

Shabbir Tiles and Ceramics Limited

2025
annual report



Shabbir Tiles and Ceramics Limited
remembers with reverence our
Chairman. Who built with vision
and led with grace.

Rafiq M. Habib
(1937 - 2025)



The House of Habib mourns the profound loss of our **Founding Chairman, Rafiq M. Habib**, who passed away on September 3rd 2025.

A visionary in every sense, Rafiq M. Habib built the foundation of our Group with quiet determination, boundless enterprise, and an unwavering belief in the power of purpose-driven work. Many of the businesses that now form the backbone of House of Habib were brought to life through his dedication, foresight, and tireless effort.

Yet beyond his remarkable achievements, what truly set him apart was his humility. A gentle, calm, and grounded soul, he led not from a place of authority, but from a place of values – always approachable, always principled. His presence was a source of strength and reassurance for all who knew him.

He was a firm believer in the power of education as a force for change, Rafiq M. Habib dedicated much of his life to uplifting the underprivileged. His quiet yet impactful philanthropic efforts opened doors for countless young minds, embodying his conviction that true progress lies in empowering others.

His compassion and generosity knew no bounds, always guided by a belief that success carries with it a duty to serve.

As we grieve this profound loss, we also honour a life lived, rooted in integrity, purpose, and unwavering commitment. The values he instilled – of honesty, humility, and integrity – remain the bedrock of our organisation, and will continue to guide us forward.

We extend our heartfelt condolences to his family and loved ones, and we invite all who were touched by his life to join us in honoring his memory.

From all the employees and companies of House of Habib.

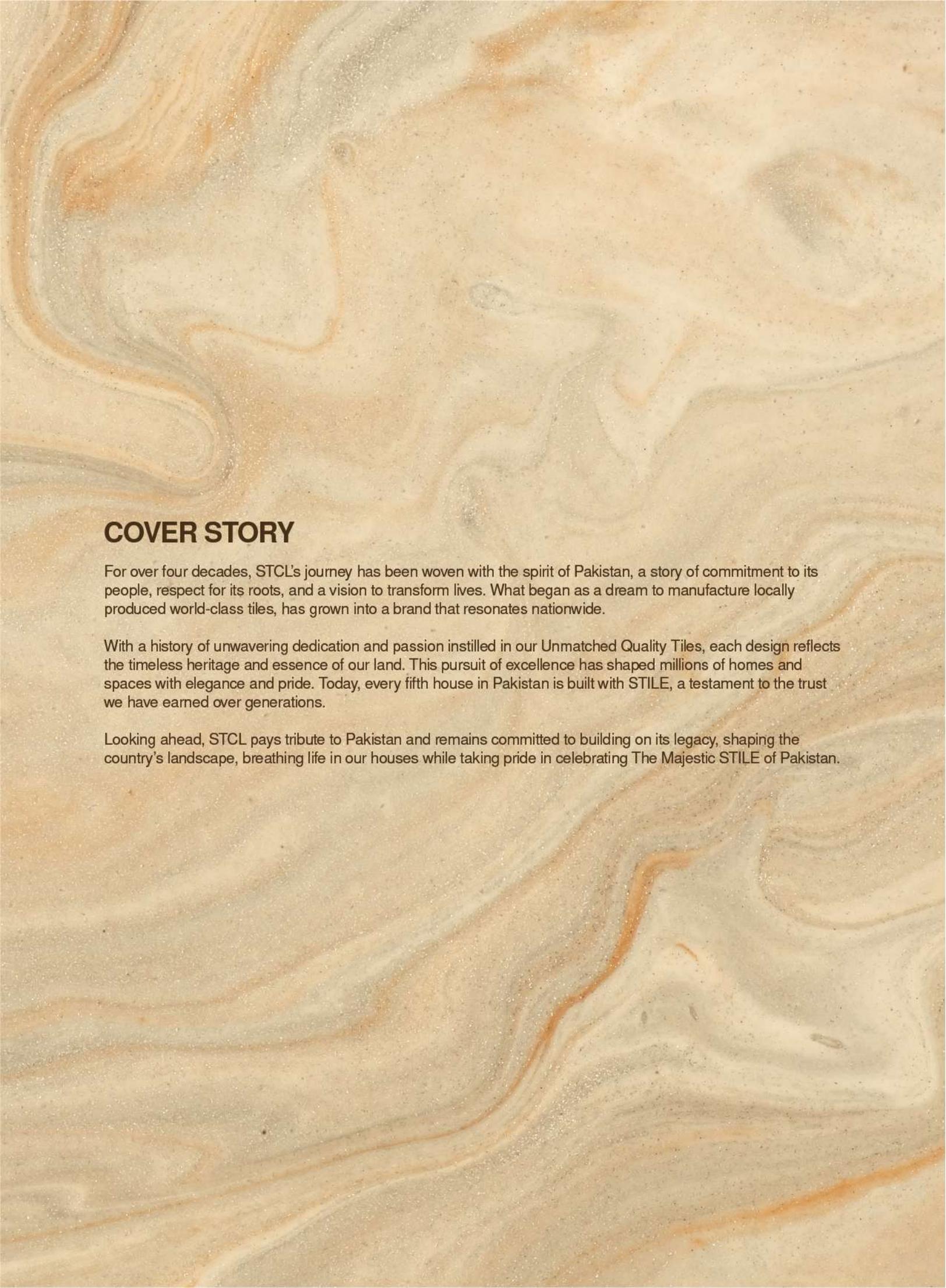
Please say a prayer for him and may God grant him the highest place in Jannat ul Firdous.



Unmatched Quality Tiles



THE
MAJESTIC
STILE OF PAKISTAN



COVER STORY

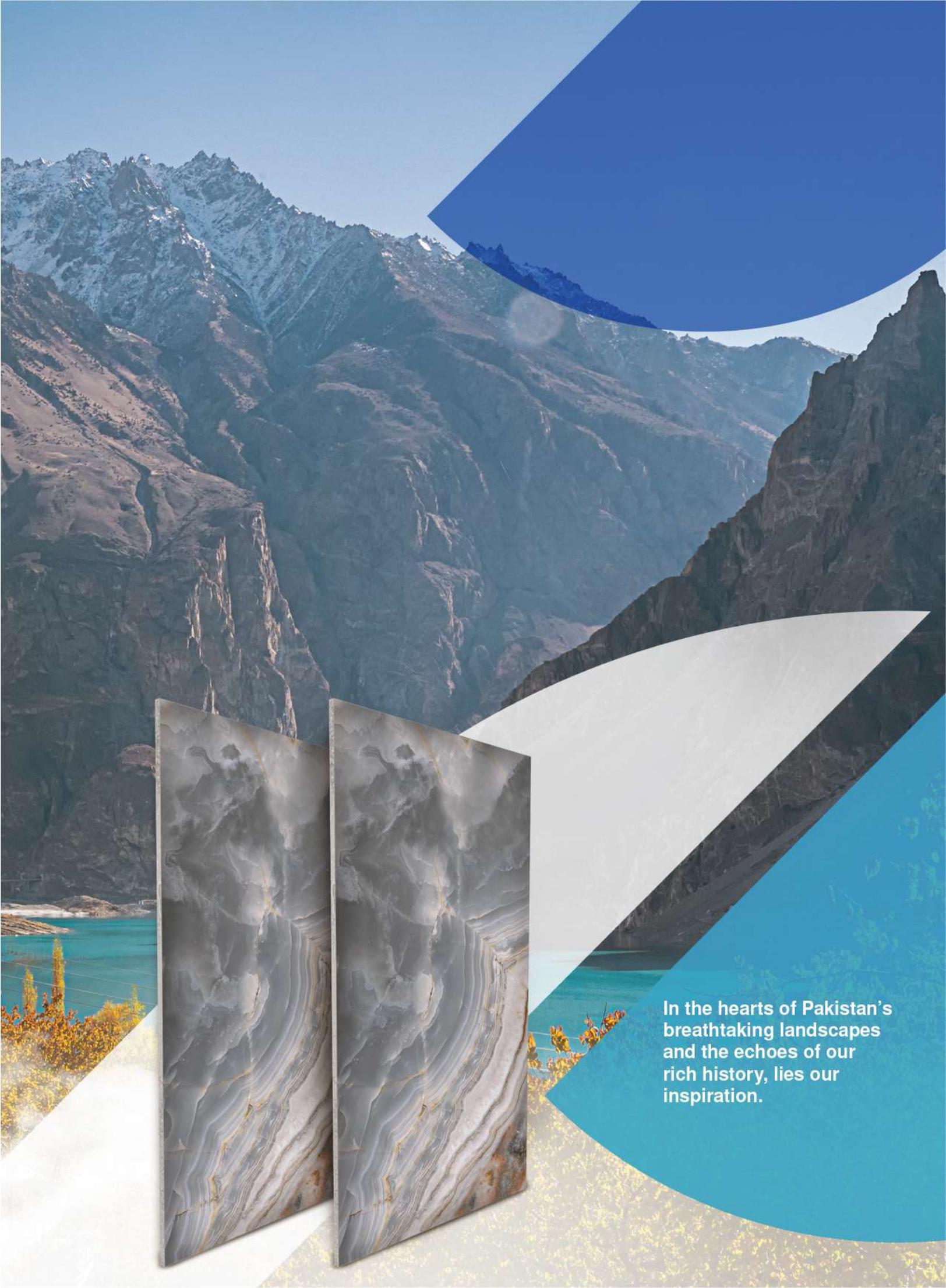
For over four decades, STCL's journey has been woven with the spirit of Pakistan, a story of commitment to its people, respect for its roots, and a vision to transform lives. What began as a dream to manufacture locally produced world-class tiles, has grown into a brand that resonates nationwide.

With a history of unwavering dedication and passion instilled in our Unmatched Quality Tiles, each design reflects the timeless heritage and essence of our land. This pursuit of excellence has shaped millions of homes and spaces with elegance and pride. Today, every fifth house in Pakistan is built with STILE, a testament to the trust we have earned over generations.

Looking ahead, STCL pays tribute to Pakistan and remains committed to building on its legacy, shaping the country's landscape, breathing life in our houses while taking pride in celebrating The Majestic STILE of Pakistan.



ATTABAD LAKE, GILGIT-BALTISTAN



In the hearts of Pakistan's breathtaking landscapes and the echoes of our rich history, lies our inspiration.

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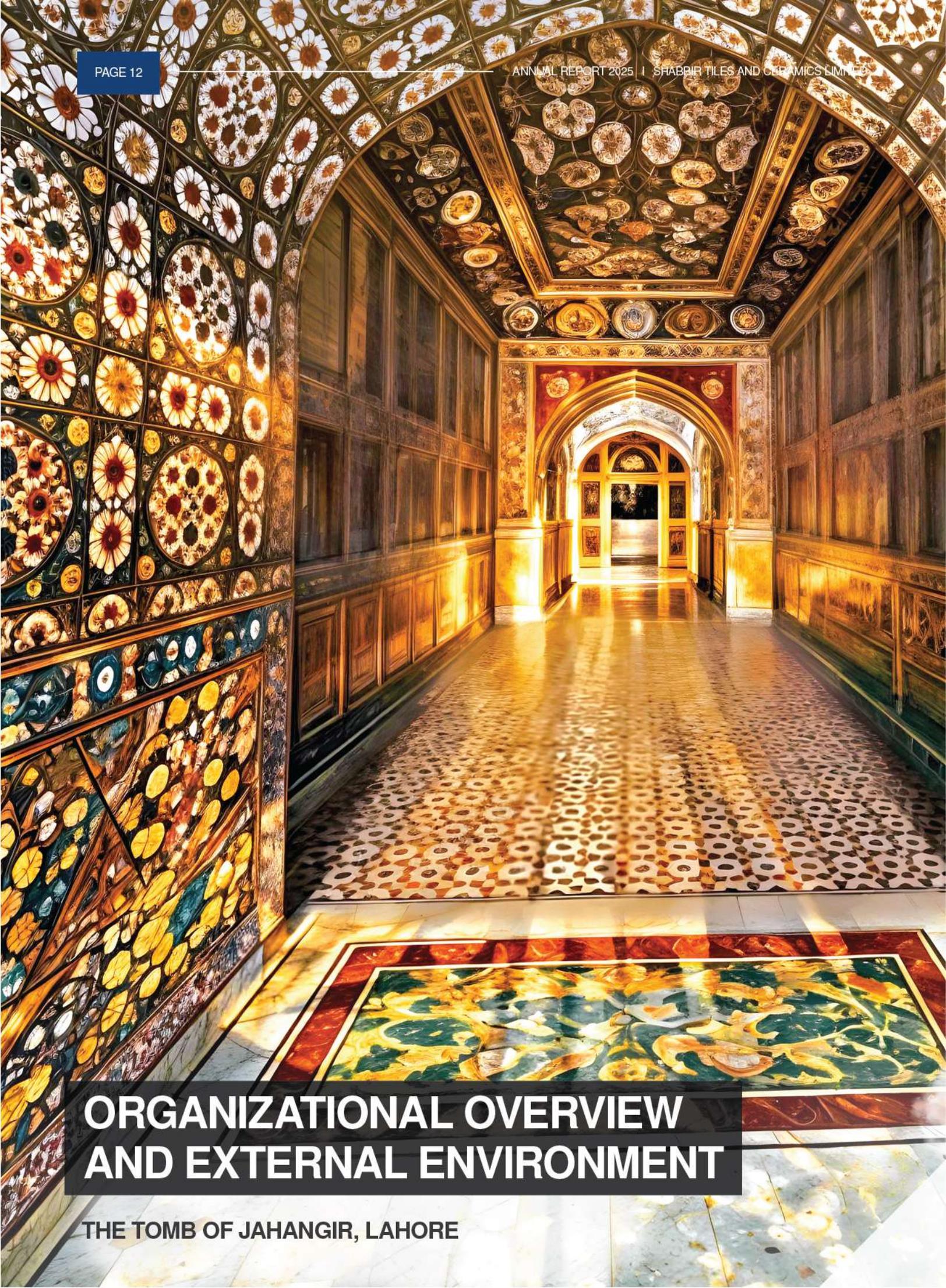
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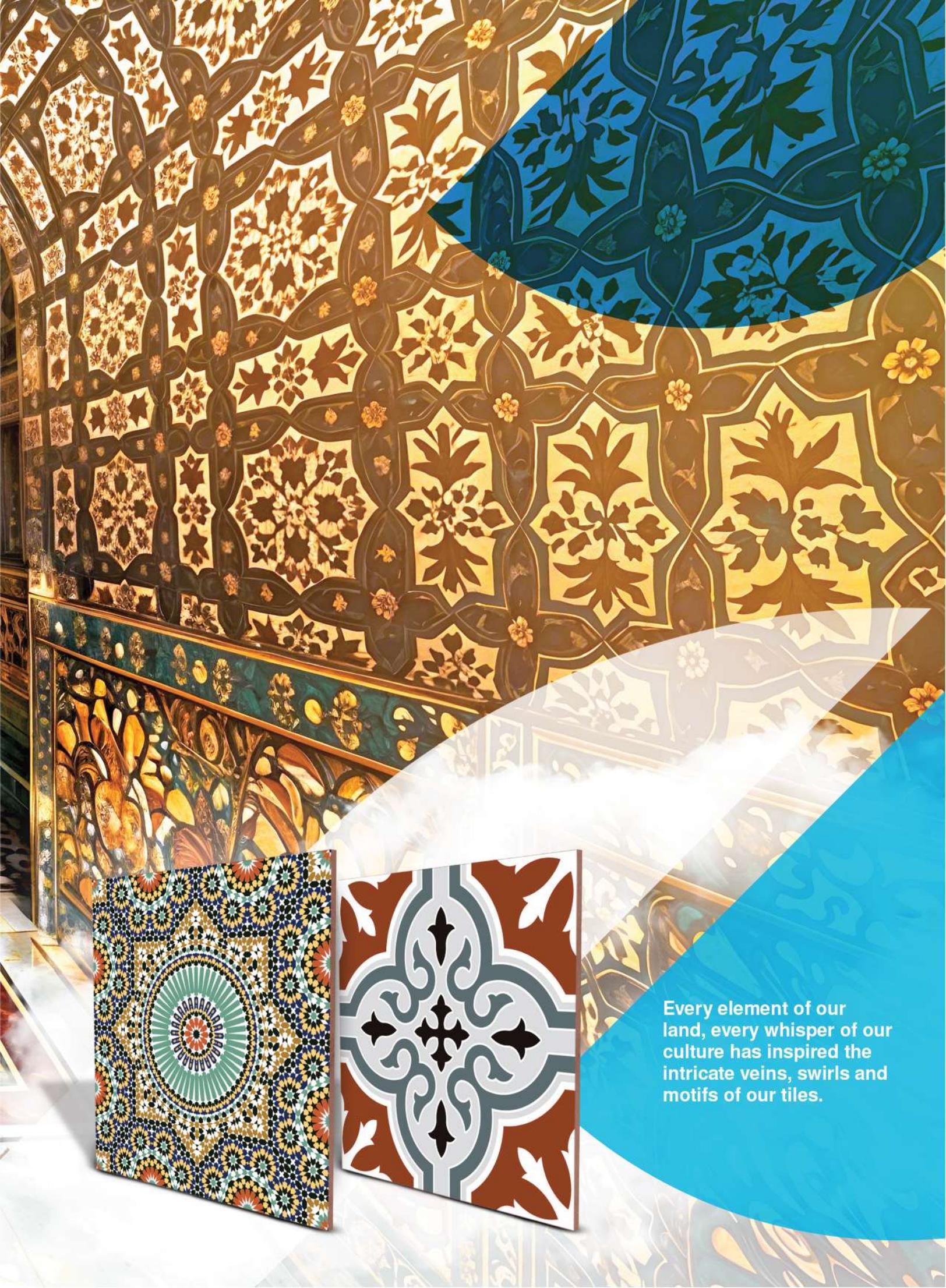
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ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

THE TOMB OF JAHANGIR, LAHORE



Every element of our land, every whisper of our culture has inspired the intricate veins, swirls and motifs of our tiles.

MISSION

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

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

VISION

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

CORE VALUES

Shabbir Tiles and Ceramics Limited (STCL) upholds high standards of integrity and ethical conduct in alignment with the values of House of Habib (HOH). Our values include:



Humility & Respect

Responsibility of tolerance lies in those who have the wider vision.



Justice & Integrity

Success on any major scale requires you to accept responsibility. In the final analysis, the one quality that all successful people have is the ability to take responsibility.



Entrepreneurship

Some men see things as they are and say "Why"? We dreamed things that never were and said "Why not"?



Teamwork

No one can whistle a symphony. It takes an orchestra to play it.



Cleanliness /5S

The body is the shell of the soul, and dress the husk of that shell; but the husk often tells what the kernel is.



Optimum Use of Resources

You get the best out of others when you give the best of yourself.

CODE OF CONDUCT

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

INTEGRITY AND TRANSPARENCY

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

PROFESSIONAL WORKPLACE

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

COMPANY IMAGE

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

CONFLICT OF INTEREST

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

CONFIDENTIAL INFORMATION

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

GIFTS

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

INTELLECTUAL PROPERTY

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

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

EXTERNAL BUSINESS AND RESOURCES

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

POLITICAL ACTIVITY

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

FINANCIAL INTEGRITY

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

HEALTH AND SAFETY

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

ENVIRONMENT

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

HANDLING VIOLATIONS

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

LEGAL PROCEEDINGS

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



PROFILE OF THE COMPANY

SHEESH MAHAL, LAHORE



The ornate details of our tiles echo the stories of timeless legacies.

OUR CULTURE

STCL's culture emphasizes teamwork, collaboration, and inclusivity. We value diversity & have built an environment where top management follows an open-door policy.

Employees' development and career progression is at the forefront of our organizational goals hence, we pay keen focus and actively encourage continuous on-the-job trainings. We believe in the power of work-life balance & a positive workplace culture, this leads to enhanced productivity, high performance, and a commitment to excellence. Our ONE FORCE has supported us in our vision to foster a thriving workplace culture that encourages growth and empowerment.

OWNERSHIP AND OPERATING STRUCTURE

Founded in 1978 by one of Pakistan's largest conglomerate - House of Habib, Shabbir Tiles and Ceramics Limited (STCL) is the pioneer and first private sector enterprise in the ceramic industry of Pakistan, listed at Pakistan Stock Exchange.

Our company brand "STILE" enjoys the leading position in the tile industry of Pakistan. With a heritage of over 45 years in the tile industry, STILE is the only brand of Pakistan that has been tested & certified for meeting ISO and European Quality Standards by Centro Ceramico, Italy.

We stay ahead of the curve by keeping up with the latest developments and advancements in our field. Our commitment to Research & Development drives continuous innovation, enabling us to develop cutting-edge products. As leaders in the production of real Porcelain tiles & having received European quality standards certifications, we have set the standard for quality and excellence in the market.

MANUFACTURING FACILITIES

Our 3 state-of-the-art plants based in Karachi, employ the latest Italian technologies to manufacture premium quality Porcelain, Vitrified & Ceramic wall and floor tiles, conforming to international standards.

We have 4 manufacturing facilities for our building materials where we produce high quality products in this segment. We stay ahead of the curve by keeping up with the latest developments and advancements in our field. Our commitment to Research & Development drives continuous innovation, enabling us to develop cutting-edge products.

BUSINESS ACTIVITIES

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

STILE products are distributed through the largest nationwide retailship network comprising of retailers operating in more than 35 cities of Pakistan. We take pride in having the highest reputation within the architects' fraternity with over 100 clients operating in more than 10 industries. Through this, STCL has successfully distinguished itself as the market leader.



CLICK FOR
STILE WEBSITE



CLICK FOR JOURNEY
OF STILE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Muhammad Salman Burney (Interim Chairman & Director)
Masood Jaffery (Chief Executive Officer)
Imran Ali Habib (Director)
Abdul Hai M. Bhaimia (Director)
Asad Said Jafar (Director)
Farhana Mowjee Khan (Director)

AUDIT COMMITTEE

Farhana Mowjee Khan (Chairperson)
Imran Ali Habib (Member)
Abdul Hai M. Bhaimia (Member)
Asad Said Jafar (Member)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Asad Said Jafar (Chairman)
Muhammad Salman Burney (Member)
Farhana Mowjee Khan (Member)
Masood Jaffery (Member)

SENIOR MANAGEMENT TEAM

Masood Jaffery (Chief Executive Officer)
Waquas Ahmed (Director Sales)
Umair Ali Bhatti (Chief Financial Officer)
Tafveez Amin (Director Admin, IR, Security & Main Store)
Faisal Masood (Director Supply Chain & Exports Sales)

REGISTERED OFFICE

15th Milestone, National Highway,
Landhi Industrial Area, Karachi-75120
Phone: +92-38183610
Helpline: +92-311-11STILE (78453)
E-mail: info@stile.com.pk
Website: <http://www.stile.com.pk>

CHIEF FINANCIAL OFFICER

Umair Ali Bhatti

COMPANY SECRETARY

Natasha Khalid

CHIEF INTERNAL AUDITOR

Zafar Hussain Qureshi

AUDITORS

A.F. Ferguson & Co – 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
Bank Al Habib
Muslim Commercial Bank
United Bank Limited
Askari Bank Limited

REGISTRAR AND SHARE TRANSFER

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

OUR COLLECTIONS & PRODUCT PORTFOLIO

RAMA MEADOWS, GILGIT-BALTISTAN



CLICK FOR CATALOGS



The strength of our nation's soil shapes our foundation, while the brilliance of our fields inspires our designs.

OUR PRODUCT PORTFOLIO



PORCELAIN:

STILE is the Only Real Porcelain Manufacturer in Pakistan certified for European Quality Standards by Centro Ceramico, Italy. Our Porcelain Tiles give your living space a modern-day touch and add a distinct charm to the lifestyle of the customers along with unparalleled design ideas enabling you to transform the indoors of your dream home into reality.

The **Elite** Collection **24.48**
600mm x 1200mm

The **LUXE** **24.48**
Signature Collection 600mm x 1200mm

The **BOOKMATCH** **24.48**
Signature Collection 600mm x 1200mm

SIGNATURE COLLECTION **24.48**
SPECIAL FINISHES 600mm x 1200mm

SIGNATURE COLLECTION **24.24**
SPECIAL FINISHES 600mm x 600mm

MODISH COLLECTION **24.24**
600mm x 600mm

Allure **16.32**
Collection 400mm x 800mm

LANDSCAPE **24.24**
Signature Collection 600mm x 600mm

HP HOMOGENEOUS **24.48**
POLISHED PORCELAIN 600mm x 1200mm

HP HOMOGENEOUS **24.24**
POLISHED PORCELAIN 600mm x 600mm



VITRIFIED:

Crafted from Premium Vitrified Material, our tiles are designed to transform your spaces into stunning havens of natural beauty and functionality. From grand entrances to striking patios, enchanting pathways to sophisticated pool decks and alluring outdoor dining areas, these tiles can transform any outdoor or indoor space into a captivating retreat.

WOODEN PLANKS 6'37"
140mm x 925mm

Outdoor
VITRIFIED 16'16"
Collection 400mm x 400mm

The
VINTAGE 6'37"
Collection 140mm x 925mm



CERAMIC:

Our different collections in Ceramics are renowned to add an aesthetic touch to your lifestyle offering unparalleled styling ideas enabling you to reinvent the walls that surround you. To best suit your taste, there is a vast array of creative, traditional, contemporary & futuristic designs available to choose from an abundant range of colours, styles, textures, and sizes.

Tile Art
12"x12" | 12"x24" | 10"x16"

Heritage MOROCCAN
The Renaissance of Art.
12"x12"

Radiance
Collection
10"x24"

The **Panache**
Collection
Distinctive in style
12"x24"

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

The **Eclipse**
Collection
10"x24" | 12"x24"

Nature's Nest
Collection
8"x26"

Mosaic
Collection
8"x12"

The **VINTAGE**
Collection
12"x12" | 12"x24"

The **BRICKS**
Collection
12"x24"

Magnifico
12"x24"

The **Mystique**
Collection
10"x24"

The **ORNAMENT**
Collection
10"x20"

Chic
Inkjet Wall Tiles
8"x26"

Belleza
12"x18"

The **Artistico**
Collection
10"x16"

The **Subway tiles**
3"x10"

BUILDING & INSTALLATION MATERIALS



STILE BOND:

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

STILE LATEX 73:

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

STILE STAIN-RESISTANT GROUT:

STILE is proud to introduce Pakistan's first-ever STILE Stain-Resistant Grout that complies by European Quality Standards. It offers enhanced resistance to stains and water for preserving beauty of your spaces and has been specifically engineered to be durable, long-lasting, and resistant against cracks or shrinkage.

STILE UNSANDED GROUT:

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

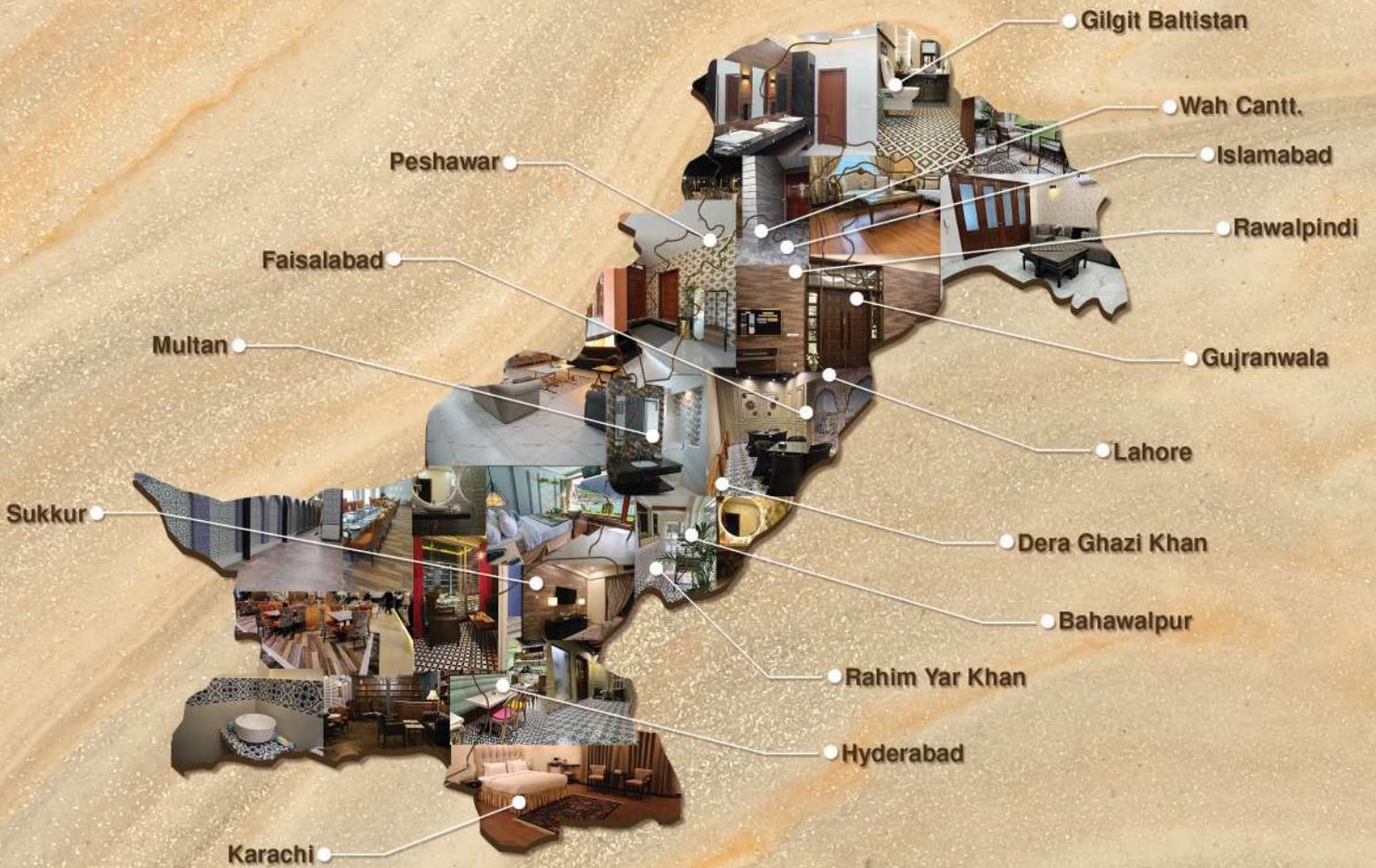
STILE EPOXY TILE GROUT:

STILE Epoxy Tile Grout is highly decorative, non-penetrating, easy to clean, waterproof, durable, stain-free and non-discoloring. It has excellent adhesion with Porcelain, Vitrified & Ceramic Tiles, Marble, Granite, PVC, Glass & Artificial Stones and is suitable for high traffic areas. It is odorless & environmentally friendly. Its non-toxic formula prevents bacterial growth and its long pot-life allows users to work smoothly.

STILE GROUT ADMIX:

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

GEOGRAPHICAL PRESENCE



REGISTERED OFFICE AND FACTORY UNIT 1:

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

REGISTERED OFFICE AND FACTORY UNIT 2:

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

STILE EMPORIUMS AND SALES OFFICES

KARACHI:

DHA Bukhari: Plot 39-C, Bukhari Commercial, Lane-15, Ph-VI, DHA, +92-21-37121778

26th Street: Plot No. C-8-C, 26th Street, Tauheed Commercial, Ph-V, DHA, +92-21-37228922

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

New Town: Shop No. 3, KDA Scheme No. 7, Chandni Chowk, +92-21-34921011, +92-300-2006509

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 Jullundur 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:

Khalil Heights, Nasir Bagh Road, Opposite Police Colony (near DHA), +92-300-4008026

WAH CANTT:

Khan Plaza: Khasra No. 434, G.T. Road, Near Raja Saab Mall, +92-51-4926280-81

GILGIT:

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



CLICK FOR
STILE EMPORIUMS

ORGANIZATIONAL CHART



POSITION OF STILE WITHIN THE VALUE CHAIN



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

Social Factors

Growing focus on Corporate Social Responsibility (CSR) - environmental protection, donations, development of communities, and providing scholarships.

Organization's Response

The Company remains committed to making efforts for environment conservation, education, women empowerment, and health initiatives. Company also donates generously to various social and charitable causes including health, education, and social sectors.

Legal Factors

Compliance with all the applicable laws and regulations.

Organization's Response

The Company has a dedicated team of professionals to ensure strict adherence to all applicable regulatory requirements. We closely monitor new legislation and regulatory developments that may affect our operations, ensuring that we always remain in full legal compliance. We have a strong commitment to strict compliance and a policy of zero tolerance towards non-compliance.

Political Factors

Political instability, weak governance, inconsistent policies including abrupt changes in government macroeconomic policies, declining investment, inconsistent regulations, and inefficiencies in Public Sector Enterprises (PSEs).

Organization's Response

The Company prioritizes customer satisfaction, operational excellence, and cost optimization to strengthen its financial position. We closely monitor political developments and regulatory policies, and adjust our processes & strategies in response to anticipated or actual changes in government regulations that ensure we remain informed and agile in a dynamic market.

Technological Factors

Risk of technological obsolescence.

Organization's Response

The Company mitigates the risk by continuously investing in modern machinery, adopting innovative production processes, and upgrading technology to enhance efficiency, product quality, and competitiveness. The Company is currently in the phase of implementing SAP S/4HANA, which will strengthen digital integration, data-driven decision-making, and overall operational efficiency. We also implement comprehensive internal control systems, utilizing advance tools such as penetration testing and firewalls to safeguard our technological infrastructure.

Economic Factors

Reduced government spending, high inflation, local currency depreciation, rising energy and raw material costs, project delays, supply chain disruptions, low economic growth, and low construction activity driving slow customer demand.

Organization's Response

The Company is actively diversifying raw material sources by engaging multiple local suppliers and increasing the use of renewable energy to mitigate higher energy costs. Simultaneously, initiatives are underway to explore new market opportunities, both locally and internationally, with the objective of expanding the customer base and positioning the Company for a future global presence. The Company also implements robust controls on credit, secures payment diligently, and optimizes cash management practices to uphold liquidity and ensures a steady cash flow, even in the face of economic challenges.

Environmental Factors

Growing attention to environmental protection and sustainable use of resources - restricting environmental footprint, recycling, climatic conditions like global warming and natural disasters.

Organization's Response

The Company takes various steps to protect the environment including compliance with applicable environmental standards. We manage our environmental performance through efficient use of natural resources, and identifying and implementing green alternatives. We focus on minimizing waste, adopting green technologies, and enhancing energy efficiency.

The Company has made significant investments in renewable energy projects and Heat Recovery systems. Our company has made significant strides in expanding its renewable energy portfolio. We have also successfully established a 4.2 MW solar plant in Karachi.

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

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

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

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

SWOT ANALYSIS OF THE COMPANY



Strengths

- Established and trusted legacy of 47 years in Pakistan
- Two state-of-the-art manufacturing facilities
- Continuous investment in modern technology, including the implementation of SAP S/4 HANA, to drive digital transformation and improve efficiency
- Strong network with collaboration of over 300 retailers nationwide
- Competent & committed human resources
- Strong commitment to sustainability, with increased focus on renewable energy to reduce costs and environmental footprint
- Expanding domestic footprint through company-operated outlets - STILE Emporiums that offer exceptional customer services including design consultancy
- Certified for ISO Quality Standards
- Product quality certified for European Quality Standards by Centro Ceramico, Italy
- The only vertically integrated organization in industry from R&D, Manufacturing to Retailing



Weaknesses

- Dependence on imported raw materials & machinery
- Non-structured building materials market
- High energy intensity leading to cost pressures
- On a smaller scale as compared to international competitors
- Local demand is price-sensitive
- Weak export penetration & limited global presence
- Mining sector is underdeveloped in Pakistan



Opportunities

- Great potential in the local market to capture new markets and grow consumer base
- Increase in housing and infrastructure projects driving sustained demand for tiles
- New product innovations & additional variants can grow and diversify the portfolio
- Increasing urbanization coupled with increasing awareness and focus towards lifestyle
- Potential to differentiate through superior quality, certifications, and value-added services
- Untapped export markets in regional and international arenas
- Shift toward renewable energy & efficient technologies to lower costs and enhance sustainability credentials



Threats

- Frequent changes in government policies and restrictive import regulations
- Political instability and inconsistent government policies creating uncertainty
- Lack of playing field for compliant organizations
- High inflation and record increase in energy costs
- Frequent regulatory and taxation changes adding to compliance pressures
- Gas shortages and supply-side disruptions impacting production continuity
- Deteriorating exchange rates
- Intense competition prevailing in the industry due to the rising influx of low-cost imported tiles

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

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

POTENTIAL OF NEW ENTRANTS INTO THE INDUSTRY

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

COMPETITION IN THE INDUSTRY

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

BARGAINING POWER OF CUSTOMERS

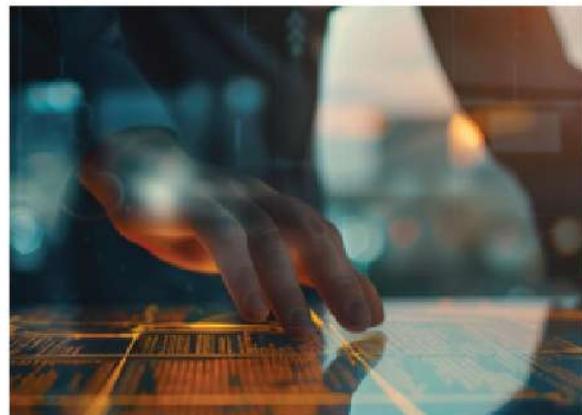
The bargaining power of customers is notably high in today's market, primarily due to the abundance of available products. This surplus gives price-sensitive customers significant leverage, making competitive pricing crucial. To effectively address this challenge, STILE is committed to offering exceptional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

THE BARGAINING POWER OF SUPPLIERS

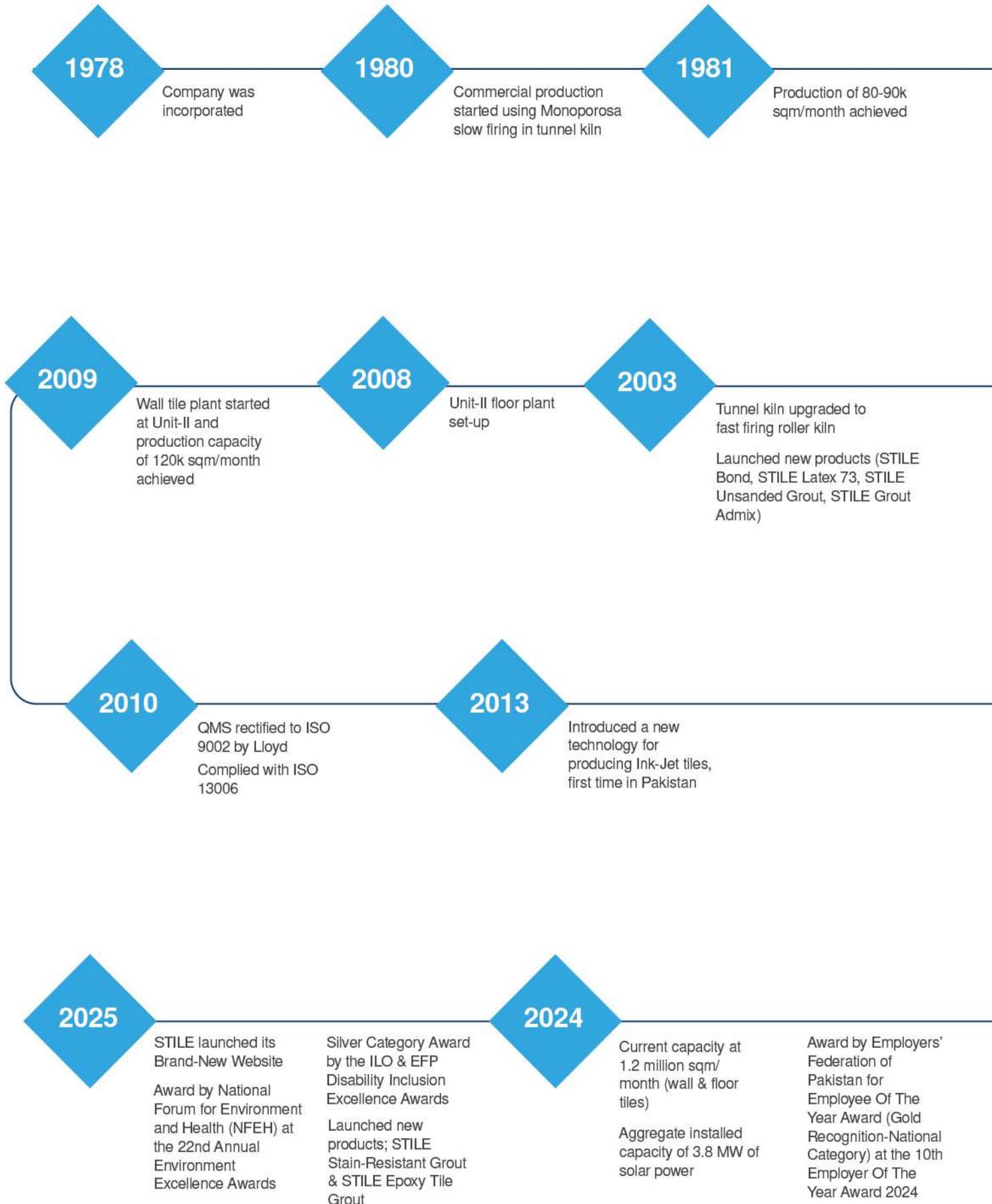
In the tile industry, the bargaining power of suppliers plays a critical role in shaping competitive dynamics and market positioning, particularly when procurement involves a blend of local and imported raw materials. Key factors influencing this bargaining power include the diversity of suppliers, the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

SUBSTITUTE PRODUCTS OR SERVICES

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



KEY MILESTONES OF THE COMPANY



1986

Production capacity increased by almost double

1997

Installation of double fast firing kiln
Production capacity increased to 150k sqm/month

2002

Company obtained QMS under ISO 9001:2000 from Lloyd

1999

Installation of another double fast firing gloss kiln
Production capacity increased to 250k sqm/month

2018

Company introduced STILE EMPORIUMS & Design Studios

2019

New tile size in floor introduced with production capacity of 100k sqm/month

2020

Skills Development Employers' Recognition Award-2020 by Employers' Federation of Pakistan

2023

Award by National Forum for Environment and Health (NFEH) at the 20th Annual Environment Excellence Awards
Highest Tax Payer's Award by National Exchequer

2022

Award by National Forum for Environment and Health (NFEH) at the 19th Annual Environment Excellence Awards

2021

Award by Employers' Federation of Pakistan for Employee Of The Year Award at the 9th Employer Of The Year Award 2021

CALENDAR OF SIGNIFICANT EVENTS

JUL'24

STILE receives Employee Of The Year Award by Employers' Federation of Pakistan at The 10th Employer Of The Year Award 2024.
Launch of Stile & Design Magazine – 1st Edition, 2024.
Launch of STILE Khabarnama – 1st Edition, 2024.

AUG'24

Launch of Eclipse Collection.

SEP'24

Launch of the ever so grand campaign, "STILE - Prestige of Pakistan".

OCT'24

Launch of Intranet Portal "STILE Connect".
Launch of Panache Collection.

NOV'24

Launch of Luxe Collection.

DEC'24

STILE brings an Exclusive Tile Experience at Creek Vista, Karachi.
Launch of Stile & Design Magazine – 2nd Edition, 2024.
Launch of STILE Khabarnama – 2nd Edition, 2024.
House of Habib (HOH) Learning Fair 2025.

JAN'25

STILE Annual Sports Gala 2025.

FEB'25

Grand Launch of STILE Emporium - Peshawar.
STILE received the Silver Category Award by the ILO & EFP Disability Inclusion Excellence Awards.

MAR'25

Partnership Signing Ceremony - STILE renews Partnership with Quetta Gladiators in HBL PSL Season 10.

APR'25

STILE x QG Partnership Celebration Meetup.
STILE officially goes LIVE with TimeTrax.

MAY'25

STILE launches its Brand-New Website.
STILE at IAPEX 2025.
STILE Gladiators' Meetup.
STILE attends WIBCON 2025.
STILE and Integration Xperts seal partnership at SAP Innovation Day 2025.

JUN'25

STILE Strategy House Meeting 2025.



CLICK FOR QG X STILE
SOFT-SIGNING CEREMONY



CLICK FOR ACTIVATION
HIGHLIGHTS AT CREEK VISTA



CLICK FOR QG X STILE PARTNERSHIP CELEBRATION MEETUP

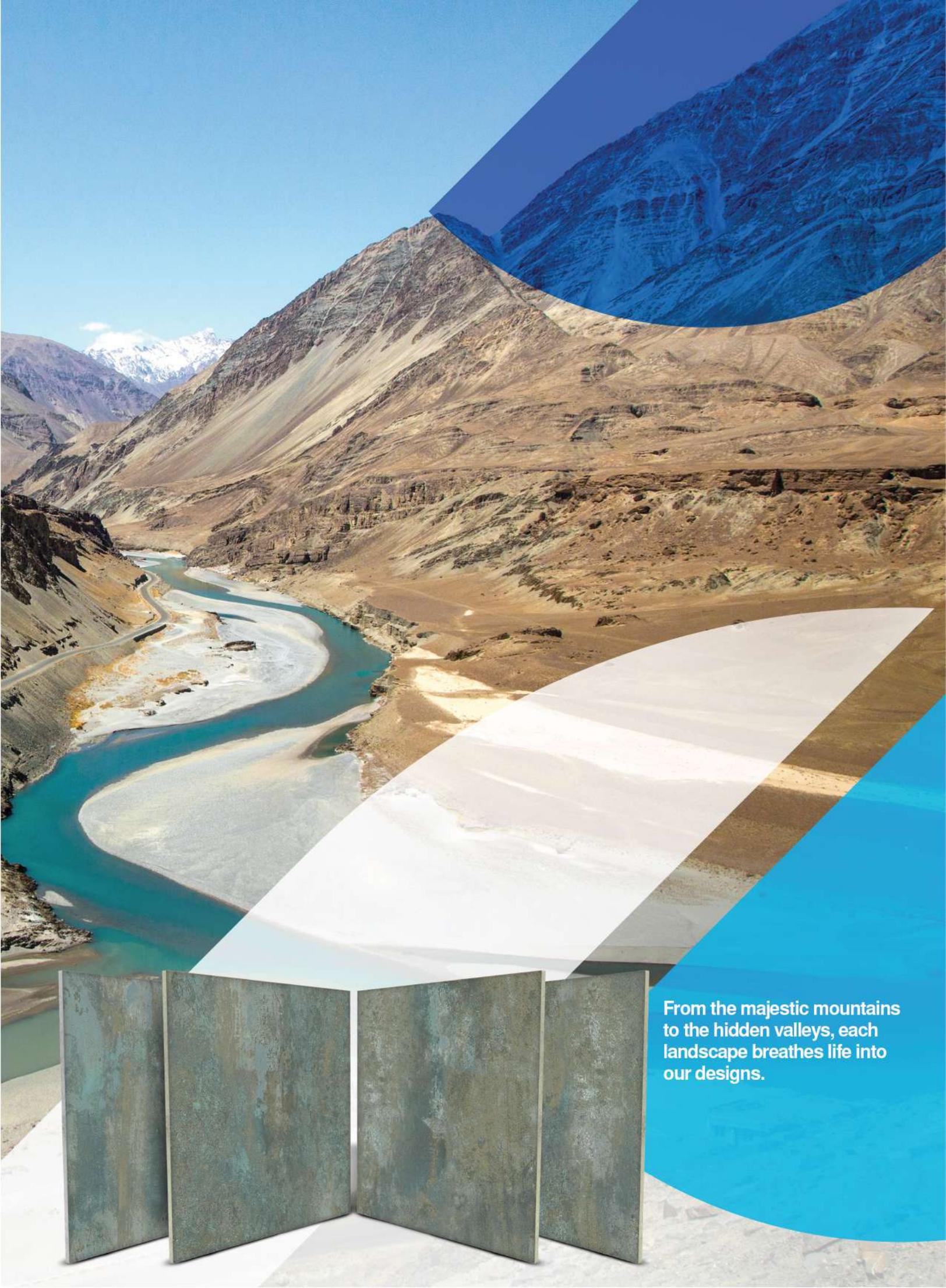


CLICK FOR STILE EMPORIUM - PESHAWAR'S LAUNCH EVENT HIGHLIGHTS

An aerial photograph of a rugged mountain landscape. A paved road with a yellow guardrail runs across the middle of the frame. The guardrail has the text "BRO AT YOUR SERVICE. PRICE OF THE NATION." written on it. Below the road, a river flows through a valley, surrounded by white mist or clouds. The mountains are brown and rocky, with some sparse vegetation. The sky is clear and blue.

STRATEGY AND RESOURCE ALLOCATION

INDUS-GILGIT CONFLUENCE, GILGIT-BALTISTAN



From the majestic mountains to the hidden valleys, each landscape breathes life into our designs.

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

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



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

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



TECHNOLOGICAL

Our strategy includes future investments to adapt and capitalize on technological advancements. In regards to this, the Company has implemented advanced ERP solutions, including SAP S/4HANA, integrated with FBR systems to streamline regulatory compliance. Furthermore, we have adapted to digital platforms such as Online Emporium, Virtual Tours, and ERP Tools.



SOCIETAL ISSUES

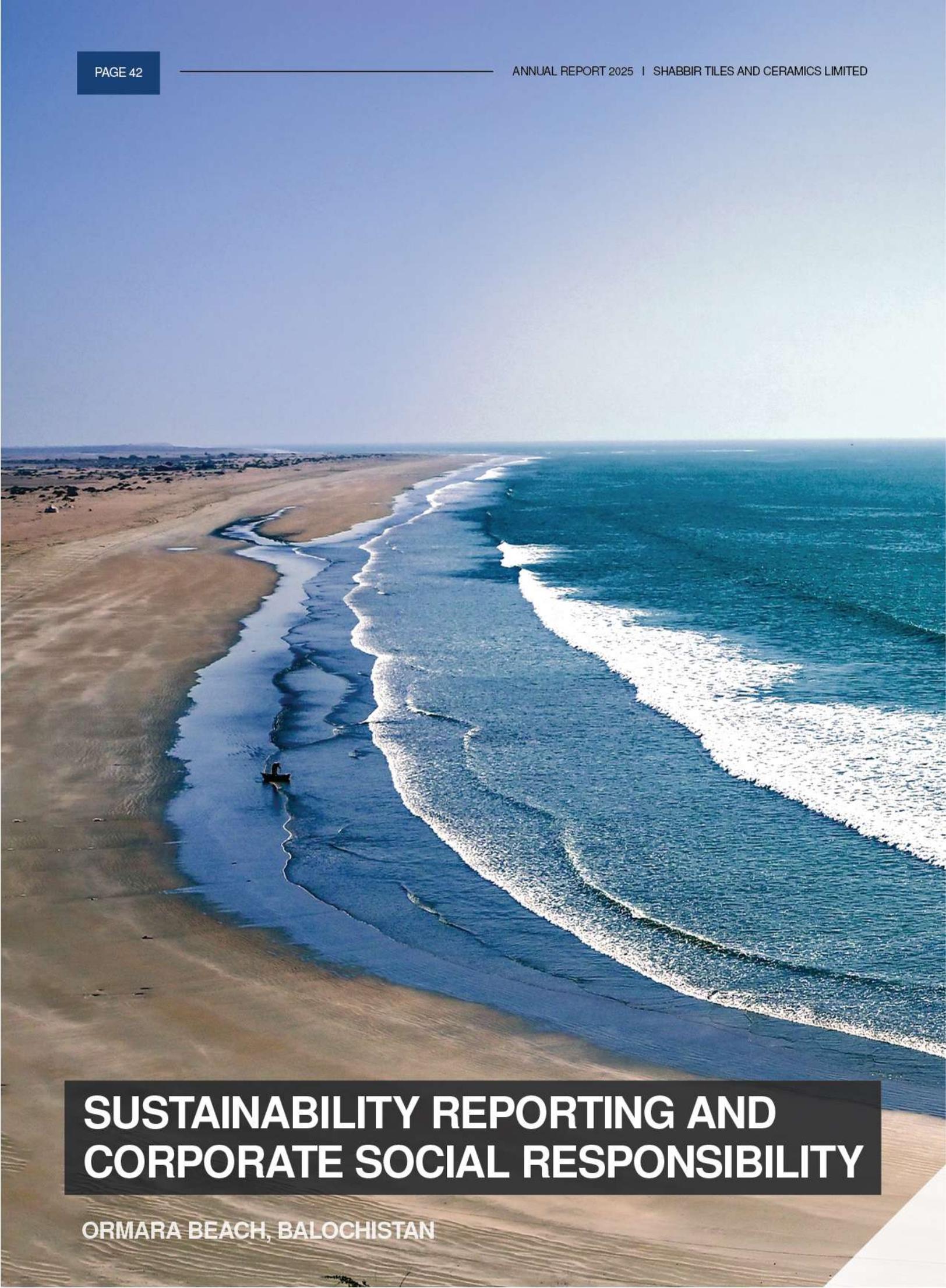
We are committed to promoting our greatest possible impact by enabling innovation through the following initiatives:

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



ENVIRONMENTAL CHALLENGES

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



SUSTAINABILITY REPORTING AND CORPORATE SOCIAL RESPONSIBILITY

ORMARA BEACH, BALOCHISTAN



The vibrant beaches and the grand forts, reflect the grandeur of our heritage.

OUR APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY

With a strong sense of Corporate Social Responsibility (CSR), we at STCL believe in uplifting the economic well-being of the people wherever they are.

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

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

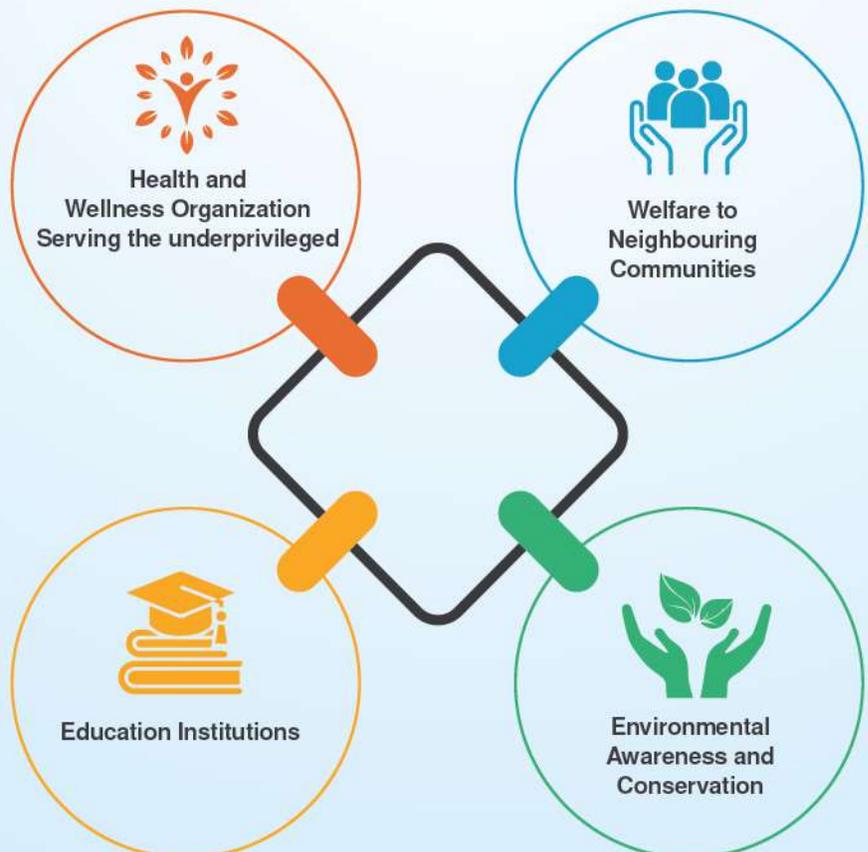
CSR at STCL is about how we manage our business processes to produce an overall positive impact on society. And in doing so, it is the policy of STCL to contribute to activities, organizations and causes that duly advance both, a public and a corporate purpose in furtherance of the Company's image, interests,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

SUSTAINABLE CONSTRUCTIONS SESSION AT EXPO 2020 DUBAI



CLICK FOR EVENT HIGHLIGHTS

OUR FOCUS IS ON THE FOLLOWING AREAS



OUR PERFORMANCE AND INITIATIVES ON SUSTAINABILITY



EMISSION CONTROLS MEASURE

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



WATER CONSERVATION

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



RENEWABLE ENERGY SOURCING

With rising energy prices and demand, we are working to reduce the negative impacts of our emissions by investing in renewable energy. We are committed to shifting a greater proportion of our electricity demand from renewable sources throughout STCL operational areas of Pakistan. In pursuance of this goal, we have achieved an aggregated installed capacity of 4.2 MW of solar power.

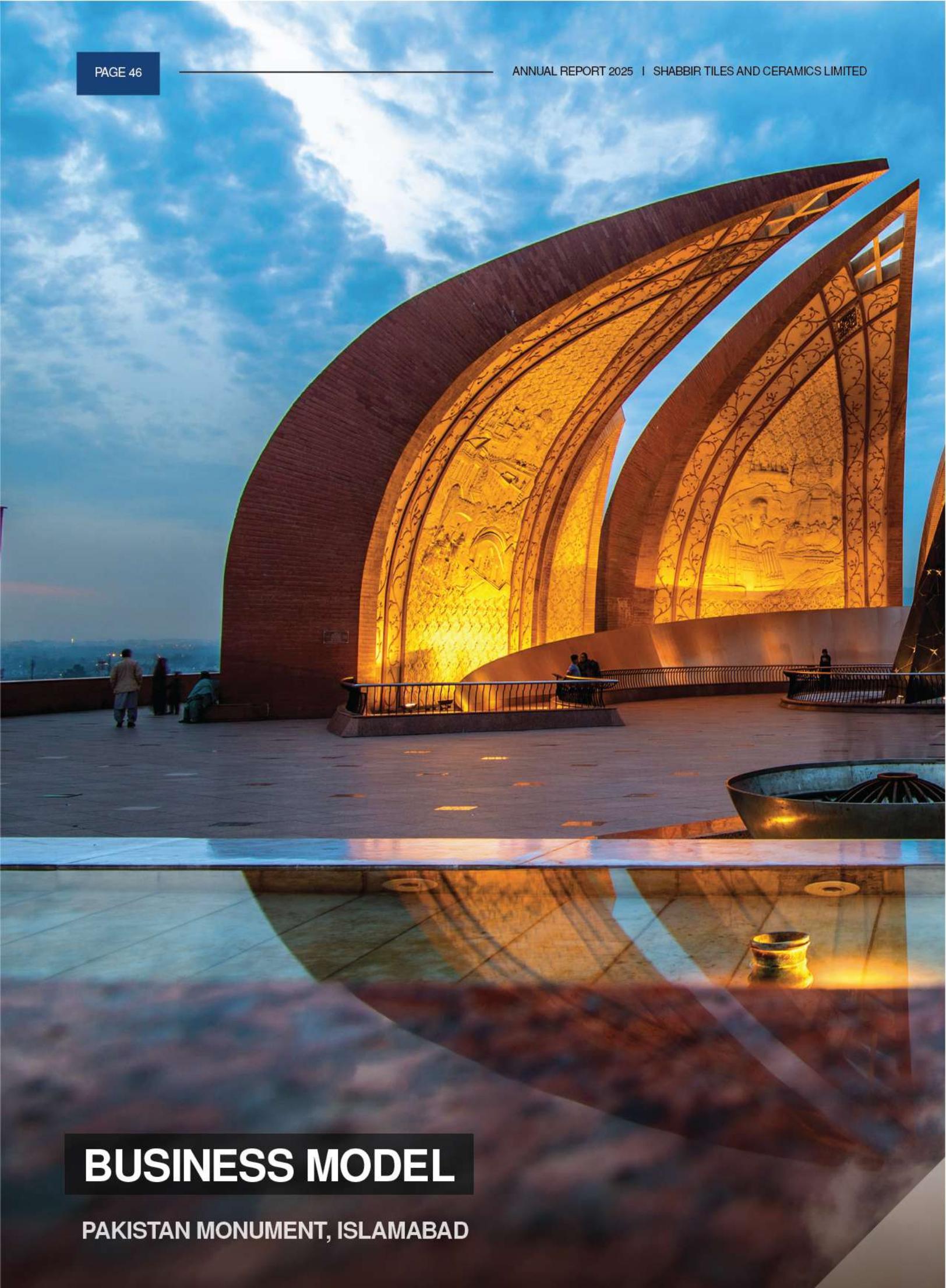
OUR SUSTAINABILITY VISION

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

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

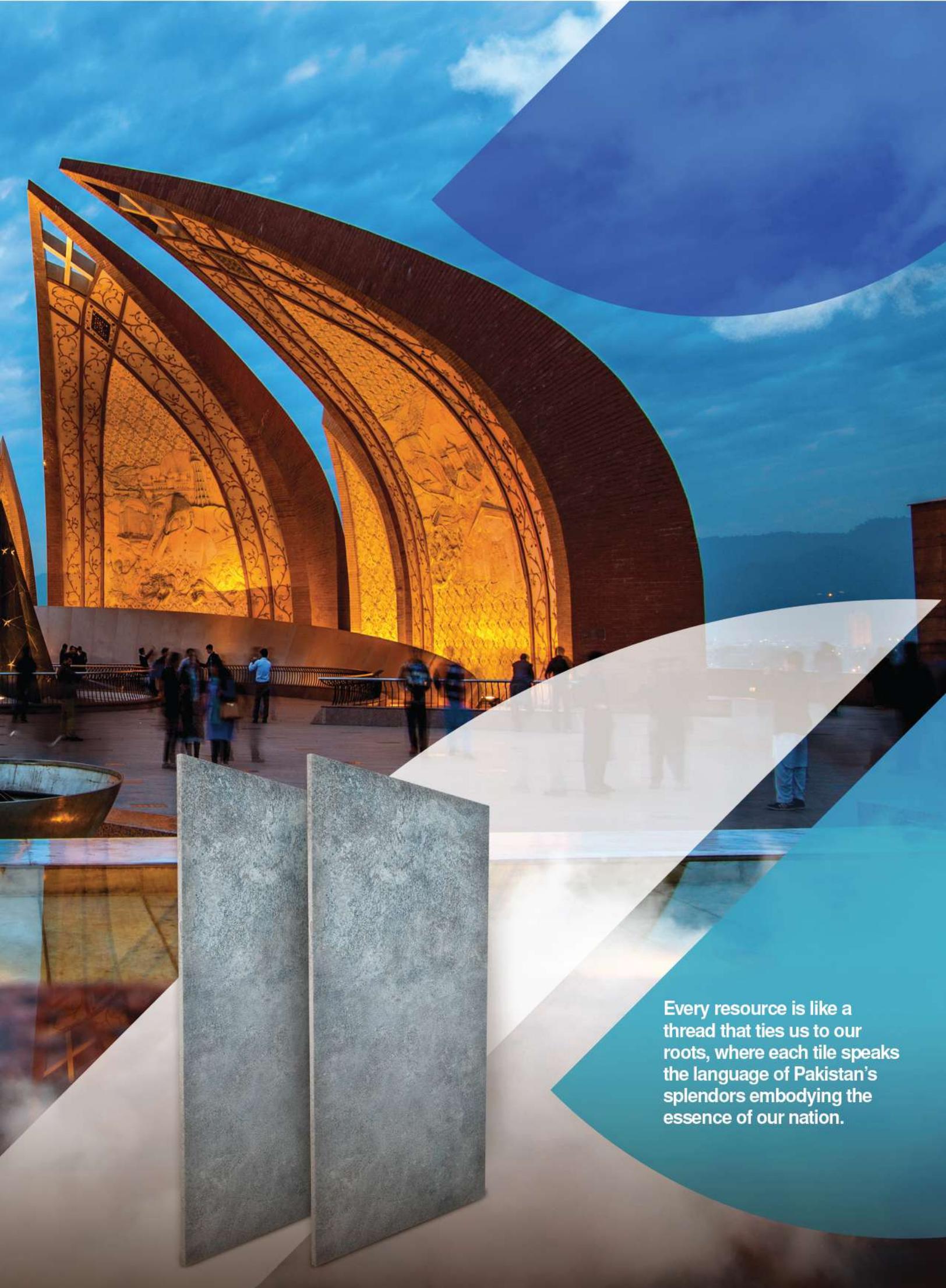
We believe that focusing our efforts through the lens of these three pillars and guiding our operations & policies, we will achieve our vision of being a net-positive force for Pakistan.

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



BUSINESS MODEL

PAKISTAN MONUMENT, ISLAMABAD



Every resource is like a thread that ties us to our roots, where each tile speaks the language of Pakistan's splendors embodying the essence of our nation.

BUSINESS MODEL

Inputs	Source of Differentiation	Outputs	Relating Capital
Raw Materials	High Quality Imported Frits from Italy, Spain, France, Turkey & China	<ul style="list-style-type: none"> • Original Porcelain • Special Finishes • Customized Product • Homogeneous Series 	Manufactured
<ul style="list-style-type: none"> • 2-Manufacturing Units for Tiles • 3-Manufacturing Units for Bond & Grout 	<ul style="list-style-type: none"> • State-of-the-Art Italian Equipment • Power Generation through Green Energy • Waste Water Recycling System • Press-manufactured Wooden Planks • Automated Guided Vehicles for WIP Transportation • Automated Bond & Grout Plant • Real time monitoring devices for quality parameters • Automatic Packaging & Palletizing 	<ul style="list-style-type: none"> • Porcelain Tiles • Vitrified Tiles • Ceramic Tiles • Building & Installation Materials 	Manufactured
Employees	Qualified Engineers, Business and Science Graduates	Work done with standard SOPs	Human
Technical Expertise in Production Process	<ul style="list-style-type: none"> • Highest Quality Production • Strong R&D • Pioneer in Products • Italian Consultation 	Differentiated Products	Intellectual & Manufactured



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

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

Our Process

Business Segments

STCL is a leading producer and distributor of a comprehensive range of tiles and related allied products:

- Porcelain Tiles
- Vitrified Tiles
- Ceramic Tiles
- Building & Installation Materials



Extensive Network Across Pakistan

- Direct Sales:
- STILE Emporiums
 - Projects
 - E-Commerce via assisted selling

- Indirect Sales:
- Exclusive Retailers
 - Retailers
 - Sub-Retailers

Channels

Customer

- Comprehensive After-Sales Support
- Exceptional Customer Service
- Collaborations with Leading Banks
- Engaging Events and Roadshows
- Cutting-Edge Digital Tools
- Inspiring Design Studios
- Guidance and Support Program
- Expert Sessions
- Stile Visualiser for Designing
- Extensive Network Across Pakistan



DIGITAL TRANSFORMATION

As part of our Digital Transformation journey, STCL has successfully adopted SAP S/4HANA, a next-generation ERP solution. This platform is designed to enhance efficiency, accuracy, and decision-making while ensuring agility and scalability for future growth.

This solution brings value across all major functions through specialized modules, hence collectively delivering automation, transparency, and real-time insights, ensuring operational excellence and cost-efficiency. With this transformation, STCL is better aligned with global best practices and therefore well-positioned for a long-term sustainable growth.

COMPANY'S POLICY ON SIGNIFICANT MATTERS

• PREPARATION OF SUCCESSION PLANNING:

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

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

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

• MERIT-BASED RECRUITMENT:

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

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

• PERFORMANCE BASED APPRAISAL SYSTEM:

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

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

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

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

• PROMOTION, REWARD, AND MOTIVATION:

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

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

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

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

• TRAINING AND DEVELOPMENT:

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

• GENDER AND RACE DIVERSITY:

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

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

• EMPLOYEE ENGAGEMENT AND FEEDBACK:

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

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

GOVERNANCE

SHAH JAHAN MOSQUE, THATTA



Generations of craftsmanship
are etched into every surface,
preserving traditions while
embracing innovation.

BOARD COMPOSITION:

The Board comprises of 6 Directors possessing diverse skill set and expertise.

- 2 Independent Directors (Including 1 female Director)
- 3 Non-Executive Directors
- 1 Executive Director

INDEPENDENT DIRECTORS:

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

PRESENCE OF EXECUTIVE DIRECTORS ON OTHER BOARDS:

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

DIVERSITY IN THE BOARD:

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

ROLE OF CHAIRMAN:

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

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

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

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

ROLE OF CEO:

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

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

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

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

DIRECTORS' PROFILES

MUHAMMAD SALMAN BURNEY INTERIM CHAIRMAN & NON-EXECUTIVE DIRECTOR

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

IMRAN ALI HABIB NON-EXECUTIVE DIRECTOR

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

MASOOD JAFFERY EXECUTIVE DIRECTOR & CEO

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

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

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

FARHANA MOWJEE KHAN **INDEPENDENT DIRECTOR**

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

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

ABDUL HAI M. BHAIMIA **NON-EXECUTIVE DIRECTOR**

Mr. Abdul Hai M. Bhaimia brings more than forty years of managerial, entrepreneurial and professional experience in the fields of industrial management, business and finance. His current Directorships include Pak Grease Manufacturing Company (Pvt.) Limited and Askari General Insurance Company Limited.

ASAD SAID JAFAR **INDEPENDENT DIRECTOR**

Mr. Asad Said Jafar has a versatile professional career of over thirty five years with a proven track record in manufacturing, supply chain management, commercial and general management roles, at top multinational companies including overseas postings. Amongst several leadership positions that he held, Mr. Jafar served as the Chairman and CEO of Signify Pakistan Limited BV (formerly known as Philips Pakistan Limited, wholly owned subsidiary of Signify BV, Netherland), along with having top senior positions at Philip's subsidiaries located in Singapore, Thailand, and Indonesia, during his tenure.

Mr. Jafar did his MBA from Imperial College Business School, London, United Kingdom with a Chevening Scholarship awarded by the Foreign Commonwealth and Development Office (FCDO), UK. He did his Bachelors in Electrical Engineering from NED University of Engineering & Technology, Karachi and has also attended multiple leadership programs at top international institutes such as Ashridge Business School, Hertfordshire, UK and Kellogg School of Management, Northwestern University, Illinois, USA. He has also been on Boards of various leading organizations and is a former President of Overseas Investors Chamber of Commerce and Industry (OICCI).

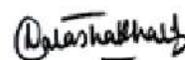
NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 47th Annual General Meeting of Shabbir Tiles and Ceramics Limited will be held on Monday, October 20, 2025, at 10:30 a.m. at Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, 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, 2025, 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 appoint Auditors of the Company and fix their remuneration for the year ending June 30, 2026. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retiring and being eligible, have offered themselves and consented for re-appointment, and the Board of Directors has recommended their appointment
3. To transact any other business with the permission of the Chair.

By Order of the Board



NATASHA KHALID
Company Secretary

Karachi: September 29, 2025.

NOTES:

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

In accordance with Section 223(7) of the Companies Act, 2017 and S.R.O No.389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the Company's website which can be downloaded from the following link and QR enabled code:

<https://www.stile.com.pk/financial-reports/>



2. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 14, 2025, to October 20, 2025 (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 13, 2025; will be treated in time for the purpose to attend the Annual General Meeting.

3. PARTICIPATION IN THE AGM VIA PHYSICAL PRESENCE OR THROUGH VIDEO CONFERENCING

Shareholders intending to participate in the meeting via video conferencing, are requested to email the following information with the subject "Registration for Annual General Meeting," along with valid copy of their CNIC to corporate@stile.com.pk. Video link and login credentials will be shared with ONLY those Members, whose email, containing particulars (i.e. Name, Folio No, CNIC No. / NTN) is received from official Email ID, at least 48 hours before the AGM.

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 20, 2025, 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 13, 2025, are entitled to attend and vote at the 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 their 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 (if it has not been provided earlier) at the time of the meeting.

5. PROXY:

A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a Proxy to attend, speak and vote in his place at the Meeting. A 'Proxy Form' appointing a proxy must be deposited at the Registered Office of the Company, at least 48 hours before the time of the meeting, along with copy of CNIC of Proxy.

In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature of the nominee along with his/her copy of CNIC shall be provided at least 48 hours before the time of the meeting. The Form of Proxy in English and Urdu is attached in the Annual Report and should be witnessed by two persons whose names, addresses and CNIC Numbers should be mentioned on the Forms. The Form of Proxy is also available on the Company's website (www.stile.com.pk).

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, SECP through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to Shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

7. UPDATING OF PARTICULARS:

The Shareholders are requested to immediately notify change in their address, if any, to the Company's Share Registrar. In case of corporate entity, the shareholders are requested to immediately 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 Companies Act, 2017.

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

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 Shareholders' CNIC in the records of the Company, the company shall withhold the Dividend under the provisions of Section 243 of the Companies Act, 2017.

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

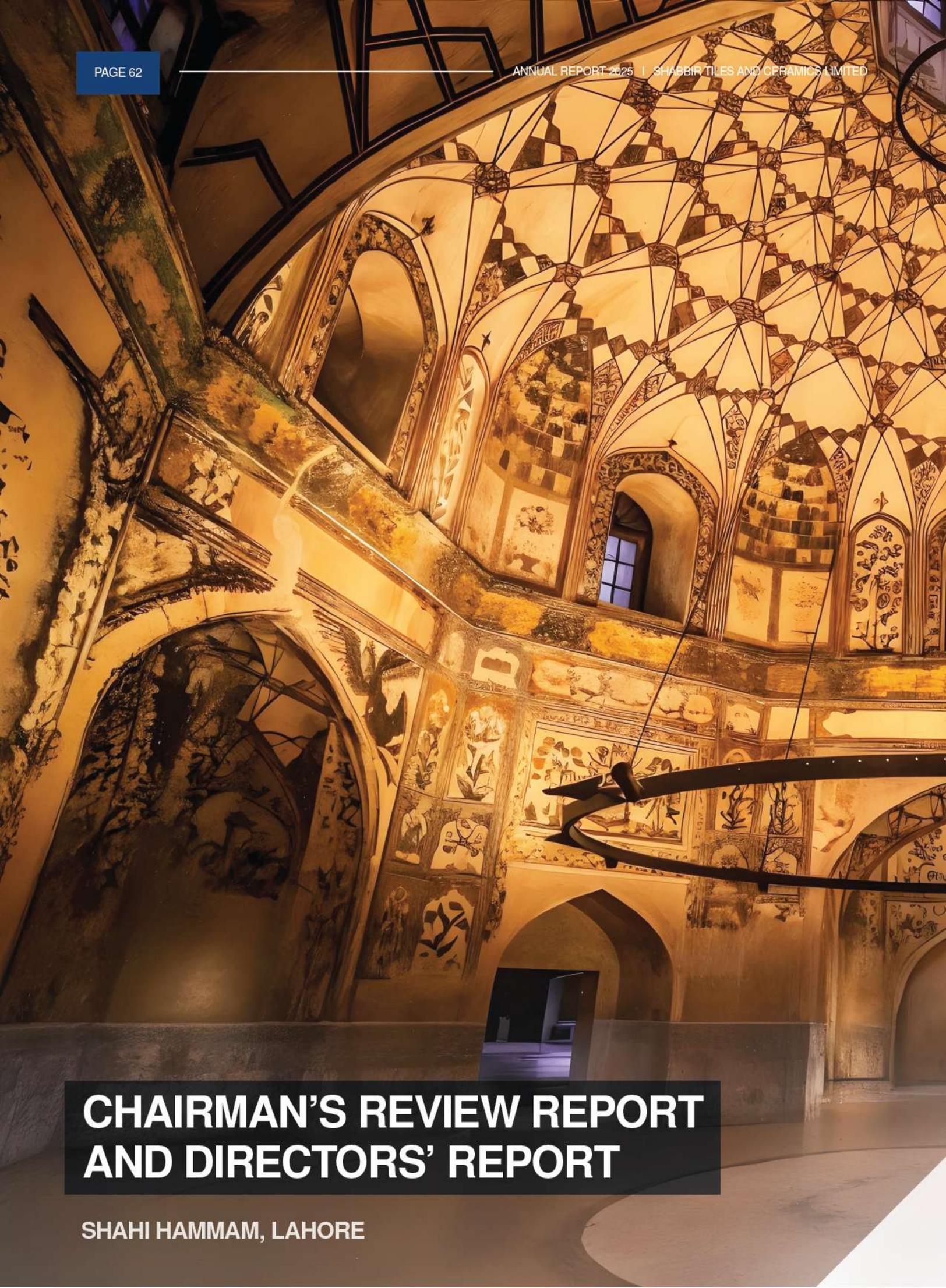
Section 72 of the Companies Act, 2017 requires all existing listed companies to replace its physical shares with book-entry form. The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into script less form.

11. TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS THROUGH EMAIL:

In pursuance of the directions given by SECP vide SRO 787(I) dated September 8, 2014, those shareholders who desire to receive the Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.stile.com.pk and send the said form duly filled in and signed along with a 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, 2025, are also being circulated to the shareholders in compliance of section 223(6) of the Companies Act, 2017.

12. UNCLAIMED DIVIDEND / UNPAID SHARES:

In compliance with Section 244 of the Companies Act, 2017, once the Company has completed the 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 the Share Registrar of the Company, 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 to collect / inquire about their unclaimed dividend or shares, if any.

The image shows the interior of the Shahi Hammam in Lahore, Pakistan. The architecture is characterized by its intricate tilework and arches. The ceiling is a complex, multi-layered dome structure with a checkered pattern of tiles. The walls are covered in detailed floral and geometric tile designs. The space is illuminated by warm, golden light, highlighting the textures and colors of the tiles. A dark, curved structure, possibly a chandelier or part of the ceiling's support, is visible in the foreground. The overall atmosphere is one of historical grandeur and artistic craftsmanship.

CHAIRMAN'S REVIEW REPORT AND DIRECTORS' REPORT

SHAHI HAMMAM, LAHORE



Each design tells a story of perseverance, shaped by the hands that honor both art and heritage.

CHAIRMAN'S REVIEW REPORT:

Dear Shareholders,

On behalf of the Board of Directors, I present the performance of the Company for the year ended June 30, 2025.

MACRO ECONOMIC OVERVIEW:

The past year has been nothing short of extraordinary — a period marked by volatility, resilience, and transformation. On the national front, Pakistan witnessed a rare blend of contrasting developments: from achieving one of the lowest inflation rates in a fiscal year to navigating and emerging stronger from a limited border conflict. The country's economy grew by **2.68% in FY 2025**, reflecting modest recovery, though **Large Scale Manufacturing contracted by 1.5%**, underscoring persistent structural challenges.

The **construction sector**, a critical driver of demand for our products, remained subdued throughout the year due to restrained public sector development spending and cautious private investment. This sluggishness in construction activity directly impacted the tiles and ceramics industry. Additionally, escalating **gas and electricity tariffs** significantly increased production costs, weighing on profitability for an industry that is inherently energy intensive.

Against this backdrop, your company has remained steadfast in its commitment to **innovation, operational efficiency, and strict financial discipline**. While we continued to strengthen our product portfolio and optimize resources, the macroeconomic headwinds and suppressed construction demand resulted in **year-on-year decline in both revenue and profitability**.

BUSINESS OVERVIEW:

Economic growth during FY 2025, while modest, has not translated into a recovery in the construction sector, which continues to face persistent headwinds. The overall tile market size contracted sharply due to diminished demand, with most activity confined to renovation projects and select government-led initiatives. In contrast, private sector projects have remained stalled, reflecting weak investor sentiment and limited new development.

In these challenging circumstances, your company was unable to sustain its expected results for the year. However, management has remained proactive in reducing the impact of these external pressures. Key measures undertaken included:

- Improvement in product mix by focusing on higher-value and design-oriented offerings,
- Optimization of energy consumption through adoption of a more beneficial energy mix and efficiency initiatives,
- Cost reduction and strict working capital management to strengthen liquidity,
- Enhancement of product quality to improve competitiveness.

While these steps have provided some resilience, the full benefits will materialize as market conditions stabilize and demand gradually recovers

PERFORMANCE SCORECARD

The Company's revenue fell by 11% year-on-year, largely attributable to industry-wide contraction and suppressed demand in the tiles market. Excellence in customer satisfaction has allowed the company to maintain its market share despite challenging economic conditions. Our retail outlets (Stile Emporiums) continued to act as key platforms for reinforcing the Company's identity as a lifestyle brand and have helped us in strengthening direct connection with end consumers.

During the year, the Company continued its journey towards embedding sustainability and ESG principles into its operations. Building on past progress, we remained focused on renewable energy initiatives, resource efficiency, and responsible business practices. These efforts reinforce our long-term commitment to minimizing environmental impact while creating lasting value for all stakeholders.

BOARD PERFORMANCE AND ROLE IN ACHIEVING COMPANY'S OBJECTIVES

During the year, elections to the Board were held in accordance with applicable regulations. I welcome all the members of the Board and look forward to their valuable contributions. I would also like to extend sincere appreciation to our outgoing director Mr. Feroze J. Cawasji for his valuable service and contribution.

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 demonstrates the Board's commitment to adhering to corporate governance standards.

During the year, the Board demonstrated effective leadership and sound decision-making, guiding the Company through challenges and capitalizing on opportunities. By fostering transparency, accountability, and innovation, it strengthened stakeholder confidence and enabled the management team to work cohesively towards shared goals. Prudent oversight and risk management remained central to ensuring sustainable growth and long-term success.

FUTURE OUTLOOK

Looking ahead, we remain optimistic about the future as Pakistan benefits from a more favorable political and economic landscape, coupled with renewed international support. These positive developments are expected to strengthen investor confidence, boost economic activity, and create opportunities for growth. Your Company is well-positioned to leverage these factors to further enhance its market presence and deliver sustainable value to stakeholders.

CONDOLENCE & ACKNOWLEDGEMENT:

We are very sad to record the passing of our chairman Mr. Rafiq M. Habib on September 03, 2025

Mr Rafiq M. Habib was our founding director and visionary who was pivotal in changing the industrial landscape of Pakistan with his boundless enterprise and determination, and an unwavering believe in the power of industrial growth being the foundation of a successful economy. Many of the businesses that now form the backbone of Pakistan were initiated through his foresight and tireless effort, A gentle, calm and grounded soul, he led with humility and not from a place of authority, but from a place of values and principle.

His presence was a source of strength and reassurance for all who knew him & we mourn his loss with profound sorrow.

I extend also my sincere appreciation to the members of the Board, our investors, employees, and values customers for the continued trust and support. The unwavering dedication, leadership and collective commitment of all stakeholders remains the driving force behind our progress. Together, we are will positioned to navigate challenges, seize new opportunities, and sustain the Company's long term growth and success.



Interim Chairman

سال کے دوران بورڈ نے مؤثر قیادت اور دانشمندانہ فیصلوں کا مظاہرہ کیا، جس کے نتیجے میں کمپنی کو مشکلات سے نکالنے اور مواقع سے فائدہ اٹھانے میں مدد ملی۔ شفافیت، جوابدہی اور جدت کو فروغ دے کر بورڈ نے اصرار فین کا اعتماد مزید مضبوط کیا اور مینجمنٹ ٹیم کو مشترکہ مقاصد کی جانب یکجا ہو کر کام کرنے کے قابل بنایا۔ محتاط نگرانی اور رسک مینجمنٹ پائیدار ترقی اور طویل المدتی کامیابی کے لیے مرکزی حیثیت رکھتے رہے۔

مستقبل کی پیش بینی

آنے والے وقت میں ہم مستقبل کے حوالے سے پُر امید ہیں کیونکہ پاکستان ایک زیادہ سازگار سیاسی اور معاشی ماحول اور بین الاقوامی تعاون کی بحالی سے فائدہ اٹھا رہا ہے۔ یہ مثبت عوامل سرمایہ کاروں کے اعتماد کو مزید مضبوط کریں گے، معاشی سرگرمیوں کو فروغ دیں گے اور ترقی کے نئے مواقع پیدا کریں گے۔ آپ کی کمپنی ان مواقع سے بھرپور فائدہ اٹھانے کے لیے نہ صرف اچھی پوزیشن میں ہے بلکہ اپنی مارکیٹ میں موجودگی کو مزید مستحکم کرتے ہوئے اسٹیک ہولڈرز کے لیے پائیدار قدر فراہم کرنے کے لیے پرعزم ہے۔

تعزیت اور اعتراف

ہمارے چیئر مین محترم رفیق ایم۔ حبیب کے 3 ستمبر 2025 کو انتقال کی خبر انتہائی افسوس کے ساتھ درج کی جا رہی ہے۔

محترم رفیق ایم۔ حبیب ہمارے بانی ڈائریکٹر اور بصیرت افروز رہنما تھے جنہوں نے اپنی بے پناہ جدت، عزم اور انڈسٹری کی ترقی پر غیر متزلزل یقین کے ساتھ پاکستان کے صنعتی منظر نامے کو بدلنے میں مرکزی کردار ادا کیا۔ ان کی دورانہ لیشی اور انتھک کوششیں کے نتیجے میں وہ کئی کاروبار وجود میں آئے جو آج پاکستان کی معیشت کے اہم ستون ہیں۔ ایک متواضع، پُرسکون اور متوازن شخصیت کے حامل، انہوں نے قیادت اختیار کے زور سے نہیں بلکہ اقدار اور اصولوں کی بنیاد پر کی اور ہمیشہ عاجزی اور وقار کے ساتھ رہنمائی فرمائی۔

ان کی موجودگی اُن سب کے لیے قوت اور حوصلے کا ذریعہ تھی جو انہیں جانتے تھے، اور ہم ان کے انتقال پر گہرے رنج و غم کا اظہار کرتے ہیں۔

میں بورڈ کے معزز اراکین، ہمارے سرمایہ کاروں، ملازمین اور معزز صارفین کا بھی دلی شکریہ ادا کرتا ہوں جن کے اعتماد اور تعاون نے ہمیشہ ہمارا ساتھ دیا ہے۔ تمام اسٹیک ہولڈرز کی غیر متزلزل وابستگی، قیادت اور مشترکہ عزم ہماری ترقی کی اصل قوت ہے۔ ہم سب مل کر نہ صرف چیلنجز کا سامنا کرنے بلکہ نئے مواقع سے فائدہ اٹھانے اور کمپنی کی طویل مدتی ترقی و کامیابی کو برقرار رکھنے کے لیے پوری طرح تیار ہیں۔



نگران چیئر مین

ایسے مشکل حالات میں آپ کی کمپنی متوقع نتائج برقرار نہ رکھ سکی۔ تاہم، انتظامیہ نے بیرونی دباؤ کے اثرات کو کم کرنے کے لیے بروقت اور مؤثر اقدامات کیے ہیں۔ ان اقدامات میں شامل ہیں۔

- مصنوعات کے مجموعہ میں بہتری، جس کے لیے زیادہ منافع بخش اور ڈیزائن پر مبنی پیشکشوں پر توجہ دی گئی۔
- توانائی کے استعمال میں بہتری، جس کے لیے زیادہ موزوں توانائی کے امتزاج اور کارکردگی بڑھانے والے اقدامات اپنائے گئے۔
- اخراجات میں کمی اور گردشی سرمائے کے سخت نظم و ضبط کے ذریعے نقدی کی پوزیشن کو مستحکم بنایا گیا۔
- مصنوعات کے معیار میں اضافہ تاکہ مسابقت کی صلاحیت کو بہتر بنایا جاسکے۔

اگرچہ ان اقدامات سے کمپنی کو کچھ حد تک سہارا ملا ہے، ان کے مکمل فوائد تب ظاہر ہوں گے جب تجارتی حالات مستحکم ہوں گے اور طلب بتدریج بحال ہوگی۔

کارکردگی اسکور کارڈ

کمپنی کی آمدنی میں اس سال 11 فیصد کمی واقع ہوئی، جو زیادہ تر ٹرانزیکشنز مارکیٹ میں طلب میں کمی اور مجموعی طور پر صنعت میں کمی کی وجہ سے تھی۔ تاہم، صارفین کی اطمینان کو یقینی بنانے میں بہترین کارکردگی نے کمپنی کو مشکل معاشی حالات کے باوجود اپنا مارکیٹ شیئر برقرار رکھنے میں مدد دی۔ ہماری ریٹیل آؤٹ لیٹس (اسٹائل ایمپوریمز) نے کمپنی کی حیثیت کو ایک لائف اسٹائل برانڈ کے طور پر اجاگر کرنے میں اہم کردار ادا کیا اور براہ راست صارفین سے تعلق مضبوط کرنے میں مدد فراہم کی۔

سال کے دوران کمپنی نے اپنے آپریشنز میں پائیداری اور ای ایس جی کے اصولوں کو مزید شامل کرنے کے سفر کو جاری رکھا۔ گزشتہ پیش رفت پر بنیاد رکھتے ہوئے ہم نے قابل تجدید توانائی کے منصوبوں، وسائل کے مؤثر استعمال اور ذمہ دار کاروباری طریقہ کار پر توجہ مرکوز رکھی۔ یہ اقدامات ہمارے طویل مدتی عزم کو اجاگر کرتے ہیں کہ ہم ماحولیاتی اثرات کو کم سے کم کریں اور تمام صارفین سے تعلقات کو بہتر کریں۔

کمپنی مقاصد کے حصول میں بورڈ کا کردار

سال کے دوران بورڈ کے انتخابات متعلقہ ضوابط کے مطابق منعقد کیے گئے۔ میں بورڈ کے تمام نئے ممبران کو خوش آمدید کہتا ہوں اور ان کی قیمتی خدمات و تعاون کا منتظر ہوں۔ اس موقع پر میں سبکدوش ہونے والے ڈائریکٹر جناب فیروز کاؤسجی کی بیش بہا خدمات اور تعاون پر خلوص دل سے شکریہ ادا کرنا چاہوں گا۔

کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء کی دفعات کے مطابق، بورڈ نے اپنی کارکردگی کے ساتھ ساتھ اپنے اراکین اور ذیلی کمیٹیوں کی کارکردگی کا سالانہ جائزہ لینے کے لیے ایک باضابطہ اور مؤثر طریقہ کار وضع کیا ہے۔ اس طریقہ کار کی منظوری اور کامیاب نفاذ بورڈ کے اس عزم کو مزید واضح کرتا ہے کہ وہ کارپوریٹ گورننس کے معیارات پر سختی سے عمل پیرا ہے۔

چیمبرین کی جائزہ رپورٹ

معزز حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، میں کمپنی کی کارکردگی برائے سال منتمم ۳۰ جون ۲۰۲۵ء پیش کر رہا ہوں۔

معاشی جائزہ

گزشتہ سال غیر معمولی رہا— ایک ایسا دور جو تار چڑھاؤ، ثابت قدمی اور تبدیلی سے عبارت رہا ہے۔ قومی سطح پر پاکستان نے متضاد حالات کا سامنا کیا: ایک طرف مالی سال میں افراط زر کی کم ترین شرح ریکارڈ کی گئی، تو دوسری طرف ایک محدود سرحدی تنازع سے گزرنے کے بعد ملک مزید مضبوط ہو کر سامنے آیا ہے۔ مالی سال 2025ء میں معیشت 2.68 فیصد کی شرح سے بڑھی جو ایک محتاط بحالی کی عکاسی کرتی ہے، تاہم بڑے پیمانے کی صنعت میں 1.5 فیصد کمی واقع ہوئی جس نے مشکلات کو ظاہر کیا ہے۔

تعمیراتی شعبہ، جو ہماری مصنوعات کی طلب کا ایک اہم محرک ہے، سال بھر دباؤ کا شکار رہا کیونکہ عوامی شعبے میں ترقیاتی اخراجات محدود رہے اور نجی سرمایہ کاری بھی محتاط رہی ہے۔ سرکاری ترقیاتی اخراجات میں کمی کے باعث تعمیراتی سرگرمیاں محدود رہی، جس کا براہ راست اثر ٹائلز اور سیرامکس کی صنعت پر پڑا ہے۔ اس کے علاوہ گیس اور بجلی کے نرخوں میں مسلسل اضافے نے پیداواری اخراجات کو نمایاں طور پر بڑھا دیا، جس کے نتیجے میں اس صنعت کے منافع پر منفی اثرات پڑا ہے، کیونکہ یہ صنعت بنیادی طور پر توانائی پر انحصار کرتی ہے۔

ایسے حالات میں آپ کی کمپنی نے ہمیشہ کی طرح جدت، عملی کارکردگی اور سخت مالی نظم و ضبط پر اپنی توجہ رکھنے کا مظاہرہ کیا۔ جبکہ ہم نے اپنی مصنوعات کے مجموعے کو مزید بہتر بنایا اور وسائل کا مؤثر استعمال یقینی بنایا، مجموعی معاشی دباؤ اور تعمیراتی سرگرمیوں میں کمی کے باعث آمدنی اور منافع دونوں میں گزشتہ سال کے مقابلے میں کمی واقع ہوئی۔

کاروباری جائزہ

مالی سال 2025ء کے دوران اگرچہ معیشت میں معمولی ترقی ریکارڈ کی گئی، لیکن اس کا تعمیراتی شعبے کی بحالی میں کوئی واضح اثر نظر نہیں آیا۔ طلب میں کمی کے باعث ٹائل مارکیٹ کا مجموعی حجم نمایاں طور پر سکڑ گیا، اور سرگرمیاں زیادہ تر تزئین و آرائش کے منصوبوں اور چند سرکاری اقدامات تک محدود رہیں، جبکہ نجی شعبے کے منصوبے بدستور رکھے رہے جس سے سرمایہ کاروں کیلئے اعتماد میں کمی اور نئے ترقیاتی منصوبوں کی میں کمی کا اندازہ ہوتا 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, 2025.

BUSINESS ENVIRONMENT:

The economic conditions in the country proved to be challenging throughout the year. The construction sector continued to suffer from reduced project financing, escalating material costs, and weak consumer affordability. This resulted in delays or cancellations of major projects and a marked decline in housing and commercial construction activity.

During the fiscal year, the industry's market size witnessed a substantial contraction, which was also reflected in the Company's performance, with revenue declining by 11%. The Company recorded a Loss before tax of Rs. 242,379 (2024: PBT 606, 295). Summary of financial performance is given below:

FINANCIAL PERFORMANCE:	2025	2024
	Rs. in '000'	
Turnover	17,906,502	20,224,930
Gross profit	2,748,102	3,619,352
Earnings before interest, taxes and depreciation (EBITDA)	695,608	1,602,435
Depreciation	758,995	797,510
Finance cost	178,992	198,630
(Loss) / Profit before taxation	(242,379)	606,295
(Loss) / Profit after taxation	(192,131)	320,165
Earnings per share (Rs.)	(0.80)	1.34

LIQUIDITY AND CASH FLOW MANAGEMENT:

Through efficient cash flow management, the Company ensured financial stability while also optimizing returns by investing surplus funds at competitive rates. This prudent approach to cash management has not only mitigated potential liquidity risks but also enabled the Company to capitalize on profitable investment opportunities.

COMMERCIAL STRATEGY:

The Company continued its focus on strengthening the STILE brand. To further improve brand visibility and reinforce its premium image STCL continued its partnership with Quetta Gladiators for Pakistan Super League 2025, building on the foundation established in 2024. We remain committed to sustained efforts aimed at maintaining STILE's position as a leading premium brand in the industry.

CONTRIBUTION TO NATIONAL EXCHEQUER:

Your company contributed approximately Rs. 3,190 million (2024: Rs. 3,721 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:

- Relaxation of regulatory duties on the import of tiles
- Fluctuation / interruption in gas supply due to curtailment, gas reserve depletion
- Increase in energy prices
- Contraction in construction leading to low secondary sales
- Freight cost upsurge due to diesel prices
- Increase in material costs and overheads due to high inflation

CORPORATE AND SOCIAL RESPONSIBILITY:

Your Company has remained committed to serving society by undertaking a wide range of social responsibility initiatives. In line with our CSR policy, we continue to focus on healthcare, employee well-being, environmental sustainability, and overall community development. During the year, the Company extended its support to healthcare institutions, including contributions to Indus Hospital Karachi and Welfare Society for Patient Care, reflecting our continued commitment to creating a positive and lasting societal impact.

HEALTH & SAFETY:

The Company remains deeply committed to fostering a safe and secure work environment for all its associates. Guided by fundamental safety principles, we aim to create a workplace where individuals can perform their roles with confidence and peace of mind. To strengthen this commitment, a dedicated Health & Safety Division has been established to proactively prevent industrial accidents, ensure compliance with best practices, and safeguard the overall well-being of our workforce.

ENVIRONMENT:

The Company recognizes its responsibility to protect and preserve the environment for future generations. In line with this commitment, we have undertaken initiatives aimed at minimizing and recycling waste, while progressively adopting green technologies to improve our energy mix and overall environmental performance. By June 2025, the aggregate installed capacity of our onsite solar power reached 4.2 MW, underscoring our dedication to sustainable practices across operations and contributing meaningfully to a cleaner and greener future.

We are pleased to share that Shabbir Tiles & Ceramics Limited has been honored at the prestigious 'Annual Environment Excellence Awards 2025' by the National Forum for Environment & Health (NFEH), recognizing our commitment to sustainable practices and environmental stewardship.

ADEQUACY OF INTERNAL CONTROLS:

The Company has in place a robust system of internal controls to ensure orderly operations, safeguard assets, and maintain accurate financial records. The Board, directly and through its committees, regularly reviews the adequacy of these controls, financial performance, and budgetary variances with necessary actions. To strengthen oversight, the internal audit function has been outsourced to qualified professionals, while a suitably qualified Head of Internal Audit has been appointed in compliance with the 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, 2026, 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, 2025 was Rs. 483.019 million (2024: Rs. 406.096 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, Six 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. Syed Masood Abbas Jaffery	Executive Director & CEO	6
Mr. Feroze Jehangir Cawasji	Independent Director (Retired)	4
Mr. Abdul Hai M. Bhaimia	Non-Executive Director	6
Mr. Asad Said Jafar	Independent Director	1
Mrs. Farhana Mowjee Khan	Independent Director	6
Mr. Muhammad Salman Burney	Non-Executive Director	6
Mr. Imran Ali Habib	Non-Executive Director	6

*Chairman Rafiq M Habib passed away on September 03, 2025.

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

BOARD AUDIT AND RISK COMMITTEE:

During the year the Board reconstituted the Board Audit Committee (BAC) to Board Audit and Risk Committee (BARC) and approved the updated Terms of Reference (TORs). The BARC has 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 who is also the Chairperson of BARC.

During the year, four meetings of Board Audit and Risk 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) Retired	3
Mr. Asad Said Jafar	Independent Director	0
Mr. Abdul Hai M. Bhaimia	Non-Executive Director	4
Mrs. Farhana Mowjee Khan	Independent Director (Chairman)	4
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, one meeting of the HR&R Committee was 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. Asad Said Jafar	Independent Director (Chairman)	1
Mr. Salman Burney	Non-Executive Director	1
Mr. Syed Masood Abbas Jaffery	Executive Director	1
Mrs. Farhana Mowjee Khan	Independent Director	1

DIVIDEND:

For the year ended June 30, 2025, the Board in its meeting held on August 29, 2025 have proposed No cash dividend.

PATTERN OF SHAREHOLDING:

Statements showing the pattern of shareholding as at June 30, 2025 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 3.4% more than their male counterparts, as indicated by the mean pay gap. Additionally, the median pay gap shows that male employees earn 14.8% 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. The overall performance and efficacy of the Board and its committees has 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.

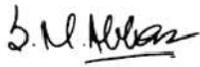
OUTLOOK AND FUTURE PROSPECTS:

Although the results for the year did not fully reflect the Company's true potential, the dedication and resilience demonstrated by the management team in navigating a highly challenging environment underscores the strength of our organizational foundation and our ability to adapt in the face of adversity. 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.

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



FARHANA MAWJEE KHAN
Director

Dated: August 29, 2025

مستقبل کا نقطہ نظر

اگرچہ سال کے نتائج کمپنی کی اصل صلاحیت کی مکمل عکاسی نہیں کرتے، تاہم نہایت مشکل حالات میں انتظامیہ کی جانب سے دکھائی گئی لگن اور ثابت قدمی کا مظاہرہ ہماری تنظیمی بنیاد کی طاقت اور مشکلات کا سامنا کرنے کی صلاحیت کو اجاگر کرتی ہے۔ آپ کی کمپنی صارفین کی تسلی، عملی عمدگی کے عزم اور اخراجات کی بہتر نظم و نسق پر مرکوز ہے۔ ہمیں یقین ہے کہ ہماری فعال حکمت عملیاں ہمیں مستحکم مالی حیثیت برقرار رکھنے اور ابھرتے ہوئے مواقع سے فائدہ اٹھانے کے قابل بنائیں گی۔

اعتراف

ہماری کمپنی کے بورڈ آف ڈائریکٹرز اپنے حصص داران اور صارفین کو ان کی مسلسل سرپرستی اور اعتماد کے لئے مشکور ہیں جس نے شبیر ٹائلز اینڈ سیرامکس لمیٹڈ کو صنعت میں ایک معروف برانڈ 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۔

منجانب بورڈ

S. M. Abbas

سید مسعود عباس جعفری
چیف ایگزیکٹو آفیسر

کراچی: 29 اگست، 2025

Fauzan Hussain

فرحانہ ماوجی خان
ڈائریکٹر

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ

کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کی ہدایات کے مطابق، کمپنی کا بورڈ ہر سال اپنی مجموعی کارکردگی اور اس کی کمیٹیوں کی کارکردگی کا جامع خود جائزہ لیتا ہے۔ اس جائزے کا مقصد بورڈ کی مجموعی کارکردگی اور مؤثریت کا اندازہ لگانا اور اسے کمپنی کے طے شدہ مقاصد کے ساتھ ہم آہنگ کرنا ہے۔ یہ جائزہ درج ذیل اہم پہلوؤں پر مرکوز ہوتا ہے:

- کمپنی کے کارپوریٹ مقاصد اور اہداف کا کمپنی کے وژن اور مشن کے ساتھ ہم آہنگ ہونا
- پائیدار کاروباری سرگرمیوں کے لیے حکمت عملی کی تشکیل
- بورڈ کی آزادی اور
- بورڈ کی کمیٹیوں کی کارکردگی کا ان ذمہ داریوں کے تناظر میں جائزہ جو ان کے ٹرمز آف ریفرنس میں درج ہیں

ہر سال، فہرست شدہ کمپنیوں کے (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق ایک تشخیصی سوالنامہ تیار کیا جاتا ہے اور ڈائریکٹرز کو ان کی کارکردگی کے جائزے کے لیے بھیجا جاتا ہے۔ بعد ازاں، ان جائزوں کا تجزیہ کر کے ان پہلوؤں کی نشاندہی کی جاتی ہے جہاں بہتری کی ضرورت ہو اور کسی بھی مختلف رائے کو سامنے لایا جاتا ہے۔ بورڈ اور اس کی کمیٹیوں کی مجموعی کارکردگی اور مؤثریت کو "اطمینان بخش" قرار دیا گیا ہے۔

سی ای او کی کارکردگی کا جائزہ

سی ای او کی کارکردگی ایک باضابطہ جانچ کے تابع ہے جو ایک تشخیصی نظام کے ذریعے کی جاتی ہے اور مختلف پہلوؤں کا احاطہ کرتی ہے۔ اس میں کاروباری کارکردگی کا جائزہ، منافع سے متعلق مقاصد کے حصول، تنظیمی ترقی، جانشینی کی منصوبہ بندی اور مجموعی طور پر ادارتی کامیابی کا اندازہ شامل ہے۔

ڈائریکٹرز کا معاوضہ

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

بعد از واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان، سوائے ان کے جو مالیاتی گوشواروں میں ظاہر کیے گئے ہیں، کمپنی کی مالی حالت کو متاثر کرنے والی کوئی اہم تبدیلی یا عہد بندیاں واقع نہیں ہوئی ہیں۔

ماحقہ فریقین کے سودے

فریقین متعلقہ کے مابین تمام لین دین منصفانہ قیمتوں کی بنیاد پر انجام دیے گئے۔ کمپنی نے ٹرانسفر پرائسنگ سے متعلقہ ضابطہ اور قواعد میں درج بہترین طریقہ کار پر مکمل طور پر عمل کیا ہے۔ تمام متعلقہ فریقوں کے لین دین کی تفصیلات آڈٹ کمیٹی کے سامنے پیش کی گئیں اور اس کی سفارش پر بورڈ آف ڈائریکٹرز نے ان کی منظوری دی۔

صنفي مساوات

آپ کی کمپنی ایک جامع اور منصفانہ کارگاہی ماحول فروغ دینے کے لئے پرعزم ہے، جہاں تمام ملازمین کی قدر کی جاتی ہے اور انہیں کامیابی کے لیے بااختیار بنایا جاتا ہے۔ ہمیں اس بات پر فخر ہے کہ ہم مساوی مواقع فراہم کرنے والے آجروں میں شامل ہیں، جہاں ملازمت سے متعلق فیصلے بشمول بھرتی، تقرری، تربیت، ترقی اور معاوضہ صرف میرٹ اور قابلیت کی بنیاد پر کیے جاتے ہیں، بغیر کسی امتیاز کے خواہ وہ نسل، رنگ، مذہب، جنس، عمر، معذوری یا قانون کے تحت محفوظ کسی اور خصوصیت سے متعلق ہوں۔

ہمارے یقین ہے کہ تنوع جدت کا محرک ہے اور تنظیمی کارکردگی کو بہتر بناتا ہے۔ اسی مقصد کے لیے ہم مسلسل ایک ایسا ماحول بنانے کی کوشش کرتے ہیں جہاں سب ملازمین کو ترقی کرنے اور اجتماعی کامیابی میں حصہ ڈالنے کے مساوی مواقع حاصل ہوں۔

اس مدت کے دوران ہمارے تجزیے سے ظاہر ہوتا ہے کہ اوسطاً خواتین ملازمین اپنے مرد ساتھیوں سے 3.4 فیصد زیادہ کماتی ہیں، جیسا کہ "میان ادائیگی فرق" سے ظاہر ہوتا ہے۔ اس کے برعکس، "میڈین ادائیگی فرق" سے ظاہر ہوتا ہے کہ مرد ملازمین اپنی خواتین ساتھیوں سے 14.8 فیصد زیادہ کماتے ہیں۔ یہ اعداد و شمار ہمارے صنفی مساوات کے عزم پر مثبت روشنی ڈالتے ہیں، تاہم ہم اس بات کو بھی تسلیم کرتے ہیں کہ تنخواہوں میں مساوات حاصل کرنا ایک مسلسل جاری رہنے والا عمل ہے۔

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 اناہار چڑھاؤ، اور غیر متوقع واقعات جیسے خلل کے سامنے تنظیم کی صورت حال قابو پانے کو یقینی بنانے کے لئے تشکیل دیا گیا ہے

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

سال کے دوران بورڈ آڈٹ اینڈ رسک کمیٹی کے چار اجلاس منعقد ہوئے۔ کمیٹی کی تشکیل اور حاضری کی تفصیل درج ذیل ہے:

ڈائریکٹر کا نام	عہدہ	حاضر اجلاسوں کی تعداد
جناب فیروز جہانگیر کاوس جی	آزاد ڈائریکٹر (چیئر مین) ریٹائرڈ	3
جناب اسد سید جعفر	آزاد ڈائریکٹر	0
جناب عبدالکحی ایم بھائی میاں	نان ایگزیکٹو ڈائریکٹر	4
محترمہ فرحانہ ماوجی خان	آزاد ڈائریکٹر (چیئر پرسن)	4
جناب عمران علی حبیب	نان ایگزیکٹو ڈائریکٹر	4

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی انتظامیہ کو انسانی وسائل سے متعلق اسٹریٹجک رہنمائی فراہم کرتی ہے، سالانہ کارکردگی کے جائزے، پرسنل پالیسیز، اور ملازمین کے لئے معاوضہ و فوائد کا تجزیہ کرتی ہے۔

زیر جائزہ سال کے دوران، ایک اجلاس ایچ آر اینڈ آر کمیٹی کا منعقد ہوا، جس میں کمیٹی کے ضابطہ کار کے تحت آنے والے معاملات پر غور و خوض کیا گیا اور ان کی منظوری دی گئی۔ ایچ آر اینڈ آر کمیٹی کے ارکان کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	عہدہ	حاضر اجلاسوں کی تعداد
جناب اسد سید جعفر	آزاد ڈائریکٹر (چیئر مین)	1
جناب محمد سلمان برنی	نان ایگزیکٹو ڈائریکٹر	1
جناب سید مسعود عباس جعفری	ایگزیکٹو ڈائریکٹر	1
محترمہ فرحانہ ماوجی خان	آزاد ڈائریکٹر	1

منافع منقسم

سال منتہی 30 جون 2025 کے لئے بورڈ نے اپنے اجلاس مورخہ 29 اگست 2025 میں کسی بھی منافع منقسم کی سفارش نہیں کی۔

حصص داری کی ساخت

کمپنیز ایکٹ 2017 سیکشن 227 (2) (ایف) اور کوڈ آف کارپوریٹ گورننس کے تحت 30 جون 2025 تک حصص داری کی ساخت کو واضح کرنے والے گوشوارے 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 نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ

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

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

ڈائریکٹر کا نام	عہدہ	حاضر اجلاسوں کی تعداد
* جناب رفیق ایم حبیب	چیئر مین	5
جناب سید مسعود عباس جعفری	ایگزیکٹو ڈائریکٹر، سی ای او	6
جناب فیروز جہانگیر کاوس جی	آزاد ڈائریکٹر (ریٹائرڈ)	4
جناب عبداللہ ایم بھائی میاں	نان ایگزیکٹو ڈائریکٹر	6
جناب اسد سید جعفر	آزاد ڈائریکٹر	1
محترمہ فرحانہ ماوجی خان	آزاد ڈائریکٹر	6
جناب محمد سلمان برنی	نان ایگزیکٹو ڈائریکٹر	6
جناب عمران علی حبیب	نان ایگزیکٹو ڈائریکٹر	6

* چیئر مین جناب رفیق ایم حبیب کا 3 ستمبر 2025 کو انتقال ہو گیا ہے۔

جو ڈائریکٹرز بورڈ کے اجلاس میں حاضر نہا ہو سکے انکی غیر حاضری کی درخواست منظور کر لی گئی ہے۔

بورڈ آڈٹ اور رسک کمیٹی

سال کے دوران بورڈ نے بورڈ آڈٹ کمیٹی (بی۔ اے۔ سی) کو از سر نو تشکیل دے کر اسے بورڈ آڈٹ اینڈ رسک کمیٹی (بی۔ اے۔ آر۔ سی) کا نام دیا اور اس کے نظر ثانی شدہ ضابطہ کار (ٹی۔ او۔ آر۔ ز) کی منظوری دی۔

بورڈ آڈٹ اینڈ رسک کمیٹی بورڈ کو اپنی نگرانی کی ذمہ داریاں نبھانے میں کلیدی کردار ادا کرتی ہے۔ اس میں حصص یافتگان کو مالی اور غیر مالی معلومات کا جائزہ اور ان کی ترسیل، داخلی کنٹرول سسٹمز اور رسک مینجمنٹ طریقہ کار کا تجزیہ، اور آڈٹ کے عمل کی نگرانی شامل ہے۔

کمیٹی کو یہ اختیار حاصل ہے کہ وہ مینجمنٹ سے معلومات طلب کرے اور ضرورت پڑنے پر براہ راست بیرونی آڈیٹرز یا مشیروں سے رابطہ کرے۔ ہر اجلاس کے بعد کمیٹی کے چیئر مین بورڈ کو اپنی رپورٹ پیش کرتے ہیں۔

کمیٹی دو نان ایگزیکٹو ڈائریکٹرز اور دو آزاد ڈائریکٹرز پر مشتمل ہے، جن میں ایک خاتون ڈائریکٹر بھی شامل ہیں جو (بی۔ اے۔ آر۔ سی) کی چیئر پرسن کے طور پر خدمات انجام دے رہی ہیں۔

آڈیٹرز

موجودہ آڈیٹرز ایم/ایس اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کمپنی کے سالانہ عام اجلاس میں ریٹائر ہو رہے ہیں اور قواعد کے مطابق دوبارہ تقرری کے اہل ہیں۔ انہوں نے اپنی خدمات دوبارہ فراہم کرنے کی رضامندی ظاہر کی ہے۔ بورڈ نے ان ریٹائر ہونے والے آڈیٹرز کی 30 جون 2026 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کی سفارش کی ہے تاکہ اسے آئندہ سالانہ عام اجلاس میں شیئر ہولڈرز کی منظوری کے لیے پیش کیا جاسکے۔

اداراتی نظم و ضبط کے ضابطے کی پاسداری

کمپنی کی مینجمنٹ کمپنیز ایکٹ 2017 کی دفعات اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ کارپوریٹ گورننس کوڈ کے تحت اپنی ذمہ داریوں سے بخوبی آگاہ ہے۔ ذیل میں درج نکات بورڈ کی اعلیٰ معیار کی کارپوریٹ گورننس اور مسلسل بہتری کے عزم کا اعتراف ہیں۔

1. کمپنی کے مالیاتی بیانات جو مینجمنٹ کی جانب سے تیار کیے گئے ہیں کمپنی کے مالی حالات، آپریشنز کے نتائج، کیش فلوا اور ایکویٹی میں ہونے والی تبدیلیوں کو درست طور پر ظاہر کرتے ہیں۔
2. کمپنی کی جانب سے مناسب اکاؤنٹس کی کتابیں برقرار رکھی گئی ہیں۔
3. ان مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر اپنایا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے کی بنیاد پر کیے گئے ہیں۔
4. پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات کو ان مالیاتی بیانات کی تیاری میں اختیار کیا گیا ہے۔
5. داخلی کنٹرول کا نظام موثر ڈیزائن کیا گیا ہے اور مؤثر انداز میں نافذ اور مانیتئر کیا گیا ہے۔ ان کنٹرولز کی مانیتئرنگ کا عمل مزید مضبوطی اور بہتری کے مقصد کے ساتھ جاری رہے گا۔
6. کمپنی کے ”گورنگ کنسرن“ رہنے کی صلاحیت پر کوئی نمایاں شکوک و شبہات موجود نہیں ہیں۔
7. کمپنی کے گزشتہ چھ سالوں کے کلیدی آپرٹنگ اور مالیاتی اعداد و شمار کا خلاصہ اس سالانہ رپورٹ میں موجود ہے۔
8. پاکستان اسٹاک ایکسچینج کے رول بک میں درج قواعد کے مطابق کارپوریٹ گورننس کی بہترین پریکٹسز سے کوئی اہم انحراف نہیں ہوا۔
9. کمپنی اپنے تمام مستقل ملازمین کے لیے کٹری بیوٹری پروویڈنٹ فنڈ اسکیم چلاتی ہے۔ 30 جون 2025 کو ختم ہونے والے سال کے غیر آڈٹ شدہ اکاؤنٹس کے مطابق ایس ٹی سی ایل پروویڈنٹ فنڈ ٹرسٹ کی سرمایہ کاریوں کی مالیت 483.019 ملین روپے تھی (2024: 406.096 ملین روپے)۔
10. ان مالیاتی بیانات میں ظاہر کردہ ٹیکسز، لیویز اور دیگر چارجز کے علاوہ کمپنی پر کسی بھی قسم کی واجب الادا قانونی ادائیگی باقی نہیں ہے۔

اداراتی اور سماجی ذمہ داری

آپ کی کمپنی نے ہمیشہ معاشرے کی خدمت کے عزم کو برقرار رکھا ہے اور وسیع سماجی ذمہ داری کی سرگرمیوں کو اپنایا ہے۔ اپنی سی ایس آر پالیسی کے تحت ہم صحت عامہ، ملازمین کی فلاح و بہبود، ماحولیاتی پائیداری اور مجموعی کمیونٹی کی ترقی پر مسلسل توجہ مرکوز رکھتے ہیں۔ سال کے دوران کمپنی نے صحت عامہ کے اداروں کی مدد کی، جن میں انڈس ہسپتال کراچی اور ویلفیئر سوسائٹی فار پیشنٹ کیئر کوڈی گئی معاونت بھی شامل ہے۔ یہ اقدامات اس بات کا عملی اظہار ہیں کہ ہم معاشرے پر مثبت اور دیرپا اثر ڈالنے کے لیے عزم ہیں۔

صحت اور حفاظت

کمپنی اپنے تمام ساتھیوں کے لیے محفوظ اور پُر اعتماد کام کا ماحول فراہم کرنے کی کوشش کرتی ہے بنیادی حفاظتی اصولوں کی رہنمائی میں ہمارا مقصد ایک ایسا ماحول قائم کرنا ہے جہاں ہر فرد پُر اعتماد اور اطمینان کے ساتھ اپنی ذمہ داریاں انجام دے سکے۔ اس عزم کو مزید مستحکم کرنے کے لیے ایک خصوصی ہیلتھ اینڈ سیفٹی ڈویژن قائم کیا گیا ہے جو صنعتی حادثات کی روک تھام، بہترین عملی طریقوں کی پاسداری اور ملازمین کی فلاح و بہبود کے تحفظ کو یقینی بناتا ہے۔

ماحول

کمپنی آنے والی نسلوں کے لیے ماحول کے تحفظ اور بقا کی اپنی ذمہ داری کو بخوبی تسلیم کرتی ہے۔ اسی عزم کے تحت ہم نے ایسے اقدامات کیے ہیں جن کا مقصد زیاں کو کم سے کم کرنا اور دوبارہ استعمال کے قابل بنانا ہے، جبکہ توانائی کے بہتر امتزاج اور مجموعی ماحولیاتی کارکردگی کے لیے تدریجی طور پر ماحول دوست ٹیکنالوجیز کو اپنایا جا رہا ہے۔ جون 2025 تک ہماری فیکٹری میں نصب شمسی توانائی کی مجموعی استعداد 4.2 میگا واٹ تک پہنچ گئی، جو پائیدار طریقہ کار کے نفاذ اور صاف ستھرے مستقبل کے لیے ہمارے عزم کا ثبوت ہے۔

یہ بات ہمارے لیے باعث مسرت ہے کہ شبیر ٹائلز اینڈ سیرامکس لمیٹڈ کو میٹنل فورم فار انوائرنمنٹ اینڈ ہیلتھ کی جانب سے اینول انوائرنمنٹ ایکسیلنس ایوارڈز 2025 میں نوازا گیا ہے، جو ہمارے ماحولیاتی ذمہ داری کے جذبے اور پائیدار طریقوں کی توثیق کرتا ہے۔

انٹرنل کنٹرول کے نظام

کمپنی نے ایک مؤثر اندرونی کنٹرول سسٹم وضع کر رکھا ہے تاکہ کام کے تسلسل کو یقینی بنایا جاسکے، اثاثوں کا تحفظ کیا جاسکے اور مالی ریکارڈ کی درستگی برقرار رکھی جاسکے۔ بورڈ اپنی کمیٹیوں کے ذریعے ان کنٹرولز کی افادیت، مالی کارکردگی اور بجٹ میں فرق کا باقاعدگی سے جائزہ لیتا ہے اور ضرورت کے مطابق اقدامات کرتا ہے۔ نگرانی کو مزید مضبوط بنانے کے لیے داخلی آڈٹ کا نظام مستند پیشہ ور افراد کو آؤٹ سورس کر دیا گیا ہے، جبکہ ایک موزوں طور پر مستند سربراہ داخلی آڈٹ کو بھی تعینات کیا گیا ہے تاکہ لسٹڈ کمپنیز) کو ڈآف کارپوریٹ گورننس (ریگولیشنز، 2019) پر مکمل عمل درآمد یقینی بنایا جاسکے۔

لیکویڈٹی اور نقد بھاؤ کا انتظام

مؤثر کیش فلو مینجمنٹ کے ذریعے کمپنی نے مالی استحکام کو یقینی بنایا اور زائد رقم کو مسابقتی شرحوں پر سرمایہ کاری کر کے منافع کو بہتر بنایا۔ کیش مینجمنٹ کے یہ محتاط طریقہ نہ صرف ممکنہ لیکویڈٹی کے خطرات کو کم کرتا ہے بلکہ کمپنی کو منافع بخش سرمایہ کاری کے مواقع سے فائدہ اٹھانے کے قابل بھی بناتا ہے۔

تجارتی حکمت عملی

کمپنی نے اسٹائل برانڈ کو مضبوط بنانے پر اپنی توجہ برقرار رکھی۔ برانڈ کی نمایاں پہچان کو مزید بہتر بنانے اور اس کے پریمیئم تشخص کو مستحکم کرنے کے لیے ایس ٹی سی ایل نے پاکستان سپر لیگ 2025 میں کونٹریڈکٹ ایئر کے ساتھ اپنی شراکت داری جاری رکھی، جو 2024 میں قائم کی گئی بنیاد پر استوار ہے۔ ہم اس بات کے لیے پُر عزم ہیں کہ اپنی مسلسل کوششیں جاری رکھتے ہوئے شہر ٹائلز کو صنعت میں ایک ممتاز پریمیئم برانڈ کے طور پر برقرار رکھا جائے۔

قومی خزانے میں معاونت

آپ کی کمپنی نے آمدنی کے ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹیز اور دیگر سرکاری محصولات کی مدد میں تقریباً روپے 3,190 ملین (2024: روپے 3,721 ملین) قومی خزانے میں جمع کرائے ہیں۔

کاروباری خطرات اور چیلنجز

مندرجہ ذیل بڑے خطرات ہیں جو ہماری کاروباری سرگرمیوں پر اثر انداز ہو سکتے ہیں:

- ٹائلز کی درآمد پر ریگولیٹری ڈیوٹیز میں نرمی
- ذخائر کے ختم ہونے کے باعث گیس کی فراہمی میں کمی یا تعطل
- توانائی کی قیمتوں میں اضافہ
- تعمیراتی شعبے میں سکڑاؤ کے نتیجے میں ثانوی فروخت میں کمی
- ڈیزل کی قیمتوں میں اضافے کے باعث مال برداری کے اخراجات میں اضافہ
- بلند افراط زر کی وجہ سے خام مال اور بالواسطہ اخراجات میں اضافہ

ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹر ز کو 30 جون 2025 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

کاروباری ماحول

ملک کے معاشی حالات پورے سال مشکلات کا شکار رہے ہیں۔ تعمیراتی شعبہ، منصوبوں کے لیے کم مالی معاونت، بڑھتی ہوئی تعمیراتی لاگت اور صارفین کی کمزور استطاعت سے بری طرح متاثر رہا۔ اس کے نتیجے میں بڑے منصوبوں میں تاخیر یا منسوخی دیکھنے میں آئی اور رہائشی و تجارتی تعمیراتی سرگرمیوں میں نمایاں کمی واقع ہوئی۔

مالی سال کے دوران، صنعت کے مارکیٹ جوم میں نمایاں کمی دیکھی گئی، جو کمپنی کی کارکردگی میں بھی نظر آئی ہے۔ کمپنی کی آمدنی میں 11 فیصد کمی واقع ہوئی۔ کمپنی نے ٹیکس سے قبل 242,379 روپے کا خسارہ ریکارڈ کیا (جو کہ پچھلے سال: منافع قبل از ٹیکس 606,295 روپے کی صورت میں تھا) مالی کارکردگی کا خلاصہ درج ذیل ہے۔

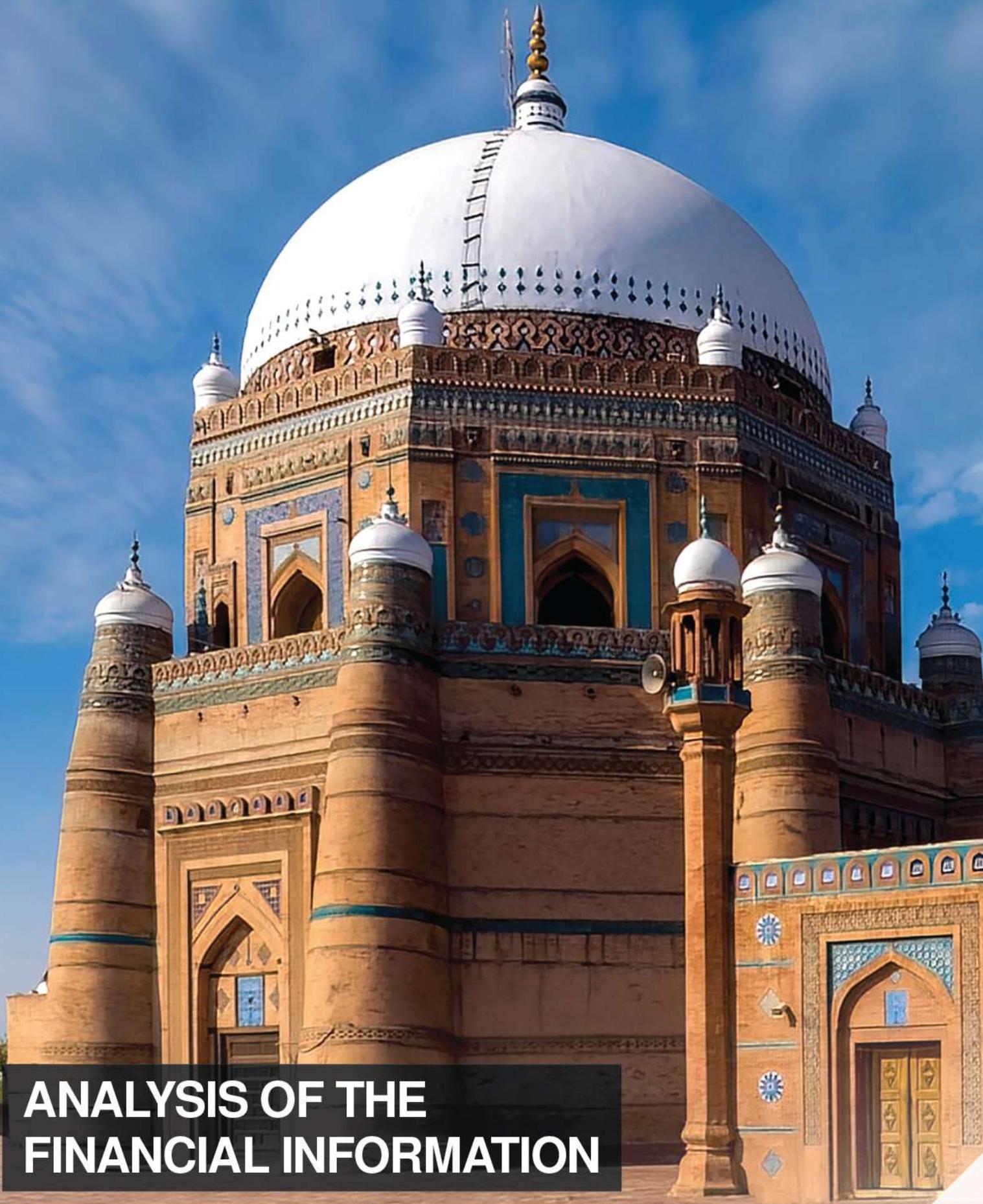
روپے '000' میں

مالیاتی نتائج

2024	2025	
20,224,930	17,906,502	خالص فروخت
3,619,352	2,748,102	مجموعی منافع
1,602,435	695,608	آمدنی قبل از سود اور فرسودگی (EBITDA)
797,510	758,995	فرسودگی
198,630	178,992	مالیاتی لاگت
606,295	(242,379)	(خسارہ) منافع قبل از ٹیکس
320,165	(192,131)	(خسارہ) منافع بعد از ٹیکس
1.34	(0.80)	فی حصص آمدنی (روپے)

MESSAGE FROM THE CEO





ANALYSIS OF THE FINANCIAL INFORMATION

TOMB OF HAZRAT SHAH RUKN-E-ALAM, MULTAN

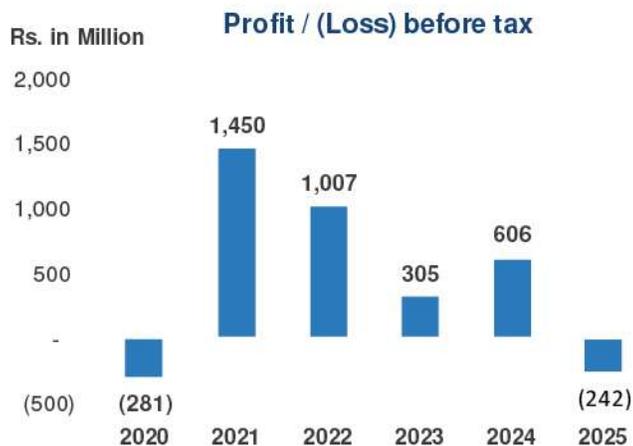
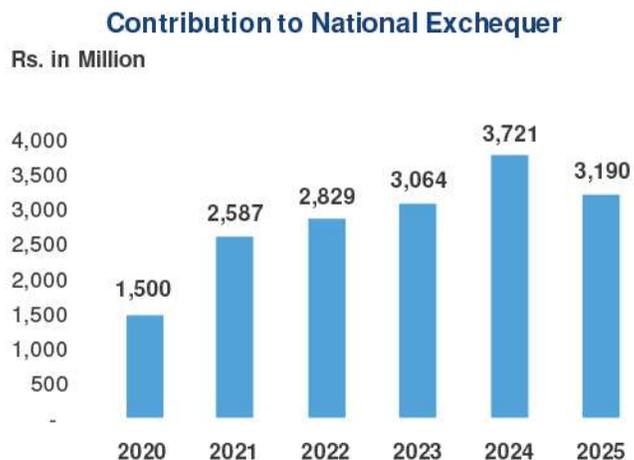
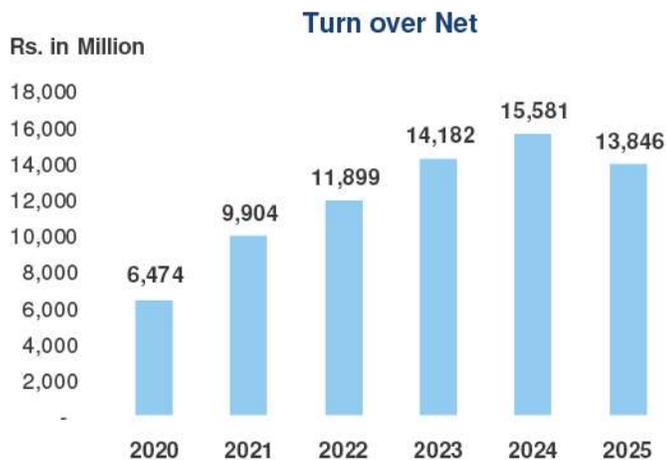


Honoring the essence
of our nation, we pay tribute
to “The Majestic STILE of
Pakistan”.

PERFORMANCE OF LAST SIX YEARS

FINANCIAL SUMMARY	30TH JUNE 2025	30TH JUNE 2024	30TH JUNE 2023	30TH JUNE 2022	30TH JUNE 2021	30TH JUNE 2020
	(RS.'000s)					
For the year						
Turnover - net	13,846,058	15,581,047	14,182,479	11,898,966	9,904,498	6,474,469
% of Growth	-11.14%	9.86%	19.19%	20.14%	52.98%	-6.61%
Gross profit	2,748,102	3,619,352	2,987,080	2,994,999	3,060,227	1,096,746
Gross profit (%)	19.85%	23.23%	21.06%	25.17%	30.90%	16.94%
Selling and distribution Costs	2,370,627	2,488,142	2,129,448	1,602,220	1,394,662	1,036,180
% of Turnover -net	17.12%	15.97%	15.01%	13.47%	14.08%	16.00%
Administrative Expenses	518,590	397,927	386,691	335,856	289,144	255,767
% of Turnover -net	3.75%	2.55%	2.73%	2.82%	2.92%	3.95%
Allowance / (Reversal) for expected credit loss	10,938	23,073	(5,168)	19,546	(18,731)	37,093
% of Turnover -net	0.08%	0.15%	-0.04%	0.16%	-0.19%	0.57%
Finance Cost	178,992	198,630	193,674	115,840	107,444	87,078
% of Turnover -net	1.29%	1.27%	1.37%	0.97%	1.08%	1.34%
Profit / (loss) before taxation	(242,379)	606,295	304,517	1,006,789	1,449,742	(280,817)
% of Turnover -net	-1.75%	3.89%	2.15%	8.46%	14.64%	-4.34%
Profit / (loss) after taxation	(192,131)	320,165	37,613	497,322	924,888	(325,774)
% of Turnover -net	-1.39%	2.05%	0.27%	4.18%	9.34%	-5.03%
EBITDA	695,608	1,602,435	1,231,342	1,812,243	2,267,720	512,598
% of Turnover -net	5.02%	10.28%	8.68%	15.23%	22.90%	7.92%
Cash dividend	-	179,490	-	179,490	299,150	-
Cash dividend (%)		15.00%		15.00%	25.00%	
Ratio Analysis						
Break-up value of Rs. 5/= share	11.07	12.62	11.28	11.88	11.05	7.18
Earnings / (loss) per share (Rs.)	(0.80)	1.34	0.16	2.08	3.86	(1.36)
Receivables no. of days	12	12	12	9	12	20
Current ratio	1.01	1.11	0.97	0.98	1.20	0.77
Number of employees (Permanent)	681	702	730	745	742	766

FINANCIAL HIGHLIGHTS



VERTICAL ANALYSIS

	Rupees in '000											
Statement of Financial Position	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
Property , plant & Equipment	2,492,881	31.4	2,880,148	35.3	3,342,400	37.8	3,418,756	45.2	2,696,148	38.4	2,672,266	49.6
Right of use assets	377,181	4.7	337,617	4.1	327,200	3.7	263,363	3.5	240,668	3.4	267,718	5.0
Investment properties	2,418	0.0	3,309	0.0	4,551	0.1	5,793	0.1	7,035	0.1	8,277	0.2
Long-term loans, advances & deposits	48,710	0.6	47,503	0.6	31,817	0.4	32,149	0.4	27,375	0.4	23,070	0.4
Deferred Tax Asset - Net	306,881	3.9	79,530	1.0	41,089	0.5	-	-	-	-	-	-
Current assets	4,714,029	59.4	4,812,589	59.0	5,105,121	57.7	3,841,509	50.8	4,052,399	57.7	2,417,550	44.9
Total Assets	7,942,100	100.0	8,160,696	100.0	8,852,178	100.0	7,561,570	100.0	7,023,625	100.0	5,388,881	100.0
Share Capital	1,196,600	15.1	1,196,600	14.7	1,196,600	13.5	1,196,600	15.8	1,196,600	17.0	1,196,600	22.2
Share Premium	449,215	5.7	449,215	5.5	449,215	5.1	449,215	5.9	449,215	6.4	449,215	8.3
Reserves	1,002,960	12.6	1,374,581	16.8	1,054,416	11.9	1,196,293	15.8	998,121	14.2	73,233	1.4
Shareholders' equity	2,648,775	33.4	3,020,396	37.0	2,700,231	30.5	2,842,108	37.6	2,643,936	37.6	1,719,048	31.9
Long Term Financing - Secured	324,842	4.1	494,102	6.1	536,712	6.1	223,825	3.0	149,670	2.1	209,300	3.9
Lease liabilities	303,905	3.8	269,558	3.3	224,112	2.5	199,725	2.6	173,289	2.5	199,284	3.7
Deferred tax liability - net	-	-	-	-	-	-	34,733	0.5	54,157	0.8	132,511	2.5
Other long term liability	40,624	0.5	47,021	0.6	124,092	1.4	374,940	4.9	608,130	8.6	-	-
Current liabilities	4,623,954	58.2	4,329,619	53.1	5,267,031	59.5	3,887,239	51.4	3,394,443	48.3	3,129,738	58.0
Total Equities and Liabilities	7,942,100	100.0	8,160,696	100.0	8,852,178	100.0	7,561,570	100.0	7,023,625	100.0	5,388,881	100.0
PROFIT AND LOSS ACCOUNT												
Turnover - net	13,846,058	100.0	15,581,047	100.0	14,182,479	100.0	11,898,966	100.0	9,904,498	100.0	6,474,469	100.0
Cost of Sales	(11,097,956)	(80.2)	(11,961,695)	(76.8)	(11,195,399)	(78.9)	(8,903,967)	(74.8)	(6,844,271)	(69.1)	(5,377,723)	(83.1)
Gross profit	2,748,102	19.8	3,619,352	23.2	2,987,080	21.1	2,994,999	25.2	3,060,227	30.9	1,096,746	16.9
Selling and distribution Costs	(2,370,627)	(17.1)	(2,488,142)	(16.0)	(2,129,448)	(15.0)	(1,602,220)	(13.5)	(1,394,662)	(14.1)	(1,036,180)	(16.0)
Administrative Expenses	(518,590)	(3.7)	(397,927)	(2.6)	(386,891)	(2.7)	(335,856)	(2.8)	(289,144)	(2.9)	(255,767)	(4.0)
Reversal / (Allowance) for expected credit loss	(10,938)	(0.1)	(23,073)	(0.1)	5,168	0.04	(19,546)	(0.2)	18,731	0.2	(37,093)	(0.6)
Other Income	114,963	0.8	179,898	1.2	172,139	1.2	181,188	1.5	299,663	3.0	43,899	0.7
Operating (Loss) / Profit	(37,090)	(0.3)	890,108	5.7	648,248	4.6	1,218,565	10.2	1,694,815	17.1	(188,395)	(2.9)
Finance costs	(178,992)	(1.3)	(198,630)	(1.3)	(193,674)	(1.4)	(115,840)	(1.0)	(107,444)	(1.1)	(87,078)	(1.3)
Other expenses	(26,297)	(0.2)	(85,163)	(0.5)	(150,057)	(1.1)	(95,936)	(0.8)	(137,629)	(1.4)	(5,344)	(0.1)
(Loss) / Profit before taxation	(242,379)	(1.8)	606,295	3.9	304,517	2.1	1,006,789	8.5	1,449,742	14.6	(280,817)	(4.3)
Taxation and Levy	50,248	0.4	(286,130)	(1.8)	(266,904)	(1.9)	(509,467)	(4.3)	(524,854)	(5.3)	(44,957)	(0.7)
(Loss) / Profit after taxation	(192,131)	(1.4)	320,165	2.1	37,613	0.3	497,322	4.2	924,888	9.3	(325,774)	(5.0)

HORIZONTAL ANALYSIS

Rupees in '000

Statement of Financial Position	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
Property, plant & Equipment	2,492,881	31.4	2,880,148	35.3	3,342,400	37.8	3,418,756	45.2	2,696,148	35.4	2,672,266	49.6
Right of use assets	377,181	4.7	337,617	4.1	327,200	3.7	263,363	3.5	240,668	3.4	267,716	5.0
Investment properties	2,418	0.0	3,309	0.0	4,551	0.1	6,793	0.1	7,035	0.1	8,277	0.2
Long-term loans, advances & deposits	48,710	0.6	47,503	0.6	31,817	0.4	32,149	0.4	27,375	0.4	23,070	0.4
Deferred Tax Asset - Net	306,881	3.9	79,530	1.0	41,089	0.5	-	-	-	-	-	-
Current assets	4,714,029	59.4	4,812,589	59.0	5,106,121	57.7	3,841,509	50.8	4,052,399	57.7	2,417,550	44.9
Total Assets	7,942,100	100.0	8,160,696	100.0	8,852,178	100.0	7,561,570	100.0	7,023,625	100.0	5,388,881	100.0
Share Capital	1,196,600	15.1	1,196,600	14.7	1,196,600	13.5	1,196,600	15.8	1,196,600	17.0	1,196,600	22.2
Share Premium	449,215	5.7	449,215	5.5	449,215	5.1	449,215	5.9	449,215	6.4	449,215	8.3
Reserves	1,002,960	12.6	1,374,581	16.8	1,054,416	11.9	1,196,250	15.8	998,121	14.2	73,233	1.4
Shareholders' equity	2,648,775	33.4	3,020,396	37.0	2,700,231	30.5	2,842,108	37.6	2,643,936	37.6	1,719,048	31.9
Long Term Financing - Secured	324,842	4.1	494,102	6.1	536,712	6.1	223,825	3.0	149,670	2.1	209,300	3.9
Lease liabilities	303,905	3.8	269,558	3.3	224,112	2.5	198,725	2.6	173,289	2.5	198,284	3.7
Deferred tax liability - net	-	-	-	-	-	-	34,733	0.5	54,157	0.8	132,511	2.5
Other long term liability	40,624	0.5	47,021	0.6	124,092	1.4	37,440	0.5	608,130	8.6	-	-
Current liabilities	4,623,954	58.2	4,329,619	53.1	5,267,031	59.5	3,887,239	51.4	3,394,443	48.3	3,129,738	58.0
Total Equities and Liabilities	7,942,100	100.0	8,160,696	100.0	8,852,178	100.0	7,561,570	100.0	7,023,625	100.0	5,388,881	100.0
PROFIT AND LOSS ACCOUNT												
Turnover - net	13,846,058	100.0	15,561,047	100.0	14,162,479	100.0	11,898,966	100.0	9,904,498	100.0	6,474,469	100.0
Cost of Sales	(11,097,956)	(80.2)	(11,961,695)	(76.8)	(11,195,399)	(78.9)	(8,903,967)	(74.8)	(6,844,271)	(69.1)	(5,377,723)	(83.1)
Gross profit	2,748,102	19.8	3,619,352	23.2	2,967,080	21.1	2,994,999	25.2	3,060,227	30.9	1,096,746	16.9
Selling and distribution Costs	(2,370,827)	(17.1)	(2,488,142)	(16.0)	(2,129,448)	(15.0)	(1,602,220)	(13.5)	(1,394,662)	(14.1)	(1,036,180)	(16.0)
Administrative Expenses	(516,590)	(3.7)	(397,927)	(2.6)	(386,691)	(2.7)	(335,856)	(2.8)	(289,144)	(2.9)	(255,767)	(4.0)
Reversal / (Allowance) for expected credit loss	(10,938)	(0.1)	(23,073)	(0.1)	5,168	0.04	(19,546)	(0.2)	18,731	0.2	(37,093)	(0.6)
Other Income	114,963	0.8	179,898	1.2	172,139	1.2	181,188	1.5	299,663	3.0	43,899	0.7
Operating (Loss) / Profit	(37,890)	(0.3)	890,108	5.7	648,248	4.6	1,218,555	10.2	1,694,815	17.1	(188,395)	(2.9)
Finance costs	(178,992)	(1.3)	(198,630)	(1.3)	(193,674)	(1.4)	(115,840)	(1.0)	(107,444)	(1.1)	(87,078)	(1.3)
Other expenses	(26,297)	(0.2)	(85,183)	(0.5)	(150,057)	(1.1)	(95,936)	(0.8)	(137,629)	(1.4)	(5,344)	(0.1)
(Loss) / Profit before taxation	(242,379)	(1.8)	606,295	3.9	304,517	2.1	1,006,789	8.5	1,449,742	14.6	(280,817)	(4.3)
Taxation and Levy	50,248	0.4	(286,130)	(1.8)	(266,904)	(1.9)	(509,467)	(4.3)	(524,854)	(5.3)	(44,957)	(0.7)
(Loss) / Profit after taxation	(192,131)	(1.4)	320,165	2.1	37,613	0.3	497,322	4.2	924,888	9.3	(325,774)	(5.0)

**A.F. FERGUSON & CO.****INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Shabbir Tiles & Ceramics Limited****Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shabbir Tiles & Ceramics Limited ('the Company') for the year ended June 30, 2025 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, 2025.

A handwritten signature in blue ink that reads 'A. Ferguson & Co.' in a cursive style.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: September 25, 2025

UDIN: CR2025100688XZmq9w6L

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

SHABBIR TILES AND CERAMICS LIMITED FOR THE YEAR ENDED JUNE 30, 2025

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

1. The total number of directors are 7 as per the following.
 - a. Male: - 06
 - b. Female: - 01
2. The composition of Board is as follows:
 - a) *Independent Directors (including a Female Director)
 - Mr. Asad Said Jafar
 - Mrs. Farhana Mowjee Khan
 - b) Non-executive Directors
 - *Mr. Rafiq M. Habib
 - Mr. Muhammad Salman Burney
 - Mr. Abdul Hai M. Bhaimia
 - Mr. Imran Ali Habib
 - c) Executive Director
 - Mr. Syed Masood Abbas Jaffery

*Chairman Rafiq M Habib passed away on September 03, 2025.

*Explanation 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 responsibilities diligently

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All the directors on the board have either acquired training program or are exempt from the requirement;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head Of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) **Audit and Risk Committee**

- Mrs. Farhana Mowjee Khan	Chairperson
- Mr. Abdul Hai M. Bhaimia	Member
- Mr. Asad Said Jafar	Member
- Mr. Imran Ali Habib	Member

a) **H.R. and Remuneration Committee**

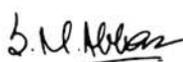
- Mr. Asad Said Jafar	Chairman
- Mr. Muhammad Salman Burney	Member
- Mr. Syed Masood Abbas Jaffery	Member
- Mrs. Farhana Mowjee Khan	Member

The Board effectively undertakes all the responsibilities designated under the Nomination Committee as stipulated in the Regulations. It regularly monitors, assesses and implements any changes required in the Board or any of the committees. The Board also actively monitors the requirements pertaining to size, structure and composition and conducts timely review and implements necessary changes, when required;

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 and Risk Committee - Four quarterly meetings
 - b) HR and Remuneration Committee - One meeting
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; and
19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are provided below:

Matters	Regulation No.	Explanation
<p>Role of the Board and its members to address Sustainability Risks and Opportunities.</p> <p>The Board of Directors is responsible for a company's sustainability initiatives, encompassing environmental, social, and governance (ESG) matters. Further, The Board is also encouraged to adopt of SECP's ESG Disclosure Guidelines. Their duties include setting strategies, managing risks such as climate change, and implementing diversity, equity, and inclusion (DE&I) policies, with a specific emphasis on gender equality. The Board is responsible to address key sustainability risks and opportunities, including climate-related, by assessing impact and managing them proactively. The board must monitor progress and may form a sustainability committee that may include at least one female director. These efforts and risk management strategies must be detailed in the Directors' Report.</p>	10(A)	<p>As per SECP's notification regarding the adoption of IFRS S1 and S2, the company falls under Phase 2 which requires ESG related disclosures to start from July 1, 2026.</p> <p>Further, the Board is actively reviewing its sustainability governance framework and remains committed to addressing sustainability risks in accordance with Regulation 10A of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Plans are underway to either establish a dedicated sustainability committee or assign these responsibilities to an existing board committee.</p> <p>Additionally, a Corporate Social Responsibility (CSR) policy has been implemented to guide business practices in a manner that contributes positively to society and aligns with the company's long-term sustainability goals.</p>

Matters	Regulation No.	Explanation
<p>Disclosure of significant policies on website</p> <p>The Company may post the following on its website:</p> <p>(1) key elements of its significant policies including but not limited to the following:</p> <p>(i) communication and disclosure policy;</p> <p>(ii) code of conduct for members of board of directors, senior management and other employees;</p> <p>(iii) risk management policy;</p> <p>(iv) internal control policy;</p> <p>(v) whistle blowing policy; and</p> <p>(vi) corporate social responsibility/sustainability/ environmental, social and governance related policy.</p> <p>None of the above-mentioned policies is available on the website.</p> <p>Under the mentioned clause, the company may post following on its website:</p> <p>(1) Brief synopsis of terms of reference of the Board's committees including:</p> <p>i. Audit Committee</p> <p>ii. HR and Remuneration Committee</p> <p>iii. Nomination Committee</p> <p>iv. Risk Management Committee</p> <p>(2) key elements of the directors' remuneration policy.</p> <p>However, the above have not been mentioned.</p>	35	<p>The company has included some policies on significant matters in the annual report, Placement of additional policies and TORs is also being evaluated.</p>



Chief Executive Officer



Interim Chairman



A.F.FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Shabbir Tiles & Ceramics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Shabbir Tiles & Ceramics Limited (the Company), which comprise the statement of financial position as at June 30, 2025, 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, statement of profit or loss, 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, 2025 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.No	Key audit matters	How the matters were addressed in our audit
1	Turnover - Net (Refer notes 6.27 and 29 of the annexed financial statements)	
	Net Turnover for the year ended June 30, 2025, amounted to Rs. 13,846 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: <ul style="list-style-type: none"> Obtained understanding and evaluated the accounting policies and the Company's procedures with respect to revenue recognition. Evaluated the design and tested the operating effectiveness of key internal controls involved in revenue recognition.

A.F.F.

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



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S.No	Key audit matters	How the matters were addressed in our audit
	We considered revenue as a key audit matter, being one of the Company's key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	<ul style="list-style-type: none"> ▪ Reviewed customer agreements to obtain an understanding of the terms particularly relating to timing and transfer of control of the products and assessed the appropriateness of revenue recognition policies and practices followed by the Company. ▪ Tested on a sample basis, specific revenue transactions by inspecting underlying documentation including dispatch documents and sales invoices. ▪ Performed analytical procedures over revenue transactions to identify trends and any unusual change in revenue for each segment. ▪ Tested specific revenue transactions on a sample basis recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period. ▪ Assessed the related disclosures made in the annexed financial statements in accordance with the requirements of the applicable financial reporting framework.
2	Valuation of stock-in-trade (Refer notes 6.7 and 13 of the annexed financial statements)	
	<p>The stock-in-trade balance constitutes approximately 37% of total assets of the Company as at the reporting date. This comprises of 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"> ▪ Obtained an understanding of the Company's process with respect to purchase and consumption of raw and packing material. Also tested design and operating effectiveness of controls relevant to such process ▪ Reviewed management's procedures for evaluating the NRV of stock-in-trade, performed testing on sample basis to assess the NRV and evaluated the adequacy of write down of stock-in-trade to NRV by performing a review of sales close to and subsequent to the reporting date and comparing with the cost for a sample of products. ▪ Tested the accuracy of aging analysis of stock-in-trade, on a sample basis, to evaluate the provision for slow moving stock-in-trade assessed by the management ▪ Assessed the appropriateness of management's basis for allocation of overheads and tested the calculation of per unit cost of finished goods, on a sample basis ▪ Reviewed the relevant documents, including but not limited to suppliers' invoices, letters of credit and shipping documentation to verify the valuation of stock-in-transit as at the reporting date as well as inspected subsequent goods receipt notes on a sample basis. ▪ Assessed the adequacy of the related disclosures in accordance with the applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Reports Thereon

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

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



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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.



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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.

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.

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

A handwritten signature in blue ink, appearing to read 'A. Ferguson & Co.', is written over a faint blue line.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: September 25, 2025

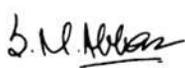
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STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

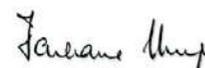
	Note	2025	2024
		------(Rupees in '000)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,492,881	2,880,148
Right-of-use assets	8	377,181	337,617
Investment properties	9	2,418	3,309
Long-term security deposits	10	48,710	47,503
Deferred tax asset - net	11	306,881	79,530
		<u>3,228,071</u>	<u>3,348,107</u>
Current assets			
Stores and spare parts	12	925,126	821,644
Stock-in-trade	13	2,918,816	2,948,284
Trade debts	14	367,435	423,681
Loans and advances	15	179,099	104,668
Prepayments, deposits and other receivables	16	51,495	21,573
Taxation - net		30,708	-
Short-term investments	17	56,000	206,363
Cash and bank balances	18	185,350	286,376
		<u>4,714,029</u>	<u>4,812,589</u>
TOTAL ASSETS		<u>7,942,100</u>	<u>8,160,696</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
240,000,000 (2024: 240,000,000) ordinary shares of Rs.5/- each		<u>1,200,000</u>	<u>1,200,000</u>
Share capital			
Issued, subscribed and paid-up capital	19	1,196,600	1,196,600
Capital reserves			
Share premium		449,215	449,215
Revenue reserves			
Unappropriated profit		524,960	896,581
General reserve		478,000	478,000
Total equity		<u>2,648,775</u>	<u>3,020,396</u>
Non-current liabilities			
Long-term financing	20	324,842	494,102
Deferred income	21	40,624	47,021
Lease liabilities	22	303,905	269,558
Gas Infrastructure Development Cess payable	23	-	-
		<u>669,371</u>	<u>810,681</u>
Current liabilities			
Trade and other payables	24	2,952,426	2,727,383
Short-term financing	25	169,378	-
Taxation - net		-	144,471
Current maturity of long-term financing	20	127,158	92,105
Current maturity of deferred income	21	6,267	4,710
Current maturity of lease liabilities	22	142,926	124,919
Current maturity of Gas Infrastructure Development Cess payable	23	830,408	829,952
Sales tax payable	27	388,821	399,480
Unclaimed dividend	26	4,146	4,155
Unpaid dividend	26	2,424	2,444
		<u>4,623,954</u>	<u>4,329,619</u>
TOTAL EQUITY AND LIABILITIES		<u>7,942,100</u>	<u>8,160,696</u>
CONTINGENCIES AND COMMITMENTS			
The annexed notes from 1 to 50 form an integral part of these financial statements.	28		



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Farhana Mawjee Khan
Director

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ------(Rupees in '000)-----	2024
Turnover - net	29	13,846,058	15,581,047
Cost of sales	30	(11,097,956)	(11,961,695)
Gross profit		2,748,102	3,619,352
Selling and distribution expenses	31	(2,370,627)	(2,488,142)
Administrative expenses	32	(518,590)	(397,927)
Allowance for expected credit losses	14.3	(10,938)	(23,073)
		(2,900,155)	(2,909,142)
Other income	33	114,963	179,898
Operating (loss) / profit		(37,090)	890,108
Finance costs	34	(178,992)	(198,630)
Other expenses	35	(26,297)	(85,183)
		(205,289)	(283,813)
(Loss) / profit before taxation and levy		(242,379)	606,295
Levy	36	(3,587)	(8,853)
(Loss) / profit before taxation		(245,966)	597,442
Taxation	36	53,835	(277,277)
(Loss) / profit for the year		(192,131)	320,165
		-----Rupees-----	
(Loss) / earnings per share - basic and diluted	37	(0.80)	1.34

The annexed notes from 1 to 50 form an integral part of these financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Farhana Mawjee Khan
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
(Loss) / profit for the year	(192,131)	320,165
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	<u>(192,131)</u>	<u>320,165</u>

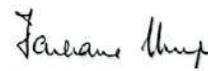
The annexed notes from 1 to 50 form an integral part of these financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Farhana Mawjee Khan
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

	Reserves					Total equity
	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Total reserves	
			Share premium	General reserve		
	(Rupees in '000)					
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
Loss after taxation	-	-	-	(192,131)	(192,131)	(192,131)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(192,131)	(192,131)	(192,131)
Transaction with owners recorded directly in equity						
Dividends declared				(179,490)	(179,490)	(179,490)
Balance as at June 30, 2025	1,196,600	449,215	478,000	524,960	1,452,175	2,648,775

The annexed notes from 1 to 50 form an integral part of these financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Farhana Mawjee Khan
Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

Note	2025	2024
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(242,379)	606,295
Adjustments for non-cash and other items:		
Depreciation on		
- operating fixed assets	7.1 602,676	664,580
- right-of-use assets	8.3 155,428	131,688
- investment properties	9 891	1,242
Finance costs	34 178,992	198,630
Dividend income on mutual funds	33 (13,054)	(59,018)
Allowance for expected credit losses	14.3 10,938	23,073
Allowance for slow moving stores and spare parts	12.1 45,430	26,033
Allowance for slow moving stock-in-trade	13.2 58,062	36,349
Unrealised gain on short-term investments - mutual fund units	33 -	(356)
Amortisation of deferred income	33 (4,840)	(6,540)
Gain on disposal of operating fixed assets	33 (4,092)	(1,152)
	1,030,431	1,014,529
Operating profit before working capital changes	788,052	1,620,824
(Increase) / decrease in assets		
Stores and spare parts	(148,912)	(118,741)
Stock-in-trade	(28,594)	(925,665)
Trade debts	45,308	(34,786)
Loans and advances	(74,431)	(58,138)
Long-term security deposits	(1,207)	(15,686)
Prepayments, deposits and other receivables	(29,922)	95,200
	(237,758)	(1,057,816)
(Decrease) / increase in liabilities		
Trade and other payables	394,421	(955,282)
Sales tax payable	(10,659)	53,326
	383,762	(901,956)
Cash generated from / (used in) operations	934,056	(338,948)
Income tax paid	(352,283)	(429,839)
Levies paid	(3,587)	(8,853)
Finance costs paid	(97,605)	(147,918)
Cash generated from / (used in) operating activities	480,581	(925,558)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(223,381)	(210,402)
Proceeds from disposal of operating fixed assets	12,064	9,225
Short-term investments made during the year	(1,784,025)	(2,699,644)
Short-term investments redeemed during the year	1,923,803	3,514,036
Dividend on mutual funds received	13,054	59,018
Net cash (used in) / generated from investing activities	(58,485)	672,233
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	20.3 (137,108)	(53,649)
Repayment of lease liabilities	(206,495)	(127,852)
Dividend paid	41 (179,519)	(346)
Net cash used in financing activities	(523,122)	(181,847)
Net decrease in cash and cash equivalents	(101,026)	(435,172)
Cash and cash equivalents at the beginning of the year	286,376	721,548
Cash and cash equivalents at the end of the year	38 185,350	286,376

The annexed notes from 1 to 50 form an integral part of these financial statements.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Farhana Mawjee Khan
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1. THE COMPANY AND ITS OPERATIONS

1.1 Shabbir Tiles & 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

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

3.2 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, 2025

There are certain new amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements and therefore have not been stated in these unconsolidated financial statements, except for the following:

Amendments to IAS 1 - Non-current liabilities with covenants:

These amendments aim to improve the information an entity provides when its right to defer the settlement of a liability is subject to compliance with covenants within twelve months after the reporting period, which affects the classification of that liability. These amendments introduce additional disclosure requirements that enable users

of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. These amendments did not have any impact on the measurement, recognition, or presentation and disclosure of any item in these financial statements.

Further, in accordance with SRO 1278(1)/2024 issued by the Securities Exchange Commission of Pakistan on August 15, 2024, the Company has included certain shariah compliance related disclosures in respective notes of these financial statements.

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 and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and therefore have not been detailed in these financial statements, expect for the following:

- IFRS 18 'Presentation and Disclosure in the Financial statements' (IFRS 18) (published in April 2024) with application date of January 1 2027 by IASB, which are yet to be notified by SECP for the purpose of applicability in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit or Loss' with certain additional disclosures in the financial statements;
- Ammendments to IFRS 9 and IFRS 7 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Company.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both the current and future years.

In the process of applying the Company's accounting policies, management has made the following judgements, 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) Classification, measurement and impairment of financial assets	6.19.1 & 6.21.1
e) Impairment of non-financial assets	6.21.2
f) Levies and provision for income tax and deferred tax	6.14, 11 & 36

g) Leases	6.13 & 22
h) Contingent liabilities	6.17 & 28
i) Gas Infrastructure Development Cess (GIDC) payable	23
j) 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 accumulated impairment losses, 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 accumulated 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 losses, 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. These are measured at amortised cost.

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, 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

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 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.

Sales tax

Expenses and assets are recognised net of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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 used 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 also operates an approved contributory provident fund scheme for all its management staff. Equal monthly contributions are made, both by the Company and the employees in accordance with rule of the scheme, at the rate of 8.33% of basic salary and the same is charged to the statement of profit or loss.

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

6.19.1 Initial recognition and measurement

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or liabilities, as appropriate, on initial recognition.

6.19.2 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.

6.19.3 Derecognition

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

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

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

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

6.20 Financial Liabilities

6.20.1 Initial recognition and measurement

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

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

6.20.2 Financial liabilities at fair value through profit or loss

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

6.20.3 Loans and borrowings

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

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

6.20.4 Derecognition

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

6.20.5 Offsetting of financial instruments

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

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

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

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Executive Management Committee i.e., the Chief Operating Decision Maker (CODM), that includes Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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 from contract with customers

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised 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. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The point at which the control passes generally occurs on dispatch of goods to the customers. The normal credit term is 1 to 30 days upon dispatch.

The Company recognises revenue based on the following principles:

- identification of customer contracts;
- identification of performance obligations;
- determination of transaction price in the contract;
- allocation of price to performance obligations; and
- recognition of revenue when the performance obligations are fulfilled.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

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 the basis of effective interest rate.
- Profit/Interest on deposit accounts is recognised on the basis of effective interest rate.
- Capital gain on treasury bill is recognised 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 receipt basis; and
- Gain on disposal of property, plant and equipment is recognised at the difference between sales proceeds and carrying value when the relevant item of property, plant and equipment is disposed of.

6.29 Dividend and appropriation to reserves

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

6.30 Earnings per share

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

	Note	2025 -- (Rupees in '000) --	2024
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	2,419,247	2,731,423
Capital work-in-progress	7.4	73,634	148,725
		<u>2,492,881</u>	<u>2,880,148</u>

7.1 Following is the statement of operating fixed assets:

Note	Freehold land	Building on freehold land	Plant and machinery	Furniture and fixtures	Office equipment	Computers and accessories	Vehicles	Total
(Rupees in '000)								
Year ended June 30, 2025								
Net carrying value basis								
Opening net book value	266,135	245,138	2,040,320	249	34,988	3,692	140,901	2,731,423
Additions / transfers	-	1,721	261,989	-	3,950	2,791	28,021	298,472
Disposals at net book value 7.1.2	-	-	-	-	(77)	(21)	(7,874)	(7,972)
Depreciation charge 7.3	-	(35,648)	(510,831)	-	(16,954)	(2,457)	(36,786)	(602,676)
Closing net book value	<u>266,135</u>	<u>211,211</u>	<u>1,791,478</u>	<u>249</u>	<u>21,907</u>	<u>4,005</u>	<u>124,262</u>	<u>2,419,247</u>
Gross carrying value basis								
Cost	266,135	1,042,423	7,857,371	24,310	111,968	28,593	238,642	9,569,442
Accumulated depreciation	-	(831,213)	(6,065,908)	(24,061)	(90,051)	(24,586)	(114,376)	(7,150,195)
Closing net book value	<u>266,135</u>	<u>211,210</u>	<u>1,791,463</u>	<u>249</u>	<u>21,917</u>	<u>4,007</u>	<u>124,266</u>	<u>2,419,247</u>
Depreciation rate per annum (%)	-	5 to 33	5 to 33	20	20 to 33	33 to 50	20	

Note	Freehold land	Building on freehold land	Plant and machinery	Furniture and fixtures	Office equipment	Computers and accessories	Vehicles	Total
(Rupees in '000)								
Year ended June 30, 2024								
Net carrying value basis								
Opening net book value	266,135	299,406	2,005,262	249	32,849	4,238	134,931	2,743,070
Additions / transfers	-	-	591,663	-	19,555	2,184	47,605	661,007
Disposals at net book value	-	-	-	-	-	(2)	(8,072)	(8,074)
Depreciation charge 7.3	-	(54,268)	(556,605)	-	(17,416)	(2,728)	(33,563)	(664,580)
Closing net book value	<u>266,135</u>	<u>245,138</u>	<u>2,040,320</u>	<u>249</u>	<u>34,988</u>	<u>3,692</u>	<u>140,901</u>	<u>2,731,423</u>
Gross carrying value basis								
Cost	266,135	1,040,703	7,595,384	24,310	109,801	25,904	227,458	9,289,695
Accumulated depreciation	-	(795,565)	(5,555,064)	(24,061)	(74,813)	(22,212)	(86,557)	(6,558,272)
Closing net book value	<u>266,135</u>	<u>245,138</u>	<u>2,040,320</u>	<u>249</u>	<u>34,988</u>	<u>3,692</u>	<u>140,901</u>	<u>2,731,423</u>
Depreciation rate per annum (%)	-	5 to 33	5 to 33	20	20 to 33	33 to 50	20	

7.1.1 Includes assets costing Rs. 5,650.66 million (2024: Rs. 5,424.15 million) which are fully depreciated and held at their residual values amounting to Rs. 414.69 million (2024: Rs. 411.65 million).

7.1.2 Cost of computer accessories, office equipment and vehicle disposed off during the year amounts to Rs. 0.10 million, Rs. 1.78 million and Rs. 16.84 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 buyers	Relationship with buyers
(Rupees in '000)							
Toyota Corolla Altis	3,343	2,006	1,337	3,311	1,974	As per Company policy	Hussain Khalil Employee
Toyota Yaris CVT White	2,746	1,648	1,098	1,501	403	As per Company policy	Zia Abbas Ex-employee
Toyota Corolla Altis Grande	3,998	1,919	2,079	2,361	282	As per Company policy	Zunair Hasan Ex-employee
Toyota Yaris 1.3 CVT	2,746	1,575	1,171	1,595	424	As per Company policy	Rehan Ali Agha Ex-employee
Toyota Corolla Altis SE 1.6	4,002	1,814	2,188	2,870	682	As per Company policy	Faisal Masood Employee
	<u>16,835</u>	<u>8,962</u>	<u>7,873</u>	<u>11,638</u>	<u>3,765</u>		

7.2 Particulars of immovable fixed assets of the Company are as follows:	Freehold land		Building on freehold land	
	Total area	Cost as at June 30, 2025	Total area	Cost as at June 30, 2025
Location	(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		<u>266,135</u>		<u>1,040,703</u>
7.3 Depreciation charge for the year has been allocated as follows:	Note	2025	2024	
		---- (Rupees in '000) ----		
Cost of sales - manufacturing	30.1	568,704	633,102	
Selling and distribution costs	31	20,089	19,026	
Administrative expenses	32	13,883	12,452	
		<u>602,676</u>	<u>664,580</u>	
7.4 Capital work-in-progress:				
Plant and machinery		73,634	148,339	
Office equipment		-	386	
	7.5	<u>73,634</u>	<u>148,725</u>	
7.5 Movement in capital work-in-progress is as follows:				
Balance at beginning of the year		148,725	599,330	
Additions during the year		174,846	189,814	
Transferred to operating fixed assets		(249,937)	(640,419)	
Balance at end of the year		<u>73,634</u>	<u>148,725</u>	
8. RIGHT-OF-USE ASSETS				
Cost	8.1	862,738	667,746	
Accumulated depreciation	8.2	(485,557)	(330,129)	
		<u>377,181</u>	<u>337,617</u>	
8.1 Cost				
Balance at beginning of the year		667,746	610,311	
Additions during the year		194,992	138,184	
Derecognition during the year		-	(84,670)	
Remeasurement of lease liabilities		-	3,921	
Balance at end of the year		<u>862,738</u>	<u>667,746</u>	
8.2 Accumulated depreciation				
Balance at beginning of the year		330,129	283,111	
Charge for the year	8.3	155,428	131,688	
Derecognition during the year		-	(84,670)	
Balance at end of the year		<u>485,557</u>	<u>330,129</u>	
Lease terms		<u>10-48</u>	<u>11-67</u>	
8.3 Depreciation charge for the year has been allocated as follows:				
Cost of sales - manufacturing	30.1	38,760	34,101	
Selling and distribution costs	31	116,668	97,587	
		<u>155,428</u>	<u>131,688</u>	

9. INVESTMENT PROPERTIES

	Cost			Accumulated depreciation			Net book value	Depreciation rate
	As at July 01, 2024	Additions	As at June 30, 2025	As at July 01, 2024	Charge for the year (note 30)	As at June 30, 2025	As at June 30, 2025	
	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	6,669	351	7,020	780	10
Apartments	6,000	-	6,000	3,825	540	4,365	1,635	10
	<u>14,886</u>	<u>-</u>	<u>14,886</u>	<u>11,577</u>	<u>891</u>	<u>12,468</u>	<u>2,418</u>	
As at June 2024	14,886	-	14,886	10,335	1,242	11,577	3,309	

- 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, 2025, are as under:

	Forced sale values		Fair values	
	2025	2024	2025	2024
	(Rupees in '000)			
Freehold land	9,562	8,765	11,952	10,956
Building on freehold land	3,587	3,108	4,484	3,885
Showroom	3,276	3,276	4,680	4,680
Apartments	6,000	6,000	7,500	7,500
	<u>22,425</u>	<u>21,149</u>	<u>28,616</u>	<u>27,021</u>

- 9.2 Particulars of immovable investment properties:

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

	Note	2025	2024
10. LONG-TERM SECURITY DEPOSITS		--- (Rupees in '000) ---	
Rent	10.1	44,659	43,452
Utilities		2,943	2,943
Others		1,108	1,108
	10.2	<u>48,710</u>	<u>47,503</u>

- 10.1 It includes security deposit amounting to Rs.1.27 million (2024: 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	2025	2024
11. DEFERRED TAX ASSET - net		---- (Rupees in '000) ----	
Deferred tax asset on deductible temporary differences:			
- provisions		181,340	199,244
- lease liabilities and right of use assets		20,197	22,175
		<u>201,537</u>	<u>221,419</u>
Deferred tax liabilities on taxable temporary differences:			
- accelerated tax depreciation		(48,889)	(141,800)
-unrealised gain on investments		-	(89)
		<u>(48,889)</u>	<u>(141,889)</u>
- Minimum Tax u/s 113		154,233	-
		<u>306,881</u>	<u>79,530</u>
12 STORES AND SPARE PARTS			
Stores		312,269	277,305
Spare parts			
- in hand		712,729	694,712
- in transit		130,723	34,792
		<u>843,452</u>	<u>729,504</u>
Provision for slow moving stores and spare parts	12.1	<u>1,155,721</u>	<u>1,006,809</u>
		<u>(230,595)</u>	<u>(185,165)</u>
		<u>925,126</u>	<u>821,644</u>
12.1 Movement of provision for slow moving stores and spare parts:			
Balance at beginning of the year		185,165	159,132
Charge for the year	30.1	45,430	26,033
Balance at end of the year		<u>230,595</u>	<u>185,165</u>
13. STOCK-IN-TRADE			
Raw and packing material			
- in hand		1,258,065	1,286,868
- in transit		279,336	79,384
	30.1	<u>1,537,401</u>	<u>1,366,252</u>
Work-in-process	30.1	90,612	145,569
Finished goods			
- manufacturing	30.1	1,399,469	1,501,887
- trading	30.2	23,861	9,041
	13.1	<u>1,423,330</u>	<u>1,510,928</u>
		<u>3,051,343</u>	<u>3,022,749</u>
Provision for slow moving stock-in-trade	13.2	<u>(132,527)</u>	<u>(74,465)</u>
		<u>2,918,816</u>	<u>2,948,284</u>
13.1			
Includes stock-in-trade costing Rs. 486.49 million (2024: Rs. 802.07 million) which has been written down to its net realizable value (NRV) amounting to Rs. 250.20 million (2024: Rs. 331.46 million) during the year.			
13.2	Note	2025	2024
Movement of provision for slow moving stock-in-trade:		---- (Rupees in '000) ----	
Balance at beginning of the year		74,465	38,116
Charge for the year	30.1	58,062	36,349
Balance at end of the year		<u>132,527</u>	<u>74,465</u>

	Note	2025	2024
		---- (Rupees in '000) ----	
14. TRADE DEBTS			
Related parties	14.1 & 14.2	799	2,533
Other parties		557,817	601,391
		<u>558,616</u>	<u>603,924</u>
Allowance for expected credit losses (ECL)	14.3	(191,181)	(180,243)
		<u>367,435</u>	<u>423,681</u>
14.1	This includes amount due from the following related parties:		
Indus Motor Company Limited		249	1,126
Habib Metro Pakistan (Pvt) Ltd		69	1,384
Habib University Foundation		7	7
Thal Limited		474	-
14.2	The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 6.63 million (2024: Rs. 2.33 million).		
	Note	2025	2024
		---- (Rupees in '000) ----	
14.3	Movement in allowance for expected credit losses:		
Balance at beginning of the year		180,243	157,975
Allowance for expected credit losses for the year		10,938	23,073
Written-off during the year		-	(805)
Balance at end of the year		<u>191,181</u>	<u>180,243</u>
14.4	Aging of trade debts		
Not yet due		149,457	193,142
0-30 days		107,506	63,530
31-60 days		50,950	82,424
61-90 days		26,878	38,708
Above 90 days		223,825	226,120
		<u>558,616</u>	<u>603,924</u>
15. LOANS AND ADVANCES			
Considered good			
Loans due from:			
- employees	15.1	6,033	5,150
Advances to:			
- suppliers and contractors		109,208	91,464
- collector of customs		63,648	7,967
- employees		210	87
		<u>173,066</u>	<u>99,518</u>
		<u>179,099</u>	<u>104,668</u>
15.1	This 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.		
16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES		2025	2024
		---- (Rupees in '000) ----	
Prepayments			
Insurance		3,227	5,635
Prepaid rent		-	663
Letter of guarantee		12,651	2,500
Software and licences		30,605	3,461
Others		2,417	1,011
		<u>48,900</u>	<u>13,270</u>
Other receivables		<u>2,595</u>	<u>8,303</u>
		<u>51,495</u>	<u>21,573</u>

	Note	2025 --- (Rupees in '000) ---	2024
17. SHORT-TERM INVESTMENTS			
At amortised cost			
Term deposit receipts (TDRs) - up to three months	17.1	56,000	56,000
At fair value through profit or loss			
Mutual fund units	17.2	<u>-</u>	<u>150,363</u>
		<u>56,000</u>	<u>206,363</u>

17.1 This represents TDR placed with the Bank Alfalah Limited amounting to Rs. 56.00 million (2024: 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 10.15% (2024: 16.25%) per annum.

	2025		2024		2025		2024	
	Units		NAV in Rupees		--- (Rupees in '000) ---			
Pakistan Cash Management Fund	-	2,976,218	-	50.47	-	150,210		
MCB Cash Management Optimizer Fund	-	1,500	-	101.87	-	153		
	<u>-</u>	<u>2,977,718</u>			<u>-</u>	<u>150,363</u>		

	Note	2025 --- (Rupees in '000) ---	2024
18. CASH AND BANK BALANCES			
Cash in hand		2,203	7,188
Cash at banks:			
Current accounts with;			
- conventional banks	18.1	139,309	128,532
- islamic banks		1,007	14,207
Savings accounts	18.2	42,831	136,449
		<u>183,147</u>	<u>279,188</u>
		<u>185,350</u>	<u>286,376</u>

18.1 It includes balance of Rs. 20.99 million (2024: Rs. 19.48 million) maintained with Bank Al Habib Limited, a related party.

18.2 These carry profit at the rates ranging from 8% to 19% per annum (2024: 18% to 20.5% per annum). These balances are held in accounts maintained under conventional banking.

19. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025		2024		2025		2024	
(Number of shares in '000)				--- (Rupees in '000) ---			
199,627	199,627	Ordinary shares of Rs. 5/- each		998,135	998,135		
1,150	1,150	Fully paid-up in cash		5,750	5,750		
38,543	38,543	Issued for consideration other than cash		192,715	192,715		
<u>239,320</u>	<u>239,320</u>	Issued as bonus shares		<u>1,196,600</u>	<u>1,196,600</u>		

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

	Note	2025	2024
		--- (Rupees in '000) ---	
20. LONG-TERM FINANCING - SECURED			
Long-Term Finance Facility (LTFF)	20.1 & 20.3	187,093	270,877
Term loan	20.2	253,750	290,000
		<u>440,843</u>	<u>560,877</u>
Accrued markup on long-term loan		11,157	25,330
		<u>452,000</u>	<u>586,207</u>
Current maturity of long-term financing		<u>(127,158)</u>	<u>(92,105)</u>
		<u><u>324,842</u></u>	<u><u>494,102</u></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 2024: three month KIBOR plus 0.5%) per annum. The differential of present value and the drawn amounts are recognised as deferred income and will be amortised when the related asset is available for use. The financings are repayable in ten years with two years grace period from the date of disbursement. The facility is secured against first specific hypothecation charge over present and future plant and machinery related to the solar power project for the disbursed amount in addition to margin of 10% covered through lien over TDR.

20.2 This represents term loan obtained from Allied Bank Limited to finance the CAPEX requirement of the Company. The total facility amounts to Rs. 300 million and carries mark-up at the rate of six months KIBOR plus 0.35% per annum payable semi annually. The facility is repayable in six years with two years grace period from the date of disbursement in eight equal semi annual installments. The facility is secured against first pari pasu hypothecation charge on fixed assets of the Company.

	Note	2025	2024
		--- (Rupees in '000) ---	
20.3 Movement of long-term financing:			
Balance at beginning of the year		270,877	269,532
Reversal of government grant		-	24,317
Repayments made during the year		(100,858)	(53,649)
Recognised as deferred income	21	-	-
Unwinding of finance cost		17,074	30,677
Balance at end of the year		<u>187,093</u>	<u>270,877</u>
Current maturity of long-term financing		<u>(43,501)</u>	<u>(30,525)</u>
		<u><u>143,592</u></u>	<u><u>240,352</u></u>

21. DEFERRED INCOME

Movement of deferred income:

Balance at beginning of the year		51,731	82,588
Reversal of deferred grant		-	(24,317)
Recognised during the year		-	-
Amortised during the year	33	(4,840)	(6,540)
Balance at end of the year		<u>46,891</u>	<u>51,731</u>
Current maturity of deferred income		<u>(6,267)</u>	<u>(4,710)</u>
		<u><u>40,624</u></u>	<u><u>47,021</u></u>

22. LEASE LIABILITIES

Lease liabilities	22.1	446,831	394,477
Current maturity of lease liabilities		<u>(142,926)</u>	<u>(124,919)</u>
		<u><u>303,905</u></u>	<u><u>269,558</u></u>

	2025	2024
	---- (Rupees in '000) ----	
22.1 Movement of lease liabilities:		
Balance at beginning of the year	394,477	380,224
Additions during the year	194,992	138,184
Remeasurement of lease liabilities	-	3,921
Unwinding of finance cost during the year	63,857	56,227
Payments made during the year	<u>(206,495)</u>	<u>(184,079)</u>
Balance at end of the year	<u>446,831</u>	<u>394,477</u>

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

	2025		2024	
	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payments	Present value of minimum lease payments
	---- (Rupees in '000) ----		---- (Rupees in '000) ----	
Not later than one year	203,493	142,926	204,484	124,919
Later than one year and not later than five years	343,884	303,905	547,377	269,558
	<u>547,377</u>	<u>446,831</u>	<u>751,861</u>	<u>394,477</u>
Finance cost allocated to future periods	<u>(100,546)</u>		<u>(357,384)</u>	
Present value of minimum lease payments	<u>446,831</u>	<u>446,831</u>	<u>394,477</u>	<u>394,477</u>
Less: current portion	<u>(142,926)</u>	<u>(142,926)</u>	<u>(124,919)</u>	<u>(124,919)</u>
	<u>303,905</u>	<u>303,905</u>	<u>269,558</u>	<u>269,558</u>

	2025	2024
	---- (Rupees in '000) ----	
23. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE		
Balance at beginning of the year	829,952	814,913
Unwinding of finance cost	456	15,039
Payments made during the year	-	-
Current maturity of GIDC payable	<u>(830,408)</u>	<u>(829,952)</u>
	<u>-</u>	<u>-</u>

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

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

Pursuant to the above decisions of the SCP, the management of the Company, in the prior year, derecognised the liability for GIDC and recognised new liability for GIDC at the present value of future cashflows considering 48 installments. The Company started making payments from November 2020 in 48 equal monthly installments. However, the installments for the period from October 2021 to June 2025 amounting to Rs. 830.408 million were not paid by the Company under the aforementioned stay order from HCS as SSGC started recovering GIDC as per 24 equal installments instead of 48 equal installments from October 2021.

Based on the legal advice obtained by the management, the Company is confident that there are strong grounds to support that recovery in 48 equal installments remains applicable and accordingly, no adjustment is required to be made in the measurement of financial liability in these financial statements. Further, the Company has also not accounted for the late payment surcharge based on the recovery stay granted by the HCS in line with the advice of its legal advisor. The current and non-current portion of GIDC in the financial statements have been segregated based on recovery in 48 equal monthly installments and the unpaid installments from October 2021 to June 2025 are included in the current maturity of GIDC.

	Note	2025	2024
24. TRADE AND OTHER PAYABLES		--- (Rupees in '000) ---	
Creditors	24.2	523,528	765,678
Accrued liabilities and levies	24.3	2,046,644	1,427,770
Advance from customers		235,679	284,903
Payable to provident fund	24.4	7,436	6,236
Advance from employees against vehicles	24.5	18,266	15,958
Withholding tax payables		21,179	12,832
Workers' Profit Participation Fund	24.6	-	26,800
Workers' Welfare Fund	24.7	-	54,330
Others	24.1	99,694	132,876
		<u>2,952,426</u>	<u>2,727,383</u>
24.1	This includes book overdraft amounting to Rs. Nil (2024: Rs. 113.78 million)		
24.2	This includes payable due to the following related parties:		
Thal Limited		12,294	25,959
Habib Insurance		5,408	13,207
24.3	It includes accrual for leave encashment of Rs. 14.407 million (2024: Rs. 11.250 million) and bonus of Rs. 81.200 million (2024: Rs. 26.957 million).		
24.4	Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.		
24.5	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.		
24.6 Workers' Profit Participation Fund		2025	2024
		--- (Rupees in '000) ---	
Balance at beginning of the year		26,800	5,527
Allocation for the year		-	26,800
		<u>26,800</u>	<u>32,327</u>
Payment made during the year		(26,800)	(5,527)
Balance at end of the year		<u>-</u>	<u>26,800</u>
24.7 Workers' Welfare Fund			
Balance at beginning of the year		54,330	42,799
Allocation for the year		-	19,000
		<u>54,330</u>	<u>61,799</u>
Payment made / transferred during the year		(54,330)	(7,469)
Balance at end of the year		<u>-</u>	<u>54,330</u>
25. SHORT-TERM FINANCING			
Habib Metropolitan Bank Limited		75,731	-
Meezan Bank Limited		26,802	-
Faysal Bank Limited		24,109	-
Habib Bank Limited		18,665	-
Allied Bank Limited		18,287	-
		<u>163,594</u>	<u>-</u>
Accrued markup on short-term financing		5,784	-
		<u>169,378</u>	<u>-</u>
26. UNPAID DIVIDEND / UNCLAIMED DIVIDEND			

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

27. SALES TAX PAYABLE

Includes an amount of Rs. 10.10 million (2024: Rs. 10.99 million), Rs. 1.35 million (2024: Rs. 36.06), Rs. 352.43 million (2024: Rs. 352.43 million), Rs.16.75 million (2024: Rs. Nil) and Rs. 8.19 million (2024: Nil) in respect of withholding provincial sales tax, sales tax payable (federal), further tax (not charged to the customers), advance income tax on sales and inadmissible input tax on exempt supplies respectively as at the statement of financial position date.

28. CONTINGENCIES AND COMMITMENTS**28.1 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.

28.2 Commitments

- (i) Commitments in respect of outstanding letters of credit against raw materials and spares amounting to Rs. 780.77 million (2024: Rs. 575.15 million), issued by commercial banks.
- (ii) Commitment in respect of bank guarantees issued by a commercial bank in favour of:

Note	2025	2024
	--- (Rupees in '000) ---	
Sui Southern Gas Company Limited	923,195	467,195
Nazir of Sindh High Court	481,766	384,713
Pakistan State Oil Company Ltd	-	80,000
Excise and Taxation Department	208,281	171,281
K-Electric	16,516	16,516
PARCO Pearl (Private) Limited	50,000	100,000
Lucky Cement	20,000	-
	<u>1,699,758</u>	<u>1,219,705</u>

29. TURNOVER - NET**Local Turnover**

Manufacturing	17,819,787	20,204,924
Trading	86,715	20,006
	<u>17,906,502</u>	<u>20,224,930</u>
Less: Sales Tax		
Manufacturing	(2,705,932)	(3,081,720)
Trading	(13,228)	(3,052)
	<u>(2,719,160)</u>	<u>(3,084,772)</u>
Less: Trade discount		
Manufacturing	(1,037,043)	(1,268,928)
Trading	-	-
	<u>(1,037,043)</u>	<u>(1,268,928)</u>
Less: Sales Return		
Manufacturing	(304,063)	(290,183)
Trading	(178)	-
	<u>(304,241)</u>	<u>(290,183)</u>
Net Local Turnover		
Manufacturing	13,772,749	15,564,093
Trading	73,309	16,954
	<u>13,846,058</u>	<u>15,581,047</u>

- 29.1 Revenue recognised from an amount included in advance from customers at beginning of the year amounted to Rs. 230.71 million (2024: Rs. 334.74 million).

	Note	2025 --- (Rupees in '000) ---	2024
30 COST OF SALES			
Manufacturing	30.1	11,037,614	11,949,149
Trading	30.2	60,342	12,546
		<u>11,097,956</u>	<u>11,961,695</u>
30.1 Cost of sales - manufacturing			
Raw and packing materials consumed			
Opening stock		1,366,252	1,004,601
Purchases		4,966,106	6,194,551
Closing stock	13	<u>(1,537,401)</u>	<u>(1,366,252)</u>
		4,794,957	5,832,900
Manufacturing expenses			
Salaries, wages and other benefits	30.1.1	1,328,563	1,248,567
Fuel and power		3,105,605	3,620,367
Stores and spare parts consumed		649,908	842,940
Provision for slow moving stores and spare parts	12.1	45,430	26,033
Provision for slow moving stock-in-trade	13.2	58,062	36,349
Depreciation on			
- operating fixed assets	7.3	568,704	633,102
- right-of-use assets	8.3	38,760	34,101
Repairs and maintenance		173,786	141,849
Insurance		31,526	29,012
Vehicle running expenses		28,309	32,553
Travelling and conveyance		7,080	6,133
Printing and stationery		15,635	13,390
Communication		4,143	2,808
Rates and taxes		1,485	1,773
Research costs		7,729	12,680
Legal and professional charges		5,778	4,083
Others		14,779	3,131
		6,085,282	6,688,871
Work-in-process			
Opening stock		145,569	109,519
Closing stock	13	<u>(90,612)</u>	<u>(145,569)</u>
Cost of goods manufactured		<u>10,935,196</u>	<u>12,485,721</u>
Finished goods			
Opening stock		1,501,887	965,315
Closing stock	13	<u>(1,399,469)</u>	<u>(1,501,887)</u>
		<u>11,037,614</u>	<u>11,949,149</u>

30.1.1 This includes charge of Rs. 20.97 million (2024: Rs. 19.27 million) in respect of staff retirement benefits.

	Note	2025 --- (Rupees in '000) ---	2024
30.2 Cost of sales - trading			
Opening stock		9,041	17,649
Purchases		75,162	3,938
Closing stock	13	<u>(23,861)</u>	<u>(9,041)</u>
		<u>60,342</u>	<u>12,546</u>

	Note	2025	2024
		--- (Rupees in '000) ---	
31. SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	31.1	400,412	320,403
Freight		1,568,279	1,755,210
Advertisement and sales promotion		77,974	64,923
Travelling and conveyance		24,401	27,550
Rates and taxes		8,853	11,806
Communication		8,137	5,715
Insurance		11,137	12,472
Depreciation on			
- operating fixed assets	7.3	20,089	19,026
- right-of-use assets	8.3	116,668	97,587
- investment properties	9	891	1,242
Vehicle running expenses		25,845	24,920
Repairs and maintenance		20,660	37,654
Utilities		65,861	83,965
Printing and stationery		13,099	19,678
Entertainment		4,340	3,801
Legal and professional charges		3,755	1,667
Others		226	523
		<u>2,370,627</u>	<u>2,488,142</u>

31.1 This includes charge of Rs. 11.17 million (2024: Rs. 9.51 million) in respect of staff retirement benefits.

	Note	2025	2024
		--- (Rupees in '000) ---	
32. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	32.1	412,161	307,923
Travelling and conveyance		10,445	6,816
Printing and stationery		30,018	18,412
Legal and professional charges		6,867	6,289
Depreciation on operating fixed assets	7.3	13,883	12,452
Vehicle running expenses		18,575	18,988
Communication		3,993	2,111
Repair and maintenance		8,774	14,442
Auditors' remuneration	32.2	5,252	3,607
Subscriptions		685	1,023
Insurance		3,521	2,284
Others		4,416	3,580
		<u>518,590</u>	<u>397,927</u>

32.1 This includes charge of Rs. 11.58 million (2024: Rs. 8.73 million) in respect of staff retirement benefits.

	2025	2024
	--- (Rupees in '000) ---	
32.2 Auditors' remuneration		
Services rendered as auditors		
Audit fee	2,250	1,800
Half-yearly review	625	500
Out-of-pocket expenses	575	355
Sales Tax	276	212
	<u>3,726</u>	<u>2,867</u>
Services rendered in other capacity		
Taxation services	648	90
Other certifications	878	650
	<u>5,252</u>	<u>3,607</u>

33. OTHER INCOME	Note	2025 --- (Rupees in '000) ---	2024
Income from financial assets			
Profit on bank deposits / saving accounts		21,182	27,035
Interest income on TDRs		21,379	23,683
Dividend income on mutual fund units		13,054	59,018
Unrealised gain on short-term investments - mutual fund units		-	356
Amortisation of deferred income		4,840	6,540
Income from Market Treasury Bills		22,395	7,804
		<u>82,850</u>	<u>124,436</u>
Income from non-financial assets			
Rental income from investment property		957	1,048
Gain on disposal of operating fixed assets		4,092	1,152
Income from scrap sales		23,287	46,072
Others		3,777	7,190
		<u>32,113</u>	<u>55,462</u>
		<u>114,963</u>	<u>179,898</u>
34. FINANCE COSTS			
Mark-up on long-term financing		62,980	97,054
Mark-up on short-term financing		27,235	11,016
Unwinding of finance cost of lease liabilities	22.1	63,857	56,227
Unwinding of finance cost of GIDC	23	456	15,039
		<u>154,528</u>	<u>179,336</u>
Bank charges and commission		24,464	19,294
		<u>178,992</u>	<u>198,630</u>
35. OTHER EXPENSES			
Workers' profits participation fund	24.6	-	26,800
Workers' welfare fund	24.7	-	19,000
Donations	35.1	1,432	5,950
Exchange loss - net		24,865	33,433
		<u>26,297</u>	<u>85,183</u>
35.1 Donation to following parties exceeds the higher of 10% of the Company's total donations or Rs. 1 million:			
		2025 --- (Rupees in '000) ---	2024
Indus Hospital and Health Network		1,000	3,000
Patients' Aid Foundation		-	2,400
35.2 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.			
36. LEVY AND TAXATION			
	Note	2025 --- (Rupees in '000) ---	2024
Levy	36.1	3,587	8,853
Taxation			
Current		173,517	315,718
Deferred		(227,352)	(38,441)
		<u>(53,835)</u>	<u>277,277</u>
New levy and tax charged		<u>(50,248)</u>	<u>286,130</u>
36.1 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.			

The numerical reconciliation between average tax rate and the applicable tax rate for the current period has not been presented as the provision for income represents minimum tax on turnover as stipulated in the Income Tax Ordinance, 2001.

- 36.2 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.

37. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	Note	2025	2024
(Loss) / profit for the year (Rupees in '000)		<u>(192,131)</u>	<u>320,165</u>
Weighted average number of ordinary shares outstanding during the year (shares in '000)		<u>239,320</u>	<u>239,320</u>
(Loss) / earnings per share (Rupees) - basic and diluted	37.1	<u>(0.80)</u>	<u>1.34</u>

- 37.1 Diluted loss / earning per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024 which would have any dilutive effect on the earnings per share if the option to convert is exercised.

38. CASH AND CASH EQUIVALENTS	Note	2025 --- (Rupees in '000) ---	2024
Cash and bank balances	18	<u>185,350</u>	<u>286,376</u>
		<u>185,350</u>	<u>286,376</u>

39 SHARIAH COMPLIANCE DISCLOSURE

Note	2025			2024			
	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total	
Statement of Financial Position							
(Rupees in '000)							
Assets							
Short-term investments	17	56,000	-	56,000	206,363	-	206,363
Bank Balances	18	182,140	1,007	183,147	264,981	14,207	279,188
Liabilities							
Long-term financing		452,000	-	452,000	586,207	-	586,207
Short-term financing		112,683	50,911	163,594	-	-	-
Statement of profit or loss							
Turnover - net		-	13,846,058	13,846,058	-	15,581,047	15,581,047
Other income		91,042	23,921	114,963	117,557	62,341	179,898

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2025 which are summarized below:

40.1 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 with ABL and short-term financing.

At June 30, 2025, 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. 5.22 million (2024: Rs. 4.82 million). However, in practice, the actual result may differ from the sensitivity analysis.

As of June 30, 2025, the Company has fixed rate financing from BAFL which expose to cash flow interest rate risk. In case of 100 basis points increase / decrease in current market interest rates with all other variables held constant, the net income for the year and net assets would have been lower / higher by Rs. 1.87 million (2024: Rs. 2.71 million).

(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, 2025	June 30, 2024
	----- (FCY) -----	
Trade payables - USD	330,818	12,950
Trade payables - Euro	68,800	199,295

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

	2025	2024
	----- (Rupees) -----	
Exchange rate – USD	283.76	278.80
Exchange rate – Euro	332.65	298.41

- (iii)** 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. 11.67 million (2024: Rs. 6.31 million). This analysis assumes that all other variables, in particular interest rates, remain constant.

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.

40.2 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 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	2025 --- (Rupees in '000) ---	2024
Long-term security deposits	10	48,710	47,503
Trade debts	14	367,435	423,681
Loan to employees	15	6,033	5,150
Deposits and other receivables	16	2,595	8,303
Short-term investments	17	56,000	206,363
Bank balances	18	183,147	279,188
		<u>663,920</u>	<u>970,188</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				2025	2024
		1 to 30 days	31 to 60 days	61 to 90 days	over 90 days	Total	Total
----- (Rupees in '000) -----							
Due from related parties	-	-	201	-	598	799	2,533
Other parties	149,457	107,506	50,749	26,878	223,227	557,817	601,391
Total	<u>149,457</u>	<u>107,506</u>	<u>50,950</u>	<u>26,878</u>	<u>223,825</u>	<u>558,616</u>	<u>603,924</u>
Expected credit loss	1,229	3,224	2,589	2,235	181,904	191,181	180,243
Expected credit loss effective rate	1%	3%	5%	8%	81%	34%	30%

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

Name of bank	Rating agency	Ratings	2025	2024	2025	2024
			Amount of bank balances		% of total balances	
Allied Bank Limited	PA CRA	A-1+ / AAA	3,593	5,603	1.96%	2.01%
Askari Bank Limited	PA CRA	A-1+ / AA+	17,462	10,651	9.53%	3.81%
Bank Alfalah Limited	PA CRA	A-1+ / AAA	34,813	72,814	19.01%	26.08%
Bank-Al-Habib Limited	PA CRA	A-1+ / AAA	20,987	19,483	11.46%	6.98%
Bank of Punjab	PA CRA	A-1+ / AA+	391	-	0.21%	0.00%
Faysal Bank Limited	PA CRA	A-1+ / AA	-	9,162	0.00%	3.28%
Habib Bank Limited	PA CRA	A-1+ / AAA	38,396	118,356	20.96%	42.39%
Habib Metropolitan Bank Limited	PA CRA	A-1+ / AA+	18,819	20,419	10.28%	7.31%
MCB Bank Limited	PA CRA	A-1+ / AAA	23,669	8,755	12.92%	3.14%
JS Bank Limited	PA CRA	A 1+ / AA	2,171	740	1.19%	0.27%
Meezan Bank Limited	VIS	A-1+ / AAA	-	-	0.00%	0.00%
United Bank Limited	VIS	A-1+ / AAA	21,839	8,138	11.92%	2.91%
Dubai Islamic Bank Limited	VIS	A-1+ / AA	1,007	5,067	0.55%	1.81%
			<u>183,147</u>	<u>279,188</u>	<u>100.00%</u>	<u>100.00%</u>

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

	Rating Agency	Ratings	2025	2024
			% of total balances	
MCB Arif Habib Cash Management Optimizer	PACRA	AA+(f)	0.00%	0.10%
Pakistan Cash Management Fund	PACRA	AA+(f)	0.00%	99.90%
			<u>0.00%</u>	<u>100.00%</u>

40.3 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 financial liabilities of the Company are analysed into the relevant maturity buckets based on their contractual maturity dates in the table below:

June 30, 2025					
Total	Upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	
----- Rupees in '000 -----					
Financial liabilities					
Lease liabilities	547,377	50,652	152,841	343,884	-
Long-term financing	502,625	47,237	68,764	342,809	43,815
Short-term financing	169,378	5,784	163,594	-	-
Trade and other payables	2,428,428	2,428,428	-	-	-
Unclaimed dividend	4,146	4,146	-	-	-
Unpaid dividend	2,424	2,424	-	-	-
	<u>3,654,378</u>	<u>2,538,671</u>	<u>385,199</u>	<u>686,693</u>	<u>43,815</u>

June 30, 2024					
Total	Upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	
----- Rupees in '000 -----					
Financial liabilities					
Lease liabilities	751,861	57,509	146,975	547,377	-
Long-term financing	583,603	11,291	69,687	420,287	82,338
Trade and other payables	2,174,348	2,174,348	-	-	-
Unclaimed dividend	4,155	4,155	-	-	-
Unpaid dividend	2,444	2,444	-	-	-
	<u>3,516,411</u>	<u>2,249,747</u>	<u>216,662</u>	<u>967,664</u>	<u>82,338</u>

40.4 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:

	2025	2024
	---- (Rupees in '000) ----	
Total debt	492,624	541,123
Total equity	<u>2,648,775</u>	<u>3,020,396</u>
Total debt plus equity	<u>3,141,399</u>	<u>3,561,519</u>
Gearing ratio	<u>15.68%</u>	<u>15.19%</u>

40.5 Unavailed Credit Facilities

40.5.1 The facility for short-term running finance, opening letters of credit and letters of guarantees amounted to Rs. 2,100 million (2024: Rs. 2,300 million), Rs. 2,450 million (2024: Rs. 3,200 million) and Rs. 2,000 million (2024: Rs. 1,600 million) respectively, of which Rs. 1,944.98 million (2024: Rs. 2,300 million), Rs. 1,669.23 million (2024: Rs. 2,624 million) and Rs. 398 million (2024: Rs. 380 million) respectively, remained unutilized as at the statement of financial position date.

40.5.2 Mark-up rates on running finance facilities range from one month KIBOR + 0.5% to three months KIBOR + 0.3% to 0.75% (2024: one month KIBOR + 0.5% to three months KIBOR + 0.3% to 0.75%) per annum.

40.6 FINANCIAL INSTRUMENTS BY CATEGORY

2025								
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	-	-	-	-	-	-	-	-	-
Amortised cost									
Long-term security deposits	-	-	-	-	-	-	48,710	48,710	48,710
Trade debts	-	-	-	-	-	367,435	-	367,435	367,435
Loan to employees	-	-	-	-	-	6,033	-	6,033	6,033
Deposits and other receivables	-	-	-	-	-	2,595	-	2,595	2,595
Short-term investments - TDFs and T-bills	56,000	-	-	56,000	-	-	-	-	56,000
Cash and bank balances	42,831	-	-	42,831	142,519	-	-	142,519	185,350
	<u>98,831</u>	<u>-</u>	<u>-</u>	<u>98,831</u>	<u>142,519</u>	<u>376,063</u>	<u>48,710</u>	<u>567,292</u>	<u>666,123</u>

Financial liabilities

Amortised cost

Lease liabilities	-	142,926	303,905	446,831	-	-	-	-	446,831
Long-term financing	-	127,158	324,842	452,000	-	-	-	-	452,000
Short-term financing	-	169,378	-	169,378	-	-	-	-	169,378
Trade and other payables	-	-	-	-	-	2,428,428	-	2,428,428	2,428,428
Unclaimed dividend	-	-	-	-	4,146	-	-	4,146	4,146
Unpaid dividend	-	-	-	-	2,424	-	-	2,424	2,424
	<u>-</u>	<u>439,462</u>	<u>628,747</u>	<u>1,068,209</u>	<u>6,570</u>	<u>2,428,428</u>	<u>-</u>	<u>2,434,998</u>	<u>3,503,207</u>

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	-	-	-	-	-	-	47,503	47,503	47,503
Trade debts	-	-	-	-	-	423,681	-	423,681	423,681
Loan to employees	-	-	-	-	-	5,150	-	5,150	5,150
Deposits and other receivables	-	-	-	-	-	8,303	-	8,303	8,303
Short-term investments - TDFs and T-bills	56,000	-	-	56,000	-	-	-	-	56,000
Cash and bank balances	136,449	-	-	136,449	142,739	-	-	142,739	279,188
	<u>192,449</u>	<u>-</u>	<u>-</u>	<u>192,449</u>	<u>293,102</u>	<u>437,134</u>	<u>47,503</u>	<u>777,739</u>	<u>970,188</u>

Financial liabilities

Amortized cost

Lease liabilities	-	124,919	269,558	394,477	-	-	-	-	394,477
Long-term financing	-	92,105	494,102	586,207	-	-	-	-	586,207
Short-term financing	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	2,174,348	-	2,174,348	2,174,348
Unclaimed dividend	-	-	-	-	4,155	-	-	4,155	4,155
Unpaid dividend	-	-	-	-	2,444	-	-	2,444	2,444
	<u>-</u>	<u>217,024</u>	<u>763,660</u>	<u>980,684</u>	<u>6,599</u>	<u>2,174,348</u>	<u>-</u>	<u>2,180,947</u>	<u>3,161,631</u>

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

	2025		
	Unclaimed / unpaid dividend	Lease liabilities	Long-term financing including deferred income
	(Rupees in '000)		
Balance at beginning of the year	6,599	394,477	612,608
Changes from financing cash flows			
Dividend paid during the year	(179,519)	-	-
Financing obtained during the year	-	-	-
Payments made during the year	-	(206,495)	(137,108)
	(179,519)	(206,495)	(137,108)
Other changes			
Dividend declared during the year	179,490	-	-
Remeasurement of lease liabilities	-	-	-
Unwinding of finance cost during the year	-	63,857	17,074
Amortisation of deferred income	-	-	(4,840)
Additions during the year	-	194,992	-
	179,490	258,849	12,234
Balance at end of the year	6,570	446,831	487,734

	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)
	(346)	(184,079)	(53,649)
Other changes			
Dividend declared during the year	-	-	-
Remeasurement of lease liabilities	-	3,921	-
Unwinding of finance cost during the year	-	56,227	30,677
Amortization of deferred income	-	-	(6,540)
Additions during the year	-	138,184	-
	-	198,332	24,137
Balance at end of the year	6,599	394,477	612,608

42. TRANSACTIONS WITH RELATED PARTIES

- 42.1 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:

	2025	2024
	---- (Rupees in '000) ----	
Associated companies / other related parties		
Sales	13,347	18,275
Purchases of goods, material and services	296,419	288,960
Purchase of vehicles	28,021	12,937
Insurance premium	46,952	49,404
Insurance	9,216	11,293
Lease Rentals	23,238	22,505
Donation paid	-	500
Key management personnel		
Remuneration and other benefits of Chief Financial Officer and Company Secretary	34,588	31,664
Staff retirement benefits		
Contribution to provident fund	43,691	37,512

42.2 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	Nature of Transaction
Habib Insurance Company Limited	Common Directorship	0.35	Insurance premium and insurance
Thal Limited	Common Directorship	1.3	Purchases of goods, material and services, Rent paid and sales
Indus Motor Company Limited	Common Directorship	N/A	Purchase of vehicles
Habib Metro Pakistan (Private) Limited	Common Directorship	N/A	Rent paid
Shabbir Tiles & Ceramics Limited - Employees' Provident Fund	Staff retirement benefits	N/A	Contribution to provident fund

43. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	2025			2024		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	----- (Rupees in '000) -----					
Managerial remuneration	27,754	-	191,560	23,926	-	122,887
Housing and utilities	19,876	-	186,815	17,475	-	102,354
Leave fare assistance, leave encashment and bonus	16,190	-	26,802	26,057	-	23,205
Reimbursement of medical expenses	2,775	-	17,863	2,393	-	11,483
Retirement benefits	2,589	-	50,028	2,232	-	9,927
Meeting fee	-	2,900	-	-	3,500	-
	<u>69,184</u>	<u>1,600</u>	<u>473,068</u>	<u>72,083</u>	<u>3,500</u>	<u>269,856</u>
Number of persons	<u>1</u>	<u>4</u>	<u>71</u>	<u>1</u>	<u>4</u>	<u>54</u>

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

44. 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 between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

The estimated fair value of financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced other than those mentioned in note 44.1.

44.1 Fair value hierarchy

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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-3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2025	Note	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
Assets					
- Investments carried at fair value through profit or loss	17	-	-	-	-
2024					
----- (Rupees in '000) -----					
Assets					
- Investments carried at fair value through profit or loss	17	-	150,363	-	150,363

There were no transfers amongst levels during the year.

The market prices of 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.

45. PLANT CAPACITY AND ACTUAL PRODUCTION

	2025	2024
	--- (million sq. meters) ---	
Annual capacity	14.40	14.40
Actual Production	7.74	11.08

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

The Board of Directors in the meeting held on August 29, 2025 proposed no cash dividend (2024: Rs 0.75) for the year ended June 30, 2025

47. NUMBER OF EMPLOYEES	2025	2024
Total number of employees as at year end	<u>681</u>	<u>702</u>
Average number of employees during the year	<u>692</u>	<u>710</u>

48. 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 9.96% of the Company's total sales during the year (2024: 12.98%).

49. GENERAL

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

49.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions.

Reclassified from	Reclassified to	As at June 30, 2024
Prepayments, deposits and other receivables	Long-term security deposits	5,534
Accrued markup	Long-term financing	25,330

50. DATE OF AUTHORISATION FOR ISSUE

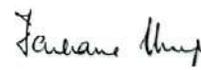
These financial statements were authorised for issue on August 29, 2025 by the Board of Directors of the Company.



Umair Ali Bhatti
Chief Financial Officer



Syed Masood Abbas Jaffery
Chief Executive Officer



Farhana Mawjee Khan
Director

SHABBIR TILES AND CERAMICS LIMITED

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

Categories of Shareholders	Shareholders	Shares Held	Percentage
DIRECTORS AND THEIR SPOUSE (S) AND CHILDREN			
Rafiq M Habib	1	4,162,522	1.74
Syed Masood Abbas Jaffery	1	43,000	0.02
Muhammd Salman Burney	1	1,000	0.00
Abdul Hai Mehmood Bhai Mian	1	663,594	0.28
Imran Ali Habib	2	347,476	0.15
Asad Said Jafar	1	1,000	0.00
Farhana Mowjee Khan	1	1,000	0.00
Jamila Rafiq	1	1,377,752	0.58
Rukhsana Bibi	1	781,774	0.33
Associated Companies, undertakings and related parties	1	3,121,549	1.30
Insurance Companies	6	6,913,989	2.89
Modarabas and Mutual Funds	13	33,593,426	14.04
General Public			
a. Local	3302	44,786,948	18.71
b. Foreign	42	293,176	0.12
Foreign Companies	21	131,167,292	54.81
Others	41	12,064,977	5.04
Totals	3436	239,320,475	100.00

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

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2025

# Of Shareholders	Shareholdings'Slab		Total Shares Held	
1015	1	to	100	27,886
757	101	to	500	221,007
418	501	to	1000	333,871
694	1001	to	5000	1,758,706
188	5001	to	10000	1,413,643
75	10001	to	15000	938,178
47	15001	to	20000	858,540
36	20001	to	25000	832,711
14	25001	to	30000	392,477
10	30001	to	35000	323,673
8	35001	to	40000	303,087
7	40001	to	45000	297,482
14	45001	to	50000	686,960
7	50001	to	55000	367,310
4	55001	to	60000	235,973
3	60001	to	65000	184,053
4	65001	to	70000	273,765
5	70001	to	75000	365,056
2	75001	to	80000	153,751
5	80001	to	85000	411,748
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	352,699
3	120001	to	125000	369,493
1	135001	to	140000	137,932
1	150001	to	155000	151,450
2	160001	to	165000	325,816
2	165001	to	170000	340,000
4	170001	to	175000	691,704
3	175001	to	180000	532,742
1	180001	to	185000	182,028
1	185001	to	190000	186,250
1	190001	to	195000	194,123
1	195001	to	200000	200,000

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2025

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1	200001	to	205000	205,000
1	205001	to	210000	206,784
1	240001	to	245000	243,216
2	245001	to	250000	496,067
1	250001	to	255000	251,447
1	260001	to	265000	263,500
1	265001	to	270000	265,900
1	285001	to	290000	287,239
1	290001	to	295000	293,243
2	295001	to	300000	600,000
1	320001	to	325000	320,763
1	325001	to	330000	329,137
1	335001	to	340000	339,433
3	345001	to	350000	1,042,952
1	380001	to	385000	381,000
1	395001	to	400000	400,000
1	400001	to	405000	401,000
1	440001	to	445000	441,558
1	465001	to	470000	466,500
1	480001	to	485000	485,000
1	495001	to	500000	500,000
1	505001	to	510000	510,000
2	515001	to	520000	1,039,428
1	595001	to	600000	600,000
2	655001	to	660000	1,316,660
1	660001	to	665000	663,594
1	725001	to	730000	726,000
1	745001	to	750000	750,000
1	750001	to	755000	752,500
1	765001	to	770000	769,500
1	780001	to	785000	781,774
1	830001	to	835000	834,732
2	850001	to	855000	1,703,974
1	945001	to	950000	950,000
1	955001	to	960000	957,009
1	995001	to	1000000	1,000,000

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2025

# Of Shareholders	Shareholdings'Slab		Total Shares Held	
2	1000001	to	1005000	2,004,301
1	1015001	to	1020000	1,017,142
2	1035001	to	1040000	2,078,856
1	1120001	to	1125000	1,122,631
1	1135001	to	1140000	1,139,322
1	1150001	to	1155000	1,154,500
1	1375001	to	1380000	1,377,752
1	1430001	to	1435000	1,434,596
1	1435001	to	1440000	1,437,523
1	1675001	to	1680000	1,675,695
1	1795001	to	1800000	1,797,393
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	2625001	to	2630000	2,626,552
1	2775001	to	2780000	2,775,015
1	2855001	to	2860000	2,855,689
4	2985001	to	2990000	11,953,331
1	3060001	to	3065000	3,061,395
1	3075001	to	3080000	3,079,468
1	3120001	to	3125000	3,121,549
1	3385001	to	3390000	3,386,227
3	3450001	to	3455000	10,364,667
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	6770001	to	6775000	6,771,889
1	7030001	to	7035000	7,030,157
1	13190001	to	13195000	13,191,336
1	16005001	to	16010000	16,009,983
1	60895001	to	60900000	60,897,425
3436				239,320,475



SHABBIR TILES AND CERAMICS LIMITED

PROXY FORM

I/We _____ of _____

being a member(s) of SHABBIR TILES AND CERAMICS LIMITED and a holder of _____

_____ ordinary shares as per Share Register Folio No. _____ or CDC Participant ID No.

_____ Account No. _____ hereby appoint

_____ of _____ who is also member of SHABBIR

TILES AND CERAMICS LIMITED Vide Folio No. _____ or CDC Participant ID No. _____

_____ Account No. _____ or failing him/her _____

_____ of _____ who is also member of SHABBIR TILES AND

CERAMICS LIMITED vide Folio No. _____ or CDC Participant ID No. _____

_____ Account No. _____ as my / our proxy in my / our absence to attend and vote

for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Monday, 20th of October, 2025, and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2025

signed in presence of

Witness _____ Witness _____
(Signature) (Signature)

Name _____ Name _____

Address _____ Address _____

CNIC No. _____ CNIC No. _____

Please affix
Rs. 5/-
Revenue
Stamp

SIGNATURE OF MEMBER(S)

NOTES:

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

1. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
2. Attested copy of CNIC or the passport of the beneficial owners shall be furnished with the proxy form.
3. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
4. 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.



Unmatched Quality Tiles

Shabbir Tiles and Ceramics Limited

15th Milestone,
National Highway,
Landhi Industrial Area,
Karachi-75120
Phone: +92-311-11STILE [78453]
Website: www.stile.com.pk
Email: info@stile.com.pk