana Mowjee Khan	Independent Director	5
Mr. Imran Ali Habib	Non-Executive Director	4

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

The Human Resource and Remuneration Committee provides strategic guidance to the management on human resource, review the annual performance evaluations, personnel policies, and compensation & benefits for the associates.

For the year under review, two meetings of the HR&R Committee were held to discuss & approve the matters falling under the terms of reference of the Committee. The attendance of the HR&R Committee members was as follows:

Name of Director	Designation	No. of meetings attended
Mr. Feroze Jehangir Cawasji	Independent Director (Chairman)	2
Mr. Salman Burney	Non-Executive Director	2
Mr. Masood Jaffery	Executive Director	2
Mrs. Farhana Mowjee Khan	Independent Director	2

DIVIDEND:

For the year ended June 30, 2024, the Board in its meeting held on September 6, 2024 have proposed cash dividend of 15% i.e. Re 0.75 per share.

PATTERN OF SHAREHOLDING:

Statements showing the pattern of shareholding as at June 30, 2024 required under Section 227 (2) (f) of the Companies Act, 2017 and the Code of Corporate Governance, is annexed to this report.

The Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses or minor children did not carry out any trade in the shares of the Company during the year.

SUBSEQUENT EVENTS:

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of the Report, except as disclosed in the financial statements.

RELATED PARTY TRANSACTIONS:

The transactions between the related parties were carried out on the basis of arm's length prices. The Company has fully complied with the best practices on transfer pricing as contained Act and Code. The details of all related party transactions were placed before the Audit Committee and upon its recommendation the same were approved by the Board of Directors.

GENDER PAY GAP:

Your company is committed to fostering an inclusive and equitable workplace where all employees are valued and empowered to succeed. We are proud to be an equal opportunity employer, dedicated to ensuring that employment decisions including recruitment, hiring, training, promotion, and compensation are made based on merit and qualifications without regard to race, color, religion, gender, age, disability, or any other characteristic protected by law.

We believe that diversity drives innovation and enhances our organizational performance. To this end, we continuously strive to create a work environment where all employees have equal opportunities to thrive and contribute to our collective success.

Our analysis for this period reveals that female employees, on average, earn 4.5% more than their male counterparts, as indicated by the mean pay gap. Additionally, the median pay gap shows that male employees earn 7% more than their female peers.

We are encouraged by these figures, which reflect positively on our commitment to gender equity. Nonetheless, we understand that achieving pay equity is an ongoing endeavor.

BUSINESS CONTINUITY PLANS:

In the dynamic business landscape of Pakistan, robust business continuity planning has emerged as a critical facet for companies seeking to navigate through various challenges and uncertainties. A well-structured business continuity plan is designed to ensure the organization's resilience in the face of disruptions such as natural disasters, economic fluctuations, and unforeseen events.

As an integral component of the Business Continuity Plan, remote disaster recovery sites have been effectively established to uphold backup server and data integrity should our primary server encounter any complications.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES:

In accordance with the mandates of the Code of Corporate Governance and the Companies Act of 2017, the Company's Board conducts a yearly comprehensive self-evaluation of its collective performance along with that of its committees. This evaluation process is aimed at assessing the Board's overall performance and efficacy, aligning it with the Company's set objectives. The evaluation concentrates on key areas such as:

- Alignment of corporate goals and objectives with the vision and mission of the Company
- Strategy formulation for sustainable operation
- Board's independence and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference.

Each year, an evaluation questionnaire is prepared in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, and distributed to Directors for performance assessment. These evaluations are subsequently analyzed to pinpoint areas necessitating enhancement and to bring to light any divergent viewpoints. For the fiscal year concluding on June 30, 2024, the overall performance and efficacy of the Board have been appraised as 'Satisfactory'.

REVIEW OF CEO'S PERFORMANCE:

The CEO's performance is subject to a formal appraisal using an evaluation system that encompasses various aspects. This includes assessing the business performance, achievement of objectives related to profitability, organizational development, succession planning and overall corporate success.

DIRECTORS' REMUNERATION:

In terms of requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code), the Company has formulated a policy which deals with the remuneration of the Directors. The system of remuneration for Directors is designed to enhance their motivation for improved business performance, both over the short term and medium to long term with sustained growth of corporate value. The Executive Director is paid monthly remuneration and benefits as approved by the Directors, whereas the Company does not pay remuneration to Non-executive Directors, except for meeting fee. For information on remuneration and fee of Directors & CEO, please refer to notes to the Financial Statements.

OUTLOOK AND FUTURE PROSPECTS:

Your Company remains focused on customer satisfaction, dedication to operational excellence and cost optimization. We are confident that our proactive strategies will enable us to maintain a robust financial position and seize emerging opportunities.

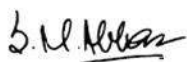
CHAIRMAN'S REVIEW REPORT:

The Chairman's review included in the Annual Report deals inter alia with the performance of the Company for the year ended June 30, 2024 and the future outlook. The directors endorse the contents of the Chairman's review report.

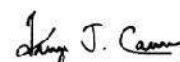
ACKNOWLEDGEMENT:

The Board of Directors of our Company are grateful to our shareholders and customers for their continued patronage and trust which has made STILE a leading brand in the industry. We wish to extend our heartfelt gratitude and recognition to entire STILE team, including our staff, our valued bankers, vendors and architects for their consistent support and confidence in our Company.

On behalf of the Board



SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



FEROZE JEHANGIR CAWASJI
Director

Karachi: September 19, 2024

مستقبل کا نقطہ نظر

آپ کی کمپنی کی توجہ صارفین کے اطمینان، آپریشنل عمدگی اور لاگت کو بہتر بنانے کی لگن پر مرکوز ہے۔ ہمیں یقین ہے کہ ہماری فعال حکمت عملی ہمیں مضبوط مالی پوزیشن برقرار رکھنے اور ابھرتے ہوئے مواقع سے فائدہ اٹھانے کے قابل بنائے گی۔

چیئر مین کی جائزہ رپورٹ

سالانہ رپورٹ میں شامل چیئر مین کا جائزہ 30 جون 2024ء کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی اور مستقبل کے نقطہ نظر سے متعلق ہے۔ ڈائریکٹرز، چیئر مین کی جائزہ رپورٹ کے مندرجات کی توثیق کرتے ہیں۔

اعتراف

ہماری کمپنی کے بورڈ آف ڈائریکٹرز اپنے حصص داران اور صارفین کو ان کی مسلسل سرپرستی اور اعتماد کے لئے مشکور ہیں جس نے شبیر ٹائلز اینڈ سیرامکس لمیٹڈ کو صنعت میں ایک معروف برانڈ بنادیا ہے۔ ہم اپنی کمپنی میں مسلسل حمایت اور اعتماد کے لئے اپنے عملے، ہمارے قابل قدر بینکاروں، سپلائرز اور آرکیٹیکٹس سمیت پوری STILE ٹیم کا تہہ دل سے شکریہ اور اعتراف کرنا چاہتے ہیں۔

منجانب بورڈ

Shabbir J. Cassy

فیروز جہانگیر کاؤسجی

ڈائریکٹر

S. M. Hossain

سید مسعود عباس جعفری

چیف ایگزیکٹو آفیسر

کراچی: 19 ستمبر 2024

کاروباری تسلسل کے منصوبے

پاکستان کے متحرک کاروباری منظر نامے میں، مضبوط کاروباری تسلسل کی منصوبہ بندی مختلف مشکلات اور غیر یقینی صورتحال سے نمٹنے کی کوشش کرنے والی کمپنیوں کے لئے ایک اہم پہلو کے طور پر سامنے آئی ہے۔ ایک اچھی طرح سے منظم کاروباری تسلسل کا منصوبہ قدرتی آفات، معاشی اتار چڑھاؤ، اور غیر متوقع واقعات جیسے خلل کے سامنے تنظیم کی صورت حال قابو پانے کو یقینی بنانے کے لئے تشکیل دیا گیا ہے۔

کاروباری تسلسل کے تحت ڈیساٹر ریکوری کی سائنس کو موثر طریقے سے قائم کیا گیا ہے اگر ہمارے بنیادی سرور کو کسی قسم کی پیچیدگی کا سامنا ہو تو بیک اپ سرور اور ڈیٹا کی سالمیت کو برقرار رکھا جاسکے

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ

کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کے مینڈیٹ کے مطابق، کمپنی کا بورڈ اپنی کمیٹیوں کے ساتھ ساتھ اپنی اجتماعی کارکردگی کا سالانہ جامع جائزہ خود لیتا ہے۔ اس تشخیصی عمل کا مقصد بورڈ کی مجموعی کارکردگی اور افادیت کا اندازہ لگانا ہے، اسے کمپنی کے طے شدہ مقاصد کے ساتھ ہم آہنگ کرنا ہے۔ تشخیص کلیدی شعبوں پر توجہ مرکوز کرتی ہے جیسے:

• ادارتی مقاصد اور نصب العین کے ساتھ ادارتی اہداف اور مقاصد کی مطابقت

• پائیدار آپریشن کے لئے حکمت عملی کی تشکیل

• بورڈ کی آزادی اور

• متعلقہ ٹرمز آف ریفرنس میں طے شدہ ذمہ داریوں کی انجام دہی کے سلسلے میں بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ۔

ہر سال، فہرست کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق ایک تشخیصی سوالنامہ تیار کیا جاتا ہے، اور کارکردگی کی تشخیص کے لئے ڈائریکٹرز کو تقسیم کیا جاتا ہے۔ ان جائزوں کا بعد میں تجزیہ کیا جاتا ہے تاکہ ان شعبوں کی نشاندہی کی جاسکے جن میں اضافے کی ضرورت ہے اور کسی بھی مختلف نقطہ نظر کو روشنی میں لایا جاتا ہے۔ 30 جون 2024ء کو اختتام پذیر ہونے والے مالی سال کے لئے بورڈ کی مجموعی کارکردگی اور افادیت کو 'تسلی بخش' قرار دیا گیا ہے۔

سی ای او کی کارکردگی کا جائزہ

سی ای او کی کارکردگی ایک تشخیصی نظام کا استعمال کرتے ہوئے باضابطہ تشخیص سے مشروط ہے جو مختلف پہلوؤں کا احاطہ کرتی ہے۔ اس میں کاروباری کارکردگی کا اندازہ لگانا، منافع، تنظیمی ترقی، جانشینی کی منصوبہ بندی اور مجموعی طور پر ادارتی کامیابی سے متعلق مقاصد کا حصول شامل ہے۔

ڈائریکٹرز کا معاوضہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (کوڈ) کی ضروریات کے تحت، کمپنی نے ایک پالیسی تیار کی ہے جو ڈائریکٹروں کے معاوضے سے متعلق ہے۔ ڈائریکٹرز کے لئے معاوضے کا نظام کارپوریٹ ویلیو کی پائیدار ترقی کے ساتھ قلیل مدتی اور درمیانی سے طویل مدت میں بہتر کاروباری کارکردگی کے لئے ان کی حوصلہ افزائی کو بڑھانے کے لئے ترتیب دیا گیا ہے۔ ایگزیکٹو ڈائریکٹرز کو ڈائریکٹرز کی منظوری کے مطابق ماہانہ معاوضہ اور فوائد کی ادائیگی کی جاتی ہے، جبکہ کمپنی مینٹگ فیس کے علاوہ نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے۔ ڈائریکٹرز اور سی ای او کے معاوضے اور فیس کے بارے میں معلومات کے لئے، براہ کرم مالیاتی گوشواروں کے مندرجات ملاحظہ کریں۔

منافع منقسمہ

30 جون 2024 کو ختم ہونے والے سال کے لیے، بورڈ نے 6 ستمبر 2024 کو ہونے والی اپنی میٹنگ میں 15٪ یعنی 0.75 روپے فی شیئر کیش ڈیویڈنڈ تجویز کیا ہے۔

حصص داری کی ساخت

کمپنیز ایکٹ 2017 سیکشن 227(2)(ایف) کے تحت 30 جون 2024 تک حصص داری کی ساخت کو واضح کرنے والے گوشوارے اور کوڈ آف کارپوریٹ گورننس اس رپورٹ کے ساتھ منسلک ہیں۔

ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، ہیڈ آف انٹر نل آڈٹ اور ان کے شریک حیات یا نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔

بعد از واقعات

مالی سال کے اختتام اور رپورٹ کی تاریخ کے درمیان سوائے مالیاتی گوشواروں میں ظاہر کردہ کمپنی کی مالی حالت کو متاثر کرنے والی کوئی اہم تبدیلی یا وعدے نہیں ہوئے ہیں۔

ملحقہ فریقین کے سودے

ملحقہ فریقین کے مابین لین دین حلقی اقدامات کے تناظر میں قیمتوں کی بنیاد پر کیا گیا تھا۔ کمپنی نے ایکٹ اور کوڈ کے مطابق قیمتوں کے تبادلے پر بہترین طریقوں کی مکمل تعمیل کی ہے۔ تمام ملحقہ پارٹی ٹرانزیکشنز کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی گئیں اور اس کی سفارش پر بورڈ آف ڈائریکٹرز نے اس کی منظوری دی۔

صنعتی مساوات

آپ کی کمپنی ایک جامع اور مساوی کام کی جگہ کو فروغ دینے کے لئے پر عزم ہے جہاں تمام ملازمین کو کامیاب ہونے کے لئے قابل قدر اور با اختیار بنایا جاتا ہے۔ ہمیں ایک مساوی مواقع فراہم کرنے والے آجر ہونے پر فخر ہے، جو اس بات کو یقینی بنانے کے لئے وقف ہے کہ ملازمت کے فیصلے بھرتی، تربیت، ترقی، اور معاوضہ کسی بھی نسل، رنگ، مذہب، جنس، عمر، معذوری، یا قانون کے ذریعہ محفوظ کوئی بھی دوسری خصوصیت کی پرواہ کیے بغیر میرٹ اور قابلیت کی بنیاد پر کیے جاتے ہیں۔

ہم یقین رکھتے ہیں کہ ترمیم سے جدت کو فروغ ملتا ہے اور اس سے ہماری تنظیمی کارکردگی میں اضافہ ہوتا ہے۔ اس مقصد کے لئے، ہم مسلسل کام کا ماحول پیدا کرنے کی کوشش کرتے ہیں جہاں تمام ملازمین کو پھلنے پھولنے اور ہماری اجتماعی کامیابی میں حصہ ڈالنے کے مساوی مواقع حاصل ہوں۔

اس عرصے کے لئے ہمارے تجزیے سے معلوم ہوتا ہے کہ خواتین ملازمین اپنے مرد ہم منصبوں کے مقابلے میں اوسطاً 4.5 فیصد زیادہ کماتی ہیں، جیسا کہ اوسط تنخواہ کے فرق سے ظاہر ہوتا ہے۔ مزید برآں میڈین، اوسط تنخواہ کا فرق ظاہر کرتا ہے کہ مرد ملازمین اپنی خواتین ساتھیوں کے مقابلے میں 7 فیصد زیادہ کماتے ہیں۔

ہم ان اعداد و شمار کی حوصلہ افزائی کرتے ہیں، جو صنعتی مساوات کے لئے ہمارے عزم کی مثبت عکاسی کرتے ہیں۔ بہر حال، ہم سمجھتے ہیں کہ تنخواہ کی مساوات حاصل کرنا ایک مسلسل کاوش ہے۔

5	آزاد ڈائریکٹر	محترمہ فرحانہ ماوجی خان
5	نان ایگزیکٹو ڈائریکٹر	جناب محمد سلمان برنی
5	نان ایگزیکٹو ڈائریکٹر	جناب عمران علی حبیب

جو ڈائریکٹر بورڈ کے اجلاس میں حاضر ناہو سکے انکی غیر حاضری کی درخواست منظور کر لی گئی ہے۔

بورڈ آڈٹ کمیٹی

بورڈ کی آڈٹ کمیٹی اس کی نگرانی کی ذمہ داریوں کو پورا کرنے میں بورڈ کی مدد کرنے میں ایک اہم کردار ادا کرتی ہے۔ اس میں مالیاتی اور غیر مالیاتی معلومات کا جائزہ لینا اور شیئر ہولڈرز تک پہنچانا، اندرونی کنٹرول کے نظام اور رسک مینجمنٹ کے طریقوں کا جائزہ لینا، اور آڈٹ کے عمل کی نگرانی کرنا شامل ہے۔ کمیٹی کے پاس انتظامیہ سے معلومات کی درخواست کرنے اور مناسب سمجھے جانے پر بیرونی آڈیٹرز یا مشیروں سے براہ راست مشورہ کرنے کا اختیار ہے۔ ہر میٹنگ کے بعد، کمیٹی کا چیئر مین بورڈ کو ایک رپورٹ پیش کرتا ہے۔ کمیٹی دو نان ایگزیکٹو ڈائریکٹر اور دو آزاد ڈائریکٹر پر مشتمل ہے جن میں ایک خاتون ڈائریکٹر بھی شامل ہیں۔ بورڈ آڈٹ کمیٹی کا چیئر مین ایک خود مختار ڈائریکٹر ہوتا ہے۔

سال کے دوران بورڈ آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے۔ کمیٹی کی حاضری اور تشکیل درج ذیل ہے:

ڈائریکٹر کا نام	عہدہ	حاضر اجلاسوں کی تعداد
جناب فیروز جہانگیر کاوس جی	آزاد ڈائریکٹر (چیئر مین)	5
جناب عبدالحی ایم بھائی میاں	نان ایگزیکٹو ڈائریکٹر	3
محترمہ فرحانہ ماوجی خان	آزاد ڈائریکٹر	5
جناب عمران علی حبیب	نان ایگزیکٹو ڈائریکٹر	4

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل معاوضہ کمیٹی انتظامیہ کو انسانی وسائل پر رہنمائی فراہم کرتی ہے، سالانہ کارکردگی کی تشخیص، ملازمین کی پالیسیوں اور مسئلہ اداروں کے لئے معاوضہ اور فوائد کا جائزہ لیتی ہے۔ زیر جائزہ سال کے لئے، ایچ آر اینڈ آئی آر کمیٹی کے دو اجلاس منعقد ہوئے تھے جس میں کمیٹی کے ٹرمز آف ریفرنس کے تحت آنے والے معاملات پر تبادلہ خیال اور منظوری دی گئی تھی۔ انسانی وسائل اور معاوضہ کمیٹی کے ارکان کی حاضری درج ذیل تھی۔

ڈائریکٹر کا نام	عہدہ	حاضر اجلاسوں کی تعداد
جناب فیروز جہانگیر کاوس جی	آزاد ڈائریکٹر (چیئر مین)	2
جناب محمد سلمان برنی	نان ایگزیکٹو ڈائریکٹر	2
جناب سید مسعود عباس جعفری	ایگزیکٹو ڈائریکٹر	2
محترمہ فرحانہ ماوجی خان	آزاد ڈائریکٹر	2

اداراتی نظم و ضبط کے ضابطے کی پاسداری

کمپنی انتظامیہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ کمپنیز ایکٹ 2017 کی دفعات اور کوڈ آف کارپوریٹ گورننس کے تحت تسلیم شدہ اپنی ذمہ داریوں سے بخوبی آگاہ ہے۔ مندرجہ ذیل تبصرے کارپوریٹ گورننس کے اعلیٰ معیار اور مسلسل بہتری کے لئے بورڈ کے عزم کی عکاس ہیں:

۱۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات کی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
۲۔ کمپنی کی طرف سے مالیاتی گوشواروں کا مناسب رکاز برقرار رکھا گیا ہے۔

۳۔ ان مالیاتی گوشواروں کی تیاری میں مناسب حسابات کی پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور حساباتی کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

۴۔ ان مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) پر عمل کیا گیا ہے، جو پاکستان میں لاگو ہیں۔

۵۔ اندرونی گرفت کا نظام اور نگرانی مضبوط ہے اور مؤثر طریقے سے نافذ کی گئی ہے۔ داخلی کنٹرول کی نگرانی کا عمل کنٹرول کو مزید مضبوط بنانے اور نظام کو بہتر بنانے کے مقصد کے ساتھ جاری رہے گا۔

۶۔ کمپنی کی بڑھتی ہوئی کاروباری صلاحیت کے تسلسل پر کوئی قابل ذکر شک و شبہ نہیں ہے۔

۷۔ گزشتہ چھ سالوں کے کمپنی کے کلیدی کاروباری اور مالیاتی اعداد و شمار کا خلاصہ سالانہ رپورٹ میں دستیاب ہے۔

۸۔ ادراتی نظم و ضبط کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے، جیسا کہ پاکستان اسٹاک ایکسچینج کی رول بک (قواعدی کتاب) کے ریگولیشنز میں تفصیل سے بیان کیا گیا ہے۔

۹۔ کمپنی تمام مستقل ملازمین کے لئے کنٹری بیوٹری پروویڈنٹ فنڈ اسکیم چلاتی ہے۔ 30 جون 2024 کو ختم ہونے والے سال کے لئے ایس ٹی سی ایل پروویڈنٹ فنڈ ٹرسٹ کے غیر آڈٹ شدہ کھاتوں کے مطابق پروویڈنٹ فنڈ سرمایہ کاری کی مالیت 406.096 ملین روپے (331.868:2023 ملین روپے) ہے:

۱۰۔ ٹیکسوں اور دیگر محصولات کی مد میں کوئی واجب الادا قانونی ادائیگی نہیں ہے سوائے ان کے جنہیں مالیاتی گوشواروں میں منکشف کیا گیا ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ

بورڈ میں دو آزاد ڈائریکٹرز (بشمول ایک خاتون ڈائریکٹر)، چار نان ایگزیکٹو ڈائریکٹرز اور ایک ایگزیکٹو ڈائریکٹر شامل ہیں۔

سال کے دوران بورڈ آف ڈائریکٹرز (بی او ڈی) کے پانچ اجلاس منعقد ہوئے۔ تمام اجلاس پاکستان میں ہوئے۔ بورڈ آف ڈائریکٹرز کی حاضری اور تشکیل درج ذیل ہے:

ڈائریکٹر کا نام	عہدہ	حاضر اجلاسوں کی تعداد
جناب رفیق ایم حبیب	چیئر مین	5
جناب سید مسعود عباس جعفری	آزاد ڈائریکٹر، سی ای او	5
جناب فیروز جہانگیر کاوس جی	آزاد ڈائریکٹر	5
جناب عبدالحمید ایم بھائی میاں	نان ایگزیکٹو ڈائریکٹر	5

اداراتی اور سماجی ذمہ داری

سالوں کے دوران، آپ کی کمپنی نے متعدد سماجی اقدامات کے ذریعے معاشرے کی فلاح و بہبود میں اہم کردار ادا کیا ہے۔ ہماری سی ایس ایس آر پالیسی کی رہنمائی میں، کمپنی صحت کی دیکھ بھال، کام کی جگہ، ماحولیاتی انتظام، اور وسیع تر معاشرتی اثرات پر خصوصی زور دیتی ہے۔ کمپنی نے اس سلسلے میں متعدد اقدامات کئے ہیں جن میں انڈس اسپتال کراچی اور پیشینٹ ایڈ فاؤنڈیشن کو گرانٹس شامل ہیں۔

صحت اور حفاظت

کمپنی مستقل طور پر اپنے ملازمین کے لئے محفوظ کام کا ماحول قائم کرنے کی کوشش کرتی ہے۔ بنیادی حفاظتی اصولوں کی رہنمائی میں، کمپنی کا مقصد ایک ایسی کام کی جگہ فراہم کرنا ہے جہاں افراد حفاظت اور سلامتی کے حقیقی احساس کے ساتھ اطمینان سے کام کر سکتے ہوں۔ اس مقصد کے لئے کمپنی کی جانب سے ہیلتھ اینڈ سیفٹی ڈویژن قائم کیا گیا ہے تاکہ صنعتی حادثات اور ان کے دوبارہ رونما ہونے کی روک تھام کے ساتھ ساتھ اپنے ملازمین کی صحت کا تحفظ بھی یقینی بنایا جاسکے۔

ماحول

ہم آنے والی نسلوں کے لئے ماحول کو برقرار رکھنے اور اسکے تحفظ کی اپنی ذمہ داری کو تسلیم کرتے ہیں۔ ہمارے ماحولیاتی اقدامات میں اخراج کو کم سے کم کرنا اور ری سائیکل کرنا، ہماری ماحولیاتی کارکردگی کو بہتر بنانے کے لئے توانائی کے مرکب کو بہتر بنانے کے لئے گرین ٹیکنالوجیز کو اپنانا اور ہمارے آپریشنز میں پائیدار طریقوں کی حمایت کرنا شامل ہے۔ ہماری آن سائٹ شمسی توانائی کی مجموعی نصب شدہ صلاحیت 3.8 میگا واٹ ہے۔

انٹرئل کنٹرول کے نظام

کمپنی نے منظم انداز میں کاروبار کو جاری رکھنے، اپنے اثاثوں کی حفاظت کرنے اور اس کے ریکارڈ کی درستگی کے ساتھ قابل اعتماد اور محفوظ بنانے کے لئے اندرونی نظم و نسق کا ایک مؤثر نظام رائج کیا ہے۔ انتظامی نگرانی اور جائزے داخلی کنٹرول کے نظام کا ایک لازمی عنصر ہیں۔ بورڈ براہ راست یا اپنی کمیٹیوں کے ذریعے داخلی کنٹرول کی سرگرمیوں کی مناسبت کو یقینی بناتا ہے۔ بورڈ عبوری اکاؤنٹس، رپورٹس، منافع کے جائزے اور دیگر مالی اور شماریاتی معلومات کے ذریعے باقاعدگی سے کمپنی کے مالیاتی آپریشنز اور پوزیشن کا جائزہ بھی لیتا ہے۔ بجٹ کنٹرول کا تجزیہ بھی دستیاب ہے اور بورڈ وفاقاً وقتاً اس پر کی جانے والی وضاحتوں اور اقدامات کے ساتھ تبدیلی کا جائزہ لیتا ہے۔

بورڈ نے انٹرئل آڈٹ فنکشن کے لئے بیرونی ماہرین کو آڈٹ سروس کیا ہے جو اس کام کے لئے مطلوبہ قابلیت اور تجربہ رکھتے ہیں۔ یہ ماہرین کمپنی کی پالیسیوں اور طریقہ کار سے بخوبی واقف ہیں۔ مزید برآں، بورڈ نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس ریگولیشنز) 2019 کے تحت انٹرئل آڈٹ کی سربراہی کے لئے ایک قابل شخص کو نامزد کیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس (پی ڈبلیو سی نیٹ ورک کی ایک رکن فرم) کمپنی کے آئندہ سالانہ جنرل اجلاس میں ریٹائر ہونے والے ہیں اور اہل ہونے کی وجہ سے انہوں نے دوبارہ تقرری کے لئے خود کو نامزد کیا ہے۔ بورڈ نے 30 جون 2024 کو ختم ہونے والے سال کے لئے ریٹائر ہونے والے آڈیٹرز کی دوبارہ تقرری کی سفارش کی ہے تاکہ آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری دی جاسکے۔

بنیادی طور پر ایکسل لوڈ کی پابندیوں اور ڈیزل کی بڑھتی ہوئی قیمتوں کے نتیجے میں زیادہ بیرونی مال برداری کے اخراجات کار فرما ہیں۔ انتظامی اخراجات میں بنیادی طور پر افراط زر کی وجہ سے 11 ملین روپے کا اضافہ ہوا۔

لیکویڈیٹی اور نقد بہاؤ کا انتظام

ادھار فروخت پر موثر کنٹرول اور پیشگی ادائیگیوں کو محفوظ بنانے کے اقدام نے کمپنی کی لیکویڈیٹی پوزیشن کو منظم کرنے میں اہم کردار ادا کیا ہے۔ ان پہلوؤں کا موثر طریقہ سے انتظام کرتے ہوئے، کمپنی نے نقد بہاؤ کی مستقل آمد کو یقینی بنایا، جو کہ اس کے مالی استحکام اور ترقی کے لیے ضروری ہے۔ مزید برآں، کمپنی نے سرپلس فنڈز پر زیادہ سے زیادہ منافع حاصل کرنے کے لیے مسابقتی شرحوں پر جمع ہونے والے اضافی فنڈز کی دانشمندی سے سرمایہ کاری کی۔ نقدی کے انتظام کے لیے یہ حکمت عملی نہ صرف کمپنی کو ممکنہ لیکویڈیٹی مشکلات سے تحفظ فراہم کرتی ہے بلکہ اسے سرمایہ کاری کے منافع بخش مواقع سے فائدہ اٹھانے کے مواقع بھی دیتی ہے۔

تجارتی حکمت عملی

کمپنی نے STILE برانڈ کو مضبوط بنانے پر اپنی توجہ جاری رکھی ہے۔ برانڈ کو الٹی میج کو بہتر بنانے کے لیے نمائش بھی کی، سال کے دوران نئے ایمپوریمز شروع کیے گئے تاکہ ریٹیل فروخت کو بڑھایا جاسکے اور مارکیٹ میں موجودگی کو بڑھایا جاسکے جو ہمارے برانڈنگ پلیٹ فارم کے طور پر کام کرتا ہے۔ برانڈ امیج کو بڑھانے کے لیے پاکستان سپر لیگ 2024 کے لیے کونسلر گلیڈی ایٹرز کے ساتھ شراکت داری کر کے STILE کی جانب سے ایک اور اہم قدم اٹھایا گیا۔ ہم صنعت میں ایک پریمیم برانڈ کے طور پر STILE کی پوزیشن کو برقرار رکھنے کے لیے مسلسل کاوشیں کرنے کے لیے پرعزم ہیں۔

قومی خزانے میں معاونت

آپ کی کمپنی کے تعاون سے تقریباً 3,721 ملین (3,064:2023 ملین روپے) انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹی اور دیگر سرکاری محصولات کی مد میں سرکاری خزانے میں جمع ہوئے ہیں۔

کاروباری خطرات اور چیلنجز

درج ذیل بڑے خطرات ہیں، جو ہمارے کاروباری سرگرمیوں کو متاثر کر سکتے ہیں

• گیس کے ذخائر میں کمی کی وجہ سے گیس کی سپلائی میں اتار چڑھاؤ / رکاوٹ

• گیس مختص کرنے کی پالیسی میں نظر ثانی اور گیس ٹیرف میں اضافہ (آنے والی قدرتی گیس اور آریل این جی) پیداواری لاگت پر دباؤ ڈالتا ہے۔

• ایل بی جی اور کولے کی قیمتوں میں اضافہ

• بلند افراط زر جس کے نتیجے میں تعمیرات میں سست روی پیدا ہوتی ہے جس کی وجہ سے ثانوی فروخت کم ہوتی ہے۔

• روپے کی قدر میں کمی

• سپلائی چین میں خلل، ڈیزل کی قیمتوں کی وجہ سے مال بردار لاگت میں اضافہ۔

• بلند افراط زر کی وجہ سے مادی اخراجات اور دوسری لاگت میں اضافہ

ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹر 30 جون 2024 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

کاروباری ماحول

ملک کے معاشی حالات پورے سال دشوار رہے ہیں۔ ملک کو افراط زر کی بلند شرح اور توانائی کی لاگت میں ریکارڈ اضافے کا سامنا کرنا پڑا، جو عام اقتصادی ست روی کا باعث بنا۔ اسکے نتیجے میں، تعمیراتی شعبے نے بے شمار رکاوٹوں اور صارفین کی طلب میں کمی کا سامنا کرتے ہوئے قابل ذکر مندی کا سامنا کیا۔ تعمیراتی مواد کی زیادہ لاگت اور افراط زر کے دباؤ کے نتیجے میں تعمیراتی منصوبوں میں تاخیر یا منسوخی بھی ہوئی۔ اس نے ٹائل انڈسٹری کو بری طرح متاثر کیا اور بعض صورتوں میں پیداواری صلاحیت کا استعمال 50 فیصد سے بھی کم رہ گیا ہے اور بعض کمپنیاں اپنی پیداواری سہولیات بھی بند کر رہی ہیں۔ آپ کی کمپنی نے صنعت کو درپیش اہم چیلنجوں کے باوجود اب تک کی سب سے زیادہ مجموعی آمدنی میں پچھلے سال کے مقابلے میں 20 بلین کی قدر میں 9.4 فیصد اضافہ اور ٹیکس سے پہلے کے منافع میں تقریباً 100 فیصد اضافہ حاصل کیا۔ انتظامیہ نے سیلز کس کو بہتر بنانے، لاگت کی بنیاد پر اضافے کو پورا کرنے اور مختلف کارگر اقدامات کے ذریعے لاگت کو بہتر بنانے کے لیے قیمت پر نظر ثانی کر کے بروقت فیصلے کیے۔

میں پوری انتظامیہ کی ٹیم کو مبارکباد دینا چاہتا ہوں جنہوں نے سال بھر انتھک محنت کی اور ایسے شاندار نتائج حاصل کئے۔

مالیاتی نتائج

روپے '000 میں

2023	2024	
18,491,978	20,224,930	خالص فروخت
2,987,080	3,619,352	مجموعی منافع
1,231,342	1,602,435	آمدنی قبل از سود اور فرسودگی (EBITDA)
733,151	797,510	فرسودگی
193,674	198,630	مالیاتی لاگت
304,517	606,295	منافع قبل از ٹیکس
37,613	320,165	منافع بعد از ٹیکس
0.16	1.34	فی حصص آمدنی (روپے)

فروخت

مالی سال کے دوران، صنعتی بازار کے حجم میں کافی کمی ہوئی۔ کمپنی نے اپنی مختلف مصنوعات کی فہرست کو اپنی حکمت عملی کے تحت استعمال کرتے ہوئے اپنے مارکیٹ شیئر کو برقرار رکھنے میں کامیاب رہی ہے۔ حجم میں 10 فیصد کمی کے باوجود، کمپنی کی آمدنی میں 10 فیصد اضافہ ہوا، جس کی وجہ بہترین مصنوعاتی امتزاج اور جہاں ممکن ہو قیمت میں اضافہ ہے۔

منافع

کمپنی کو توانائی کی قیمتوں میں خاطر خواہ اضافے، خاص طور پر گیس میں (100 فیصد اضافہ) اور بجلی میں (70 فیصد اضافہ) کی وجہ سے ایک زبردست چیلنج کا سامنا کرنا پڑا۔ تاہم، آپ کی کمپنی نے لاگت کو قابو رکھتے ہوئے 3,619 ملین روپے کا مجموعی منافع حاصل کیا جو گزشتہ سال سے 21 فیصد اضافہ دکھاتا ہے۔ فروخت اور تقسیم کے اخراجات میں 359 ملین روپے کا اضافہ ہوا جس میں

STILE'S PARTNERSHIP WITH QUETTA GLADIATORS



Stile's mission extends beyond providing quality tiles; we empower households to turn their dreams into reality. With a commitment to enhancing homes and lifestyles, we are proud to have partnered with the Quetta Gladiators.

Our goal is to inspire individuals to transform their living spaces with Stile, offering customized solutions tailored to their preferences and style.



Click to Watch
Exclusive Partnership
Ceremony Highlights



Click to Watch
Gladiators Meetup
at STILE EMPORIUM



ANALYSIS OF THE FINANCIAL INFORMATION



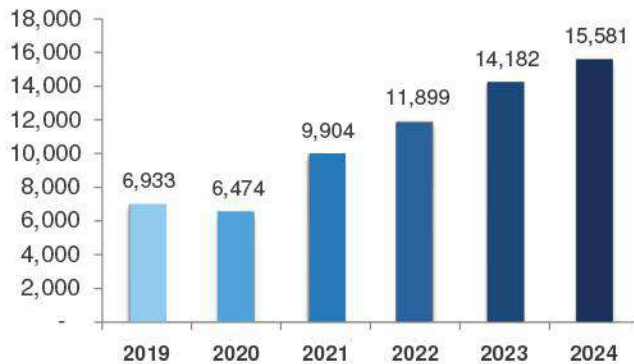
PERFORMANCE OF LAST SIX YEARS

FINANCIAL SUMMARY	30TH JUNE 2024	30TH JUNE 2023	30TH JUNE 2022	30TH JUNE 2021	30TH JUNE 2020	30TH JUNE 2019
	(RS.'000s)					
For the year						
Turnover - net	15,581,047	14,182,479	11,898,966	9,904,498	6,474,469	6,933,077
% of Growth	9.86%	19.19%	20.14%	52.98%	-6.61%	20.22%
Gross profit	3,619,352	2,987,080	2,994,999	3,060,227	1,096,746	1,611,867
Gross profit (%)	23.23%	21.06%	25.17%	30.90%	16.94%	23.25%
Selling and distribution Costs	2,488,142	2,129,448	1,602,220	1,394,662	1,036,180	927,447
% of Turnover -net	15.97%	15.01%	13.47%	14.08%	16.00%	13.38%
Administrative Expenses	397,927	386,691	335,856	289,144	255,767	250,660
% of Turnover -net	2.55%	2.73%	2.82%	2.92%	3.95%	3.62%
Allowance / (Reversal) for expected credit loss	23,073	(5,168)	19,546	(18,731)	37,093	7,259
% of Turnover -net	0.15%	-0.04%	0.16%	-0.19%	0.57%	0.10%
Finance Cost	198,630	193,674	115,840	107,444	87,078	86,946
% of Turnover -net	1.27%	1.37%	0.97%	1.08%	1.34%	1.25%
Profit / (loss) before taxation	606,295	304,517	1,006,789	1,449,742	(280,817)	372,504
% of Turnover -net	3.89%	2.15%	8.46%	14.64%	-4.34%	5.37%
Profit / (loss) after taxation	320,165	37,613	497,322	924,888	(325,774)	234,341
% of Turnover -net	2.05%	0.27%	4.18%	9.34%	-5.03%	3.38%
EBITDA	1,602,435	1,231,342	1,812,243	2,267,720	512,598	1,053,005
% of Turnover -net	10.28%	8.68%	15.23%	22.90%	7.92%	15.19%
Cash dividend	179,490	-	179,490	299,150	-	59,830
Cash dividend (%)	15.00%		15.00%	25.00%		5.00%
Ratio Analysis						
Break-up value of Rs. 5/= share	12.62	11.28	11.88	11.05	7.18	8.79
Earnings / (loss) per share (Rs.)	1.34	0.16	2.08	3.86	(1.36)	0.98
Receivables no. of days	12	12	9	12	20	13
Current ratio	1.11	0.97	0.98	1.20	0.77	0.86
Number of employees (Permanent)	702	730	745	742	766	869

FINANCIAL HIGHLIGHTS

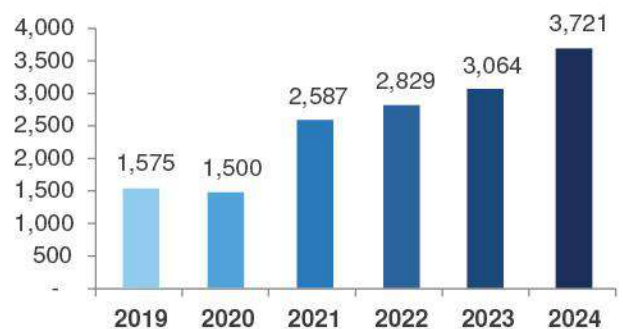
TurnoverNet

Rs. in Million



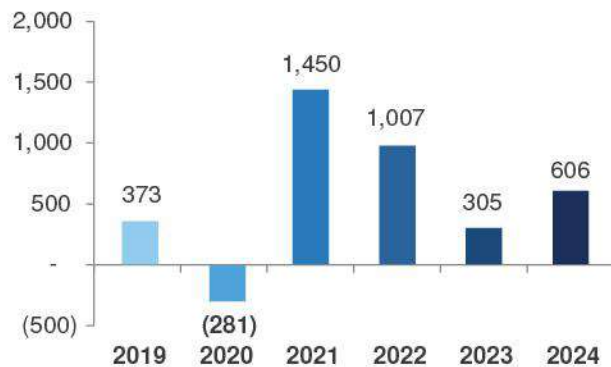
Contribution to National Exchequer

Rs. in Million



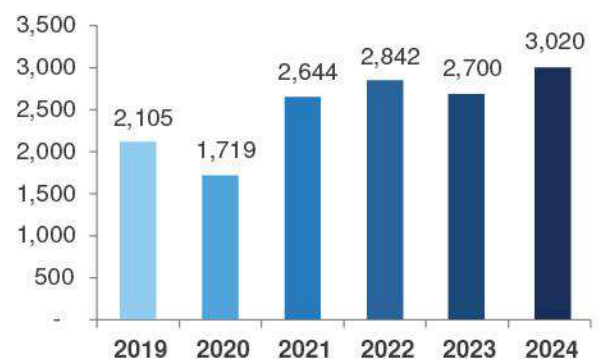
Profit / (Loss) before tax

Rs. in Million



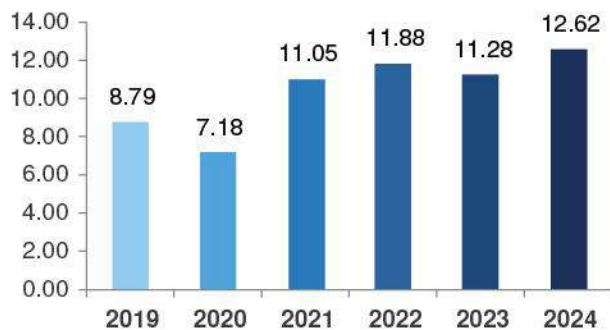
Shareholder's Equity

Rs. in Million



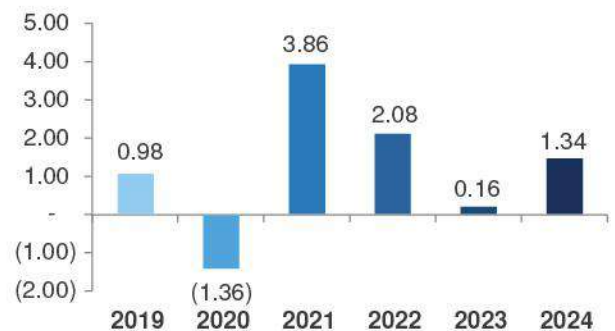
Breakup value per share

Rs.



Earnings / (Loss) per share

Rs.



VERTICAL ANALYSIS

Rupees in '000

STATEMENT OF FINANCIAL POSITION	2024	%	2023	%	2022	%	2021	%	2020	%	2019	%
Property, plant & Equipment	2,880,148	35.3	3,342,400	37.8	3,418,756	45.2	2,696,148	38.4	2,672,266	49.6	3,116,316	55.8
Right of use assets	337,617	4.1	327,200	3.7	263,363	3.5	240,668	3.4	267,718	5.0	-	-
Investment properties	3,309	0.0	4,551	0.1	5,793	0.1	7,035	0.1	8,277	0.2	9,519	0.2
Long-term loans, advances & deposits	41,969	0.5	31,817	0.4	32,149	0.4	27,375	0.4	23,070	0.4	20,312	0.4
Deferred Tax Asset - Net	79,530	1.0	41,089	0.5	-	-	-	-	-	-	-	-
Current assets	4,818,123	59.0	5,105,121	57.7	3,841,509	50.8	4,052,399	57.7	2,417,550	44.9	2,440,767	43.7
Total Assets	8,160,696	100.0	8,852,178	100.0	7,561,570	100.0	7,023,625	100.0	5,388,881	100.0	5,586,914	100.0
Share Capital	1,196,600	14.7	1,196,600	13.5	1,196,600	15.8	1,196,600	17.0	1,196,600	22.2	1,196,600	21.4
Share Premium	449,215	5.5	449,215	5.1	449,215	5.9	449,215	6.4	449,215	8.3	449,215	8.0
Reserves	1,374,581	16.8	1,054,416	11.9	1,196,203	15.8	998,121	14.2	73,233	1.4	458,837	8.2
Shareholders' equity	3,020,396	37.0	2,700,231	30.5	2,842,108	37.6	2,643,936	37.6	1,719,048	31.9	2,104,652	37.7
Long Term Financing - Secured	494,102	6.1	536,712	6.1	223,825	3.0	149,670	2.1	209,300	3.9	449,100	8.0
Lease liabilities	269,558	3.3	224,112	2.5	198,725	2.6	173,289	2.5	198,284	3.7	-	-
Deferred tax liability - net	-	-	-	-	34,733	0.5	54,157	0.8	132,511	2.5	200,013	3.6
Other long term liability	47,021	0.6	124,092	1.4	374,940	4.9	608,130	8.6	-	-	-	-
Current liabilities	4,329,619	53.1	5,267,031	59.5	3,887,239	51.4	3,394,443	48.3	3,129,738	58.0	2,833,149	50.7
Total Equities and Liabilities	8,160,696	100.0	8,852,178	100.0	7,561,570	100.0	7,023,625	100.0	5,388,881	100.0	5,586,914	100.0
PROFIT AND LOSS ACCOUNT												
Turnover - net	15,581,047	100.0	14,182,479	100.0	11,898,966	100.0	9,904,498	100.0	8,474,469	100.0	6,933,077	100.0
Cost of Sales	(11,961,695)	(76.8)	(11,195,399)	(78.9)	(8,903,967)	(74.8)	(6,844,271)	(69.1)	(5,377,723)	(83.1)	(5,321,210)	(76.8)
Gross profit	3,619,352	23.2	2,987,080	21.1	2,994,999	25.2	3,060,227	30.9	1,096,746	16.9	1,611,867	23.2
Selling and distribution Costs	(2,488,142)	(16.0)	(2,129,448)	(15.0)	(1,602,220)	(13.5)	(1,394,662)	(14.1)	(1,036,180)	(16.0)	(927,447)	(13.4)
Administrative Expenses	(397,927)	(2.6)	(386,691)	(2.7)	(335,856)	(2.8)	(289,144)	(2.9)	(255,767)	(4.0)	(250,660)	(3.6)
(Allowance) / Reversal for expected credit loss	(23,073)	(0.1)	5,168	0.04	(19,546)	(0.2)	18,731	0.2	(37,093)	(0.6)	(7,259)	(0.1)
Other Income	179,898	1.2	172,139	1.2	181,188	1.5	299,663	3.0	43,899	0.7	66,017	1.0
Operating Profit / (Loss)	890,108	5.7	648,248	4.6	1,218,565	10.2	1,694,815	17.1	(188,395)	(2.9)	492,518	7.1
Finance costs	(198,630)	(1.3)	(193,674)	(1.4)	(115,840)	(1.0)	(107,444)	(1.1)	(87,078)	(1.3)	(86,946)	(1.3)
Other expenses	(85,183)	(0.5)	(150,057)	(1.1)	(95,936)	(0.8)	(137,629)	(1.4)	(5,344)	(0.1)	(33,068)	(0.5)
Profit / (Loss) before taxation	606,295	3.9	304,517	2.1	1,006,789	8.5	1,449,742	14.6	(280,817)	(4.3)	372,504	5.4
Taxation and Levy	(286,130)	(1.8)	(266,904)	(1.9)	(509,467)	(4.3)	(524,854)	(5.3)	(44,957)	(0.7)	(138,163)	(2.0)
Profit / (Loss) after taxation	320,165	2.1	37,613	0.3	497,322	4.2	924,888	9.3	(325,774)	(5.0)	234,341	3.4

HORIZONTAL ANALYSIS

Rupees in '000

STATEMENT OF FINANCIAL POSITION

	2024	%	2023	%	2022	%	2021	%	2020	%	2019	%
Property, plant & Equipment	2,880,148	(13.8)	3,342,400	(2.2)	3,418,756	26.8	2,696,148	0.9	2,672,266	(14.2)	3,116,316	(7.7)
Right of use assets	337,617	3.2	327,200	24.2	263,363	9.4	240,668	(10.1)	267,718	-	-	-
Investment properties	3,309	(27.3)	4,551	(21.4)	5,793	(17.7)	7,035	(15.0)	8,277	(13.0)	9,519	(11.5)
Long-term loans, advances & deposits	41,969	31.9	31,817	(1.0)	32,149	17.4	27,375	18.7	23,070	13.6	20,312	42.6
Deferred Tax Asset - Net	79,530	93.6	41,089	-	-	-	-	-	-	-	-	-
Current assets	4,818,123	(5.6)	5,105,121	32.9	3,841,509	(5.2)	4,052,399	67.6	2,417,550	(1.0)	2,440,767	17.5
Total Assets	8,160,696	(7.8)	8,852,178	17.1	7,561,570	7.7	7,023,625	30.3	5,388,881	(3.5)	5,586,914	2.0

Share Capital	1,196,600	-	1,196,600	-	1,196,600	-	1,196,600	-	1,196,600	-	1,196,600	-
Share Premium	449,215	-	449,215	-	449,215	-	449,215	-	449,215	-	449,215	-
Reserves	1,374,581	30.4	1,054,416	(11.9)	1,196,293	19.9	998,121	1,262.9	73,233	(84.0)	458,837	33.3
Shareholders' equity	3,020,396	11.9	2,700,231	(5.0)	2,842,108	7.5	2,643,936	53.8	1,719,048	(18.3)	2,104,652	5.8
Long Term Financing - Secured	494,102	(7.9)	536,712	139.8	223,825	49.5	149,670	(28.5)	209,300	(53.4)	449,100	(50.4)
Lease liabilities	269,558	20.3	224,112	12.8	198,725	14.7	173,289	(12.6)	198,284	-	-	-
Deferred tax liability - net	-	-	-	-	34,733	(35.9)	54,157	(59.1)	132,511	(33.7)	200,013	44.6
Other long term liability	47,021	(62.1)	124,092	(66.9)	374,940	(38.3)	608,130	-	-	-	-	-
Current liabilities	4,329,619	(17.8)	5,267,031	35.5	3,887,239	14.5	3,394,443	8.5	3,126,738	10.5	2,833,149	15.9
Total Equities and Liabilities	8,160,696	(7.8)	8,852,178	17.1	7,561,570	7.7	7,023,625	30.3	5,388,881	(3.5)	5,586,914	2.0

PROFIT AND LOSS ACCOUNT

Turnover - net	15,581,047	9.9	14,182,479	19.2	11,898,966	20.1	9,904,498	53.0	6,474,469	(6.6)	6,933,077	20.2
Cost of Sales	(11,961,695)	6.8	(11,195,399)	25.7	(8,903,967)	30.1	(6,844,271)	27.3	(5,377,723)	1.1	(5,321,210)	18.0
Gross profit	3,619,352	21.2	2,987,080	(0.3)	2,994,999	(2.1)	3,060,227	179.0	1,096,746	(32.0)	1,611,867	28.2
Selling and distribution Costs	(2,488,142)	16.8	(2,129,448)	32.9	(1,602,220)	14.9	(1,394,662)	34.6	(1,036,180)	11.7	(927,447)	23.9
Administrative Expenses	(397,927)	2.9	(386,691)	15.1	(335,856)	16.2	(289,144)	13.0	(255,767)	2.0	(250,660)	58.9
(Allowance) / Reversal for expected credit loss	(23,073)	(546.5)	5,168	(126.4)	(19,546)	204.4	18,731	(150.5)	(37,093)	411.0	(7,259)	(64.4)
Other Income	179,898	4.5	172,139	(5.0)	181,188	(39.5)	299,663	582.6	43,899	(33.5)	66,017	85.4
Operating Profit / (Loss)	890,108	37.3	648,248	(46.8)	1,218,565	(28.1)	1,694,815	999.6	(188,395)	(138.3)	492,518	34.5
Finance costs	(198,630)	2.6	(193,674)	67.2	(115,840)	7.8	(107,444)	23.4	(67,078)	0.2	(86,946)	(11.4)
Other expenses	(85,183)	(43.2)	(150,057)	56.4	(95,936)	(30.3)	(137,629)	2,475.4	(5,344)	(83.8)	(33,068)	58.2
Profit / (Loss) before taxation	606,295	99.1	304,517	(69.8)	1,006,789	(30.6)	1,449,742	616.3	(280,817)	(175.4)	372,504	50.7
Taxation and Levy	(286,130)	7.2	(266,904)	(47.6)	(509,467)	(2.9)	(524,854)	1,067.5	(44,957)	(67.5)	(138,163)	161.8
Profit / (Loss) after taxation	320,165	751.2	37,613	(92.4)	497,322	(46.2)	924,888	383.9	(325,774)	(239.0)	234,341	20.5


A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SHABBIR TILES AND CERAMICS LIMITED REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shabbir Tiles and Ceramics Limited ('the Company') for the year ended June 30, 2024, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below an instance of non-compliance with the requirements of the Regulations as reflected in the note / paragraph reference where it is stated in the Statement of Compliance:

S.No	Reference	Description
i	19	It is mandatory that the Audit Committee of a company shall appoint a secretary of the committee who shall either be the Company Secretary or Head of Internal Audit. During our review, we noted that the Company Secretary was the secretary of the Audit Committee in all the meetings held till February 28, 2024 i.e. the last working day of Company Secretary. Subsequent to the last working day, no acting secretary was nominated by the Audit Committee for the meeting held on April 26, 2024.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: October 01, 2024

UDIN: CR202410068jaGrZl2Wb

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

SHABBIR TILES AND CERAMICS LIMITED FOR THE YEAR ENDED JUNE 30, 2024

The company has complied with the requirements of the Regulations in the following manner: -

1. The total number of directors are 7 as per the following.
 - a. Male: - 06
 - b. Female: - 01
2. The composition of Board is as follows:
 - a) Independent Directors (including a Female Director)
 - Mr. Feroze Jehangir Cawasji
 - Mrs. Farhana Mowjee Khan
 - b) Non-executive Directors
 - Mr. Rafiq M. Habib
 - Mr. Muhammad Salman Burney
 - Mr. Abdul Hai M. Bhaimia
 - Mr. Imran Ali Habib
 - c) Executive Director
 - Syed Masood Abbas Jaffery
3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this, Company.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updation is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All the directors on the board have either acquired training program or are exempt from the requirement.
10. The Board has approved the appointment of Chief Financial Officer including terms and conditions of his employment. The Board has also approved change in remuneration of Company Secretary and Head of Internal Audit. The Board has complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a) Audit Committee

- Mr. Feroze Jehangir Cawasji	Chairman
- Mr. Abdul Hai M. Bhaimia	Member
- Mrs. Farhana Mowjee Khan	Member
- Mr. Imran Ali Habib	Member

b) H.R. and Remuneration Committee

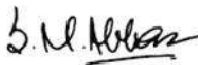
- | | |
|---------------------------------|----------|
| - Mr. Feroze Jehangir Cawasji | Chairman |
| - Mr. Muhammad Salman Burney | Member |
| - Mr. Syed Masood Abbas Jaffery | Member |
| - Mrs. Farhana Mowjee Khan | Member |

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
- | | |
|----------------------------------|-----------------|
| a) Audit Committee | - Five meetings |
| b) HR and Remuneration Committee | - Two meetings |
15. The Board has outsourced the internal audit function to M/s. Noble Computer Services (Private) Limited who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (Spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except for the non-compliance mentioned in point 19.
19. As per regulation 27 (1) (iv), it is mandatory that the Audit Committee of a company shall appoint a secretary of the committee who shall either be the Company Secretary or Head of Internal Audit. The Company Secretary was the secretary of the Audit Committee in all the meetings held till February 28, 2024 i.e. the last working day of Company Secretary. Subsequent to the last working day, no acting secretary was nominated by the Audit Committee for the meeting held on April 26, 2024.
20. Explanations for not rounding up the fractional number under Regulation 6(1) is as follows:
- In a board comprising of 7 members, one third works out to be 2.33% in which fraction is below half (i.e. 0.5). The fraction contained in such one-third is not rounded up to one. Company has qualified and experienced independent directors on the board who perform and carry out their responsibility diligently.
21. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Matters	Regulation No.	Explanation
<u>Nomination Committee</u> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	The Board effectively discharges all the responsibilities of Nomination Committee as recommended by the Code. It regularly monitors and assesses the requirements with respect to any changes needed on Board's committees including chairmanship of those committees. The Board also actively monitors requirements regarding its structure, size and composition and

Matters	Regulation No.	Explanation
		timely reviews and adapts any necessary changes in that regard.
<u>Risk Management Committee</u> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30 (1)	The Board itself and through its Audit Committee annually reviews business risks facing the Company to ensure that a sound system of risk identification, risk management and related systemic and internal controls is being maintained to safeguard assets. All material controls (financial, operational, compliance) are monitored and reviewed. The Board ensures that risk mitigation measures are robust.
<u>Environmental, Social and Governance (ESG) matters</u> The board is responsible for setting the company's sustainability strategies, priorities, and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director.	10A	The Board is currently deliberating upon this matter and is committed to diligently overseeing and addressing sustainability risks and opportunities as laid down in Regulation 10A of the Code introduced by the SECP. Consideration shall be given to either establishing a separate committee or designate this responsibility to an existing Board committee in due course.
<u>Disclosure of significant policies on website</u> The company may post the following on its website: (1) key elements of its significant policies on its website environmental, social and governance (ESG) related policy. (2) brief synopsis of terms of reference of the Board's committees (3) key elements of the directors' remuneration policy.	35 (2)	The Company has not placed certain policies and terms of reference of the Board's committees on its official website as these have included in the annual report which is published and uploaded on the company's website.
<u>Approval of Chief Financial Officer, Company Secretary and Head of Internal Audit</u> The Board shall appoint, determine remuneration, renew contracts and terms and conditions of employment of chief financial officer, company secretary and head of internal audit of the company.	20	The last working day of Company Secretary of the Company was February 28, 2024, and no Company Secretary was in place since then. The company has appointed Company secretary in board meeting held on September 06, 2024
<u>Attendance at meeting</u> The chief financial officer and company secretary or in their absence, the nominee appointed by the Board, shall attend all meetings of the Board.	13	As per the Minutes of 167 th meeting, held on April 29, 2024, of the board of directors, no nominee was appointed in the absence of the Company Secretary.

The Board has been guided by the fact that the above requirements are not mandatory and the necessary explanation under the Regulations have been included above.



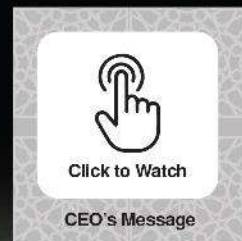
SYED MASOOD ABBAS JAFFERY
Chief Executive Officer



RAFIQ M. HABIB
Chairman

Dated: September 27, 2024

MESSAGE FROM THE CEO





A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHABBIR TILES AND CERAMICS LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OPINION

We have audited the annexed financial statements of Shabbir Tiles and Ceramics Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION:

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.No	Key audit matters	How the matter were addressed in our audit
1	Turnover - Net (Refer notes 6.27, and 28 of the annexed financial statements)	
	Net Turnover for the year ended June 30, 2024, amounted to Rs. 15,581 million. Revenue is recognised when the Company satisfies performance obligations at a point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.	Our audit procedures, amongst others, included the following: • Obtained understanding and evaluated the accounting policies and the Company's procedures with respect to revenue recognition. • Evaluated the design and tested the operating effectiveness of key internal controls involved in revenue recognition.

Agreed


A.F. FERGUSON & CO.

S.No	Key audit matters	How the matter were addressed in our audit
	We considered revenue as a key audit matter, being one of the Company's key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	- Reviewed customer agreements to obtain an understanding of the terms particularly relating to timing and transfer of control of the products and assessed the appropriateness of revenue recognition policies and practices followed by the Company. - Tested on a sample basis, specific revenue transactions by inspecting underlying documentation including dispatch documents and sales invoices. - Performed analytical procedures over revenue transactions to identify trends and any unusual change in revenue for each segment. - Tested specific revenue transactions on a sample basis recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period. - Assessed the related disclosures made in the annexed financial statements in accordance with the requirements of the applicable financial reporting framework.
2	Valuation of stock-in-trade (Refer notes 6.7, and 13 of the annexed financial statements)	
	The stock-in-trade balance constitutes approximately 36 % of total assets of the Company as at the reporting date. This comprises raw and packing material, work-in-process (WIP), finished goods and stock-in-transit. Stock-in-trade is valued at the lower of cost and net realisable value (NRV). NRV is determined mainly keeping in view the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. We have considered this area to be a key audit matter due to its materiality and judgments involved in estimating the NRV of underlying stock-in-trade.	Our audit procedures, amongst others, included the following: - Obtained an understanding of the Company's process with respect to purchase and consumption of raw and packing material. Also tested design and operating effectiveness of controls relevant to such process. - Reviewed management's procedures for evaluating the NRV of stock-in-trade, performed testing on sample basis to assess the NRV and evaluated the adequacy of write down of stock-in-trade to NRV by performing a review of sales close to and subsequent to the reporting date and comparing with the cost for a sample of products. - Tested the accuracy of ageing analysis of stock-in-trade, on a sample basis, to evaluate the provision for slow moving stock-in-trade assessed by the management.


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S.No	Key audit matters	How the matter were addressed in our audit
		- Assessed the appropriateness of management's basis for allocation of overheads and tested the calculation of per unit cost of finished goods, on a sample basis. - Reviewed the relevant documents, including but not limited to suppliers' invoices, letters of credit and shipping documentation to verify the valuation of goods-in-transit as at the reporting date as well as inspected subsequent goods receipt notes on a sample basis. - Assessed the adequacy of the related disclosures in accordance with the applicable financial reporting framework.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORTS THEREON:

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.



A.F. FERGUSON & CO.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'A. F. Ferguson & Co.'.



A.F. FERGUSON & CO.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

OTHER MATTER:

The financial statements of the Company for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon, vide their report dated September 28, 2023.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: October 01, 2024
UDIN: AR202410068en70A6lv3

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	2024 ------(Rupees in '000)-----	2023
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,880,148	3,342,400
Right-of-use assets	8	337,617	327,200
Investment properties	9	3,309	4,551
Long-term security deposits	10	41,969	31,817
Deferred tax asset - net	11	79,530	41,089
		<u>3,342,573</u>	<u>3,747,057</u>
Current assets			
Stores and spare parts	12	821,644	728,936
Stock-in-trade	13	2,948,284	2,058,968
Trade debts	14	423,681	411,969
Loans and advances	15	104,668	46,530
Prepayments, deposits and other receivables	16	27,107	116,773
Short-term investments	17	206,363	1,337,306
Cash and bank balances	18	286,376	404,639
		<u>4,818,123</u>	<u>5,105,121</u>
TOTAL ASSETS		<u>8,160,696</u>	<u>8,852,178</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
240,000,000 (2023: 240,000,000) ordinary shares of Rs.5/- each		<u>1,200,000</u>	<u>1,200,000</u>
Share capital			
Issued, subscribed and paid-up capital	19	1,196,600	1,196,600
Capital reserves			
Share premium		449,215	449,215
Revenue reserves			
Unappropriated profit		896,581	576,416
General reserve		478,000	478,000
Total equity		<u>3,020,396</u>	<u>2,700,231</u>
Non-current liabilities			
Long-term financing	20	494,102	536,712
Deferred income	21	47,021	77,094
Lease liabilities	22	269,558	224,112
Gas Infrastructure Development Cess payable	23	-	46,998
		<u>810,681</u>	<u>884,916</u>
Current liabilities			
Trade and other payables	24	2,727,383	3,682,665
Accrued mark-up		25,330	20,334
Taxation - net		144,471	258,592
Current maturity of long-term financing	20	66,775	22,820
Current maturity of deferred income	21	4,710	5,494
Current maturity of lease liabilities	22	124,919	156,112
Current maturity of Gas Infrastructure Development Cess payable	23	829,952	767,915
Sales tax payable	26	399,480	346,154
Unclaimed dividend	25	4,155	4,184
Unpaid dividend	25	2,444	2,761
		<u>4,329,619</u>	<u>5,267,031</u>
TOTAL EQUITY AND LIABILITIES		<u>8,160,696</u>	<u>8,852,178</u>
CONTINGENCIES AND COMMITMENTS	27		

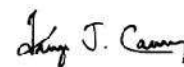
The annexed notes from 1 to 48 form an integral part of these financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

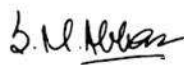
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ------(Rupees in '000)----- Restated	2023 Restated
Turnover - net	28	15,581,047	14,182,479
Cost of sales	29	(11,961,695)	(11,195,399)
Gross profit		3,619,352	2,987,080
Selling and distribution expenses	30	(2,488,142)	(2,129,448)
Administrative expenses	31	(397,927)	(386,691)
(Allowance) / reversal for expected credit loss	14.3	(23,073)	5,168
		(2,909,142)	(2,510,971)
Other income	32	179,898	172,139
Operating profit		890,108	648,248
Finance costs	33	(198,630)	(193,674)
Other expenses	34	(85,183)	(150,057)
		(283,813)	(343,731)
Profit before taxation and levy		606,295	304,517
Levy	35	(8,853)	(10,374)
Profit before taxation		597,442	294,143
Taxation	35	(277,277)	(256,530)
Profit for the year		320,165	37,613
		-----Rupees-----	
Earnings per share - basic and diluted	36	1.34	0.16

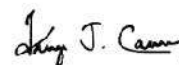
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Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

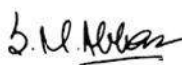
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- (Rupees in '000) -----	
Profit for the year	320,165	37,613
Other comprehensive income	-	-
Total comprehensive income for the year	<u>320,165</u>	<u>37,613</u>

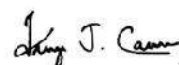
The annexed notes from 1 to 48 form an integral part of these financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid-up capital	Reserves				Total equity
		Capital reserve	Revenue reserves		Total reserves	
			Share premium	General reserve		
------(Rupees in '000)-----						
Balance as at June 30, 2022	1,196,600	449,215	478,000	718,293	1,645,508	2,842,108
Profit after taxation	-	-	-	37,613	37,613	37,613
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	37,613	37,613	37,613
Final dividend @ 15% for the year ended June 30, 2022	-	-	-	(179,490)	(179,490)	(179,490)
Balance as at June 30, 2023	1,196,600	449,215	478,000	576,416	1,503,631	2,700,231
Profit after taxation	-	-	-	320,165	320,165	320,165
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	320,165	320,165	320,165
Balance as at June 30, 2024	1,196,600	449,215	478,000	896,581	1,823,796	3,020,396

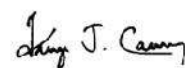
The annexed notes from 1 to 48 form an integral part of these financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

Note	2024 ------(Rupees in '000)-----	2023 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	606,295	304,517
Adjustments for non-cash and other items:		
Depreciation on:		
- operating fixed assets	7.1 664,580	614,865
- right-of-use assets	8.3 131,688	117,044
- investment properties	9 1,242	1,242
Finance costs	33 198,630	193,674
Dividend income on mutual funds	32 (59,018)	(69,163)
Allowance / (Reversal) for expected credit loss	14.3 23,073	(5,168)
Allowance for slow moving stores and spare parts	12.1 26,033	29,471
Allowance for slow moving stock-in-trade	13.2 36,349	11,022
Unrealized gain on short-term investments - mutual fund units	32 (356)	(788)
Amortisation of deferred income	32 (6,540)	(5,494)
Gain on disposal of operating fixed assets	32 (1,152)	(870)
	<u>1,014,529</u>	<u>885,835</u>
Operating profit before working capital changes	1,620,824	1,190,352
(Increase) / decrease in assets		
Stores and spare parts	(118,741)	(217,477)
Stock-in-trade	(925,665)	(485,480)
Trade debts	(34,786)	(231,758)
Loans and advances	(58,138)	4,317
Long-term security deposits	(10,152)	332
Prepayments, deposits and other receivables	89,666	(101,465)
	<u>(1,057,816)</u>	<u>(1,031,531)</u>
(Decrease) / increase in liabilities		
Trade and other payables	(955,282)	1,133,265
Sales tax payable	53,326	(42,272)
	<u>(901,956)</u>	<u>1,090,993</u>
Cash (used in) / generated from operations	(338,948)	1,249,814
Income tax paid	(429,839)	(428,163)
Levies paid	(8,853)	(10,374)
Finance costs paid	(147,918)	(117,104)
Net cash generated from operating activities	(925,558)	694,173
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(210,402)	(541,772)
Proceeds from disposal of operating fixed assets	9,225	4,134
Short-term investments made during the year	(2,699,644)	(4,041,742)
Short-term investments redeemed during the year	3,514,036	3,906,148
Dividend on mutual funds received	59,018	69,163
Net cash used in investing activities	672,233	(604,069)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained during the year	20.3 -	340,806
Repayment of long-term financing	20.3 (53,649)	(10,715)
Repayment of lease liabilities	(127,852)	(110,737)
Dividend paid	39 (346)	(178,766)
Net cash generated (used in) / from financing activities	(181,847)	40,588
Net (decrease) / increase in cash and cash equivalents	(435,172)	130,692
Cash and cash equivalents at the beginning of the year	721,548	590,856
Cash and cash equivalents at the end of the year	286,376	721,548

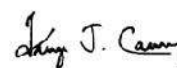
The annexed notes from 1 to 48 form an integral part of these financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 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 7, 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 Units	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 Chowk 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 MEASUREMENT

These financial statements have been prepared under the historical cost convention, unless otherwise specifically stated.

These financial statements have been presented in Pakistani rupee, which is the Company's functional and presentation currency.

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS

4.1 Amendments to accounting and reporting standards and interpretation / guidance which became effective during the year ended June 30, 2024

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these financial statements. The effects of restatements are as follows:

The company has adopted the following amendments to IFRSs for financial reporting which became effective for the current year:

Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
----- (Rupees in '000) -----		

EFFECT ON STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2024

Tax on dividends on investments in mutual funds classified as levy

8,853 8,853

Profit before tax

606,295 (8,853) 597,442

Taxation

(286,130) 8,853 (277,277)

Profit after tax

320,165 320,165

For the year ended June 30, 2023

Tax on dividends on investments in mutual funds classified as levy

10,374 10,374

Profit before tax

304,517 (10,374) 294,143

Taxation

(266,904) 10,374 (256,530)

Profit after tax

37,613 37,613

The related changes to the statement of financial position and the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

4.2 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective and not early adopted by the Company:

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Company for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Company's financial statements except for:

Amendments		Effective date (annual periods beginning on or after)
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
IFRS 18	Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 01, 2026

5 MATERIAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of 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. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	Notes
a) determining the method of depreciation, residual values and useful lives of operating fixed assets, right-of-use assets and investment property	6.1.1, 6.2, 6.3, 7.1, 7.3, 8.2 & 9
b) determining the provision for slow moving stores and spare parts and stock-in-trade and adjustment of stock-in-trade to their net realizable value (NRV)	6.6, 6.7, 12 & 13
c) determining the allowance for expected credit loss on trade debts	6.8 & 14
d) recognition of current and deferred taxation	6.14, 11 & 35
e) leases	6.13 & 22
f) contingent liabilities	6.17
g) Gas Infrastructure Development Cess (GIDC) payable	23
h) deferred income	6.12 & 21

6. MATERIAL ACCOUNTING POLICY INFORMATION

6.1 Property, plant and equipment

6.1.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land which is stated at cost less impairment loss, if any.

Depreciation is charged to statement of profit or loss on straight line basis, other than freehold land which is determined to have an indefinite life, at the rates specified in note 7.1 to the financial statements. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month immediately preceding the month of disposal.

The residual values, useful lives and methods of depreciation of operating fixed assets are reviewed at each reporting date and adjusted prospectively, if appropriate.

Repairs and maintenance are charged to the statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised when it is probable that respective future economic benefits will flow to the Company and the assets so replaced, if any, are retired.

An item of operating fixed assets and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

6.1.2 Capital work-in-progress

All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

6.2 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of lease term and the estimated useful lives of the assets.

6.3 Investment properties

Investment property is stated at cost less accumulated depreciation and accumulated impairment, if any.

Depreciation is charged to the statement of profit or loss applying the straight line method at the rate specified in note 9 to the financial statements. Depreciation on additions is charged from the month in which an asset is available for use and on disposal up to the month immediately preceding the disposal.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred while major repairs and renewals are capitalised. Any gains or losses on disposal of an investment property are recognised in profit or loss in the year of disposal. The carrying values of investment properties are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the investment properties are written down to their recoverable amount.

6.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred.

6.5 Research and development costs

Research and development costs are charged to the statement of profit or loss in the period in which they are incurred, except for development costs that relate to design of new or improved products which are recognised as an asset to the extent that it is expected that such asset will meet the recognition criteria mentioned in International Accounting Standard (IAS) - 38 "Intangible Assets".

6.6 Stores and spare parts

These are valued at lower of cost, determined using weighted average method, and net realisable value, less provision for obsolete items (if any). Items in transit are valued at cost comprising purchase price, freight value and other charges incurred thereon. Provision is made for items which are obsolete and slow moving and is determined based on management estimate regarding their future usability.

6.7 Stock-in-trade

Stock-in-trade, except goods-in-transit, is valued at the lower of weighted average cost or net realisable value. The cost is determined as follows:

Raw and packing material	weighted average cost.
Work-in-process and finished goods	cost of direct materials and labour plus attributable overheads.

Stock in transit are valued at invoice price plus other charges paid thereon up to the reporting date.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for items which are obsolete and slow moving and is determined based on management estimate regarding their future usability.

6.8 Trade debts, loans, deposits, and long term security deposits

Trade debts and other financial assets are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method less an allowance for expected credit losses, if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other financial assets. Bad debts, if any, are written off when considered irrecoverable.

6.9 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances and short-term investments with a maturity of three months or less from the date of acquisition net of bank overdraft / running finance facility that are deemed integral to the Company's cash management. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

6.10 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

6.11 Provisions

Provisions are recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

6.12 Deferred income

Benefit of a loan at a below-market rate of interest is recognised as deferred income. Deferred income is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

6.13 Lease liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

6.13.1 Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on such leases are recognised as expense on a straight-line basis over the lease term.

6.13.2 Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

6.14 Taxation - Levy and Income tax

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

Income Tax

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In which case, the tax is also recognised in OCI or directly in equity.

Current

Provision for current taxation is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Current tax assets and tax liabilities are offset where the Company has the legally enforceable right to offset and intends either to settle on net basis or to realise the asset and settle the liability simultaneously.

Deferred

Deferred tax is recognised using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

6.15 Staff retirement benefit - Defined contribution plan

The Company operates a recognised provident fund for all eligible employees. Equal monthly contributions are made to the fund both by the Company and the employees in accordance with the rules of the scheme. The contributions from the Company are charged to the statement of profit or loss for the year.

6.16 Employees' leave encashment

Accrual for leave encashment is made to the extent of value of encashable accrued leaves of the employees at the statement of financial position date as per Company's policy.

6.17 Contingent liabilities

Contingent liability is disclosed when:

there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6.18 Foreign currency translation

Transactions in foreign currencies are recorded at the rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. Exchange differences on foreign currency translations are taken to the statement of profit or loss in the period in which they occur.

6.19 Financial assets

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

6.19.1 Classification and measurement

Under IFRS 9 Financial assets are classified, at initial recognition, as subsequently measured at the following:

- (a) at amortised cost;
- (b) at fair value through other comprehensive income (FVOCI); and
- (c) at fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them.

(a) At amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) At fair value through other comprehensive income (OCI)

A debt instrument is measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that are initially recognised at fair value through OCI are subsequently measured at fair value. Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The Company has irrevocably elected to carry its quoted investments in equity instruments under this category.

Equity instruments that are initially recognised at fair value through OCI are subsequently measured at fair value. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

(c) At fair value through profit or loss

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

6.19.2 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

6.20 Financial Liabilities

6.20.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

6.20.2 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 is satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

6.20.3 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

6.20.4 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

6.20.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

6.21 Impairment of financial and non financial assets

6.21.1 Impairment of financial assets

The impairment model under IFRS 9 applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment. The Company considers a financial asset in default when contractual payments are 90 days past due.

6.21.2 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised previously. Reversal of an impairment loss is recognised immediately in statement of comprehensive income.

6.22 Unclaimed dividend

This is recognised at the amount of dividend declared and unclaimed by shareholders from the date it became due and payable.

6.23 Unpaid dividend

This is recognised at the amount of dividend declared and claimed by shareholders but remained unpaid for the period of 3 years from the date it became due and payable.

6.24 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive of the Group.

6.25 Loans, advances, deposits and short term prepayments (other than financial assets)

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition, assessment is made at each statement of financial position date to determine whether there is an indication that an asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

6.26 Share capital and reserves

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Reserves comprise of capital and revenue reserves. Capital reserves represent share premium while revenue reserves comprise of general reserves and unappropriated profit. The purpose of general reserves includes, but not limited to, fulfilling various business needs like meeting contingencies, offsetting future losses, enhancing the working capital, etc.

6.27 Revenue

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised at a point in time when control of goods have passed to the customer either on the dispatch / acceptance of goods for local sales or on the issuance of bill of lading in case of export sales. The normal credit period ranges between 30 to 90 days.

6.28 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Company and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Dividend income is recognised when the right to receive the dividend is established;
- Interest on Term Deposit Receipts are recognised on constant rate of return to maturity;
- Interest on deposit accounts is recognised on accrual basis;
- Capital gain on treasury bill is recognized as the difference between sales proceeds and carrying value at the time of disposal.
- Rental income arising from investment property is accounted for on a straight-line basis over the lease term;
- Scrap sales are recognised on an accrual basis;
- Gain on disposal of property, plant and equipment is recognised at the difference between sales proceeds and carrying value when the relevant item of property, plant and equipment is disposed of.

6.29 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

6.30 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Note	2024 --- (Rupees in '000) ---	2023
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	2,731,423	2,743,070
Capital work-in-progress	7.4	148,725	599,330
		<u>2,880,148</u>	<u>3,342,400</u>

7.1 Following is the statement of operating fixed assets:

Note	Freehold land	Building on freehold land	Plant and machinery	Furniture and fixture	Office equipment	Computers and accessories	Vehicles	Total
(Rupees in '000)								
Year ended June 30, 2024								
Net carrying value basis								
Opening net book value	266,135	299,406	2,005,262	249	32,849	4,238	134,931	2,743,070
Additions / transfers	-	-	591,663	-	19,555	2,184	47,605	661,007
Disposals at net book value	7.1.2	-	-	-	-	(2)	(8,072)	(8,074)
Depreciation charge	7.3	(54,268)	(556,605)	-	(17,416)	(2,728)	(33,563)	(664,580)
Closing net book value	266,135	245,138	2,040,320	249	34,988	3,692	140,901	2,731,423
Gross carrying value basis								
Cost	266,135	1,040,703	7,595,384	24,310	109,801	25,904	227,458	9,289,695
Accumulated depreciation	-	(795,565)	(5,555,064)	(24,061)	(74,813)	(22,212)	(86,557)	(6,558,272)
Closing net book value	266,135	245,138	2,040,320	249	34,988	3,692	140,901	2,731,423
Depreciation rate per annum (%)	-	5 to 33	5 to 33	20	20 to 33	33 to 50	20	
Year ended June 30, 2023								
Net carrying value basis								
Opening net book value	266,135	361,527	1,586,856	249	26,964	4,006	144,907	2,390,644
Additions / transfers	-	9,673	919,115	-	18,669	2,803	20,294	970,554
Disposals at net book value	7.3	-	-	-	-	(3)	(3,260)	(3,263)
Depreciation charge	7.3	(71,794)	(500,709)	-	(12,784)	(2,568)	(27,010)	(614,865)
Closing net book value	266,135	299,406	2,005,262	249	32,849	4,238	134,931	2,743,070
Gross carrying value basis								
Cost	266,135	1,040,703	7,003,721	24,310	90,246	23,829	190,860	8,639,804
Accumulated depreciation	-	(741,297)	(4,998,459)	(24,061)	(57,397)	(19,591)	(55,929)	(5,896,734)
Closing net book value	266,135	299,406	2,005,262	249	32,849	4,238	134,931	2,743,070
Depreciation rate per annum (%)	-	5 to 33	5 to 33	20	20 to 33	33 to 50	20	

7.1.1 Includes assets costing Rs. 2,711.07 million (2023: Rs. 1,951.78 million) which are fully depreciated and held at their residual values amounting to Rs. 59.86 million (2023: Rs. 53.77 million).

7.1.2 Cost of computer accessories and vehicle disposed off during the year amounts to Rs. 0.44 million and Rs. 5.43 million, respectively.

7.1.3 Details of disposal of operating fixed assets with net book value exceeding amount of Rs. 0.5 million are as follows:

Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
(Rupees in '000)							

Vehicle	11,007	2,935	8,072	9,176	1,104	As per Company policy	Mustafa Jafar	Ex-employee
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7.2 Particulars of immovable fixed assets of the Company are as follows:

Location	Freehold land		Building on freehold land	
	Total area	Cost as at June 30, 2024	Total area	Cost as at June 30,
(Rupees in '000)				
15th Milestone, National Highway, Landhi, Karachi.	12 acre 19 ghunta	553	201,339 sq. ft.	281,033
Deh Khanto Tappo, Landhi, District Malir, Bin Qasim Town Karachi.	28 acre 14 ghunta	265,582	403,617 sq. ft.	759,670
Total		266,135		1,040,703

	Note	2024	2023
		---- (Rupees in '000) ----	
7.3 Depreciation charge for the year has been allocated as follows:			
Cost of sales - manufacturing	29.1	633,102	590,285
Selling and distribution costs	30	19,026	14,748
Administrative expenses	31	12,452	9,832
		<u>664,580</u>	<u>614,865</u>
7.4 Capital work-in-progress:			
Plant and machinery		148,339	568,752
Office equipment		386	468
Advance against vehicles	7.6	-	30,110
	7.5	<u>148,725</u>	<u>599,330</u>
7.5 Movement in capital work-in-progress is as follows:			
Balance at beginning of the year		599,330	1,028,112
Additions during the year		189,814	500,956
Transferred to operating fixed assets	7.1	(640,419)	(929,738)
Balance at end of the year		<u>148,725</u>	<u>599,330</u>
7.6 It includes an advance amounting to Rs. Nil (2023: Rs.12.814 million) to Indus Motor Company Limited, a related party.			
	Note	2024	2023
		---- (Rupees in '000) ----	
8. RIGHT-OF-USE ASSETS			
Cost	8.1	667,746	610,311
Accumulated depreciation	8.2	(330,129)	(283,111)
		<u>337,617</u>	<u>327,200</u>
8.1 Cost			
Balance at beginning of the year		610,311	496,947
Additions during the year		138,184	178,940
Disposals during the year		(84,670)	(67,517)
Remeasurement of lease liabilities		3,921	1,941
Balance at end of the year		<u>667,746</u>	<u>610,311</u>
8.2 Accumulated depreciation			
Balance at beginning of the year		283,111	233,584
Charge for the year	8.3	131,688	117,044
On disposals during the year		(84,670)	(67,517)
Balance at end of the year		<u>330,129</u>	<u>283,111</u>
Depreciation rate %		<u>11-67</u>	<u>11-67</u>
8.3 Depreciation charge for the year has been allocated as follows:			
Cost of sales - manufacturing	29.1	34,101	22,841
Selling and distribution costs	30	97,587	94,203
		<u>131,688</u>	<u>117,044</u>

9. INVESTMENT PROPERTIES

	Cost			Accumulated Depreciation			Net Book Value	Depreciation rate
	As at July 01, 2023	Additions	As at June 30, 2024	As at July 01, 2023	Charge for the year (note 30)	As at June 30, 2024	As at June 30, 2024	
	----- Rupees in '000 -----						%	
Freehold land	3	-	3	-	-	-	3	-
Building on freehold land	1,083	-	1,083	1,083	-	1,083	-	10
Showroom	7,800	-	7,800	5,967	702	6,669	1,131	10
Apartments	6,000	-	6,000	3,285	540	3,825	2,175	10
	<u>14,886</u>	<u>-</u>	<u>14,886</u>	<u>10,335</u>	<u>1,242</u>	<u>11,577</u>	<u>3,309</u>	
As at June 2023	<u>14,886</u>	<u>-</u>	<u>14,886</u>	<u>9,093</u>	<u>1,242</u>	<u>10,335</u>	<u>4,551</u>	

- 9.1 The forced sale values and fair values of investment properties based on the latest valuation carried out by an independent valuer as on June 30, 2024, are as under:

	Forced sale values		Fair values	
	2024	2023	2024	2023
	Rupees in '000			
Freehold land	8,765	7,702	10,956	9,628
Building on freehold land	3,108	2,630	3,885	3,287
Showroom	3,276	3,500	4,680	5,000
Apartments	6,000	5,600	7,500	7,000
	<u>21,149</u>	<u>19,432</u>	<u>27,021</u>	<u>24,915</u>

9.2 Particulars of immovable investment properties:

Particulars	Location	Total area / covered area
Freehold land	15th Milestone, National Highway, Landhi, Karachi.	332 sq. yards
Building on freehold land	15th Milestone, National Highway, Landhi, Karachi.	2,989 sq. ft.
Showroom	Shop No. 11, Mezzanine Floor, Pace N Pace Mall, Bosan Road, Multan.	260 sq. ft.
Apartments	Flat No. 17 & 20, Fifth Floor, Bismillah Heights, Tando Wali Muhammad, Ward A, Hyderabad.	770 sq. ft. & 860 sq. ft.

10. LONG-TERM SECURITY DEPOSITS	Note	2024	2023
		Rupees in '000	
Rent	10.1	37,918	27,766
Utilities		2,943	2,943
Others		1,108	1,108
	10.2	<u>41,969</u>	<u>31,817</u>
10.1	It includes security deposit amounting to Rs.1.27 million (2023: Rs.1.27 million) against rent paid to Habib Metro Pakistan (Pvt) Limited, a related party.		
10.2	This represents refundable deposits paid to landlords, utilities and other service providers.		

	Note	2024 ---- (Rupees in '000) ----	2023
11. DEFERRED TAX ASSET - net			
Deferred tax asset on deductible temporary differences:			
- provisions		199,244	176,868
- lease liabilities and right of use assets		22,175	20,679
		<u>221,419</u>	<u>197,547</u>
Deferred tax liabilities on taxable temporary differences:			
- accelerated tax depreciation		(141,800)	(156,261)
-unrealised gain on investments		(89)	(197)
		<u>(141,889)</u>	<u>(156,458)</u>
		<u>79,530</u>	<u>41,089</u>
12. STORES AND SPARE PARTS			
Stores		277,305	269,509
Spare parts			
- in hand		694,712	504,307
- in transit		34,792	114,252
		<u>729,504</u>	<u>618,559</u>
		<u>1,006,809</u>	<u>888,068</u>
Provision for slow moving stores and spare parts	12.1	<u>(185,165)</u>	<u>(159,132)</u>
		<u>821,644</u>	<u>728,936</u>
12.1 Movement of provision for slow moving stores and spare parts:			
Balance at beginning of the year		159,132	129,661
Charge for the year	29.1	26,033	29,471
Balance at end of the year		<u>185,165</u>	<u>159,132</u>
13. STOCK-IN-TRADE			
Raw and packing material			
- in hand		1,286,868	797,689
- in transit		79,384	206,912
	29.1	<u>1,366,252</u>	<u>1,004,601</u>
Work-in-process	29.1	145,569	109,519
Finished goods			
- manufacturing	29.1	1,501,887	965,315
- trading	29.2	9,041	17,649
	13.1	<u>1,510,928</u>	<u>982,964</u>
		<u>3,022,749</u>	<u>2,097,084</u>
Provision for slow moving stock-in-trade	13.2	<u>(74,465)</u>	<u>(38,116)</u>
		<u>2,948,284</u>	<u>2,058,968</u>
13.1	Includes stock-in-trade costing Rs. 802.07 million (2023: Rs. 766.56 million) which has been written down to its net realizable value (NRV) amounting to Rs. 331.46 million (2023: Rs. 254.77 million) during the year.		
13.2 Movement of provision for slow moving stock-in-trade:	Note	2024 ---- (Rupees in '000) ----	2023
Balance at beginning of the year		38,116	27,094
Charge for the year	29.1	36,349	11,022
Balance at end of the year		<u>74,465</u>	<u>38,116</u>

	Note	2024 ---- (Rupees in '000) ----	2023
14. TRADE DEBTS			
Related parties	14.1 & 14.2	2,533	690
Other parties		601,391	569,254
		<u>603,924</u>	<u>569,944</u>
Allowance for expected credit loss (ECL)	14.3	(180,243)	(157,975)
		<u>423,681</u>	<u>411,969</u>
14.1 This Includes amount due from the following related parties:			
Indus Motor Company Limited		1,126	544
Habib Metro Pakistan (Pvt) Ltd		1,400	-
Habib University Foundation		7	-
Thal Limited		-	146
14.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 2.53 million (2023: Rs. 6.50 million).			
	Note	2024 ---- (Rupees in '000) ----	2023
14.3 Movement in allowance for expected credit loss:			
Balance at beginning of the year		157,975	177,719
Allowance / (reversal) for expected credit loss for the year		23,073	(5,168)
Written-off during the year		(805)	(14,576)
Balance at end of the year		<u>180,243</u>	<u>157,975</u>
15. LOANS AND ADVANCES			
Considered good			
Loans due from:			
- employees	15.1	5,150	5,666
Advances to:			
- employees		87	342
- suppliers and contractors		91,464	36,787
- collector of customs		7,967	3,735
		<u>99,518</u>	<u>40,864</u>
		<u>104,668</u>	<u>46,530</u>
15.1 Represents loans given for the purchase of household equipment to employees which are repayable within a year of disbursement. These carry no mark-up and are secured against staff retirement benefits.			
	Note	2024 ---- (Rupees in '000) ----	2023
16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES			
Prepayments			
Insurance		5,635	5,949
Letter of guarantee		2,500	2,048
Software and licences		3,461	7,911
Others		1,674	930
		<u>13,270</u>	<u>16,838</u>
Deposits			
Rent	16.1	5,534	5,534
LC Margin		-	88,620
		<u>5,534</u>	<u>94,154</u>
Other receivables		8,303	5,781
		<u>27,107</u>	<u>116,773</u>

- 16.1 This includes a security deposit amounting to Rs. 0.71 million (2023: Rs. 0.71 million) against rent paid to Thal Limited, a related party.

	Note	2024 ---- (Rupees in '000) ----	2023
17. SHORT-TERM INVESTMENTS			
At amortised cost			
Term deposit receipts (TDRs)			
- up to three months	17.1	56,000	276,000
Treasury bill (T-Bill)			
- up to three months		-	96,909
		<u>56,000</u>	<u>372,909</u>
At fair value through profit or loss			
Mutual fund units	17.2	150,363	964,397
		<u>206,363</u>	<u>1,337,306</u>

- 17.1 This represents TDR placed with the Bank Alfalah Limited amounting to Rs. 56.00 million (2023: Rs. 56.00 million) which is placed under lien against the SBP refinance scheme for renewable energy as disclosed in note 20 and carries profit rate of 18.72% (2023: 16.25%)

	2024	2023	2024	2023	2024	2023
	Units		NAV in Rupees		--- (Rupees in '000) ---	
17.2 MCB Pakistan Cash Management Fund	2,976,218	5,156,585	50.47	50.38	150,210	259,807
MCB Cash Management Optimizer Fund	1,500	1,193,426	101.87	101.46	153	121,088
UBL Liquidity Plus Fund	-	575,522	-	101.19	-	58,235
HBL Cash Fund	-	1,542,090	-	102.16	-	157,547
Alfalah GHP Money Market Fund	-	2,139,302	-	98.84	-	211,441
NBP Money Market Fund	-	15,603,365	-	10.20	-	156,279
	<u>2,977,718</u>	<u>26,210,290</u>			<u>150,363</u>	<u>964,397</u>

	Note	2024 ---- (Rupees in '000) ----	2023
18. CASH AND BANK BALANCES			
Cash in hand		7,188	4,052
Cash at banks:			
Current accounts with;			
- conventional banks	18.1	128,532	133,449
- islamic banks		14,207	48,024
Saving accounts	18.2	136,449	219,114
		<u>279,188</u>	<u>400,587</u>
		<u>286,376</u>	<u>404,639</u>

- 18.1 It includes balance of Rs. 19.48 million (2023: Rs. 20.81 million) maintained with Bank Al Habib Limited, a related party.

- 18.2 These carry profit at the rates ranging from 18% to 20.5% per annum (2023: 10% to 20% per annum). These balances are held in accounts maintained under conventional banking.

19. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024 (Number of shares in '000)	2023	Note	2024 ---- (Rupees in '000) ----	2023
199,627	199,627	Ordinary shares of Rs. 5/- each	998,135	998,135
1,150	1,150	Fully paid-up in cash	5,750	5,750
38,543	38,543	Issued for consideration other than cash	192,715	192,715
239,320	239,320	Issued as bonus shares	1,196,600	1,196,600

19.1 Voting rights and board selection are in proportion to the shareholding.

20. LONG-TERM FINANCING - SECURED

	Note	2024 ---- (Rupees in '000) ----	2023
Long-Term Finance Facility (LTFF)	20.1 & 20.3	270,877	269,532
Term loan	20.2	290,000	290,000
Current maturity of long-term financing		(66,775)	(22,820)
		494,102	536,712

20.1 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 recognised at the present value using the effective interest rates applicable at the dates of the drawdown i.e. three month KIBOR plus 0.5% (June 2023: three month KIBOR plus 0.5%) per annum. The differential of present value and the drawn amounts are recognised as deferred income and will be amortised 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.

20.2 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.

20.3 Movement of long-term financing:	Note	2024 ---- (Rupees in '000) ----	2023
Balance at beginning of the year		269,532	232,537
Reversal of government grant		24,317	-
Financing received during the year		-	50,806
Repayment made during the year		(53,649)	(10,715)
Recognised as deferred income	21	-	(24,317)
Unwinding of finance cost		30,677	21,221
Balance at end of the year		270,877	269,532
Current maturity of long-term financing		(30,525)	(22,820)
		240,352	246,712

21. DEFFERED INCOME**Movement of deferred income:**

Balance at beginning of the year		82,588	63,765
Reversal of deferred grant		(24,317)	-
Recognised during the year		-	24,317
Amortised during the year	32	(6,540)	(5,494)
Balance at end of the year		51,731	82,588
Current maturity of deferred income		(4,710)	(5,494)
		47,021	77,094

	Note	2024 ---- (Rupees in '000) ----	2023
22. LEASE LIABILITIES			
Lease liabilities	22.1	394,477	380,224
Current maturity of lease liabilities		(124,919)	(156,112)
		<u>269,558</u>	<u>224,112</u>

22.1 Movement of lease liabilities:

Balance at beginning of the year	380,224	310,080
Additions during the year	138,184	178,940
Disposal during the year	-	-
Remeasurement of lease liabilities	3,921	1,941
Unwinding of finance cost during the year	56,227	49,251
Payments made during the year	(184,079)	(159,988)
Balance at end of the year	<u>394,477</u>	<u>380,224</u>

22.2 The maturity analysis of lease liabilities as at the statement of financial position date is as follows:

	2024 ---- (Rupees in '000) ----	2023
Up to one year	124,919	156,112
After one year	269,558	224,112
Total lease liabilities	<u>394,477</u>	<u>380,224</u>

23. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE

Balance at beginning of the year	814,913	779,898
Unwinding of finance cost	15,039	35,015
Payments made during the year	-	-
Current maturity of GIDC payable	<u>(829,952)</u>	<u>(767,915)</u>
	<u>-</u>	<u>46,998</u>

23.1 The Honorable Supreme Court of Pakistan (SCP), through its judgment dated August 13, 2020 has declared GIDC Act, 2015 a valid legislation. Under the judgement, all gas consumers including the Company were ordered to pay the outstanding GIDC liability as at July 31, 2020 to the Government in 24 equal monthly installments. GIDC was declared payable on the presumption that burden of same has been passed to the customers. Aggrieved by the Judgement, the Company, along with other industries, filed a review petition before the SCP, which was dismissed by the SCP on November 2, 2020. However, while deciding the review petition, the SCP stated that the Government of Pakistan (GoP) is agreed to recover the arrears in 48 monthly installments instead of 24 monthly installments.

The Company also filed a Suit with the Honorable High Court of Sindh (HCS) in September 2020 against collection of GIDC installments, before a factual determination of GIDC pass on is carried out, and the HCS granted a stay in September 2020 against recovery of GIDC payable from the Company till the finalization of matter by HCS. The matter is currently pending in the HCS.

Pursuant to the above decisions of the SCP, the management of the Company, in the prior year, derecognised the liability for GIDC and recognised new liability for GIDC at the present value of future cashflows considering 48 installments. The Company started making payments from November 2020 in 48 equal monthly installments. However, the installments for the period from October 2021 to June 2024 amounting to Rs. 782.954 million were not paid by the Company under the aforementioned stay order from HCS as SSGC started recovering GIDC as per 24 equal installments instead of 48 equal installments from October 2021.

Based on the legal advice obtained by the management, the Company is confident that there are strong grounds to support that recovery in 48 equal installments remains applicable and accordingly, no adjustment is required to be made in the measurement of financial liability in these financial statements. Further, the Company has also not accounted for the late payment surcharge based on the recovery stay granted by the HCS in line with the advice of its legal advisor. The current and non-current portion of GIDC in the financial statements have been segregated based on recovery in 48 equal monthly installments and the unpaid installments from October 2021 to June 2024 are included in the current maturity of GIDC.

	Note	2024 ---- (Rupees in '000) ----	2023
24. TRADE AND OTHER PAYABLES			
Creditors	24.1	765,678	1,585,626
Accrued liabilities and levies	24.2	1,446,862	1,592,648
Advance from customers		284,903	334,744
Bank overdraft		113,784	97,053
Payable to provident fund	24.3	6,236	5,535
Advance from employees against vehicles	24.4	15,958	16,044
Withholding tax payable		12,832	2,689
Workers' Profit Participation Fund	24.5	26,800	5,527
Workers' Welfare Fund	24.6	54,330	42,799
		<u>2,727,383</u>	<u>3,682,665</u>

24.1 This includes payable due to the following related parties:

Thal Limited	25,959	46,508
Habib Insurance	13,207	8,587

24.2 It includes accrual for leave encashment of Rs. 11.250 million (2023: Rs. 16.434 million) and bonus of Rs. 26.957 million (2023: Rs. 81.945 million).

24.3 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

24.4 This represents amount received from employees against Company provided vehicles and will be adjusted on transfer of vehicle to the employee as per the Company policy.

	2024 ---- (Rupees in '000) ----	2023
24.5 Workers' Profit Participation Fund		
Balance at beginning of the year	5,527	48,191
Allocation for the year	<u>26,800</u>	<u>10,527</u>
	<u>32,327</u>	<u>58,718</u>
Payment made during the year	<u>(5,527)</u>	<u>(53,191)</u>
Balance at end of the year	<u>26,800</u>	<u>5,527</u>

24.6 Workers' Welfare Fund

Balance at beginning of the year	42,799	47,256
Allocation for the year	<u>19,000</u>	<u>16,607</u>
	<u>61,799</u>	<u>63,863</u>
Payment made during the year	<u>(7,469)</u>	<u>(21,064)</u>
Balance at end of the year	<u>54,330</u>	<u>42,799</u>

25. UNPAID DIVIDEND / UNCLAIMED DIVIDEND

The Company has opened separate bank accounts as required under the provision of section 244 of the Act and the required amounts have been transferred accordingly.

26. SALES TAX PAYABLE

Includes an amount of Rs. 10.99 million (2023: Rs. 9.82 million), Rs. 36.06 million (2023: Rs. Nil) and Rs. 352.43 million (2023: Rs. 352.43 million) in respect of withholding provincial sales tax, sales tax payable (federal) and further tax (not charged to the customers) respectively as at the statement of financial position date.

27. CONTINGENCIES AND COMMITMENTS**27.1 Contingencies**

The taxation authorities passed amended assessment orders for the tax years 2018 and 2019 during the year ended June 30, 2022 wherein disallowances were made in respect of various matters including excess bank credit entries, excess claim of sales tax, provision against Gas Infrastructure Development Cess and claim of certain expenses. Consequently, tax demands of Rs. 110.12 million and Rs. 148.90 million for the tax years 2018 and 2019 respectively were created. The Company has filed appeals against the aforesaid orders before the Commissioner Inland Revenue (Appeals-II), Karachi, which are pending adjudication. Further, automatic stay from the recovery of tax has been obtained in terms of section 140 of the Income Tax Ordinance, 2001 by making payment of 10% of the tax demands created above. Based on the management's assessment and tax advisor's opinion, the Company is confident that ultimate outcome will be in favour of the Company and accordingly, no provision is required to be recorded in these financial statements in respect of this matter.

27.2 Commitment

- (i) Commitments in respect of outstanding letters of credit against raw materials and spares amounting to Rs. 575.15 million (2023: Rs. 757.13 million), issued by commercial banks.
- (ii) Commitment in respect of bank guarantees issued by a commercial bank in favour of:

Note	2024	2023
	---- (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 Ltd	80,000	80,000
Excise and Taxation Department	171,281	148,381
K-Electric	16,516	16,516
PARCO Pearl (Private) Limited	100,000	100,000
	<u>1,219,705</u>	<u>1,177,006</u>

28. TURNOVER - net**Local Turnover**

Manufacturing	20,204,924	18,394,553
Trading	20,006	97,425
	<u>20,224,930</u>	<u>18,491,978</u>

Less: Sales Tax

Manufacturing	(3,081,720)	(2,726,310)
Trading	(3,052)	(14,369)
	<u>(3,084,772)</u>	<u>(2,740,679)</u>

Less: Trade discount

Manufacturing	(1,268,928)	(1,366,989)
Trading	-	(6)
	<u>(1,268,928)</u>	<u>(1,366,995)</u>

Less: Sales Return

Manufacturing	(290,183)	(201,825)
Trading	-	-
	<u>(290,183)</u>	<u>(201,825)</u>

Net Local Turnover

Manufacturing	15,564,093	14,099,429
Trading	16,954	83,050
	<u>15,581,047</u>	<u>14,182,479</u>

28.1

- 28.1 Revenue recognised from an amount included in advance from customers at beginning of the year amounted to Rs. 334.74 million (2023: Rs. 257.74 million).

	Note	2024 ---- (Rupees in '000) ----	2023
29 COST OF SALES			
Manufacturing	29.1	11,949,149	11,125,927
Trading	29.2	12,546	69,472
		<u>11,961,695</u>	<u>11,195,399</u>
29.1 Cost of sales - manufacturing			
Raw and packing materials consumed			
Opening stock		1,004,601	1,071,832
Purchases		6,194,551	5,457,502
Closing stock	13	(1,366,252)	(1,004,601)
		<u>5,832,900</u>	<u>5,524,733</u>
Manufacturing expenses			
Salaries, wages and other benefits	29.1.1	1,248,567	1,070,687
Fuel and power		3,620,367	3,406,101
Stores and spare parts consumed		842,940	770,679
Provision for slow moving stores and spare parts	12.1	26,033	29,471
Provision for slow moving stock-in-trade	13.2	36,349	11,022
Depreciation on			
- operating fixed assets	7.3	633,102	590,285
- right-of-use assets	8.3	34,101	22,841
Repairs and maintenance		141,849	152,762
Insurance		29,012	22,377
Vehicle running expenses		32,553	32,897
Travelling and conveyance		6,133	12,562
Printing and stationery		13,390	7,713
Communication		2,808	3,780
Rates and taxes		1,773	1,776
Research costs		12,680	8,157
Legal and professional charges		4,083	4,628
Others		3,131	785
		<u>6,688,871</u>	<u>6,148,523</u>
Work-in-process			
Opening stock		109,519	42,804
Closing stock	13	(145,569)	(109,519)
Cost of goods manufactured		<u>12,485,721</u>	<u>11,606,541</u>
Finished goods			
Opening stock		965,315	484,701
Closing stock	13	(1,501,887)	(965,315)
		<u>11,949,149</u>	<u>11,125,927</u>

29.1.1 This includes charge of Rs. 19.27 million (2023: Rs. 16.84 million) in respect of staff retirement benefits.

	Note	2024 ---- (Rupees in '000) ----	2023
29.2 Cost of sales - trading			
Opening stock		17,649	12,267
Purchases		3,938	74,854
Closing stock	13	(9,041)	(17,649)
		<u>12,546</u>	<u>69,472</u>

	Note	2024 --- (Rupees in '000) ---	2023
30. SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	30.1	320,403	264,288
Freight		1,755,210	1,486,905
Advertisement and sales promotion		64,923	77,608
Travelling and conveyance		27,550	19,760
Rates and taxes		11,806	10,264
Communication		5,715	4,753
Insurance		12,472	9,886
Depreciation on			
- operating fixed assets	7.3	19,026	14,748
- right-of-use assets	8.3	97,587	94,203
- investment properties	9	1,242	1,242
Vehicle running expenses		24,920	23,521
Repairs and maintenance		37,654	49,540
Utilities		83,965	55,575
Printing and stationery		19,678	11,854
Entertainment		3,801	2,708
Legal and professional charges		1,667	1,636
Others		523	957
		<u>2,488,142</u>	<u>2,129,448</u>

30.1 This includes charge of Rs. 9.51 million (2023: Rs. 8.44 million) in respect of staff retirement benefits.

	Note	2024 --- (Rupees in '000) ---	2023
31. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	31.1	307,923	305,198
Travelling and conveyance		6,816	6,845
Printing and stationery		18,412	17,318
Legal and professional charges		6,289	6,420
Depreciation on operating fixed assets	7.3	12,452	9,832
Vehicle running expenses		18,988	20,351
Communication		2,111	2,054
Repair and maintenance		14,442	9,575
Auditors' remuneration	31.2	3,607	3,316
Subscriptions		1,023	388
Insurance		2,284	1,942
Others		3,580	3,452
		<u>397,927</u>	<u>386,691</u>

31.1 This includes charge of Rs. 8.73 million (2023: Rs. 8.61 million) in respect of staff retirement benefits.

	2024 --- (Rupees in '000) ---	2023
31.2 Auditors' remuneration		
Audit fee	1,800	1,450
Half-yearly review	500	351
Taxation services	90	90
Other certifications	650	725
Out of pocket expenses	567	700
	<u>3,607</u>	<u>3,316</u>

	Note	2024 ---- (Rupees in '000) ----	2023 ---- (Rupees in '000) ----
32. OTHER INCOME			
Income from financial assets			
Profit on bank deposits / saving accounts	32.1	27,035	10,749
Interest income on TDRs		23,683	28,490
Dividend income on mutual fund units		59,018	69,163
Unrealised gain on short-term investments - mutual fund units		356	788
Amortisation of deferred income		6,540	5,494
Income from Market Treasury Bills		7,804	2,173
		<u>124,436</u>	<u>116,857</u>
Income from non-financial assets			
Rental income from investment property		1,048	792
Gain on disposal of operating fixed assets		1,152	870
Gain on disposal of right-of-use assets		-	-
Income from scrap sales		46,072	49,027
Others		7,190	4,593
		<u>55,462</u>	<u>55,282</u>
		<u>179,898</u>	<u>172,139</u>

32.1 This represents profit on bank accounts under conventional banking relationship.

	Note	2024 ---- (Rupees in '000) ----	2023 ---- (Rupees in '000) ----
33. FINANCE COSTS			
Mark-up on long-term financing		97,054	65,311
Mark-up on short-term financing		11,016	24,096
Unwinding of finance cost of lease liabilities	22.1	56,227	49,251
Unwinding of finance cost of GIDC	23	15,039	35,015
		<u>179,336</u>	<u>173,673</u>
Bank charges and commission		19,294	20,001
		<u>198,630</u>	<u>193,674</u>
34. OTHER EXPENSES			
Workers' profits participation fund	24.5	26,800	10,527
Workers' welfare fund	24.6	19,000	16,607
Donations	34.1	5,950	2,766
Exchange loss - net		33,433	120,157
		<u>85,183</u>	<u>150,057</u>

34.1 Donation to following parties exceeds the higher of 10% of the Company's total donations or Rs. 1 million:

	2024 ---- (Rupees in '000) ----	2023 ---- (Rupees in '000) ----
Indus Hospital and Health Network	3,000	3,000
Patients' Aid Foundation	2,400	1,800
Karachi Relief Trust	-	3,000

34.2 None of the directors or their spouses had any interest in the donees except for Mr. Rafiq M. Habib who is a trustee of Muhammad Ali Habib Welfare Trust, a related party.

	Note	2024 ---- (Rupees in '000) ----	2023 ---- (Rupees in '000) ----
35. LEVY AND TAXATION			
Levy	35.1	8,853	10,374
Taxation			
Current		315,718	332,352
Deferred		(38,441)	(75,822)
		<u>277,277</u>	<u>256,530</u>
New levy and tax charged	35.2	<u>286,130</u>	<u>266,904</u>

- 35.1 This represents final taxes paid under sections 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

	Note	2024	2023
		--- (Rupees in '000) ---	
35.2 Reconciliation between tax expense and accounting profit:			
Profit before taxation and levy		606,295	304,517
Tax at applicable rate of 39% (2023: 39%)		236,455	118,762
Tax effects of:			
expenses inadmissible for tax purposes		6,565	185,449
income subject to reduced rate of tax		(8,733)	(13,021)
tax rebate on donations		(1,726)	(3,042)
others		53,569	(21,244)
		286,130	266,904

- 35.3 The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Company has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the actual tax liability of the Company.

36. EARNINGS PER SHARE - basic and diluted	Note	2024	2023
Profit for the year (Rupees in '000)		320,165	37,613
Weighted average number of ordinary shares outstanding during the year (shares in '000)		239,320	239,320
Earnings per share (Rupees) - basic and diluted	36.1	1.34	0.16

- 36.1 There is no dilutive effect of basic earnings per share of the Company.

37. CASH AND CASH EQUIVALENTS	Note	2024	2023
Cash and bank balances	18	286,376	404,639
Short-term investments			
- TDRs	17	-	220,000
- T-bills		-	96,909
		286,376	721,548

38. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Taken as a whole, the Company is exposed to market risk (including interest rate risk, currency risk and equity price risk), credit risk and liquidity risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2024 which are summarized below:

38.1 **Market risk**

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk, and equity price risk.

(i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's certain saving accounts, short-term investments in TDRs, long-term financing and lease liability.

At June 30, 2024, had interest rates been 1% higher / lower with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 1.48 million (2023: Rs. 7.34 million). However, in practice, the actual result may differ from the sensitivity analysis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. It mainly arises on payables that exist due to transactions in foreign currency.

The following is the foreign currency exposure as at the statement of financial position date:

	June 30, 2024	June 30, 2023
	----- (FCY) -----	
Trade payables - USD	12,950	1,487,068
Trade payables - Euro	199,295	920,742

The following exchange rates have been applied at statement of financial position date:

	2024	2023
	----- (Rupees) -----	
Exchange rate – USD	278.80	285.99
Exchange rate – Euro	298.41	312.93

A ten percent strengthening / weakening of the Pakistani Rupee against the above foreign currencies at the reporting date would increase / decrease profit before tax for the year by Rs. 6.31 million (2023: Rs. 71.34 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the previous year.

(iii) Equity price risk

Equity price risk is the risk of loss arising from movements in prices of equity instruments. The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares as at the statement of financial position date.

38.2 Credit risk and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company is mainly exposed to credit risk on security deposits, trade debts, accrued mark-up, loan to employees, short-term investments, deposits and other receivable and bank balances. The Company seeks to minimise the credit risk exposure by dealing mostly with regular and permanent parties who pay on due dates.

The maximum exposure to credit risk at statement of financial position date is as follows:

	Note	2024	2023
		---- (Rupees in '000) ----	
Long-term security deposits	10	41,969	31,817
Trade debts	14	423,681	411,969
Loan to employees	15	5,150	5,666
Accrued mark-up		25,330	20,334
Deposits and other receivables	16	13,837	11,315
Short-term investments	17	206,363	1,337,306
Bank balances	18	279,188	400,587
		<u>995,518</u>	<u>2,218,994</u>

Quality of financial assets

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties, thereby mitigating any significant concentration of credit risk.

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as follows:

Set out below is the information about the credit risk on the Company's trade debts:

	Not overdue	Past due but not impaired				2024	2023
		01 to 30 days	31 to 60 days	61 to 90 days	over 90 days	Total	Total
----- (Rupees in '000) -----							
Due from related parties	160	941	1,191	234	7	2,533	690
Other parties	192,982	62,589	81,233	38,474	226,113	601,391	569,254
Total	193,142	63,530	82,424	38,708	226,120	603,924	569,944
Expected credit loss	1,400	1,906	3,837	2,824	170,276	180,243	157,975
Expected credit loss effective rate	1%	3%	5%	7%	75%	30%	28%

38.2.1 The credit quality of balances with banks can be assessed with reference to external credit rating as follows:

Name of Bank	Rating Agency	Ratings	2024	2023	2024	2023
			Amount of bank balances		% of total balances	
Allied Bank Limited	PACRA	A-1+ / AAA	5,603	11,821	2.01%	2.95%
Askari Bank Limited	PACRA	A-1+ / AA+	10,651	14,549	3.81%	3.63%
Bank Alfalah Limited	PACRA	A-1+ / AAA	72,814	23,272	26.08%	5.81%
Bank-Al-Habib Limited	PACRA	A-1+ / AAA	19,483	20,809	6.98%	5.19%
Faysal Bank Limited	PACRA	A-1+ / AA	9,162	23,751	3.28%	5.93%
Habib Bank Limited	VIS	A-1+ / AAA	118,356	3,094	42.39%	0.77%
Habib Metropolitan Bank Limited	PACRA	A-1+ / AA+	20,419	216,777	7.32%	54.12%
MCB Bank Limited	PACRA	A-1+ / AAA	8,755	26,473	3.14%	6.61%
JS Bank Limited	PACRA	A1+ / AA	740	20,433	0.27%	5.10%
Meezan Bank Limited	VIS	A-1+ / AAA	-	22,059	0.00%	5.51%
United Bank Limited	VIS	A-1+ / AAA	8,138	15,336	2.91%	3.83%
Dubai Islamic Bank Limited	VIS	A-1+ / AA	5,067	2,213	1.81%	0.55%
			279,188	400,587	100.00%	100.00%

38.2.2 The credit quality of investments held in mutual funds can be assessed with reference to external credit rating as follows:

	Rating Agency	Ratings	2024	2023
			% of total balances	% of total balances
MCB Arif Habib Cash Management Optimizer	PACRA	AA+(f)	0.10%	12.56%
UBL Liquidity Plus Fund	JCR VIS	AA+(f)	0.00%	6.04%
HLB Cash Fund	JCR VIS	AA+(f)	0.00%	16.34%
Alfalah GHP Money Market Fund	PACRA	AA+(f)	0.00%	21.92%
Pakistan Cash Management Fund	PACRA	AA+(f)	99.90%	26.94%
NBP Money Market Fund	PACRA	AA(f)	0.00%	16.20%
			100.00%	100.00%

38.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with the financial instruments. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances, liquid investments and by keeping committed credit lines. The maturity profile of the Company's liabilities based on contractual maturities is disclosed in note 38.6 to these financial statements.

38.4 Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. As of the reporting date, the gearing ratio is as follows:

	2024	2023
	--- (Rupees in '000) ---	
Total debt	541,123	613,806
Total equity	3,020,396	2,700,231
Total debt plus equity	3,561,519	3,314,037
Gearing ratio	15.19%	18.52%

38.5 Unavailed Credit Facilities

38.5.1 The facility for short-term running finance, opening letters of credit and letters of guarantees amounted to Rs. 2,300 million (2023: Rs. 2,250 million), Rs. 3,200 million (2023: Rs. 2,050 million) and Rs. 1,600 million (2023: Rs. 1,600 million) respectively, of which Rs. 2,300 million (2023: Rs. 2,250 million), Rs. 2,624 million (2023: Rs. 1,073 million) and Rs. 380 million (2023: Rs. 423 million) respectively, remained unutilized as at the statement of financial position date.

38.5.2 Mark-up rates on running finance facilities range from one month KIBOR + 0.5% to three months KIBOR + 0.3% to 0.75% (2023: three month KIBOR + 0.5% to six months KIBOR + 0.35% to 1%) per annum.

38.6 FINANCIAL INSTRUMENTS BY CATEGORY

2024								
Interest / Mark-up bearing				Non-Interest / Non-Mark-up bearing				Total
No Maturity / on demand	Maturity upto one year	Maturity after one year	Subtotal	No Maturity / on demand	Maturity upto one year	Maturity after one year	Subtotal	

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

Financial assets

Fair value through profit or loss

Short-term investments - mutual fund units	-	-	-	-	150,363	-	-	150,363	150,363
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Amortised cost

Long-term security deposits	-	-	-	-	-	-	41,969	41,969	41,969
Trade debts	-	-	-	-	-	423,681	-	423,681	423,681
Loan to employees	-	-	-	-	-	5,150	-	5,150	5,150
Deposits and other receivables	-	-	-	-	-	13,837	-	13,837	13,837
Short-term investments - TDRs and T-bills	56,000	-	-	56,000	-	-	-	-	56,000
Cash and bank balances	136,449	-	-	136,449	142,739	-	-	142,739	279,188
	192,449	-	-	192,449	293,102	442,668	41,969	777,739	970,188

Financial liabilities

Amortised cost

Lease liabilities	-	124,919	269,558	394,477	-	-	-	-	394,477
Long-term financing	-	66,775	494,102	560,877	-	-	-	-	560,877
Accrued mark-up	-	-	-	-	-	25,330	-	25,330	25,330
Trade and other payables	-	-	-	-	-	2,130,557	-	2,130,557	2,130,557
Unclaimed dividend	-	-	-	-	4,155	-	-	4,155	4,155
Unpaid dividend	-	-	-	-	2,444	-	-	2,444	2,444
	-	191,694	763,660	955,354	6,599	2,155,887	-	2,162,486	3,117,840

2023								
Interest / Mark-up bearing				Non-Interest / Non-Mark-up bearing				Total
No Maturity / on demand	Maturity upto one year	Maturity after one year	Subtotal	No Maturity / on demand	Maturity upto one year	Maturity after one year	Subtotal	

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

Financial assets

Fair value through profit or loss

Short-term investments - mutual fund units	-	-	-	-	964,397	-	-	964,397	964,397
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Amortised cost

Long-term security deposits	-	-	-	-	-	-	31,817	31,817	31,817
Trade debts	-	-	-	-	-	411,969	-	411,969	411,969
Loan to employees	-	-	-	-	-	5,666	-	5,666	5,666
Deposits and other receivables	-	-	-	-	-	11,315	-	11,315	11,315
Short-term investments - TDRs and T-bills	372,909	-	-	372,909	-	-	-	-	372,909
Cash and bank balances	219,114	-	-	219,114	181,473	-	-	181,473	400,587
	592,023	-	-	592,023	1,145,870	428,950	31,817	1,606,637	2,198,660

Financial liabilities

Amortized cost

Lease liabilities	-	156,112	224,112	380,224	-	-	-	-	380,224
Long-term financing	-	22,820	536,712	559,532	-	-	-	-	559,532
Accrued mark-up	-	-	-	-	-	20,334	-	20,334	20,334
Trade and other payables	-	-	-	-	-	3,357,082	-	3,357,082	3,357,082
Unclaimed dividend	-	-	-	-	4,184	-	-	4,184	4,184
Unpaid dividend	-	-	-	-	2,761	-	-	2,761	2,761
	-	178,932	760,824	939,756	6,945	3,377,416	-	3,384,361	4,324,117

39. CHANGES IN LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES:

2024		
Unclaimed / unpaid dividend	Lease liabilities	Long-term financing including deferred income

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

Balance at beginning of the year	6,945	380,224	642,120
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Changes from financing cash flows

Dividend paid during the year	(346)	-	-
Financing obtained during the year	-	-	-
Payments made during the year	-	(184,079)	(53,649)
	(346)	(184,079)	(53,649)

Other changes

Dividend declared during the year	-	-	-
Remeasurement of lease liabilities	-	3,921	-
Unwinding of finance cost during the year	-	56,227	30,677
Amortization of deferred income	-	-	(6,540)
Additions during the year	-	138,184	-
Disposals during the year	-	-	-
	-	198,332	24,137

Balance at end of the year	6,599	394,477	612,608
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2023		
Unclaimed / unpaid dividend	Lease liabilities	Long-term financing including deferred income
----- (Rupees in '000) -----		
Balance at beginning of the year	6,221	310,080
Changes from financing cash flows		296,302
Dividend paid during the year	(178,766)	-
Financing obtained during the year	-	340,806
Payments made during the year	-	(10,715)
	(178,766)	330,091
Other changes		
Dividend declared during the year	179,490	-
Remeasurement of lease liabilities	-	1,941
Unwinding of finance cost during the year	-	49,251
Amortization of deferred income	-	21,221
Additions during the year	-	(5,494)
Disposal during the year	-	-
	179,490	230,132
Balance at end of the year	6,945	15,727
	380,224	642,120

40. TRANSACTIONS WITH RELATED PARTIES

- 40.1 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:

	June 30, 2024	June 30, 2023
---- (Rupees in '000) ----		
Associated companies / other related parties		
Sales	18,275	24,966
Purchases of goods, material & services	288,960	219,900
Purchase of vehicles	12,937	12,835
Insurance premium	49,404	39,124
Insurance	11,293	6,906
Lease rentals	22,505	19,170
Donation paid	500	-
Key management personnel		
Remuneration and other benefits of		
Chief Financial Officer and Company Secretary	31,664	43,208
Staff retirement benefits		
Contribution to provident fund	37,512	33,887

- 40.2 Following are the details of related parties and associated companies with whom the Company had entered into transactions or has arrangement / agreement in place.

Company Name	Basis of relationship	Aggregate % of shareholding in the Company
Habib Insurance Company Limited	Common Directorship	0.35
Thal Limited	Common Directorship	1.3
Agriauto Industries Limited	Common Directorship	N/A
Agriauto Stamping Co Pvt Ltd	Common Directorship	N/A
Habib University Foundation	Common Directorship	N/A
Indus Motor Company Limited	Common Directorship	N/A
Muhammad Ali Habib Welfare Trust	Common Directorship	N/A
Habib Metro Pakistan (Private) Limited	Common Directorship	N/A
Shabbir Tiles & Ceramics Limited - Employees' Provident Fund	Staff retirement benefits	N/A

41. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

41.1 The aggregate amounts charged in the financial statements for the year are as follows:

	2024		2023	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	(Rupees in '000)			
Managerial remuneration	23,926	122,887	20,106	85,739
Housing and utilities	17,475	102,354	14,732	72,797
Leave fare assistance, leave encashment and bonus	26,057	23,205	20,791	21,764
Reimbursement of medical expenses	2,393	11,483	2,011	7,775
Retirement benefits	2,232	9,927	1,876	6,775
	<u>72,083</u>	<u>269,856</u>	<u>59,516</u>	<u>194,850</u>
Number of persons	<u>1</u>	<u>54</u>	<u>1</u>	<u>34</u>

41.2 In addition, the Chief Executive Officer and certain executives are provided with free use of the Company maintained cars.

41.3 Fee amounting to Rs. 3.50 million (2023: Rs. 3.10 million) was paid to 4 non-executive (2023: 4 non-executive directors) of the Company for attending meetings of the Board of Directors and its committee during the year.

42. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value hierarchy

The different levels of fair valuation methods have been defined as follows:

- Quoted prices in active markets for identical assets or liabilities (level1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

2024	Note	Level 1	Level 2	Level 3	Total
		(Rupees in '000)			

Assets

- Investments carried at fair value through profit or loss	17	-	150,363	-	150,363
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2023		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			

Assets

- Investments carried at fair value through profit or loss	17	-	1,061,306	-	1,061,306
--	----	---	-----------	---	-----------

There were no transfers amongst levels during the year.

The market prices mutual fund units have been obtained from Mutual Fund Association of Pakistan respectively.

The market value of TDRs is approximately equal to its carrying amount.

43. PLANT CAPACITY AND ACTUAL PRODUCTION

	2024 --- (million sq. meters) ---	2023
Annual capacity	14.40	14.04
Actual Production	11.08	12.01

44. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on September 6, 2024 proposed final cash dividend of Re.0.75 per share (2023: Rs. Nil per share) for the year ended 30 June 2024 amounting to Rs. 179.50 million (2023: Rs. Nil) for approval of the members at the Annual General Meeting to be held on October 24, 2024.

45. NUMBER OF EMPLOYEES

	2024	2023
Total number of employees as at year end	<u>702</u>	<u>730</u>
Average number of employees during the year	<u>710</u>	<u>735</u>

46. OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment.

All sales of the Company comprise of sale of wall tiles, floor tiles and other building material products.

All non-current assets of the Company at the end of the current and preceding year were located in Pakistan.

Sales to five major customers of the Company are around 12.98% of the Company's total sales during the year (2023: 14%).

47. GENERAL

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

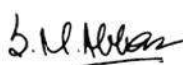
47.2 Certain prior year's figures have been reclassified for better presentation, wherever necessary. However, there are no material reclassifications to report other than those disclosed in note 4.1 of these financial statements.

48. DATE OF AUTHORISATION FOR ISSUE

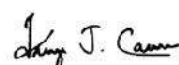
These financial statements were authorized for issue on September 6, 2024 by the Board of Directors of the Company.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Feroze Jehangir Cawasji
Director

SHABBIR TILES AND CERAMICS LIMITED

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
DIRECTORS AND THEIR SPOUSE (S) AND CHILDREN			
Rafiq M Habib	1	4,162,522	1.74
Syed Masood Abbas Jaffery	1	43,000	0.02
Muhammd Salman Burney	1	1,000	0.00
Abdul Hai Mehmood Bhai Mian	1	663,594	0.28
Imran Ali Habib	2	347,476	0.15
Feroze Jehangir Cawasji	1	1,000	0.00
Farhana Mowjee Khan	1	1,000	0.00
Jamila Rafiq	1	1,377,752	0.58
Rukhsana Bibi	1	781,774	0.33
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES			
Thal Limited	1	3,121,549	1.30
PUBLIC SECTOR COMPANIES AND CORPORATIONS	2	3,555	0.00
INSURANCE COMPANIES	4	5,342,297	2.23
MODARABAS AND MUTUAL FUNDS	14	35,972,184	15.03
GENERAL PUBLIC			
a. Local	3150	41,340,151	17.27
b. Foreign	28	171,335	0.07
FOREIGN COMPANIES	21	131,167,292	54.81
OTHERS	53	14,822,994	6.19
Totals	3283	239,320,475	100.00

Share holders holding 5% or more	Shares Held	Percentage
ROBERT FINANCE CORPORATION AG	72,102,223	30.13
AYLESBURY INTERNATIONAL LTD	16,009,983	6.69
ASAD LIMITED	12,840,786	5.37
MUSTAFA LIMITED	12,418,386	5.19

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2024

# Of Shareholders	Shareholdings'Slab			Total Shares Held
933	1	to	100	24,771
740	101	to	500	221,822
406	501	to	1000	326,946
653	1001	to	5000	1,609,762
186	5001	to	10000	1,431,352
76	10001	to	15000	957,055
42	15001	to	20000	760,725
37	20001	to	25000	848,333
11	25001	to	30000	309,835
10	30001	to	35000	332,639
10	35001	to	40000	378,587
8	40001	to	45000	345,938
16	45001	to	50000	780,210
7	50001	to	55000	370,305
5	55001	to	60000	289,105
3	60001	to	65000	190,696
6	65001	to	70000	411,412
2	70001	to	75000	142,500
3	75001	to	80000	233,751
3	80001	to	85000	247,619
1	85001	to	90000	90,000
2	90001	to	95000	182,420
6	95001	to	100000	595,040
5	100001	to	105000	517,681
1	105001	to	110000	110,000
3	115001	to	120000	357,273
1	120001	to	125000	125,000
1	125001	to	130000	130,000
2	135001	to	140000	274,932
2	145001	to	150000	297,000
3	150001	to	155000	460,000
2	160001	to	165000	322,816
1	165001	to	170000	170,000
3	170001	to	175000	521,227
5	175001	to	180000	891,242
1	180001	to	185000	182,028
1	185001	to	190000	186,250
1	195001	to	200000	200,000
2	240001	to	245000	484,572
1	250001	to	255000	251,447
1	260001	to	265000	263,500
2	265001	to	270000	535,900
1	285001	to	290000	287,239

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2024

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1	290001to	to	295000	293,243
4	295001to	to	300000	1,200,000
1	300001to	to	305000	303,000
1	320001to	to	325000	320,763
1	325001to	to	330000	329,137
1	335001to	to	340000	339,433
2	345001to	to	350000	692,952
1	365001to	to	370000	370,000
1	395001to	to	400000	400,000
1	400001to	to	405000	401,000
1	430001to	to	435000	433,500
1	440001to	to	445000	441,558
1	465001to	to	470000	466,500
1	495001to	to	500000	500,000
1	505001to	to	510000	510,000
2	515001to	to	520000	1,039,714
1	545001to	to	550000	550,000
1	550001to	to	555000	552,000
1	595001to	to	600000	600,000
2	655001to	to	660000	1,316,660
1	660001to	to	665000	663,594
1	710001to	to	715000	714,500
1	725001to	to	730000	726,000
1	745001to	to	750000	750,000
1	775001to	to	780000	779,500
1	780001to	to	785000	781,774
1	840001to	to	845000	841,500
1	935001to	to	940000	938,500
1	955001to	to	960000	957,009
1	995001to	to	1000000	1,000,000
1	1035001to	to	1040000	1,039,428
1	1050001to	to	1055000	1,051,500
1	1070001to	to	1075000	1,073,000
1	1120001to	to	1125000	1,122,631
1	1135001to	to	1140000	1,139,322
1	1155001to	to	1160000	1,159,000
1	1255001to	to	1260000	1,256,500
1	1375001to	to	1380000	1,377,752
1	1380001to	to	1385000	1,380,500
1	1470001to	to	1475000	1,474,000
1	1555001to	to	1560000	1,559,142
1	1675001to	to	1680000	1,675,695
1	1975001to	to	1980000	1,977,500

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2024

# Of Shareholders		Shareholdings'Slab		Total Shares Held
1	2310001	to	2315000	2,311,168
1	2440001	to	2445000	2,440,152
1	2505001	to	2510000	2,509,602
1	2570001	to	2575000	2,574,660
1	2775001	to	2780000	2,775,015
4	2985001	to	2990000	11,953,331
1	3075001	to	3080000	3,079,468
1	3120001	to	3125000	3,121,549
1	3235001	to	3240000	3,235,587
1	3395001	to	3400000	3,400,000
3	3450001	to	3455000	10,364,667
1	3455001	to	3460000	3,459,315
1	3460001	to	3465000	3,460,497
1	3465001	to	3470000	3,469,471
1	3660001	to	3665000	3,663,993
1	3955001	to	3960000	3,957,422
1	4160001	to	4165000	4,162,522
1	4170001	to	4175000	4,174,641
1	6205001	to	6210000	6,207,788
1	7030001	to	7035000	7,030,157
1	7655001	to	7660000	7,655,825
1	13255001	to	13260000	13,259,500
1	16005001	to	16010000	16,009,983
1	60895001	to	60900000	60,897,425
3283				239,320,475



Shabbir Tiles and Ceramics Limited

PROXY FORM

I/We _____ of _____
being a member(s) of **SHABBIR TILES AND CERAMICS LIMITED** and a holder of _____
_____ ordinary shares as per Share Register Folio No. _____
or CDC Participant ID No. _____ Account No. _____
hereby appoint _____ of _____ who is
also member of **SHABBIR TILES AND CERAMICS LIMITED** Vide Folio No. _____ or CDC
Participant ID No. _____ Account No. _____
or failing him/her _____ of _____ who is also member
of **SHABBIR TILES AND CERAMICS LIMITED** vide Folio No. _____ or CDC Participant ID
No. _____ Account No. _____
as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Annual
General Meeting of the Company to be held on Thursday, 24th day of October, 2024 and at any adjournment
thereof.

As witness my/our hand/seal this _____ day of _____ 2024
signed by the said

Witness _____ (Signature)	Witness _____ (Signature)
Name _____	Name _____
Address _____	Address _____
CNIC No. _____	CNIC No. _____

**Please affix
Rs. 5/-
Revenue
Stamp**

SIGNATURE OF MEMBER(S)

NOTES:

1. This proxy form duly completed and signed must be received at the Registered Office of the Company, 15th Milestone, National Highway, Landhi, Karachi, not less than 48 hours before the time of holding the Extra Ordinary General Meeting.

P.T.O.



2. No person shall act as proxy unless he / she himself / herself is a member of the Company. Except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

FOR CDC ACCOUNT HOLDERS / CORPORATE ENTITIES

In addition to the above the following requirements have to be met:

- a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- b) Attested copy of CNIC or the passport of the beneficial owners shall be furnished with the proxy form.
- c) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- d) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



Shabbir Tiles and Ceramics Limited

15th Milestone,
National Highway,
Landhi Industrial Area,
Karachi-75120
Phone: +92-21-38183610-13
Website: www.stile.com.pk
Email: info@stile.com.pk