

# Shabbir Tiles and Ceramics Limited

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**2024**  
annual report



## 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. Bhairmia (Director)  
Feroze Jehangir Cawasji (Director)  
Farhana Mowjee Khan (Director)

### AUDIT COMMITTEE

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

### HUMAN RESOURCES AND REMUNERATION COMMITTEE

Feroze Jehangir Cawasji  
Muhammad Salman Burney  
Farhana Mowjee Khan  
Masood Jaffery

### 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](mailto: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 Sharahe-Faisal, Karachi-74400.  
Phone: 0800 23275  
Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)  
Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com)

# GEOGRAPHICAL PRESENCE



## REGISTERED OFFICE AND FACTORY UNIT 1:

15th Mile stone, 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

## 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](mailto: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: cdcsrsl@cdcsrsl.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](http://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):

|  |  |
|--|--|
| <b>Share holder's details:</b>           |  |
| Name of the Shareholder(s)               |  |
| Folio No. / CDS Account No.              |  |
| CNIC No. (Copy attached)                 |  |
| Mobile / Landline No.                    |  |
| <b>Share holder's Bank details:</b>      |  |
| 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.





**CHAIRMAN'S REVIEW REPORT  
AND DIRECTORS' REPORT**



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## 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 جا رہی 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 شرکاء 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

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۔ کسٹرز کے اطمینان میں بہتری نے کمپنی کو دشوار معاشی حالات کے باوجود اپنے مارکیٹ شیئر کو برقرار رکھنے کی اجازت دی ہے۔ ریٹیل ایسپورٹس کلیدی برانڈنگ پلیٹ فارم بن چکی ہیں، جو کمپنی کے طرز زندگی کے برانڈ ایجنٹ 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 ایسپورٹس کا افتتاح کیا ہے۔ مزید برآں، پاکستان سپر لیگ ۲۰۲۳ کے لئے کوئی 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 شمس 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 منتمم ۳۰ جون ۲۰۲۳ء پیش کرتے ہوئے بے حد مسرت ہو رہی ہے۔

### معاشی جائزہ

گزشتہ ۲۴ ماہ کے دوران شدید بد امنی سے گزرنے کے بعد فروری ۲۰۲۳ء 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 ۲۰۲۳ء 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 آپریٹرز کو برقرار رکھنے اور توقع سے بہتر نتائج حاصل کرنے میں کامیاب رہی ہے۔ انتظامیہ نے قیمتوں میں بروقت ترمیم، مجموعی مصنوعات کے اخراج میں بہتری اور فائدہ مند توانائی اخراج 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.

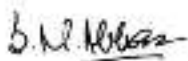
## CHAIRMAN'S REVIEW REPORT:

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.

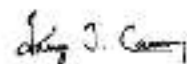
## ACKNOWLEDGEMENT:

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 گمن 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۔

## چیز میں کی جائزہ رپورٹ

سالانہ رپورٹ میں شامل چیز میں کی جائزہ 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی اور مستقبل کے نقطہ نظر سے متعلق ہے۔ ڈائریکٹرز، چیز میں 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 شہیر ٹائلز اینڈ سیرامکس لیمیٹڈ کو صنعت میں ایک معروف برانڈ بنا دیا 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۔

## مناصب بورڈ

Dr. J. Cassy

فیروز جہانگیر کاوسی

ڈائریکٹر

Dr. H. H. H.

سید مسعود عباس جعفری

چیف ایگزیکٹو آفیسر

کراچی: 13 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 ظلل کے سامنے تنظیم کی صورت حال کا پیمانے کو یقینی بنانے کے لئے تشکیل دیا گیا ہے۔

کاروباری تسلسل کے تحت ڈیٹا سٹرکچر کی سائٹس کو موثر طریقے سے قائم کیا گیا ہے اگر ہمارے بنیادی سرور کو کسی قسم کی وجہیگی کا سامنا ہو تو ہم آپ 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 شخصیی 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۔ شخصیی 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 کمیٹیوں (کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کے مطابق ایک شخصیی سوانامہ تیار کیا جاتا ہے، اور کارکردگی کی شخصیی 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 اتالی بخش قرار دیا گیا ہے۔

## سی ای او کی کارکردگی کا جائزہ

سی ای او کی کارکردگی ایک شخصیی نظام کا استعمال کرتے ہوئے پانچابہ شخصیی سے مشروط ہے جو مختلف پہلوؤں کا احاطہ کرتی ہے۔ اس میں کاروباری کارکردگی کا اندازہ لگانا، منافع، شخصیی ترقی، جائینی 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 ویلوی 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 میٹنگ فیس کے علاوہ ان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے۔ ڈائریکٹرز اور سی ای او کے معاوضے اور فیس کے بارے میں معلومات کے لئے، براؤزر ہالیاٹی گوشواروں کے مندرجات ملاحظہ کریں۔

## منافع مختصر

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 کیس 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 انٹرنل آڈٹ اور ان کے شریک حیات یا باہانگ 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 حقائق 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 کمپنی 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 ہر عزم ہے جہاں تمام ملازمین کو کامیاب ہونے کے لئے قابل قدر اور بااختیار 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 پر وہاں کے بغیر میرٹ اور قابلیت کی بنیاد پر کیے جاتے ہیں۔

ہم یقین رکھتے ہیں کہ تربیت 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 بھلنے بھولنے 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 ماہدی خان |
| 5 | ٹان ایگزیکٹو ڈائریکٹر | جناب محمد سلمان برنی    |
| 5 | ٹان ایگزیکٹو ڈائریکٹر | جناب عمران علی صبیح     |

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 شیڈولڈ ریزنگ 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 جگے جانے پر بیرونی آڈیٹرز یا شیڈولڈ 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 ٹان 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 جہاگیر کاوسی      | آزاد ڈائریکٹر (چیئر مین) | 5                     |
| جناب عبدالملک ایم بھائی میاں | ٹان ایگزیکٹو ڈائریکٹر    | 5                     |
| محترمہ فرحانہ ماہدی خان      | آزاد ڈائریکٹر            | 5                     |
| جناب عمران علی صبیح          | ٹان 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 منسلک 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 ٹرمن 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 جہاگیر کاوسی   | آزاد ڈائریکٹر (چیئر مین) | 2                     |
| جناب محمد سلمان برنی      | ٹان ایگزیکٹو ڈائریکٹر    | 2                     |
| جناب سید مسعود عباس جعفری | ایگزیکٹو ڈائریکٹر        | 2                     |
| محترمہ فرحانہ ماہدی خان   | آزاد ڈائریکٹر            | 2                     |

## ادارتی نظم و ضبط کے ضابطے کی پاسداری

- کمپنی انکھاسیہ سیکورٹیز اینڈ انویسٹمنٹ 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 تہرے کارپوریٹ گورننس کے اعلیٰ معیار اور مستقل بہتری کے لئے بورڈ کے عزم کی عکاس ہیں:
- ۱۔ کمپنی کی انکھاسیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات کی حالت، اس کے آپریٹنگ کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو متعلقہ طور پر پیش کرتے ہیں۔
  - ۲۔ کمپنی کی طرف سے مالیاتی گوشواروں کا مناسب رکارڈ 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 دانشندانہ 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 موثر 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 ریسک و شہ نہیں ہے۔
  - ۷۔ گزشتہ چھ سالوں کے کمپنی کے کلیدی کاروباری اور مالیاتی اعداد و شمار کا خلاصہ سالانہ رپورٹ میں دستیاب ہے۔
  - ۸۔ ادارتی 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 بیٹ فری 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 مدد 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 قانون 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 ام حبیب           | چیئر مین                | 5                     |
| جناب سید مسعود مہاس جعفری   | آزاد ڈائریکٹر، سی ای او | 5                     |
| جناب فیروز جہا گمیر کاوسی   | آزاد ڈائریکٹر           | 5                     |
| جناب عبدالحی 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 ترقی و بہبود میں اہم کردار ادا کیا ہے۔ ہماری سی 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 ایٹس اسپتال کراچی اور پینت اینڈ ٹاؤنیشن 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 مصنوعی 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 ٹیکنالوجی کو اپنانا اور ہمارے آپریشنز میں پائیدار طریقوں کی حمایت کرنا شامل ہے۔ ہماری آن سائٹ ہئسٹی توانائی کی مجموعی نصب شدہ صلاحیت 3.8 میگا واٹ ہے۔

### انٹرنل 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 اور 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 اس پر کی جانے والی وضاحتوں اور اقدامات کے ساتھ تجدیلی کا جائزہ لیتا ہے۔

بورڈ نے انٹرنل 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 انٹرنل آڈٹ کی سربراہی کے لئے ایک قابل شخص کو نامزد کیا ہے۔

### آڈیٹرز

موجودہ آڈیٹرز میسرز 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 کا فرما ہیں۔ انکھائی 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 شگلی ادا لگیوں کو محفوظ بنانے کے اقدام نے کمپنی کی لیکویڈیٹی پوزیشن کو منظم کرنے میں اہم کردار ادا کیا ہے۔ ان پہلوؤں کا موثر طریقے 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 محفوظ 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 اپنی ایچ جی کو بہتر بنانے کے لیے نمائش بھی کی، سال کے دوران نئے ایسوریمینٹ 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 ایچ جی کو بڑھانے کے لیے پاکستان سپر لیگ 2024 کے لیے کوئٹہ 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) اگرم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹی اور دیگر سرکاری محصولات کی مدد 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 آر ایل این جی) پیداواری لاگت پر دباؤ ڈالتا ہے۔

• ایل پی جی اور کوئلے کی قیمتوں میں اضافہ

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

• روپے کی قدر میں کمی

• سپلائی چین میں غلط، 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 آؤٹ 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 نائل 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۔ انکھامیہ نے سیکڑکس 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 انکھامیہ کی ٹیم کو مبارکباد دینا چاہتا ہوں جنہوں نے سال بھر انتھک محنت کی اور ایسے شاندار نتائج حاصل کئے۔

روپے 000' میں

### مالیاتی نتائج

| 2023       | 2024       |                                       |
|------------|------------|---------------------------------------|
| 15,491,976 | 20,724,930 | خالص فروخت                            |
| 2,967,080  | 3,619,356  | مجموعی منافع                          |
| 1,237,342  | 1,502,435  | آمدنی قبل از سود اور فرسودگی (EBITDA) |
| 733,151    | 777,510    | فرسودگی                               |
| 193,674    | 192,630    | مالیاتی لاگت                          |
| 304,517    | 606,225    | منافع قبل از ٹیکس                     |
| 27,613     | 320,735    | منافع بعد از ٹیکس                     |
| 0.16       | 1.34       | نی 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 اجراء 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



**ANALYSIS OF THE  
FINANCIAL INFORMATION**



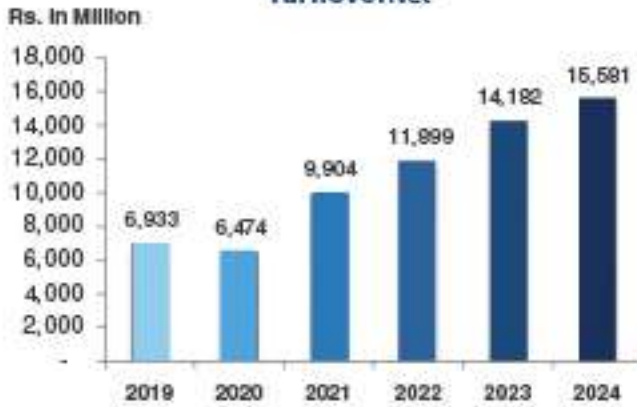
## PERFORMANCE OF LAST SIX YEARS

| FINANCIAL SUMMARY                               | 30TH JUNE<br>2024 | 30TH JUNE<br>2023 | 30TH JUNE<br>2022 | 30TH JUNE<br>2021 | 30TH JUNE<br>2020 | 30TH JUNE<br>2019 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | (RS.'000s)        |                   |                   |                   |                   |                   |
| <b>For the year</b>                             |                   |                   |                   |                   |                   |                   |
| 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%             | 3.96%             | 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         | 612,698           | 1,063,005         |
| % of Turnover -net                              | 10.28%            | 8.68%             | 15.23%            | 22.90%            | 7.92%             | 15.19%            |
| Cash dividend                                   | 179,490           | -                 | 179,490           | 299,150           | -                 | 69,830            |
| Cash dividend ( % )                             | 15.00%            | -                 | 15.00%            | 25.00%            | -                 | 5.00%             |
| <b>Ratio Analysis</b>                           |                   |                   |                   |                   |                   |                   |
| 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               |

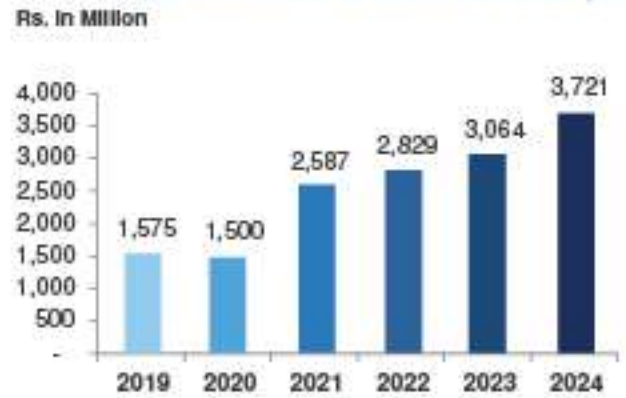


## FINANCIAL HIGHLIGHTS

### TurnoverNet



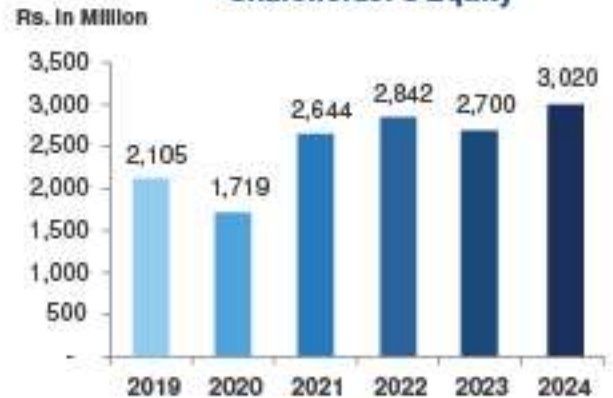
### Contribution to National Exchequer



### Profit / (Loss) before tax



### Shareholder's Equity



### Breakup value per share



### Earnings / (Loss) per share



## VERTICAL ANALYSIS

|  | Rupee in '000    |              |                  |              |                  |              |                  |              |                  |               |                  |              |
|--|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|---------------|------------------|--------------|
|  | 2024             | %            | 2023             | %            | 2022             | %            | 2021             | %            | 2020             | %             | 2019             | %            |
| <b>STATEMENT OF FINANCIAL POSITION</b>       |                  |              |                  |              |                  |              |                  |              |                  |               |                  |              |
| Property, plant & Equipment                  | 2,889,148        | 89.2         | 2,782,428        | 87.8         | 2,479,745        | 88.2         | 2,062,148        | 88.2         | 2,071,262        | 89.5          | 2,115,215        | 88.8         |
| Right of use assets                          | 227,477          | 4.1          | 227,202          | 3.7          | 262,258          | 3.8          | 242,698          | 3.4          | 267,718          | 8.0           | -                | -            |
| Investment properties                        | 3,928            | 0.0          | 4,881            | 0.1          | 8,748            | 0.1          | 7,228            | 0.1          | 9,277            | 0.2           | 9,278            | 0.2          |
| Long-term loans, advances & deposits         | 41,469           | 0.8          | 21,827           | 0.4          | 22,148           | 0.4          | 27,279           | 0.4          | 22,270           | 0.4           | 22,270           | 0.4          |
| Debtors & Tax Assets - Net                   | 78,830           | 1.0          | 41,298           | 0.8          | -                | -            | -                | -            | -                | -             | -                | -            |
| Current assets                               | 4,878,122        | 88.8         | 4,189,121        | 87.7         | 2,841,928        | 89.8         | 4,282,298        | 87.7         | 2,477,980        | 88.8          | 2,442,927        | 83.7         |
| <b>Total Assets</b>                          | <b>3,169,698</b> | <b>100.0</b> | <b>3,382,178</b> | <b>100.0</b> | <b>2,861,870</b> | <b>100.0</b> | <b>2,222,528</b> | <b>100.0</b> | <b>2,188,881</b> | <b>100.0</b>  | <b>2,895,914</b> | <b>100.0</b> |
| Share Capital                                | 1,186,608        | 34.7         | 1,186,608        | 33.8         | 1,186,608        | 38.9         | 1,186,608        | 37.0         | 1,186,608        | 33.2          | 1,186,608        | 31.4         |
| Share Premium                                | 448,276          | 13.5         | 448,276          | 11.7         | 448,276          | 13.9         | 448,276          | 14.4         | 448,276          | 13.9          | 448,276          | 11.9         |
| Reserves                                     | 1,374,821        | 41.8         | 1,288,415        | 35.5         | 1,195,286        | 37.2         | 999,121          | 31.3         | 753,297          | 21.4          | 460,930          | 13.8         |
| <b>Shareholders' equity</b>                  | <b>3,009,705</b> | <b>89.9</b>  | <b>2,923,299</b> | <b>83.4</b>  | <b>2,629,170</b> | <b>83.0</b>  | <b>2,633,905</b> | <b>83.0</b>  | <b>2,388,181</b> | <b>83.9</b>   | <b>2,106,814</b> | <b>69.5</b>  |
| Long Term Financing - Secured                | 484,182          | 13.5         | 482,712          | 11.7         | 522,828          | 15.0         | 148,078          | 4.1          | 208,200          | 5.0           | 448,180          | 11.9         |
| Lease liabilities                            | 228,228          | 6.0          | 224,112          | 5.5          | 282,728          | 7.0          | 172,288          | 4.0          | 182,282          | 4.1           | -                | -            |
| Deferred tax liability - net                 | -                | -            | -                | -            | 24,728           | 0.6          | 24,127           | 0.6          | 19,211           | 0.4           | 202,078          | 5.0          |
| Other long term liability                    | 47,821           | 1.0          | 124,248          | 3.1          | 27,640           | 0.6          | 208,128          | 5.0          | -                | -             | -                | -            |
| Current liabilities                          | 4,328,218        | 100.0        | 4,368,291        | 100.0        | 3,987,228        | 100.0        | 3,782,248        | 100.0        | 3,128,728        | 100.0         | 2,828,128        | 100.0        |
| <b>Total Equities and Liabilities</b>        | <b>3,169,698</b> | <b>100.0</b> | <b>3,382,178</b> | <b>100.0</b> | <b>2,861,870</b> | <b>100.0</b> | <b>2,222,528</b> | <b>100.0</b> | <b>2,188,881</b> | <b>100.0</b>  | <b>2,895,914</b> | <b>100.0</b> |
| <b>PROFIT AND LOSS ACCOUNT</b>               |                  |              |                  |              |                  |              |                  |              |                  |               |                  |              |
| Turnover - net                               | 12,221,047       | 100.0        | 12,182,478       | 100.0        | 11,889,828       | 100.0        | 8,924,488        | 100.0        | 6,274,428        | 100.0         | 6,822,277        | 100.0        |
| Cost of Sales                                | (7,196,128)      | (58.9)       | (7,188,288)      | (58.9)       | (6,922,281)      | (58.4)       | (6,244,271)      | (69.9)       | (6,271,228)      | (69.9)        | (6,221,218)      | (69.4)       |
| <b>Gross profit</b>                          | <b>5,024,919</b> | <b>41.1</b>  | <b>5,004,190</b> | <b>41.1</b>  | <b>4,967,547</b> | <b>41.6</b>  | <b>2,680,217</b> | <b>29.9</b>  | <b>1,003,200</b> | <b>16.0</b>   | <b>6,001,059</b> | <b>87.6</b>  |
| Selling and distribution Costs               | (2,488,142)      | (20.3)       | (2,488,448)      | (20.4)       | (2,522,228)      | (21.2)       | (2,284,228)      | (25.6)       | (2,284,228)      | (36.3)        | (2,284,228)      | (33.1)       |
| Administrative Expenses                      | (187,227)        | (1.5)        | (187,227)        | (1.5)        | (187,227)        | (1.6)        | (187,227)        | (2.1)        | (187,227)        | (3.0)         | (187,227)        | (2.7)        |
| Minor work / Rental for specified asset loss | (22,227)         | (0.2)        | 9,228            | 0.0          | (19,228)         | (0.2)        | 19,227           | 0.2          | (22,228)         | (0.4)         | 19,228           | 0.3          |
| Other Income                                 | 27,228           | 0.2          | 12,228           | 0.0          | 27,228           | 0.2          | 27,228           | 0.3          | 27,228           | 0.4           | 27,228           | 0.4          |
| <b>Operating Profit / (Loss)</b>             | <b>2,356,551</b> | <b>19.3</b>  | <b>2,356,551</b> | <b>19.3</b>  | <b>2,356,551</b> | <b>19.3</b>  | <b>1,003,217</b> | <b>11.2</b>  | <b>(187,228)</b> | <b>(2.9)</b>  | <b>4,001,059</b> | <b>59.4</b>  |
| Finance costs                                | (188,228)        | (1.5)        | (188,228)        | (1.5)        | (188,228)        | (1.5)        | (188,228)        | (1.5)        | (188,228)        | (1.5)         | (188,228)        | (1.5)        |
| Other expenses                               | (22,227)         | (0.2)        | (12,228)         | (0.0)        | (22,228)         | (0.2)        | (12,228)         | (1.0)        | (22,228)         | (0.4)         | (22,228)         | (0.4)        |
| <b>Profit / (Loss) before taxation</b>       | <b>2,146,106</b> | <b>68.0</b>  | <b>2,146,106</b> | <b>63.3</b>  | <b>2,146,106</b> | <b>74.0</b>  | <b>782,761</b>   | <b>35.2</b>  | <b>(397,228)</b> | <b>(18.2)</b> | <b>3,790,603</b> | <b>131.3</b> |
| Taxation and Levy                            | (222,128)        | (1.0)        | (222,128)        | (1.0)        | (222,128)        | (1.0)        | (222,128)        | (2.0)        | (222,128)        | (10.1)        | (222,128)        | (7.7)        |
| <b>Profit / (Loss) after taxation</b>        | <b>1,923,978</b> | <b>60.4</b>  | <b>1,923,978</b> | <b>57.3</b>  | <b>1,923,978</b> | <b>67.0</b>  | <b>560,633</b>   | <b>25.2</b>  | <b>(619,356)</b> | <b>(28.3)</b> | <b>3,568,475</b> | <b>123.0</b> |

## HORIZONTAL ANALYSIS

|  | Rupees in '000   |              |                  |               |                  |               |                  |               |                  |                |                  |               |
|--|------------------|--------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|----------------|------------------|---------------|
| STATEMENT OF FINANCIAL POSITION                  | 2024             | %            | 2023             | %             | 2022             | %             | 2021             | %             | 2020             | %              |                  |               |
| Property, plant & Equipment                      | 2,898,148        | (13.0)       | 3,342,408        | (3.2)         | 3,418,704        | 26.9          | 2,926,148        | 0.0           | 2,673,266        | (14.2)         | 3,116,316        | (7.7)         |
| Right of use assets                              | 327,617          | 3.2          | 327,280          | 24.2          | 282,925          | 0.4           | 246,018          | (0.0)         | 267,740          | -              | -                | -             |
| Investment properties                            | 5,538            | (27.3)       | 4,621            | (21.4)        | 6,793            | (17.7)        | 7,856            | (16.8)        | 8,277            | (19.0)         | 8,518            | (15.0)        |
| Long term loans, advances & deposits             | 4,198            | 51.8         | 21,917           | (1.8)         | 32,148           | 17.4          | 27,375           | 16.7          | 23,073           | (16.6)         | 30,312           | 40.5          |
| Debtors Tax Asset - Net                          | 78,230           | 85.6         | 41,082           | -             | -                | -             | -                | -             | -                | -              | -                | -             |
| Current assets                                   | 4,814,123        | (5.0)        | 5,195,121        | 32.0          | 3,841,820        | (6.2)         | 4,893,288        | 81.4          | 3,427,880        | (1.0)          | 3,440,780        | (7.5)         |
| <b>Total Assets</b>                              | <b>8,168,096</b> | <b>(7.8)</b> | <b>8,862,178</b> | <b>(7.1)</b>  | <b>7,561,673</b> | <b>7.7</b>    | <b>7,822,436</b> | <b>30.3</b>   | <b>6,999,991</b> | <b>(3.0)</b>   | <b>6,596,814</b> | <b>2.0</b>    |
| Share Capital                                    | 1,106,000        | -            | 1,106,000        | -             | 1,106,000        | -             | 1,106,000        | -             | 1,106,000        | -              | 1,106,000        | -             |
| Share Premium                                    | 449,216          | -            | 449,216          | -             | 449,216          | -             | 449,216          | -             | 449,216          | -              | 449,216          | -             |
| Reserves   | 1,274,591        | 30.4         | 1,354,415        | (11.9)        | 1,195,203        | 19.8          | 888,121          | 1,924.8       | 753,664          | (84.9)         | 698,567          | 33.2          |
| <b>Shareholders' equity</b>                      | <b>3,829,813</b> | <b>11.8</b>  | <b>3,910,231</b> | <b>(6.8)</b>  | <b>3,750,425</b> | <b>7.5</b>    | <b>3,443,343</b> | <b>53.8</b>   | <b>3,358,886</b> | <b>(18.3)</b>  | <b>3,304,802</b> | <b>8.8</b>    |
| Long Term Financing - Secured                    | 484,182          | (7.8)        | 532,712          | (18.8)        | 223,388          | 48.8          | 146,678          | (20.5)        | 229,200          | (53.4)         | 448,100          | (88.6)        |
| Lease liabilities                                | 289,228          | 20.3         | 224,112          | 18.8          | 186,738          | 14.7          | (73,208)         | (22.5)        | 189,284          | -              | -                | -             |
| Debtors tax liability - net                      | -                | -            | -                | -             | 34,733           | (88.0)        | 54,167           | (88.0)        | 182,811          | (75.7)         | 208,018          | 44.6          |
| Other long term liability                        | 27,220           | (62.1)       | 124,882          | (55.8)        | 374,840          | (88.0)        | 626,158          | -             | -                | -              | -                | -             |
| Current liabilities                              | 4,228,618        | (17.8)       | 4,267,887        | 28.8          | 3,807,250        | 148           | 3,794,443        | 0.5           | 3,188,738        | (13.1)         | 3,893,148        | (8.8)         |
| <b>Total Equities and Liabilities</b>            | <b>8,168,096</b> | <b>(7.8)</b> | <b>8,862,178</b> | <b>(7.1)</b>  | <b>7,561,673</b> | <b>7.7</b>    | <b>7,822,436</b> | <b>30.3</b>   | <b>6,999,991</b> | <b>(3.5)</b>   | <b>6,596,814</b> | <b>2.0</b>    |
| <b>PROFIT AND LOSS ACCOUNT</b>                   |                  |              |                  |               |                  |               |                  |               |                  |                |                  |               |
| Turnover - net                                   | 15,281,947       | 9.8          | 14,162,473       | (9.2)         | 11,982,966       | 20.1          | 8,634,494        | 83.0          | 6,474,489        | (6.4)          | 6,953,877        | 20.2          |
| Cost of Sales                                    | (11,861,890)     | 6.8          | (11,196,348)     | 26.7          | (9,983,967)      | 30.1          | (6,844,271)      | 27.3          | (6,271,728)      | 1.1            | (6,321,210)      | (9.0)         |
| <b>Gross profit</b>                              | <b>3,419,557</b> | <b>21.3</b>  | <b>2,966,125</b> | <b>(13.3)</b> | <b>2,000,000</b> | <b>(21.0)</b> | <b>1,790,223</b> | <b>(19.9)</b> | <b>1,202,761</b> | <b>(32.6)</b>  | <b>1,632,667</b> | <b>(20.2)</b> |
| Selling and distribution Costs                   | (2,489,142)      | (16.8)       | (2,128,449)      | (32.9)        | (1,682,228)      | 14.8          | (1,394,823)      | 34.6          | (1,096,182)      | (11.7)         | (827,447)        | (20.8)        |
| Administrative Expenses                          | (327,527)        | 2.9          | (346,691)        | (6.1)         | (325,955)        | (16.2)        | (326,144)        | (10.0)        | (334,767)        | 2.0            | (353,918)        | (8.9)         |
| Miscellaneous / Reserve for expected credit loss | (23,273)         | (64.3)       | 5,189            | (100.4)       | (9,540)          | 20.4          | 18,721           | (100.0)       | (37,000)         | 41.0           | (7,208)          | (64.4)        |
| Other income                                     | 679,889          | 4.5          | 172,139          | (6.3)         | 181,189          | (54.8)        | 228,623          | (82.6)        | 43,989           | (75.5)         | 66,817           | (86.4)        |
| <b>Operating Profit / (Loss)</b>                 | <b>680,186</b>   | <b>37.3</b>  | <b>649,249</b>   | <b>(4.8)</b>  | <b>1,218,516</b> | <b>(22.1)</b> | <b>1,594,816</b> | <b>98.6</b>   | <b>(189,386)</b> | <b>(158.3)</b> | <b>482,518</b>   | <b>34.5</b>   |
| Finance costs                                    | (168,678)        | 2.6          | (165,674)        | (7.2)         | (115,848)        | 7.8           | (127,444)        | 23.4          | (87,878)         | (3.2)          | (85,840)         | (11.4)        |
| Other expenses                                   | (86,493)         | (43.2)       | (161,827)        | (61.4)        | (66,856)         | (23.3)        | (127,628)        | 2,475.4       | (6,344)          | (93.9)         | (13,368)         | (89.2)        |
| <b>Profit / (Loss) before taxation</b>           | <b>425,015</b>   | <b>98.1</b>  | <b>321,748</b>   | <b>(23.8)</b> | <b>1,035,812</b> | <b>(23.8)</b> | <b>1,460,744</b> | <b>816.3</b>  | <b>(203,518)</b> | <b>(175.4)</b> | <b>362,802</b>   | <b>(20.7)</b> |
| Taxation and Levy                                | (28,136)         | 7.2          | (24,804)         | (17.8)        | (50,407)         | (3.8)         | (24,264)         | 1,067.5       | (44,627)         | (27.5)         | (18,128)         | (16.8)        |
| <b>Profit / (Loss) after taxation</b>            | <b>396,879</b>   | <b>75.12</b> | <b>296,944</b>   | <b>(25.4)</b> | <b>985,405</b>   | <b>(14.2)</b> | <b>1,436,480</b> | <b>985.9</b>  | <b>(248,145)</b> | <b>(129.9)</b> | <b>344,674</b>   | <b>(20.5)</b> |



**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 T**

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

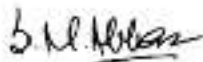


- b) H.R. and Remuneration Committee
- Mr. Feroze Jehangir Cawasji Chairman
  - Mr. Muhammad Salman Burney Member
  - Mr. Syed Masood Abbas Jaffery Member
  - Mrs. Farhana Mowjee Khan Member
13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee 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  |
|--|----------------|--|
| <p><u>Nomination Committee</u></p> <p>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.</p> | 29 (1)         | <p>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.</p> <p>The Board also actively monitors requirements regarding its structure, size and composition and</p> |

| Matters   | Regulation No. | Explanation  |
|---|----------------|--|
|   |                | timely reviews and adapts any necessary changes in that regard.  |
| <p><b><u>Risk Management Committee</u></b></p> <p>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.</p>   | 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. |
| <p><b><u>Environmental, Social and Governance (ESG) matters</u></b></p> <p>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.</p>   | 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.                                  |
| <p><b><u>Disclosure of significant policies on website</u></b></p> <p>The company may post the following on its website:</p> <p>(1) key elements of its significant policies on its website environmental, social and governance (ESG) related policy.</p> <p>(2) brief synopsis of terms of reference of the Board's committees</p> <p>(3) key elements of the directors' remuneration policy.</p> | 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.   |
| <p><b><u>Approval of Chief Financial Officer, Company Secretary and Head of Internal Audit</u></b></p> <p>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.</p>  | 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  |
| <p><b><u>Attendance at meeting</u></b></p> <p>The chief financial officer and company secretary or in their absence, the nominee appointed by the Board, shall attend all meetings of the Board.</p>  | 13             | As per the Minutes of 167 <sup>th</sup> 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



## 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 change 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    | <b>Turnover - Net</b><br>(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:<br><ul style="list-style-type: none"> <li>• Obtained understanding and evaluated the accounting policies and the Company's procedures with respect to revenue recognition.</li> <li>• Evaluated the design and tested the operating effectiveness of key internal controls involved in revenue recognition.</li> </ul> |





| S.No | Key audit matters   | How the matter were addressed in our audit   |
|------|---|--|
|      | <p>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.</p>   | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Tested on a sample basis, specific revenue transactions by inspecting underlying documentation including dispatch documents and sales invoices.</li> <li>• Performed analytical procedures over revenue transactions to identify trends and any unusual change in revenue for each segment.</li> <li>• 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.</li> <li>• Assessed the related disclosures made in the annexed financial statements in accordance with the requirements of the applicable financial reporting framework.</li> </ul> |
| 2    | <p><b>Valuation of stock-in-trade</b><br/>(Refer notes 6.7, and 13 of the annexed financial statements)</p>   |  |
|      | <p>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.</p> <p>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.</p> <p>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.</p> | <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>  |



| S.No | Key audit matters | How the matter were addressed in our audit   |
|------|-------------------|--|
|      |                   | <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Assessed the adequacy of the related disclosures in accordance with the applicable financial reporting framework.</li> </ul> |

## 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.



## 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.F. FERGUSON &amp; 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

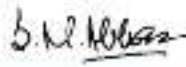
## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

|   | Note | 2024                         | 2023                    |
|---|------|------------------------------|-------------------------|
|   |      | ----- (Rupees in '000) ----- |                         |
| <b>ASSETS</b>   |      |                              |                         |
| <b>Non-current assets</b>                                       |      |                              |                         |
| Property, plant and equipment                                   | 7    | 2,880,148                    | 3,342,400               |
| Right-of-use assets   | 8    | 337,817                      | 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>        |
| <b>Current assets</b>   |      |                              |                         |
| 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>        |
| <b>TOTAL ASSETS</b>   |      | <u><b>8,160,696</b></u>      | <u><b>8,852,178</b></u> |
| <b>EQUITY AND LIABILITIES</b>                                   |      |                              |                         |
| <b>Share capital and reserves</b>                               |      |                              |                         |
| <b>Authorised capital</b>                                       |      |                              |                         |
| 240,000,000 (2023: 240,000,000) ordinary shares of Rs.5/- each  |      | <u>1,200,000</u>             | <u>1,200,000</u>        |
| <b>Share capital</b>  |      |                              |                         |
| Issued, subscribed and paid-up capital                          | 19   | 1,196,600                    | 1,196,600               |
| <b>Capital reserves</b>   |      |                              |                         |
| Share premium   |      | 449,215                      | 449,215                 |
| <b>Revenue reserves</b>   |      |                              |                         |
| Unappropriated profit   |      | 896,581                      | 576,416                 |
| General reserve   |      | 478,000                      | 478,000                 |
| <b>Total equity</b>   |      | <u>3,020,396</u>             | <u>2,700,231</u>        |
| <b>Non-current liabilities</b>                                  |      |                              |                         |
| 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>          |
| <b>Current liabilities</b>                                      |      |                              |                         |
| 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>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             |      | <u><b>8,160,696</b></u>      | <u><b>8,852,178</b></u> |
| <b>CONTINGENCIES AND COMMITMENTS</b>                            |      |                              |                         |
|   | 27   |                              |                         |

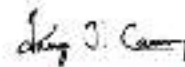
The annexed notes from 1 to 48 form an integral part of these financial statements.



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<br>-----Rupees in '000----- | 2023<br>Restated |
|---|------|----------------------------------|------------------|
| Turnover - net                                  | 28   | 15,581,047                       | 14,182,479       |
| Cost of sales                                   | 29   | (11,961,695)                     | (11,195,399)     |
| <b>Gross profit</b>                             |      | <b>3,619,352</b>                 | <b>2,987,080</b> |
| 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          |
| <b>Operating profit</b>                         |      | <b>890,108</b>                   | <b>648,248</b>   |
| Finance costs                                   | 33   | (198,630)                        | (193,674)        |
| Other expenses                                  | 34   | (85,183)                         | (150,057)        |
|   |      | (283,813)                        | (343,731)        |
| <b>Profit before taxation and levy</b>          |      | <b>606,295</b>                   | <b>304,517</b>   |
| Levy  | 35   | (8,853)                          | (10,374)         |
| <b>Profit before taxation</b>                   |      | <b>597,442</b>                   | <b>294,143</b>   |
| Taxation  | 35   | (277,277)                        | (256,530)        |
| <b>Profit for the year</b>                      |      | <b>320,165</b>                   | <b>37,613</b>    |
|   |      | -----Rupees-----                 |                  |
| Earnings per share - basic and diluted          | 36   | 1.34                             | 0.16             |

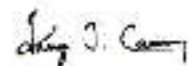
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Director

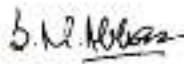
## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

|   | 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> |

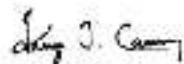
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Umair Ali Bhatti  
Chief Financial Officer



Syed Masood Abbas Jaffery  
Chief Executive Officer



Feroze Jehangir Cawasji  
Director

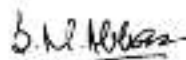
## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2024

|   | Reserves                               |                 |                  |                       |                | Total equity |
|---|--|-----------------|------------------|-----------------------|----------------|--------------|
|   | Issued, subscribed and paid-up capital | Capital reserve | Revenue reserves |                       | Total reserves |              |
|   |  | Share premium   | General reserve  | Unappropriated profit |                |              |
|   | (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    |

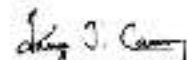
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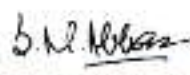
## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

| Note   | 2024<br>----- (Rupees in '000) ----- | 2023<br>Restated   |
|--|--------------------------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                                      |                    |
|  | 606,295                              | 304,517            |
| <b>Profit before taxation</b>  |                                      |                    |
| <b>Adjustments for non-cash and other items:</b>                     |                                      |                    |
| <b>Depreciation on</b>   |                                      |                    |
|  |                                      | 614,865            |
| 7.1  | 664,580                              |                    |
|  |                                      | 117,044            |
| 8.3  | 131,688                              |                    |
|  |                                      | 1,242              |
| 9  | 1,242                                |                    |
|  |                                      | 193,674            |
| 33   | 198,630                              |                    |
| <b>Finance costs</b>   |                                      |                    |
|  |                                      | (69,163)           |
| 32   | (59,018)                             |                    |
| <b>Dividend income on mutual funds</b>                               |                                      |                    |
|  |                                      | (5,168)            |
| 14.3   | 23,073                               |                    |
| <b>Allowance / (Reversal) for expected credit loss</b>               |                                      |                    |
|  |                                      | 29,471             |
| 12.1   | 26,033                               |                    |
| <b>Allowance for slow moving stores and spare parts</b>              |                                      |                    |
|  |                                      | 11,022             |
| 13.2   | 36,349                               |                    |
| <b>Unrealized gain on short-term investments - mutual fund units</b> |                                      |                    |
|  |                                      | (789)              |
| 32   | (356)                                |                    |
| <b>Amortisation of deferred income</b>                               |                                      |                    |
|  |                                      | (5,494)            |
| 32   | (6,540)                              |                    |
| <b>Gain on disposal of operating fixed assets</b>                    |                                      |                    |
|  |                                      | (870)              |
| 32   | (1,152)                              |                    |
|  | <u>1,014,529</u>                     | <u>885,835</u>     |
|  | 1,620,824                            | 1,190,362          |
| <b>Operating profit before working capital changes</b>               |                                      |                    |
| <b>(Increase) / decrease in assets</b>                               |                                      |                    |
| <b>Stores and spare parts</b>  |                                      |                    |
|  |                                      | (217,477)          |
|  | (118,741)                            |                    |
| <b>Stock-in-trade</b>  |                                      |                    |
|  |                                      | (485,480)          |
|  | (925,665)                            |                    |
| <b>Trade debts</b>   |                                      |                    |
|  |                                      | (231,758)          |
|  | (34,796)                             |                    |
| <b>Loans and advances</b>  |                                      |                    |
|  |                                      | 4,317              |
|  | (58,138)                             |                    |
| <b>Long-term security deposits</b>                                   |                                      |                    |
|  |                                      | 332                |
|  | (10,152)                             |                    |
| <b>Prepayments, deposits and other receivables</b>                   |                                      |                    |
|  |                                      | (101,465)          |
|  | 89,666                               |                    |
|  | <u>(1,057,816)</u>                   | <u>(1,031,531)</u> |
| <b>(Decrease) / Increase in liabilities</b>                          |                                      |                    |
| <b>Trade and other payables</b>                                      |                                      |                    |
|  |                                      | 1,133,265          |
|  | (955,282)                            |                    |
| <b>Sales tax payable</b>   |                                      |                    |
|  |                                      | (42,272)           |
|  | 53,326                               |                    |
|  | <u>(901,956)</u>                     | <u>1,090,993</u>   |
| <b>Cash (used in) / generated from operations</b>                    |                                      |                    |
|  |                                      | 1,249,814          |
|  | (338,948)                            |                    |
| <b>Income tax paid</b>   |                                      |                    |
|  |                                      | (428,163)          |
|  | (429,839)                            |                    |
| <b>Levies paid</b>   |                                      |                    |
|  |                                      | (10,374)           |
|  | (8,853)                              |                    |
| <b>Finance costs paid</b>  |                                      |                    |
|  |                                      | (117,104)          |
|  | (147,918)                            |                    |
|  | <u>(925,558)</u>                     | <u>694,173</u>     |
| <b>Net cash generated from operating activities</b>                  |                                      |                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                                      |                    |
| <b>Capital expenditure on property, plant and equipment</b>          |                                      |                    |
|  |                                      | (541,772)          |
|  | (210,402)                            |                    |
| <b>Proceeds from disposal of operating fixed assets</b>              |                                      |                    |
|  |                                      | 4,134              |
|  | 9,225                                |                    |
| <b>Short-term investments made during the year</b>                   |                                      |                    |
|  |                                      | (4,041,742)        |
|  | (2,699,644)                          |                    |
| <b>Short-term investments redeemed during the year</b>               |                                      |                    |
|  |                                      | 3,906,148          |
|  | 3,514,036                            |                    |
| <b>Dividend on mutual funds received</b>                             |                                      |                    |
|  |                                      | 69,163             |
|  | 59,018                               |                    |
|  | <u>672,233</u>                       | <u>(604,069)</u>   |
| <b>Net cash used in investing activities</b>                         |                                      |                    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |                                      |                    |
| <b>Long-term financing obtained during the year</b>                  |                                      |                    |
|  |                                      | 340,806            |
| 20.3   | -                                    |                    |
| <b>Repayment of long-term financing</b>                              |                                      |                    |
|  |                                      | (10,715)           |
| 20.3   | (53,649)                             |                    |
| <b>Repayment of lease liabilities</b>                                |                                      |                    |
|  |                                      | (110,737)          |
|  | (127,852)                            |                    |
| <b>Dividend paid</b>   |                                      |                    |
|  |                                      | (178,766)          |
| 39   | (346)                                |                    |
|  | <u>(191,847)</u>                     | <u>40,588</u>      |
| <b>Net cash generated (used in) / from financing activities</b>      |                                      |                    |
|  |                                      | 130,692            |
|  | (435,172)                            |                    |
| <b>Net (decrease) / Increase in cash and cash equivalents</b>        |                                      |                    |
|  |                                      | 590,856            |
|  | 721,548                              |                    |
| <b>Cash and cash equivalents at the beginning of the year</b>        |                                      |                    |
|  |                                      | 721,548            |
| 37   | <u>286,376</u>                       | <u>721,548</u>     |

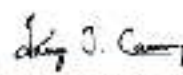
The annexed notes from 1 to 48 form an integral part of these financial statements.



Umair Ali Bhatti  
Chief Financial Officer



Syed Masood Abbas Jaffery  
Chief Executive Officer



Feroze Jehangir Cawasji  
Director

## 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) -----                                       |   |                                       |  |
| <b>EFFECT ON STATEMENT OF PROFIT OR LOSS</b>                       |   |                                       |  |
| <b>For the year ended June 30, 2024</b>                            |   |                                       |  |
| 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  |
| <b>For the year ended June 30, 2023</b>                            |   |                                       |  |
| 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 it, 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.

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

## 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)                       |               |                           |                     |                       |                  |                           |          |             |
| <b>Year ended June 30, 2024</b>        |               |                           |                     |                       |                  |                           |          |             |
| <b>Net carrying value basis</b>        |               |                           |                     |                       |                  |                           |          |             |
| 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             | -                     | 18,555           | 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)                   | (33,553) | (664,580)   |
| Closing net book value                 | 266,135       | 245,138                   | 2,040,320           | 249                   | 34,988           | 3,692                     | 140,901  | 2,731,423   |
| <b>Gross carrying value basis</b>      |               |                           |                     |                       |                  |                           |          |             |
| Cost                                   | 266,135       | 1,040,703                 | 7,595,384           | 24,310                | 108,801          | 25,904                    | 227,458  | 9,289,695   |
| Accumulated depreciation               | -             | (785,565)                 | (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   |
| <b>Depreciation rate per annum (%)</b> |               |                           |                     |                       |                  |                           |          |             |
|  | -             | 5 to 33                   | 5 to 33             | 20                    | 20 to 33         | 33 to 50                  | 20       |             |
| <b>Year ended June 30, 2023</b>        |               |                           |                     |                       |                  |                           |          |             |
| <b>Net carrying value basis</b>        |               |                           |                     |                       |                  |                           |          |             |
| Opening net book value                 | 266,135       | 361,527                   | 1,586,856           | 249                   | 26,964           | 4,006                     | 144,907  | 2,390,644   |
| Additions / transfers                  | -             | 8,673                     | 919,115             | -                     | 18,669           | 2,803                     | 20,294   | 970,554     |
| Disposals at net book value            | -             | -                         | -                   | -                     | -                | (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   |
| <b>Gross carrying value basis</b>      |               |                           |                     |                       |                  |                           |          |             |
| 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   |
| <b>Depreciation rate per annum (%)</b> |               |                           |                     |                       |                  |                           |          |             |
|  | -             | 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 Jatar | Ex-employee |
|---------|--------|-------|-------|-------|-------|-----------------------|---------------|-------------|

## 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)  |                          | (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           |
|---|------|--------------------------|----------------|
| <b>7.3 Depreciation charge for the year has been allocated as follows:</b>  |      | --- (Rupees in '000) --- |                |
| 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> |
| <b>7.4 Capital work-in-progress:</b>  |      |                          |                |
| Plant and machinery   |      | 148,339                  | 568,752        |
| Office equipment  |      | 388                      | 468            |
| Advance against vehicles  | 7.6  | -                        | 30,110         |
|   | 7.5  | <u>148,725</u>           | <u>599,330</u> |
| <b>7.5 Movement in capital work-in-progress is as follows:</b>  |      |                          |                |
| 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> |
| <b>7.6</b> 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) --- |                |
| <b>8. RIGHT-OF-USE ASSETS</b>   |      |                          |                |
| Cost  | 8.1  | 667,746                  | 610,311        |
| Accumulated depreciation  | 8.2  | (330,129)                | (283,111)      |
|   |      | <u>337,617</u>           | <u>327,200</u> |
| <b>8.1 Cost</b>   |      |                          |                |
| 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> |
| <b>8.2 Accumulated depreciation</b>   |      |                          |                |
| 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> |
| <b>Depreciation rate %</b>  |      | <u>11-67</u>             | <u>11-67</u>   |
| <b>8.3 Depreciation charge for the year has been allocated as follows:</b>  |      |                          |                |
| 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 Wall 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                 | 2023             |
|--|------|----------------------|------------------|
|  |      | — (Rupees in '000) — |                  |
| <b>11. DEFERRED TAX ASSET - net</b>  |      |                      |                  |
| 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>    |
| <b>12. STORES AND SPARE PARTS</b>  |      |                      |                  |
| 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>   |
| Provision for slow moving stores and spare parts   | 12.1 | <u>1,006,809</u>     | <u>888,068</u>   |
|  |      | <u>(185,165)</u>     | <u>(159,132)</u> |
|  |      | <u>821,644</u>       | <u>728,936</u>   |
| <b>12.1 Movement of provision for slow moving stores and spare parts:</b>  |      |                      |                  |
| 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>   |
| <b>13. STOCK-IN-TRADE</b>  |      |                      |                  |
| 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>2,097,064</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. |      |                      |                  |
| <b>13.2 Movement of provision for slow moving stock-in-trade:</b>  | Note | 2024                 | 2023             |
|  |      | — (Rupees in '000) — |                  |
| 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<br>— (Rupees in '000) — | 2023                  |
|--|--|------------------------------|-----------------------|
| <b>14. TRADE DEBTS</b>                                       |  |                              |                       |
| 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   | <u>(180,243)</u>             | <u>(157,975)</u>      |
|  |  | <u><u>423,681</u></u>        | <u><u>411,969</u></u> |
| <b>14.1</b>  | 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                   |
| <b>14.2</b>  | 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<br>— (Rupees in '000) — | 2023                  |
| <b>14.3</b>  | <b>Movement in allowance for expected credit loss:</b>   |                              |                       |
| 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                                  |  | <u>(805)</u>                 | <u>(14,576)</u>       |
| Balance at end of the year                                   |  | <u><u>180,243</u></u>        | <u><u>157,975</u></u> |
| <b>15. LOANS AND ADVANCES</b>                                |  |                              |                       |
| <b>Considered good</b>                                       |  |                              |                       |
| 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><u>104,668</u></u>        | <u><u>46,530</u></u>  |
| <b>15.1</b>  | 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. |                              |                       |
| <b>16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES</b>       | Note   | 2024<br>— (Rupees in '000) — | 2023                  |
| <b>Prepayments</b>   |  |                              |                       |
| 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>         |
| <b>Deposits</b>  |  |                              |                       |
| 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><u>27,107</u></u>         | <u><u>116,773</u></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                     | 2023             |
|---|------|--------------------------|------------------|
|   |      | --- (Rupees in '000) --- |                  |
| <b>17. SHORT-TERM INVESTMENTS</b>           |      |                          |                  |
| <b>At amortised cost</b>                    |      |                          |                  |
| 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>   |
| <b>At fair value through profit or loss</b> |      |                          |                  |
| 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         | 50.39  | 150,210                  | 259,807        |
| MCB Cash Management Optimizer Fund     | 1,500            | 1,193,426         | 101.87        | 101.46 | 153                      | 121,089        |
| 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                     | 2023           |
|-----------------------------------|------|--------------------------|----------------|
|                                   |      | --- (Rupees in '000) --- |                |
| <b>18. CASH AND BANK BALANCES</b> |      |                          |                |
| <b>Cash in hand</b>               |      | 7,188                    | 4,052          |
| <b>Cash at banks:</b>             |      |                          |                |
| 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                       | 2023           | Note | 2024                 | 2023             |
|----------------------------|----------------|------|----------------------|------------------|
| (Number of shares in '000) |                |      | — (Rupees in '000) — |                  |
| 199,627                    | 199,627        |      | 998,135              | 998,135          |
| 1,150                      | 1,150          |      | 5,750                | 5,750            |
| 38,543                     | 38,543         |      | 192,715              | 192,715          |
| <u>239,320</u>             | <u>239,320</u> |      | <u>1,196,600</u>     | <u>1,196,600</u> |

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

## 20. LONG-TERM FINANCING - SECURED

|   | Note        | 2024                 | 2023            |
|---|-------------|----------------------|-----------------|
|   |             | — (Rupees in '000) — |                 |
| 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 |             | <u>(66,775)</u>      | <u>(22,820)</u> |
|   |             | <u>494,102</u>       | <u>536,712</u>  |

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 instalments. The facility is secured against first pari passu hypothecation charge on fixed assets of the Company.

## 20.3 Movement of long-term financing:

|   | Note | 2024                 | 2023            |
|---|------|----------------------|-----------------|
|   |      | — (Rupees in '000) — |                 |
| 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              |      | <u>270,877</u>       | <u>269,532</u>  |
| Current maturity of long-term financing |      | <u>(30,525)</u>      | <u>(22,820)</u> |
|   |      | <u>240,352</u>       | <u>246,712</u>  |

## 21. DEFERRED 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          |    | <u>51,731</u>  | <u>82,588</u>  |
| Current maturity of deferred income |    | <u>(4,710)</u> | <u>(5,494)</u> |
|                                     |    | <u>47,021</u>  | <u>77,094</u>  |

|  | Note | 2024                 | 2023           |
|--|------|----------------------|----------------|
|  |      | — (Rupees in '000) — |                |
| <b>22. LEASE LIABILITIES</b>   |      |                      |                |
| 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> |
| <b>22.1 Movement of lease liabilities:</b>   |      |                      |                |
| 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> |
| <b>22.2</b> The maturity analysis of lease liabilities as at the statement of financial position date is as follows: |      |                      |                |
|  |      | 2024                 | 2023           |
|  |      | — (Rupees in '000) — |                |
| Up to one year   |      | 124,919              | 156,112        |
| After one year   |      | 269,558              | 224,112        |
| <b>Total lease liabilities</b>   |      | <u>394,477</u>       | <u>380,224</u> |
| <b>23. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE</b>  |      |                      |                |
| 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   |      | (828,952)            | (767,915)      |
|  |      | <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 instalments. 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 instalments instead of 24 monthly instalments.

The Company also filed a Suit with the Honorable High Court of Sindh (HCS) in September 2020 against collection of GIDC instalments, 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 instalments. The Company started making payments from November 2020 in 48 equal monthly instalments. However, the instalments 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 instalments instead of 48 equal instalments 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 instalments 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 instalments and the unpaid instalments from October 2021 to June 2024 are included in the current maturity of GIDC.

|   | Note | 2024<br>— (Rupees in '000) — | 2023             |
|---|------|------------------------------|------------------|
| <b>24. TRADE AND OTHER PAYABLES</b>   |      |                              |                  |
| 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> |
| <b>24.1 This includes payable due to the following related parties:</b>   |      |                              |                  |
| Thal Limited  |      | 25,959                       | 46,508           |
| Habib Insurance   |      | 13,207                       | 8,587            |
| <b>24.2</b> It includes accrual for leave encashment of Rs. 11.250 million (2023: Rs. 16.434 million) and bonus of Rs. 26.967 million (2023: Rs. 81.945 million).                   |      |                              |                  |
| <b>24.3</b> 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. |      |                              |                  |
| <b>24.4</b> 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                         | 2023             |
|   |      | — (Rupees in '000) —         |                  |
| <b>24.5 Workers' Profit Participation Fund</b>  |      |                              |                  |
| Balance at beginning of the year  |      | 5,527                        | 48,191           |
| Allocation for the year   |      | 26,800                       | 10,527           |
|   |      | <u>32,327</u>                | <u>58,718</u>    |
| Payment made during the year  |      | (5,527)                      | (53,191)         |
| Balance at end of the year  |      | <u>26,800</u>                | <u>5,527</u>     |
| <b>24.6 Workers' Welfare Fund</b>   |      |                              |                  |
| Balance at beginning of the year  |      | 42,799                       | 47,256           |
| Allocation for the year   |      | 19,000                       | 16,607           |
|   |      | <u>61,799</u>                | <u>63,863</u>    |
| Payment made during the year  |      | (7,469)                      | (21,064)         |
| Balance at end of the year  |      | <u>54,330</u>                | <u>42,799</u>    |
| <b>25. UNPAID DIVIDEND / UNCLAIMED DIVIDEND</b>   |      |                              |                  |
| 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. 9.62 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) --- |                  |
| Sul 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   |      | 171,261                  | 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>  |
| <b>Less: Sales Tax</b>      |      |                    |                    |
| Manufacturing               |      | (3,081,720)        | (2,726,310)        |
| Trading                     |      | (3,052)            | (14,369)           |
|                             |      | <u>(3,084,772)</u> | <u>(2,740,679)</u> |
| <b>Less: Trade discount</b> |      |                    |                    |
| Manufacturing               |      | (1,268,928)        | (1,366,989)        |
| Trading                     |      | -                  | (6)                |
|                             |      | <u>(1,268,928)</u> | <u>(1,366,995)</u> |
| <b>Less: Sales Return</b>   |      |                    |                    |
| Manufacturing               |      | (290,183)          | (201,825)          |
| Trading                     |      | -                  | -                  |
|                             |      | <u>(290,183)</u>   | <u>(201,825)</u>   |
| <b>Net Local Turnover</b>   |      |                    |                    |
| Manufacturing               |      | 15,564,093         | 14,099,429         |
| Trading                     |      | 16,954             | 83,050             |
|                             | 28.1 | <u>15,581,047</u>  | <u>14,182,479</u>  |

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<br>--- (Rupees in '000) --- | 2023              |
|--|--------|----------------------------------|-------------------|
| <b>29 COST OF SALES</b>                          |        |                                  |                   |
| 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> |
| <b>29.1 Cost of sales - manufacturing</b>        |        |                                  |                   |
| <b>Raw and packing materials consumed</b>        |        |                                  |                   |
| 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>  |
| <b>Manufacturing expenses</b>                    |        |                                  |                   |
| 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                          | 690,285           |
| - 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                                   |        | 12,660                           | 8,157             |
| Legal and professional charges                   |        | 4,063                            | 4,628             |
| Others   |        | 3,131                            | 785               |
|  |        | <u>6,688,871</u>                 | <u>6,148,523</u>  |
| <b>Work-in-process</b>                           |        |                                  |                   |
| 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> |
| <b>Finished goods</b>                            |        |                                  |                   |
| 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<br>--- (Rupees in '000) --- | 2023          |
|-------------------------------------|------|----------------------------------|---------------|
| <b>29.2 Cost of sales - trading</b> |      |                                  |               |
| 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                 | 2023             |
|--|------|----------------------|------------------|
|  |      | — (Rupees in '000) — |                  |
| <b>30. SELLING AND DISTRIBUTION EXPENSES</b> |      |                      |                  |
| 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                 | 2023           |
|--|------|----------------------|----------------|
|  |      | — (Rupees in '000) — |                |
| <b>31. ADMINISTRATIVE EXPENSES</b>     |      |                      |                |
| 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                 | 2023         |
|------------------------------------|----------------------|--------------|
|                                    | — (Rupees in '000) — |              |
| <b>31.2 Auditors' remuneration</b> |                      |              |
| 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                     | 2023           |
|---|--|--------------------------|----------------|
|   |  | --- (Rupees in '000) --- |                |
| <b>32. OTHER INCOME</b>                                       |  |                          |                |
| <b>Income from financial assets</b>                           |  |                          |                |
| 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> |
| <b>Income from non-financial assets</b>                       |  |                          |                |
| 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.   |                          |                |
| <b>33. FINANCE COSTS</b>                                      | Note   | 2024                     | 2023           |
|   |  | --- (Rupees in '000) --- |                |
| 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> |
| <b>34. OTHER EXPENSES</b>                                     |  |                          |                |
| 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                     | 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. |                          |                |
| <b>35. LEVY AND TAXATION</b>                                  | Note   | 2024                     | 2023           |
|   |  | --- (Rupees in '000) --- |                |
| Levy  | 35.1   | 8,653                    | 10,374         |
| <b>Taxation</b>   |  |                          |                |
| 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           |
|------|------|--------------------------|----------------|
| 35.2 |      | --- (Rupees in '000) --- |                |
|      |      | 606,295                  | 304,517        |
|      |      | 236,455                  | 118,762        |
|      |      | 6,565                    | 185,449        |
|      |      | (8,733)                  | (13,021)       |
|      |      | (1,726)                  | (3,042)        |
|      |      | 53,569                   | (21,244)       |
|      |      | <u>286,130</u>           | <u>266,904</u> |

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.

|     | Note | 2024    | 2023    |
|-----|------|---------|---------|
| 36. |      |         |         |
|     |      | 320,165 | 37,613  |
|     |      | 239,320 | 239,320 |
|     | 36.1 | 1.34    | 0.16    |

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

|     | Note | 2024           | 2023           |
|-----|------|----------------|----------------|
| 37. |      |                |                |
|     | 18   | 286,376        | 404,639        |
|     | 17   | -              | 220,000        |
|     |      | -              | 96,909         |
|     |      | <u>286,376</u> | <u>721,548</u> |

### 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 minimize 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,<br>2024  | June 30,<br>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>985,518</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<br>Total  | 2023<br>Total  |
|-------------------------------------|---------------------------|---------------|---------------|---------------|----------------|----------------|
|                                     | 01 to 30 days             | 31 to 60 days | 61 to 90 days | over 90 days  |                |                |
| (Rupees in '000)                    |                           |               |               |               |                |                |
| Due from related parties            | 160                       | 941           | 1,191         | 234           | 7              | 2,533          |
| Other parties                       | 192,962                   | 62,589        | 81,233        | 38,474        | 226,113        | 601,391        |
| <b>Total</b>                        | <b>193,142</b>            | <b>63,530</b> | <b>82,424</b> | <b>38,708</b> | <b>226,120</b> | <b>603,924</b> |
| Expected credit loss                | 1,400                     | 1,906         | 3,837         | 2,824         | 170,276        | 180,243        |
| Expected credit loss effective rate | 1%                        | 3%            | 5%            | 7%            | 75%            | 30%            |

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 | Amount of bank balances | % of total balances | % of total balances |
| Allied Bank Limited             | PA CRA        | A-1+ / AAA | 5,603                   | 11,921                  | 2.01%               | 2.95%               |
| Askari Bank Limited             | PA CRA        | A-1+ / AA+ | 10,651                  | 14,549                  | 3.81%               | 3.63%               |
| Bank Alfalah Limited            | PA CRA        | A-1+ / AAA | 72,814                  | 23,272                  | 26.08%              | 5.81%               |
| Bank-AH-Habib Limited           | PA CRA        | A-1+ / AAA | 19,483                  | 20,809                  | 6.98%               | 5.19%               |
| Faysal Bank Limited             | PA CRA        | 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 | PA CRA        | A-1+ / AA+ | 20,419                  | 216,777                 | 7.32%               | 54.12%              |
| MCB Bank Limited                | PA CRA        | A-1+ / AAA | 8,755                   | 26,473                  | 3.14%               | 6.61%               |
| JS Bank Limited                 | PA CRA        | 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%               |
|                                 |               |            | <b>279,188</b>          | <b>400,587</b>          | <b>100.00%</b>      | <b>100.00%</b>      |

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 Aif Habib Cash Management Optimizer | PA CRA        | AA+(f)  | 0.10%               | 12.56%              |
| UBL Liquidity Plus Fund                 | JCR VIS       | AA+(f)  | 0.00%               | 6.04%               |
| HBL Cash Fund                           | JCR VIS       | AA+(f)  | 0.00%               | 16.34%              |
| Alfalah GHP Money Market Fund           | PA CRA        | AA+(f)  | 0.00%               | 21.92%              |
| Pakistan Cash Management Fund           | PA CRA        | AA+(f)  | 99.90%              | 26.94%              |
| NBP Money Market Fund                   | PA CRA        | AA(f)   | 0.00%               | 16.20%              |
|   |               |         | <b>100.00%</b>      | <b>100.00%</b>      |

### 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 | <u>3,561,519</u>         | <u>3,314,037</u> |
| Gearing ratio          | <u>15.19%</u>            | <u>18.52%</u>    |

### 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

##### Amortised cost

Long-term security deposits - - - - - 41,968 41,968 41,968

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 - - 136,449 142,738 - - 142,738 279,188

192,449 - - 192,449 299,102 442,668 41,968 777,739 870,189

#### Financial liabilities

##### Amortised cost

Lease liabilities - 124,919 269,558 394,477 - - - 394,477

Long-term financing - 66,775 484,102 560,877 - - - 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 2,155,867 - 2,162,466 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 | - | - | - | - | 864,387 | - | - | 864,387 | 864,387 |
|--|---|---|---|---|---------|---|---|---------|---------|

**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                    | 218,114        | -        | -        | 218,114        | 181,473          | -              | -             | 181,473          | 400,587          |
|   | <u>592,023</u> | <u>-</u> | <u>-</u> | <u>592,023</u> | <u>1,143,870</u> | <u>428,950</u> | <u>31,817</u> | <u>1,606,637</u> | <u>2,198,660</u> |

**Financial liabilities****Amortised cost**

|                          |          |                |                |                |              |                  |          |                  |                  |
|--------------------------|----------|----------------|----------------|----------------|--------------|------------------|----------|------------------|------------------|
| Lease liabilities        | -        | 156,112        | 224,112        | 380,224        | -            | -                | -        | -                | 380,224          |
| Long-term financing      | -        | 22,820         | 536,712        | 558,532        | -            | -                | -        | -                | 558,532          |
| Accrued mark-up          | -        | -              | -              | -              | -            | 20,394           | -        | 20,394           | 20,394           |
| 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            |
|                          | <u>-</u> | <u>178,932</u> | <u>760,824</u> | <u>938,756</u> | <u>6,945</u> | <u>3,377,416</u> | <u>-</u> | <u>3,384,361</u> | <u>4,324,117</u> |

**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 |
|----------------------------------|-------|---------|---------|

**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)        |
|                                    | <u>(346)</u> | <u>(184,079)</u> | <u>(53,649)</u> |

**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                 | -        | -              | -             |
|   | <u>-</u> | <u>198,332</u> | <u>24,137</u> |

|                            |              |                |                |
|----------------------------|--------------|----------------|----------------|
| Balance at end of the year | <u>6,599</u> | <u>394,477</u> | <u>612,608</u> |
|----------------------------|--------------|----------------|----------------|

|   | 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           | 296,302                                       |
| Changes from financing cash flows         |                             |                   |   |
| Dividend paid during the year             | (178,766)                   | -                 | -   |
| Financing obtained during the year        | -                           | -                 | 340,806                                       |
| Payments made during the year             | -                           | (159,988)         | (10,715)                                      |
|   | (178,766)                   | (159,988)         | 330,091                                       |
| <b>Other changes</b>                      |                             |                   |   |
| Dividend declared during the year         | 179,490                     | -                 | -   |
| Remeasurement of lease liabilities        | -                           | 1,941             | -   |
| Unwinding of finance cost during the year | -                           | 49,251            | 21,221  |
| Amortization of deferred income           | -                           | -                 | (5,494)                                       |
| Additions during the year                 | -                           | 178,940           | -   |
| Disposal during the year                  | -                           | -                 | -   |
|   | 179,490                     | 230,132           | 15,727  |
| <b>Balance at end of the year</b>         | <b>6,945</b>                | <b>380,224</b>    | <b>642,120</b>                                |

#### 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) --- |               |
| <b>Associated companies / other related parties</b>                              |                          |               |
| 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                      | -             |
| <b>Key management personnel</b>  |                          |               |
| Remuneration and other benefits of Chief Financial Officer and Company Secretary | 31,664                   | 43,208        |
| <b>Staff retirement benefits</b>   |                          |               |
| 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  |
| Agraulo Industries Limited                                  | Common Directorship       | N/A  |
| Agraulo 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  |
| Shabir 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 (level 1);
- 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 ) -----                             |      |         |           |         |                  |
| <b>Assets</b>  |      |         |           |         |                  |
| - Investments carried at fair value through profit or loss | 17   | -       | 150,363   | -       | <u>150,363</u>   |
| <b>2023</b>  |      |         |           |         |                  |
| ----- ( Rupees in '000 ) -----                             |      |         |           |         |                  |
| <b>Assets</b>  |      |         |           |         |                  |
| - Investments carried at fair value through profit or loss | 17   | -       | 1,061,306 | -       | <u>1,061,306</u> |

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.

|   |                          |             |
|---|--------------------------|-------------|
| <b>43. PLANT CAPACITY AND ACTUAL PRODUCTION</b> | <b>2024</b>              | <b>2023</b> |
|   | — (million sq. meters) — |             |
| 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 Rs. 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.

|   |             |             |
|---|-------------|-------------|
| <b>45. NUMBER OF EMPLOYEES</b>              | <b>2024</b> | <b>2023</b> |
| 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 12.96% 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.

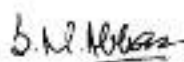
47.2 Certain prior year's figures have been reclassified for better presentation, wherever necessary. However, there are no material reclassifications to report other than those disclosed in note 4.1 of these financial statements.

**48. DATE OF AUTHORISATION FOR ISSUE**

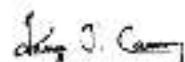
These financial statements were authorized for issue on September 6, 2024 by the Board of Directors of the Company.



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    |
|---|--------------|--------------------|---------------|
| <b>DIRECTORS AND THEIR SPOUSE (S) AND CHILDREN</b>            |              |                    |               |
| 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          |
| <b>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b> |              |                    |               |
| Thal Limited  | 1            | 3,121,549          | 1.30          |
| <b>PUBLIC SECTOR COMPANIES AND CORPORATIONS</b>               | 2            | 3,555              | 0.00          |
| <b>INSURANCE COMPANIES</b>                                    | 4            | 5,342,297          | 2.23          |
| <b>MODARABAS AND MUTUAL FUNDS</b>                             | 14           | 35,972,184         | 15.03         |
| <b>GENERAL PUBLIC</b>   |              |                    |               |
| a. Local  | 3150         | 41,340,151         | 17.27         |
| b. Foreign  | 28           | 171,335            | 0.07          |
| <b>FOREIGN COMPANIES</b>                                      | 21           | 131,167,292        | 54.81         |
| <b>OTHERS</b>   | 53           | 14,822,994         | 6.19          |
| <b>Totals</b>   | <b>3283</b>  | <b>239,320,475</b> | <b>100.00</b> |

| 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                 | 290001 to          | to | 295000  | 293,243           |
| 4                 | 295001 to          | to | 300000  | 1,200,000         |
| 1                 | 300001 to          | to | 305000  | 303,000           |
| 1                 | 320001 to          | to | 325000  | 320,763           |
| 1                 | 325001 to          | to | 330000  | 329,137           |
| 1                 | 335001 to          | to | 340000  | 339,433           |
| 2                 | 345001 to          | to | 350000  | 692,952           |
| 1                 | 365001 to          | to | 370000  | 370,000           |
| 1                 | 395001 to          | to | 400000  | 400,000           |
| 1                 | 400001 to          | to | 405000  | 401,000           |
| 1                 | 430001 to          | to | 435000  | 433,500           |
| 1                 | 440001 to          | to | 445000  | 441,558           |
| 1                 | 465001 to          | to | 470000  | 466,500           |
| 1                 | 495001 to          | to | 500000  | 500,000           |
| 1                 | 505001 to          | to | 510000  | 510,000           |
| 2                 | 515001 to          | to | 520000  | 1,039,714         |
| 1                 | 545001 to          | to | 550000  | 550,000           |
| 1                 | 550001 to          | to | 555000  | 552,000           |
| 1                 | 595001 to          | to | 600000  | 600,000           |
| 2                 | 655001 to          | to | 660000  | 1,316,660         |
| 1                 | 660001 to          | to | 665000  | 663,594           |
| 1                 | 710001 to          | to | 715000  | 714,500           |
| 1                 | 725001 to          | to | 730000  | 726,000           |
| 1                 | 745001 to          | to | 750000  | 750,000           |
| 1                 | 775001 to          | to | 780000  | 779,500           |
| 1                 | 780001 to          | to | 785000  | 781,774           |
| 1                 | 840001 to          | to | 845000  | 841,500           |
| 1                 | 935001 to          | to | 940000  | 938,500           |
| 1                 | 955001 to          | to | 960000  | 957,009           |
| 1                 | 995001 to          | to | 1000000 | 1,000,000         |
| 1                 | 1035001 to         | to | 1040000 | 1,039,428         |
| 1                 | 1050001 to         | to | 1055000 | 1,051,500         |
| 1                 | 1070001 to         | to | 1075000 | 1,073,000         |
| 1                 | 1120001 to         | to | 1125000 | 1,122,631         |
| 1                 | 1135001 to         | to | 1140000 | 1,139,322         |
| 1                 | 1155001 to         | to | 1160000 | 1,159,000         |
| 1                 | 1255001 to         | to | 1260000 | 1,256,500         |
| 1                 | 1375001 to         | to | 1380000 | 1,377,752         |
| 1                 | 1380001 to         | to | 1385000 | 1,380,500         |
| 1                 | 1470001 to         | to | 1475000 | 1,474,000         |
| 1                 | 1555001 to         | to | 1560000 | 1,559,142         |
| 1                 | 1675001 to         | to | 1680000 | 1,675,695         |
| 1                 | 1975001 to         | 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         |
| <b>3283</b>       |                    |    |          | <b>239,320,475</b> |



**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, 24<sup>th</sup> day of October, 2024 and at any adjournment  
thereof.

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

|                              |                              |
|------------------------------|------------------------------|
| Witness _____<br>(Signature) | Witness _____<br>(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, 15<sup>th</sup> 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

15<sup>th</sup> Milestone,  
National Highway,  
Landhi Industrial Area,  
Karachi-75120  
Phone: +92-21-38183610-13  
Website: [www.stile.com.pk](http://www.stile.com.pk)  
Email: [info@stile.com.pk](mailto:info@stile.com.pk)