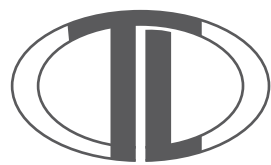


Thal Limited

2022

Annual Report

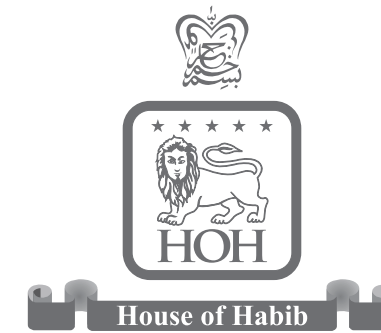
Thal Limited | 2022 Annual Report



THAL LIMITED

4th Floor, House of Habib,
3 Jinnah cooperative Housing Society, Block-7/8,
Shahrah-e-Faisal, Karachi - 75350, Pakistan.
Tel: 92 (21) 3431 2030 / 3431 2185

Design & Producect: R-Square



A BETTER FUTURE

Thal Limited and its subsidiaries remain committed and resolute to lead the nation and its determined people towards resilience, energy, strength and finally onwards, firmly forth to a collective victory under the banner of this rich and open hearted nation that has withstood every test and succeeded in overcoming the challenges, every time.

The present moment calls to each one of us – And, we come together, united with you, for the coming journey of a better future for each and every proud Pakistani.

Building a stronger Pakistan together since 1966.

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OUR VALUES



JUSTICE & INTEGRITY

Report facts correctly | Transparency in actions | Accept mistakes | Be fair & impartial | High sense of responsibility



ENTREPRENEURSHIP

Be wired (knowledgeable) | Be creative | Convert visions into reality | Take calculated risks



CLEANLINESS

Practice personal cleanliness and hygiene | Practice cleanliness and 5S for all areas & resources:
Seiri (Arrangement) | Seiton (Orderliness)
Seiso (Cleanliness) | Seiketsu (Neatness)
Shukan (Habits)



TEAM WORK

Be a good listener | Meaningful participation | Show mutual respect | Own collective decisions | Support inter-dependencies | Believe in candor | "We" not "I"



HUMILITY & RESPECT

Be a good listener | Foster fair play | Allow open critique | Encourage communication with subordinates | Walk the talk | Not egotistic



OPTIMUM USE OF RESOURCES

Minimize wastage | Procure at an optimal price | Practice 5 R:
Recycle | Re-Use | Retrieve | Refine | Reduce

OUR VISION

Recognized as the most respected and dynamic group with expanding & diversifying businesses, sustaining competitive returns to stakeholders.

An employer of choice, responsibly fulfilling obligations to community, country & environment.

CORPORATE INFORMATION

Board of Directors

Rafiq M. Habib	Chairman - Non-Executive Director
Muhammad Tayyab Ahmad Tareen	Chief Executive Officer
Aliya Saeeda Khan	Independent Director
Khayam Husain	Independent Director
Mohamedali R. Habib	Non-Executive Director
Imran Ali Habib	Non-Executive Director
Salman Burney	Non-Executive Director

Chief Financial Officer

Shahid Saleem

Company Secretary

Salman Khalid

Audit Committee

Aliya Saeeda Khan	Chairperson - Independent
Mohamedali R. Habib	Member
Imran Ali Habib	Member
Salman Burney	Member

Human Resources & Remuneration Committee

Aliya Saeeda Khan	Chairperson - Independent
Mohamedali R. Habib	Member
Salman Burney	Member
Muhammad Tayyab Ahmad Tareen	Member

External Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisors

A. K. Brohi & Co., Karachi
K. A. Wahab & Co., Karachi
Fazle Ghani Advocates, Karachi

Tax Advisors

EY Ford Rhodes Chartered Accountants

Bankers

Habib Metropolitan Bank Limited
Al Baraka Bank (Pakistan) Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Telenor Microfinance Bank Limited
United Bank Limited

Registered Office

4th Floor, House of Habib
3-Jinnah Cooperative Housing Society, Block 7/8
Sharah-e-Faisal, Karachi - 75350
PABX: 92(21) 3431-2030, 3431-2185
Fax: 92(21) 3431-2318, 3439-0868
E-mail: tl@hoh.net
Web: www.thallimited.com
4th Floor, House of Habib

Share Registrar

FAMCO Associates (Private) Limited
8-F, next to Hotel Faran, Nursery, Block-6, P.E.C.H.S.,
Shahra-e-Faisal, Karachi.
Tel: 92(21) 3438-0101-5, 3438-4621-5
Fax: 92(21) 3438-0106, 3242-8310
Email: info.shares@famco.com.pk
Web: www.famco.com.pk

Credit Rating

By VIS Credit Rating Company Limited
Medium to Long-term rating: AA (Double A)
Short-term rating: A-1+ (A-One Plus)

KEY FIGURES

Sales Revenue

Rs. in million

37,351
2021-22 **36.73%**
27,317
2020-21 ↑

Profit after tax

Rs. in million

4,257
2021-22 **22.26%**
3,482
2020-21 ↑

Earnings per share

Rs.

52.54
2021-22 **22.26%**
42.97
2020-21 ↑

Total equity

Rs. in million

27,230
2021-22 **13.91%**
23,906
2020-21 ↑

Total assets

Rs. in million

37,606
2021-22 **27.34%**
29,532
2020-21 ↑

Return on equity

%

15.63
2021-22 **7.33%**
14.57
2020-21 ↑

Market price per share

Rs.

269.62
2021-22 **-36.23%**
422.78
2020-21 ↓

Contribution to national exchequer

Rs. in million

8,080
2021-22 **31.55%**
6,142
2020-21 ↑

Dividend per share

Rs.

7.50
2021-22 **-25.00%**
10.00
2020-21 ↓

Market capitalization

Rs. in million

21,847
2021-22 **-36.23%**
34,258
2020-21 ↓

THAL LIMITED – A LEGACY DRIVEN TO DETERMINATION

Thal Limited has the distinction of being the flagship industrial project of the group. Incorporated in 1966 as Thal Jute Mills Limited the company renamed itself as Thal Limited in 2004 as part of the organization's consolidation strategy. Currently the company manages two distinct businesses: the engineering business and the building material & packaging business.

The Engineering division of Thal Limited owns and operates the Electrical Systems business; the Thermal Systems business and the Engine Components business. The Electrical Systems business is involved in manufacturing of wide range of wiring harness products from simple cable preparation to highly complex wiring harnesses, cable assemblies, and battery cables mainly for Automotive industry. The business came into existence in the year 2000 with the signing of a TAA (Technical Assistance Agreement) with Furukawa Electric Company, Japan. Furukawa is one of the leading suppliers of automotive wiring harness system in the world. Moreover, during the course of the current year, the Company's Engineering Segment, laid the foundations for a new plant to cater to expansion in its automotive wire harness business in technical collaboration with Yazaki Corporation, one of the world's largest automotive parts suppliers. The combined synergies of both the companies would enable the business to establish itself in a relatively quick span of time as a premier supplier of car wiring systems to all automobile manufacturers in Pakistan.

The Thermal Systems – which commenced operations in 1996 – manufactures Auto Air Conditioners for Toyota and Suzuki vehicles manufactured and assembled in Pakistan. Ever since its establishment, Thal Engineering's Thermal Systems division has remained progressive with addition of multiple capabilities unto its fold. To deliver a product range of excellent quality, the Company entered into a Technical Assistance Agreement with Denso Japan in 1996 – the second largest auto parts maker in the world – listed on the Fortune 500 and the largest in Japan. The strategic alliance has acquired and obtained world class assistance in manufacturing car air conditioners, heater blowers & now aluminum radiators, enabling the business to continue in its growth trajectory.

The Engine Components – although a relatively newer addition to Thal Engineering Limited – manufactures Starters and Alternators for Toyota vehicles. The business was established with a clear vision to localize and manufacture

automobile engine parts and components for different automobile OEMs in Pakistan. The business has the unique distinction of being the first and foremost manufacturer of Engine Starters and Alternators for passenger cars in Pakistan under a foreign collaboration.

Thal Limited also owns and operates the building material and packaging businesses which comprises of laminates, Jute, Papersack and Woven Polypropylene packaging.

The Laminates business was established in 1980 as the first of its kind manufacturing unit for the production of high-pressure decorative laminates in Pakistan under the brand name of FORMITE. Today, the Company remains a market leader for its range of decorative and electrical grade compact laminates. Over the years, the business has successfully integrated upstream and downstream facilities to maintain its competitive edge and remain a partner of choice for a wide variety of stakeholders both locally and abroad.

The Jute business bears the honor of being the first industrial project that was undertaken by House of Habib. Located in the heart of Punjab, nestled between the banks of River Indus and Chenab, the Company is involved in manufacturing of grain sacks in various grades including food grade and Hessian yarn & twine for domestic and export markets.

The Papersack business has been in operation since the 1970s, is the pioneering multi-ply manufacturing unit in Pakistan and has remained a market leader in the business since its inception. With strategic locations of its plants situated in Hub (Baluchistan) and Gadoon (Khyber-Pakhtunkhwa), the Company has an annual production capacity of 150 million sacks. With close to five decades of world class product leadership, the papersack business not only fulfills local demand but also exports to key international markets including Middle East, India, EU and the UK amongst other avenues.

In 2022, the Packaging business expanded by starting a commercial operation with the state-of-the-art Woven Polypropylene ("WPP") line on European based technology on integrated machines which was procured from Windmüller & Hölscher. This latest technology has an annual production capacity of 90 million bags and has the ability to provide highest quality of printing, with one of its kind high gloss finishes having high quality imprints.

Both the packaging solutions cater to various industries that include cement, chemicals and dyes, bonding adhesives, industrial salt, calcium, gypsum, carbon black, milk powder and guar gum amongst others.

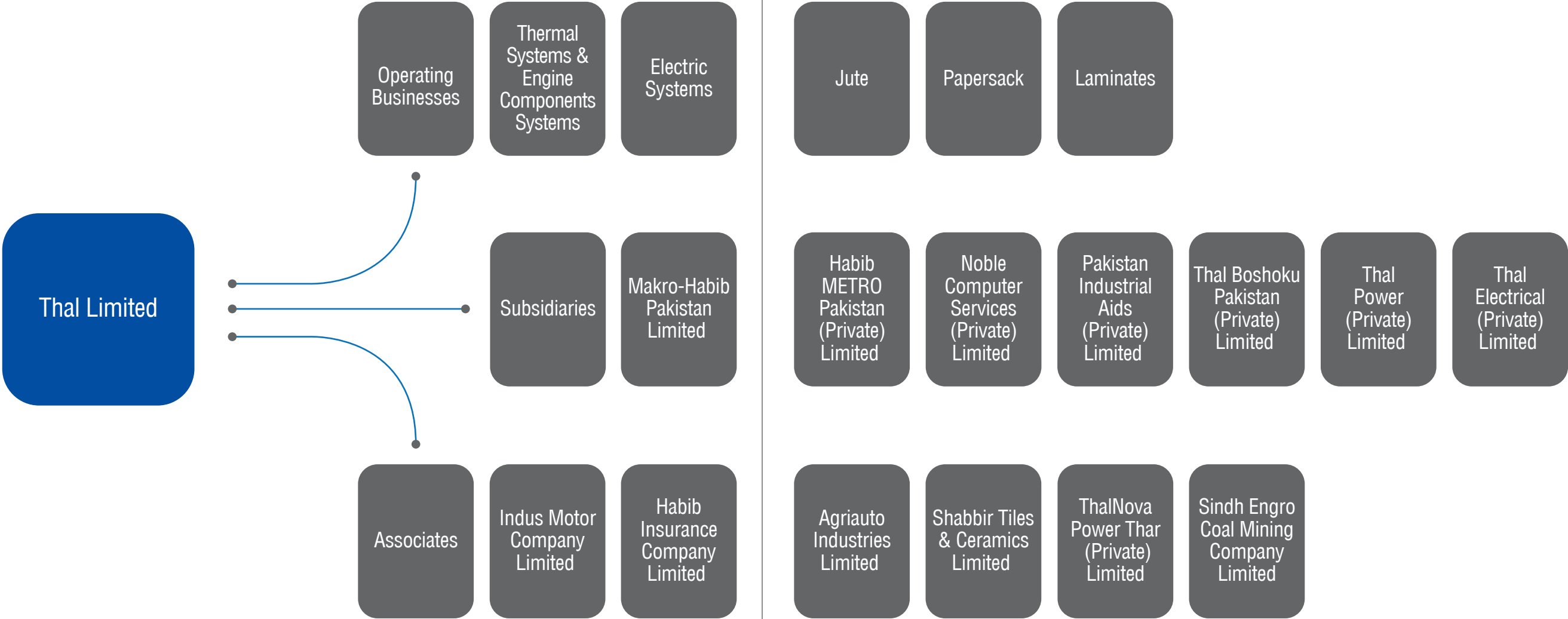
Since our inception we continue to touch and redefine life through the spectrum of our businesses that continue to impact a broad category of stakeholders in innumerable ways. In order to provide further impetus to our growth.

philosophy we continue to diversify our investments with an ever-expanding footprint in subsidiaries such as Noble Computer Services (Private) Limited, Pakistan Industrial Aids (Private) Limited, Habib METRO Pakistan (Private) Limited, Thal Boshoku Pakistan (Private) Limited and Thal Power (Private) Limited. In addition, the Company also shares investments in associates like Indus Motor Company Limited, Habib Insurance Company Limited, Agriauto Industries Limited, Shabbir Tiles and Ceramics Limited.

Cognizant of our responsibility to the country and mapping our investments with solving the critical issues the economy faces, our recent most investment has been in Sindh Engro Coal Mining Company (SECMC) – a landmark project to fuel the growth of Pakistan's economy and develop indigenous energy resources. To bolster this investment Thal Limited has also entered into a Joint Venture Agreement with Novatex Limited to develop a 330 MW coal-fired power plant at Thar – an investment we feel will curtail the energy crisis and help bring positive impact to the communities around us. In October 2018 Hubco joined ThalNova as a 38.3% shareholder.

Since our inception we continue to touch and redefine life through the spectrum of our businesses that continue to impact a broad category of stakeholders in innumerable ways

COMPANY STRUCTURE



RESILIENCE

Sustainably governing tomorrow

Corporate Governance



DIRECTORS' PROFILE



Rafiq M. Habib

Chairman

Mr. Rafiq M. Habib is one of the founding members and Chairman of Thal Limited. He also serves as the Group Chairman of the renowned 'House of Habib'. He has served on the Board of Governors of 'Pakistan Institute of Management'. Having a wide business experience in a variety of industries, he also leads the team towards success as the Chairman of Habib Insurance Company Limited.

He provided his visionary leadership to many public limited companies including the iconic Indus Motors Company Limited and served as a consultant to Habib Bank AG Zurich.

He is the founding Chancellor of Habib University.



Muhammad Tayyab Ahmad Tareen

Chief Executive Officer

Mr. Muhammad Tayyab Ahmad Tareen joined as CEO of Thal Limited on 1st July 2019. He has more than 25 years of experience mainly with multinationals and private equity, covering areas of business turnarounds, transformations and entrepreneurial experience in general management, financial management and business acquisitions.

Before joining House of Habib, he was associated with K-Electric, the largest vertically integrated power utility in Pakistan, serving as its CEO and Chairman of the Board, CFO and Chief Strategy Officer. He led the operational turnaround of this ailing utility company, turning it into a profitable enterprise after 17 years of losses.

Prior to K-Electric, he served in private equity having global operations & investments in different sectors.

He has also served as the CFO of The Coca-Cola Company managed bottler in UAE and OMAN, a business that saw successful turnaround from losses to sustained profitability within two years.

He is a Member of Institute of Chartered Accountants in England and Wales.



Ms. Aliya Saeeda Khan

Independent Non-Executive Director

Ms. Aliya Saeeda Khan is a Partner at the law firm of Orr, Dignam & Co. and is based at the Firm's Karachi office. She is an Advocate and a Barrister from Gray's Inn. As with other Partners of the Firm, she deals with a wide range of corporate, financial and commercial matters. Her focus areas are mergers and acquisitions (M&A), project work, joint ventures and energy sector. She joined Thal Limited's Board in September 2018.

She is a graduate of the University of Cambridge and also serves on the Board of Directors of Colgate-Palmolive (Pakistan) Limited and National Clearing Company of Pakistan Limited.



Mr. Khayam Husain

Independent Non-Executive Director

Mr. Khayam Husain joined the Board of Directors in June 2022. He is presently the Chairman of Automobile Corporation of Pakistan which is the largest builder of semi-trailers and road transport equipment in Pakistan. He got his schooling from Karachi Grammar School and undergraduate degree in Finance from the University of Houston. He later obtained an MBA from Pepperdine University. He started his career with PepsiCo. in the US before returning to Pakistan.

Mr. Khayam helped find the Fleet Operators Association of Pakistan to promote a consolidated Trucking/Transport Policy and promote safety and compliance in road transport. Khayam is also an active member of the ICC and Karachi Relief Trust.



Mohamedali R. Habib

Non-Executive Director

Mr. Mohamedali R. Habib was appointed as the Director of Thal Limited in December 1990. He has been a Director of Habib Metropolitan Bank Limited since 2004, and currently serves as the Chairman of the Board of Directors of the Bank. In addition, he serves as a Chairman on the Board of Indus Motor Company Limited, and also serves as a Director of Habib University Foundation. He was appointed Group CEO of HBZ Group in 2016.

Mohamedali R. Habib graduated in Business Management – Finance from Clark University, Massachusetts, USA in 1987, and also holds a Post Graduate Diploma in General Management from Stanford-National University of Singapore.



Imran Ali Habib

Non-Executive Director

Mr. Imran Ali Habib was appointed as a Director of Thal Limited in June 2020. He is the Executive Vice President & Chief Strategic Officer at Habib American Bank in New York, USA, where he is responsible for looking after the bank's management and business development. 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.

Imran is a graduate of the Bryant University (Bachelor of Science in Business Administration) and has attended the Program for Leadership Development and is an Alumni of Harvard Business School. He is also a Member of the Young Presidents Organization Pakistan Chapter.

Mr. Imran Ali Habib also serves as a Director on the Board of Directors of Indus Motor Company Limited, Shabbir Tiles and Ceramics Limited and Habib American Bank, USA. In addition, Imran also devotes his time and attention to social welfare, education and benevolent activities and is a Member on the Board of Directors of Habib University Foundation, US.



Salman Burney

Non-Executive Director

Mr. Salman Burney joined the Board in February 2016 as a Non-Executive Director. He also served previously as the VP/Area GM for GSK Pakistan, Iran and Afghanistan.

He began his professional career with ICI Pakistan in Sales & Marketing in various roles in Pakistan & at ICI plc, London and as General Manager of ICI's Agrochemicals & Seeds Business. He later joined Smithkline Beecham in 1992 and was appointed MD, in 1997 with additional responsibility for Iran and the Caspian Region and was later responsible for GlaxoSmithKlines's Pharmaceutical business in Pakistan, Iran and Afghanistan.

Mr. Salman Burney has a degree in Economics from Trinity College, University of Cambridge, UK and has been the President of Pakistan's foreign investors Chamber (OICCI) and Chairperson of the MNC Pharma Association, has led the industry interface with the government on various issues.

He has also been a member of the Privatisation Commission, and a member of the boards of P.I.D.C, and N.T.D.C.

BOARD COMMITTEES AND THEIR TERMS OF REFERENCES

Committees of the Board

The Board is assisted by the following two Committees to support its decision making.

Audit Committee

The Board Audit Committee meets multiple times through the year to determine appropriate measures to safeguard the Company's assets and review quarterly, half yearly and financial statements of the company, prior to their approval by the Board of Directors. In addition, the Board Audit Committee is also responsible for:

- a) determination of appropriate measures to safeguard the company's assets
- b) review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on
 - (i) major judgmental areas;
 - (ii) significant adjustments resulting from the audit
 - (iii) going concern assumption
 - (iv) any changes in accounting policies and practices
 - (v) compliance with applicable accounting standards;
 - (vi) compliance with these regulations and other statutory and regulatory requirements; and
 - (vii) related party transactions
- c) review of preliminary announcements of results prior to external communication and publication
- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight {in the absence of management, where necessary}
- e) review of management letter issued by external auditors and management's response thereto
- f) ensuring coordination between the internal and external auditors of the company
- g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company
- h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control systems including financial and operational controls, accounting systems

- for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports
 - k) instituting special projects value for money studies or other investigations on any matter specified by the board of directors in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body
 - l) determination of compliance with relevant statutory requirements
 - m) monitoring compliance with these regulations and identification of significant violations thereof
 - n) review of arrangement for staff and management to report to audit committee in confidence concerns if any about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
 - o) recommend to the board of directors the appointment of external auditors, their removal, audit fee, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements and measures for redressal and rectification of non-compliance with Regulations. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
 - p) consideration of any other issue or matter as may be assigned by the board of directors

Members:

Ms. Aliya Saeeda Khan – Chairperson (Independent)
 Mr. Mohamedali R. Habib – Member
 Mr. Imran Ali Habib – Member
 Mr. Salman Burney – Member

Human Resources & Remuneration Committee:

TERMS OF REFERENCE

The Board Human Resources & Remuneration Committee meets at least once in a year to review and recommend all elements of the Human Resource Management framework including but not limited to the following:

- i) recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- ii) undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- iii) recommending human resource management policies to the board
- iv) recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v) consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi) where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

Members:

Ms. Aliya Saeeda Khan – Chairperson (Independent)
 Mr. Mohamedali R. Habib – Member
 Mr. Salman Burney – Member
 Mr. Muhammad Tayyab Ahmad Tareen - Member

Internal Control Framework:

The Board is ultimately responsible for internal control and its effectiveness. To provide reasonable assurance a system is designed to manage the risk to achieve business objectives. The internal audit function carries out reviews on the financial, operational and compliance controls.

Internal Control Framework:

Internal control framework is comprised of effectiveness and efficiency of operations including performance and profitability goals and safeguarding of resources, reliability of financial

reporting including interim and condensed financial statements and selected financial data, and compliance with applicable laws and regulations.

The Company maintains clear structured and established control framework that contains authority limits, accountabilities and sound understanding of policies and procedures.

The Board has overall responsibility to oversee the internal control processes. Internal control compliance is monitored by internal audit which ensures that the Company and its employees are compliant with internal control policies and procedures.

Control Environment:

The control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.

Risk Assessment:

Risk assessment is the identification and analysis of relevant risks to achieve the objectives, forming a basis for determining how the risks should be managed.

Control Activities:

Policies and procedures for control activities ensure that management directives are carried out. These activities ensure necessary actions are taken to address risks to achieve entity's objectives. Control activities occur throughout the organization, at all levels and in all functions.

Information and Communication:

Pertinent information must be identified, captured and communicated in a form and timeframe that enable people to carry out their responsibilities. Information systems produce reports, containing operational, financial and compliance-related information, required to run and control the business.

Monitoring:

Internal control system is monitored to assess the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two.

CHAIRMAN'S REVIEW REPORT

It is with great pleasure that we close another successful year at your Conglomerate – Thal Limited. Our business segment in Auto Engineering; Thermal Systems, Electric Systems and Engine Components; and Packaging and Building Materials segment have persevered and flourished despite the global challenges in FY 22.

I am happy to report that Company performance was highlighted green and the Group's profit after taxation is recorded at Rs. 6.3 Billion. This marks an exciting 34% year-on-year increase in sales figures as key sectors witnessed significant growth.

In the past year, our Auto-Engineering segment recorded an increase of 42% growing its sales in light of an Auto Industry boom and with new OEM's entering the market, Thal will continue to steadily supply to all of them.

The Packaging and Building Materials segment which includes Thal Jute, Thal Packaging and Baluchistan Laminates Division witnessed 29% year-on-year growth as well. The Jute business owes its growth to increased export sales and increasing demand for Pakistan Grain Sacks. Our Packaging business' growth was primarily attributed to the woven polypropylene bag manufacturing facility which took off and quickly captured the market. Existing product lines within the Packaging Division ambit as forerunners to Company sales played their part well in closing the year on a positive note. Our trademark, Formite performed well despite currency devaluation and rising freight costs. The business withstood market pressure to call in a profitable end of the year. In the property sector, Habib METRO paid generous dividends during the year and is looking at growth options which are contingent upon the general economic climate. Under the energy sector, Sindh Engro Coal Mining Company Limited ("SECMC") continues to operate smoothly supplying coal to a power plant and ThalNova Power Thar (Private) Limited ("ThalNova") is geared to achieve commercial operations by 2022.

The expected downturn in Pakistan in FY23

due to inflationary shocks, import restrictions, currency devaluation, global conflicts and now the nation-wide flooding may also pose its own challenges. The Packaging business is aggressively focusing on enhancing its export footprint and focused on cost efficiencies. Baluchistan Laminates Division operating under the name of Formite has developed a new product, unique to the local market. The Company is actively working towards localization of key raw materials which will be a boon to the entire industry. SECMC remains engaged with its coal mining and supplying to power plant at optimal capacity. The agreement between SECMC and ThalNova aims to produce 330MW of electricity for Pakistan by 2023.

The teams at Thal Limited were at the forefront of thousands of hours spent on active learning. The Learning Fair returned this year and 144 employees were placed in twenty-two different programs to grasp the latest concepts and practices. The welcome news of the pandemic receding did not keep us from closely monitoring Health and Safety across our sites, plants and offices. We're delighted to say we achieved 7.9 million safe man hours and 790 safe man days without loss of work. We also worked towards reducing our carbon footprint by about 2% across various sites.

I am sincerely grateful for the dedicated leadership and grit displayed in each corner of the Group and would sincerely like to thank the Board of Directors, Audit and Human Resource and Remuneration Committees, staff, partners and dealers for carrying the hard work needed to exceed expectations.

We will come together to surmount the challenges before us as a nation. InshaAllah, together we aim to navigate these waters

cautiously and with the certainty to rise above for a better future and sustainable country for us all.



Rafiq M. Habib
Chairman



STRENGTH

Indivisible as one

Directors' Report



DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we are pleased to present the Fifty Sixth Annual Report along with the Audited Financial Statements of Thal Limited (the "Company") for the year ended June 30, 2022.

Economic Overview

The economy started showing signs of recovery after shrinking by 1% in FY 2020. Supply and demand imbalances became apparent, exacerbated by supply chain disruptions and bottlenecks in the transport sector. International commodity prices responded abruptly to the economic rebound which resulted in accelerated inflation in most parts of the world including Pakistan.

In the second quarter of 2022, global output started contracting on account of higher global inflation, monetary tightening, COVID-19 restrictions and the Russia-Ukraine conflict. Global and domestic uncertainties are still surrounding the economic outlook. In

addition, recent flooding caused by abnormally heavy monsoon rains has negatively impacted economic activity in the most affected areas of Sindh, Balochistan, Khyber Pakhtunkwa & Punjab.

Consequently, Pakistan's already eroding foreign exchange reserves and currency valuation are likely to come under further pressure as Pakistan recovers from this downturn.

During the year, the Company's sales revenue increased by 37% year on year to Rs. 37.4 billion and profit after tax was recorded at Rs. 4.3 billion (up 23% year-on-year) compared to Rs. 3.5 billion during 2020-21.

Financial Performance

	Rupees in Billion			
	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Net Revenue	37.4	27.3	39.8	29.6
Profit Before Taxes	5.9	4.6	8.9	7.8
Taxation	1.7	1.1	2.5	1.9
Profit After Taxes	4.3	3.5	6.3	5.9
Earnings Per Share (Rs.)	52.54	42.97	71.71	67.06

OVERVIEW OF BUSINESS SEGMENTS

The Company has two major business segments – the Engineering segment and the Packing, Building Material & Allied Products segment.

Engineering Segment

The Company's Engineering segment comprises the Thermal & Engine Components business and Electric Systems business. These businesses are primarily focused on parts manufacturing for the auto industry.

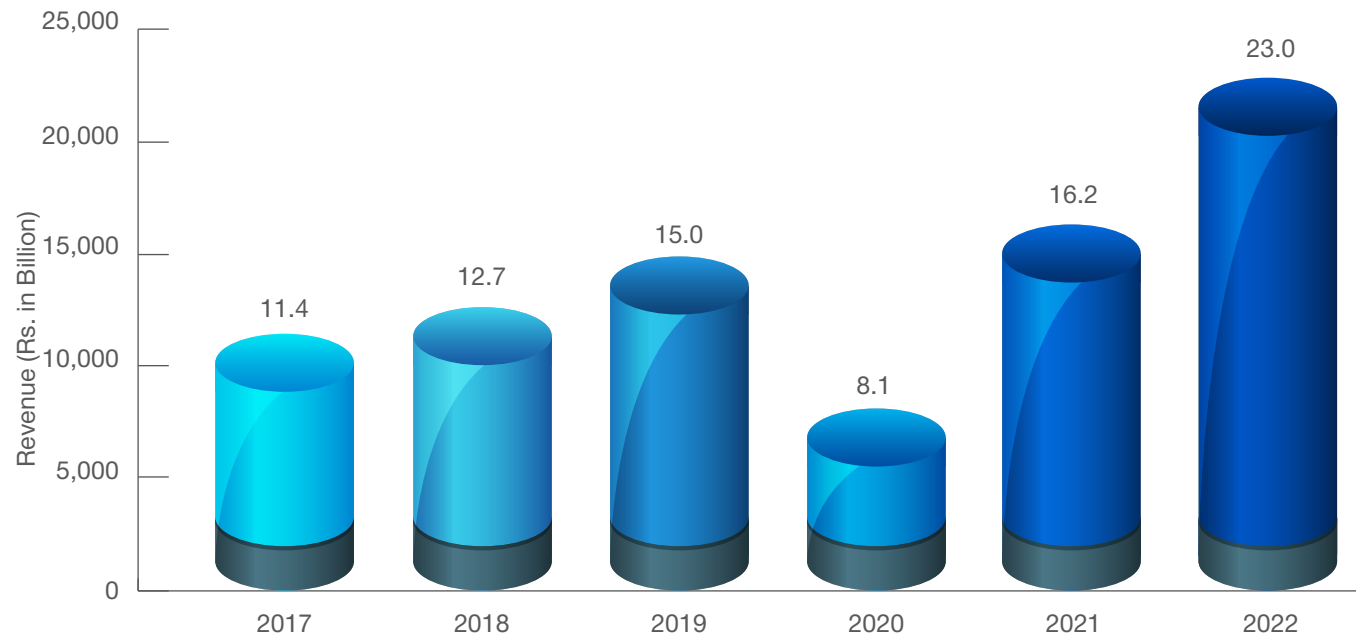
The segment recorded sales of Rs. 23.0 billion compared to last year sales of Rs 16.2 billion witnessing an increase of 42%, whereas, as per Pakistan Automotive Manufacturers Association ("PAMA") reports, overall auto industry also increased by 54.9% in passenger car sales and 49.2% in sports utility vehicles and light commercial vehicle sales.

The year 2021-22 further built on the massive recovery witnessed in the auto sector during the previous year as the effects of COVID-19 pandemic on the economy and local industry started to wear off after July 2021 and the lockdown was eased by the Government of Pakistan ("GoP"). Furthermore, due to the incentives provided by the GoP including lower mark-up rates, the local industry picked up its pace and consumers were back into the markets. However, towards the end of the year the country's economic situation deteriorated sharply due to increasing pressure on the external front on the back of rising commodity prices in the international market and delay in resumption of the IMF program.

The resulting financing gap forced the GoP to clamp down on imports and, consequently, the State Bank of Pakistan ("SBP") imposed an additional requirement whereby prior approval from SBP was required before initiating transactions for import of goods falling under Chapter 84 and 85 of the Pakistan Customs Tariff Code which severely affected the import of 'Complete Knocked Down' ("CKD") kits and raw material for parts thereby paralyzing the auto sector. Furthermore, due to the rising current account deficit, the Pakistani Rupee has undergone significant devaluation which has eroded the purchasing power of consumers.

The management continues to engage with relevant governmental, regulatory and industry bodies to resolve the current scenario. Furthermore, the management is focused on business expansion, localization and optimization of cost to maintain profitable operations.

Going forward, management will continue its focus on stable supply to Original Equipment Manufacturers ("OEM"), quality, health, safety, environmental initiatives and acquiring new business from new OEMs while enhancing cost efficiencies through continuous process improvement.



Outlook

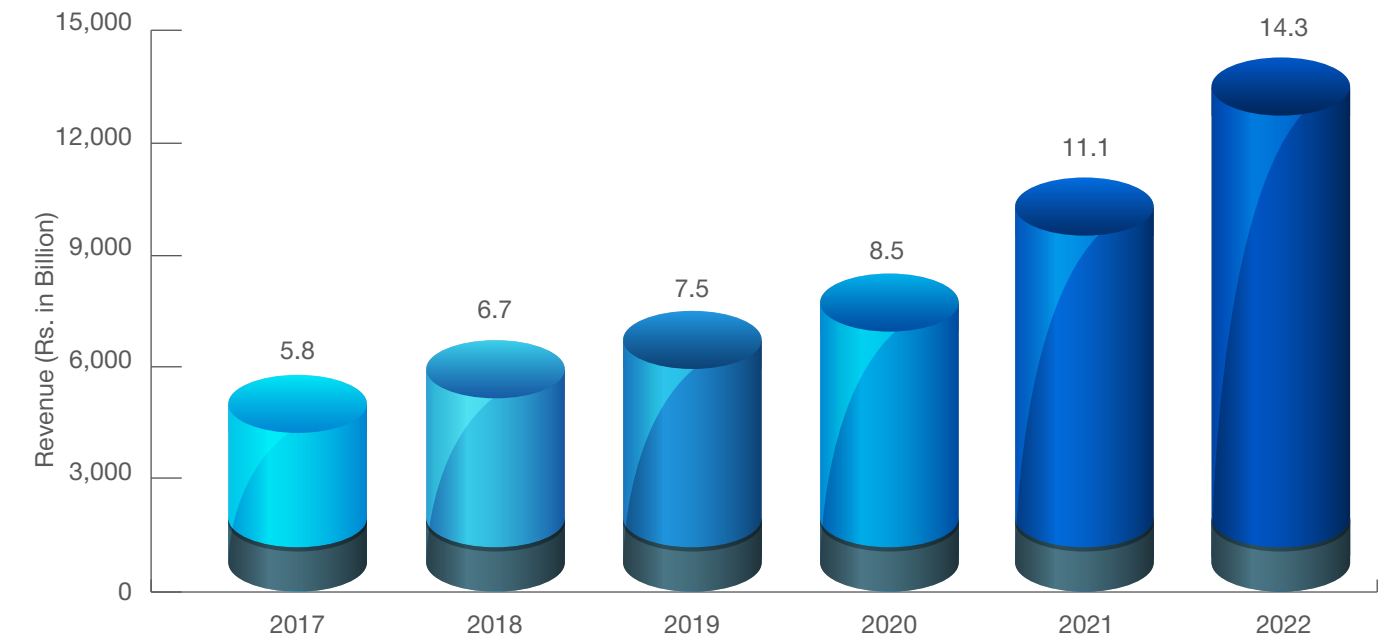
During the upcoming fiscal year, auto sector is expected to face considerable turmoil as continuing import restrictions will affect operations and lead to a

significant decrease in volumes. Coupled with persistently high inflation, the next year will be very challenging for the business.

Packaging, Building Materials & Allied Products Segment

The Company has three businesses in this segment – Thal Jute, Thal Packaging and Baluchistan Laminates.

During the outgoing year, overall segment turnover registered a year-on-year increase of 29% (Rs. 14.3 billion compared to Rs. 11.1 billion last year).



Jute Business

The Jute business delivered an impressive performance and maintained its positive growth momentum from the past few years.

During the year, demand remained strong due to wheat imports as well as growth in exports of hessian & sacking. The export segment remained a key area of focus and now represents approximately 25% of sales.

Cost increases due to the rise of minimum wage and currency devaluation, which led to an increase in the price of jute finished products impacted margins as well as demand volumes, however overall, the business delivered a very strong performance over the previous year.

Outlook

The outlook for the coming year is challenging due to increasing raw material, power and freight costs & wage inflation but we expect local demand and export sales to continue to show a positive trend. The management is focused on cost efficiencies, and ensuring a positive and safe work environment for employees.

Packaging Business

The year was challenging due to supply chain issues, increasing raw material and freight costs, however the business was able to continue on its growth trajectory and ended the year with good sales revenue and volume growth.

This growth was supplemented by the new woven polypropylene (WPP) bag plant with an annual capacity to produce up to 90 million bags. This plant is now fully operational and is providing bags made on the latest German technology. Product quality has been tested and certified by Pakistan Standard & Quality Control Authority (PSQCA) and we are now supplying to major corporate clients.

The carrier bag segment continues to show robust growth. The food packaging segment obtained HALAL certification which has helped in general sales growth. The business continues to expand its portfolio with both local and global food brands as major clients.

Outlook

The business environment for the next year appears to be challenging with high inflation, foreign exchange fluctuations, political instability, higher raw material and input costs and a global shortage of sackkraft paper due to the ongoing Russia-Ukraine war. The management is proactively working to ensure sustainable growth and is aggressively focusing on enhancing its export footprint in all segments.

Laminates Business

The Laminates Business operates under the brand name “Formite” in three major categories, High Pressure Laminates (“HPL”), compact laminates and laminated boards. The brand is known for its quality and adherence to corporate values. During FY 2021-22, especially the last quarter, the overall market of major products was impacted by material shortages and increase in costs which hampered profitability. Further, impediments in the opening and clearing of letters of credit (“LCs”) continue to be a challenge. Due to the overall economic situation at a global level, our export orders also suffered. Despite all these challenges, the business still closed the year on profitable note.

Outlook

On the plant side, the business has completed some key projects to increase plant and energy efficiency,

enhance capabilities and make operations more streamlined and sustainable. We have also augmented the workforce in some key areas in the plant to improve work processes.

With the completion of the projects and initiatives and the resulting increase in production efficiency, the laminates business is expected to be sustainable and profitable for the foreseeable future.

Thal Boshoku Pakistan (Private) Limited

During the year 2021-22, the business achieved sales amounting to Rs. 2.1 billion against similar sale of Rs. 2.1 billion during last year. Volumes remained low for the year. However, the decline was offset by an increase in selling price on the back of increase in exchange rates during the year. As a result of lower volumes, coupled with high inflation, currency devaluation and significant increase in interest rates, profitability remained a challenge for the company.

On the operations side, all customer supplies requirements were met in time with zero defects, and the customers rated the business in the “green zone” throughout the year. Focus remained on improving production efficiency, kaizen and towards providing a healthy and safe working environment to the team members. The high-quality seats being manufactured have also been duly recognized by the customers.

In terms of business development, the business increased its presence in the market and discussed opportunities with majority of the new OEM’s. Development work has also started on new models of existing OEM’s that will support the business in reducing cost pressures going forward.

Outlook

Outlook for the future of the Company looks challenging due to continued pressure on the local economy and the uncertain political climate. However, the Company intends to counter the risk by increasing its business with the new OEMs and diversifying its product range. The Company also has plans to invest in the expansion of its current facility in order to increase its capacity and capability, and easily meet the requirements of the new businesses.

Other Subsidiaries

Habib METRO Pakistan (Private) Limited

The main business of Habib METRO Pakistan (Private) Limited (“HMPL”) is to own and manage properties. HMPL is exploring various business opportunities to complement the cash and carry retail rental business and to enhance enterprise value from its store locations.

HMPL is also looking at growth options and new development on existing sites, though this is dependent on the general economic conditions.

Dividends payments to Thal Limited during the year amounted to Rs. 639 million as compared to Rs. 544 million in the previous year.

Makro-Habib Pakistan Limited

Makro Habib Pakistan Limited (“MHPL”) is a wholly owned subsidiary of Thal Limited which owned the store premises on Mubarak Shaheed Road, Lines Area, Karachi. In line with the

Supreme Court Judgement the Store was closed down in September 2015.

Further, in compliance with the Supreme Court judgment, MHPL has dismantled the Store built on the premises and the Company is currently considering its future course of action.

Noble Computer Services (Private) Limited

The business is a wholly owned subsidiary of Thal Limited. It provides services related to internal audit, IT, advisory, HR and other management related services to group companies of House of Habib.

Pakistan Industrial Aids (Private) Limited

Through its trading operations, the business continued supplying automotive parts and air conditioning gas to automobile assemblers and auto parts manufacturers. It is a wholly owned subsidiary of Thal Limited.

Investment in Energy Sector

Sindh Engro Coal Mining Company Limited (SECMC)

SECMC is a joint venture between the Government of Sindh, Thal Limited, Engro Powergen Limited, The Hub Power Company Limited, Habib Bank Limited and CMEC Thar Mining Investments Limited. SECMC has developed Pakistan’s first open pit mining project at Thar Coal Block II.

SECMC achieved commercial operations date (“COD”) for 3.8 million tons per annum capacity mine (Phase I) on July 10, 2019. Phase I of Thar mining is supplying coal to a 2x330 megawatt (MW) power generation plant set up by Engro Powergen Thar Private Limited.

In first half of 2022, SECMC operated smoothly and supplied 1.4 million tons of coal to record sales revenue of Rs. 21.2 billion and an after-tax profit of Rs. 3.5 billion. Whilst SECMC has generated positive cash flows over the period, it is restricted from declaring any dividends under its financing agreements until achievement of Project Completion Date (“PCD”) which is subject to ‘true up’ and approval of SECMC’s COD stage tariff petition by the Thar Coal and Energy Board. SECMC management is liaising with the regulator to facilitate achievement of PCD in 2022.

SECMC successfully achieved a financial close for expansion of its mining operations to 7.6 million tons per annum (mtpa) on December 31, 2019. For Phase II, SECMC has entered into Coal Supply Agreements with ThalNova Power Thar (Private) Limited and Thar Energy Limited to supply additional 1.9 mtpa of lignite to each of the 330 MW power plants.

The project company is striving to achieve commercial operations date for Phase II in 2022.

The Company owns 11.9% ordinary shareholding in SECMC.

Thal Power (Private) Limited

ThalNova Power Thar Private Limited (“ThalNova”) is a joint venture between Thal Power (Private) Limited, Nova Powergen Limited (a subsidiary of Novatex Limited) and The Hub Power Company Limited to set up a 330 MW mine mouth coal-fired power generation plant located at Thar, Sindh. This power plant will be run on indigenous coal extracted from the mine operated by SECMC.

China Machinery & Engineering Corporation (“CMEC”) has been appointed as the EPC Contractor. ThalNova has entered into Coal Supply Agreement with SECMC to supply 1.9 million tons per annum of lignite. It has also entered into a Power Purchase Agreement with the Central Power Purchase Agency (Guarantee) Limited and the Implementation Agreement with Private Power Infrastructure Board.

ThalNova achieved financial close on September 30, 2020 and received disbursement of first tranche of debt in April 2021.

The project is expected to come online in 2022.

Human Resources

The Group believes in the learning and development of people at every level to achieve excellence above all else. Simply put, our people are at the heart of how we do business.

As part of our on-going programs, the Learning Fair was held yet again where we clocked 1,974 training manhours across Thal. There were 16 sessions over 3 days with 14 Trainers and 6 learning courses. In addition, to ensure and adhere to an ethical and compliant workplace, a Code of Conduct refresher was exercised.

In order to maintain the very highest standards of professionalism and purpose in all spheres, Thal Limited and its subsidiaries deployed a rigorous Competency Framework this past year. Workshops held under this ambit fostered an environment of learning, exploration, action and practice within management teams under the LEAP program.

We believe in nurturing talent right from the very start. The HOH Mission Believe: Management Trainee Program 2022, filtered 10 highly capable candidates from a pool of 9,500 students from leading HEC universities to catalyze new talent within the Group. The Apprenticeship Program saw 1,299 entrants this year at Thal. The program aims to create a pipeline of educated and skilled labour force for the organization and country.

Equitable spaces make all of us fair and balanced. To imbue diversity and foster a welcome environment for women professionals, sensitization and anti harassment sessions were held in collaboration with trained HR experts. Women’s Day was celebrated with equal fervor across the board and an interactive session on how to identify and eliminate gender bias was held.

To better ascertain the morale of teams an Employee Engagement Survey was conducted with support of our external experts Abacus Consulting (Mercer) for mid to senior level personnel. The results denoted an above average engagement score across Thal Limited and a detailed report provided us with a clear direction for our areas of focus for the coming year.

After the Employee Engagement Survey results were shared, various engagement activities were carried out across Thal Limited to reenergize the teams and boost levels of motivation. These ranged from leadership retreats, open forums and employee wellness sessions.

A Total Remuneration Survey was also conducted in FY22 to keep the Company competitive and keep aligned with market practices.

Continuous training and development of Thal Limited’s workforce in the future is sure to keep us innovating expectations and trends with your support.

Health, Safety & Environment (HSE)

The Company takes pride in creating an environment in which safety is given the utmost priority. The Company aims to prevent hazards and remain a safe place to work. Throughout the year, the Company undertook significant initiatives to incorporate strong safety practices which, consequently helped company to achieve 7.9 million safe man hours and 790 safe man days without any Lost Work Day.

Focus was maintained on safety management systems aligned with international standards which included Occupational Safety and Health Administration (ISO 45001). The Company was duly recognized by Employers Federation of Pakistan, securing 1st position in the category of ‘Best Practices Award for OSH&E 2020-2021’ in the Engineering & Automotive Sector.

In addition, the Company deployed a state of the art Fire Alarm and Detection System throughout its manufacturing units and peripheral areas. Considering the efforts, Fire Protection Association of Pakistan awarded the Engineering segment with Fire Safety Award 2020-2021.

This year the HSE week focused on the importance of COVID-19 vaccination, prevention of injury and illness in the workplace and increased understanding of safety and health issues.

We are also cognizant of the Company’s responsibility to the environment as a socially responsible organization. The Engineering segment was able to reduce its carbon footprint by 4% against a target of 2%. National Forum for Environment and Health recognized these best practices for Environment and Health, and awarded the Engineering segment with the Environment Excellence Award 2020-21.

Corporate Social Responsibility (CSR)

Thal Limited strongly believes in giving back to the community and providing support to the underprivileged sections of our society. We work towards improving the wellbeing of our employees and also in contributing towards the prosperity of our nation.

During the last financial year, we have been able to provide approximately Rs. 59 million in social investments across community development, healthcare, education, environment and employee welfare.

We continued to extend our support to the worthy students of Habib University by means of scholarships and financial aid. Furthermore, we support our employees and their children by donating to the Mohamedali Habib Welfare Trust which provides financial assistance for medical and educational expenses.

Information Technology (IT)

Keeping in view the local and global information security (“InfoSec”) incidents worldwide, the Company tightened its security policy and focused on securing its information assets. IT department deployed state of the art SolarWinds network monitoring solution to provide alerts on live statuses of network devices and analyze network performance over time.

To guard against known attacks and to defend the Company, the InfoSec team of Thal Limited implemented CIS controls to build a strong cybersecurity line of defense. The company regularly engages independent auditors for network penetration and vulnerability assessment tests.

The Company implemented radio frequency identification (“RFID”) based asset tracking system to track its physical IT assets. The Company has plans to roll-out this technology to other physical assets of the Company as well.

The IT department rolled out complete suite of SAP ERP at the newly established WPP bags manufacturing plant. SAP ERP modules will help the new WPP bags manufacturing line in digitalising its business processes and will support the Company in integration of its plant and machinery.

Related Party Transactions

All transactions with related parties have been executed in accordance with applicable policies and regulations and have been disclosed in the financial statements under relevant notes.

Internal Financial Controls

The Company and its subsidiaries have deployed an effective system of internal financial controls to safeguard its assets and ensure the accuracy and reliability of its records. Senior management reviews financial performance of the Company and its subsidiaries through detailed monthly financial reports and analysis while the Board also carries out its own review at each quarter and probes into any variation versus budgets. Detailed examinations are regularly carried out by the internal

audit function in adherence to internal procedures; the internal audit function reports its findings to the Board Audit Committee as per best practice.

Internal Financial Controls

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Risks and Uncertainties

The management is cognizant that the Company faces various types of risks to the business - both internal and external. The Company has established an Enterprise Risk Management ("ERM") system. ERM is the process of identifying, assessing, prioritizing, evaluating and mitigating the risks and challenges faced by the business. Risk management is the primary responsibility of the management of the Company. It is overseen and assisted by the internal audit function and the Board of Directors in line with policies & procedures that are in place to counter any potential risks.

The Company has enumerated these risks as:

1. Strategic Risk
2. Financial Risk
 - a. Foreign Currency Risk
 - b. Credit Risk
 - c. Interest Rate Risk
3. Internal Control Risk
4. Operational / Commercial Risk
 - a. Competitors Risk / Technological & Innovation Risk
 - b. Regulatory Risk
 - c. Supply Chain Risk
5. Health Safety and Environment

Mitigating strategies are in place and the Company continues to monitor and re-evaluate them through the ERM system.

Contribution to National Exchequer

During the year 2021-22, the Company contributed a sum of Rs. 8.1 billion (2020-21: Rs. 6.1 billion) towards the national exchequer by way of taxation, custom duties, levies, excise duty and WPPF.

Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and Independent Directors for attending the Board and committee meetings of the Company is determined by the Board from time to time.

Remuneration of Directors during the year is disclosed in note 45 to the unconsolidated financial statements for the year ended June 30, 2022.

Auditors

The current auditors Messrs. EY Ford Rhodes, Chartered Accountants, retired and, being eligible for reappointment, offered themselves as auditors for the year 2022-23. Their reappointment has also been recommended by the Board Audit Committee.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2022 is attached to this report.

Reconstitution of the Board and Board's Sub Committees

Mr. Asif Qadir resigned from the Board in March 2022 and Mr. Khayam Husain was appointed as an independent Director in his place in June 2022.

Furthermore, Ms. Aliya Saeeda Khan was appointed as the Chairperson for the Board's Audit Committee and the Board's Human Resource and Remuneration Committee in place of Mr. Asif Qadir.

Directors training program

The Directors have the requisite qualification and experience of serving on the Board and are in compliance with the training program.

Compliance with the Code of Corporate Governance Statement on Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and estimates based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
- The Board has outsourced the internal audit function to M/s. Noble Computer Services (Pvt.) Ltd., who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedure of the Company.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- All members of the Audit Committee are independent/non-executive Directors.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The value of investment of provident fund and retirement benefit fund stands at Rs. 740 million and Rs. 81 million, respectively as at June 30, 2022.
- The key operating & finance data for the last six years are annexed to the report.

Total number of Directors are 7 (seven) as per the following:

Male	6
Female	1

The composition of board is as follows:

Independent Directors	Ms. Aliya Saeeda Khan Mr. Khayam Husain
Other Non-Executive	Mr. Rafiq M. Habib Mr. Mohamedali R. Habib Mr. Imran Ali Habib Mr. Salman Burney
Executive Director	Mr. Muhammad Tayyab Ahmad Tareen

The names of the Board members during the year are as stated below, along with their respective attendance in the five Board meetings that were held during the year:

Sr. No.	Names of Directors	Meeting Attended
1	Mr. Rafiq M. Habib (Chairman)	4/5
2	Mr. Mohamedali R. Habib	5/5
3	Mr. Imran Ali Habib	5/5
4	Ms. Aliya Saeeda Khan	5/5
5	Mr. Khayam Husain*	1/1
6	Mr. Asif Qadir*	3/3
7	Mr. Salman Burney	5/5
8	Mr. Muhammad Tayyab Ahmad Tareen	5/5

*Mr. Asif Qadir resigned from the Board in March 2022 and Mr. Khayam Husain was appointed as an independent director in his place in June 2022.

The Audit Committee met four times during the year and attendance of the Directors was as follows:

Sr. No.	Names of Directors	Meeting Attended
1	Ms. Aliya Saeeda Khan (Chairperson) *	1/1
2	Mr. Asif Qadir	3/3
3	Mr. Mohamedali R. Habib	4/4
4	Mr. Imran Ali Habib	4/4
5	Mr. Salman Burney	4/4

*Ms. Aliya Saeeda Khan was appointed as Chairperson of the Committee in April 2022.

During the year Human Resources & Remuneration Committee met twice during the year and the attendance of the Directors was as follows:

Sr. No.	Names of Directors	Meeting Attended
1	Ms. Aliya Saeeda Khan (Chairperson)*	0/0
2	Mr. Asif Qadir – Chairman	1/1
3	Mr. Mohamedali R. Habib	2/2
4	Mr. Salman Burney	2/2
5	Mr. Muhammad Tayyab Ahmad Tareen	2/2

* Ms. Aliya Saeeda Khan was appointed as Chairperson of the Committee in June 2022.

Dividend and Appropriations

The Directors propose following appropriations out of the profit for the current year:

- Final cash dividend declared of Rs. 2.5 per share, i.e. 50% in addition to interim dividends of Rs. 5.00 per share, i.e. 100%.
- Transfer of a sum of Rs. 3649.5 million from unappropriated profits to General Reserve.

Acknowledgement

On behalf of the Board of Directors and the management, we wish to express sincere gratitude to our shareholders, customers, dealers and business partners for their continuing patronage and trust. We would also like to thank all regulatory authorities for their guidance and support. Last but not least, the Board of Directors extends its sincere appreciation to its entire staff members for their significant contribution to the growth of our Company under the challenging business conditions.


Chief Executive Officer


Director

Karachi.
Dated: September 9, 2022

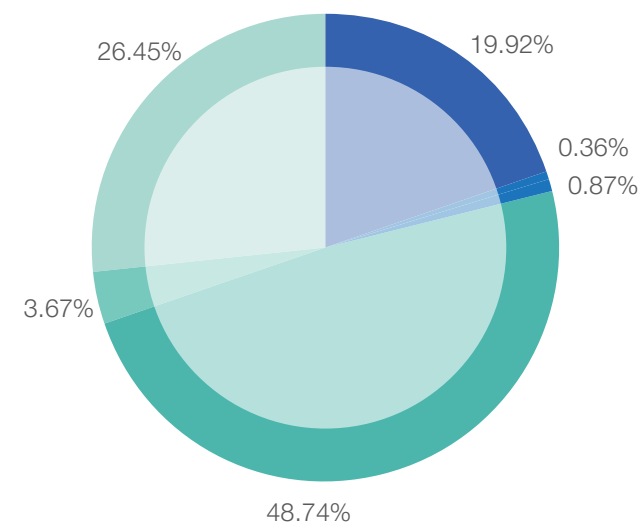
STATEMENT OF VALUE ADDITION

WEALTH GENERATED

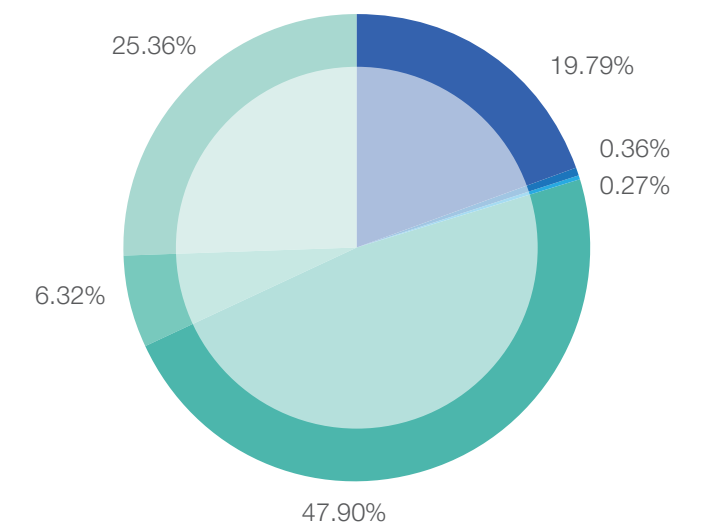
Gross Revenue
Other Income

	2022		2021	
	Rs 000	%	Rs 000	%
Gross Revenue	43,341,520	95.94%	31,785,711	95.06%
Other Income	1,831,791	4.06%	1,651,746	4.94%
	45,173,311	100.00%	33,437,457	100.00%
Bought in Material, Services and Other Expenses	28,594,950	63.30%	20,614,982	61.65%
	16,578,361	36.70%	12,822,475	38.35%
WEALTH DISTRIBUTED				
Employees Salaries, Wages & Other Benefits and WPPF	3,302,264	19.92%	2,537,454	19.79%
Society Donations towards Education, Health and Environment	59,249	0.36%	45,782	0.36%
Providers of Finance Finance Costs	144,964	0.87%	34,817	0.27%
Government Contribution to National Exchequer	8,079,914	48.74%	6,141,927	47.90%
Shareholders Dividend	607,725	3.67%	810,299	6.32%
Retained within the Business for Future Growth	4,384,245	26.45%	3,252,196	25.36%
	16,578,361		12,822,475	

Wealth Distribution - 2022



Wealth Distribution - 2021



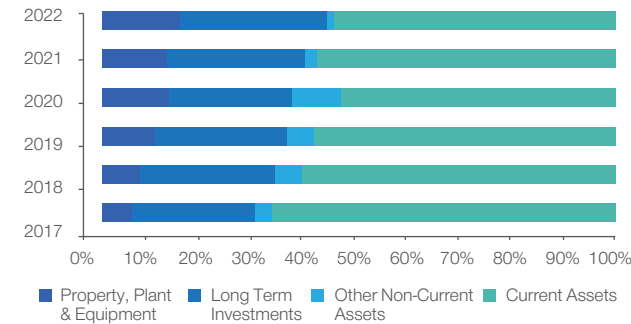
■ Employees ■ Society ■ Providers of Finance
■ Government ■ Shareholders ■ Profit Retained

FINANCIAL PERFORMANCE SIX YEARS AT A GLANCE

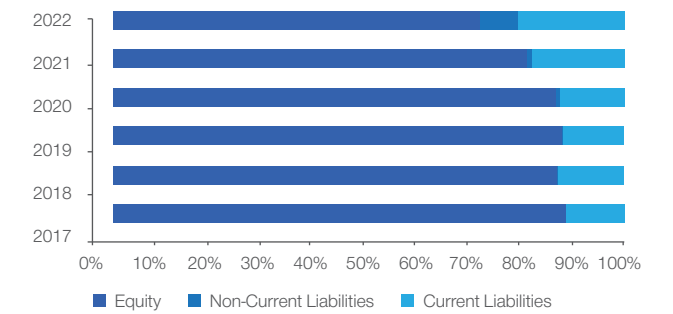
Rs. in Million	2022	2021	2020	2019	2018	2017
Summary of Balance Sheet						
Property, Plant and Equipment	5,678	3,711	3,118	2,188	1,410	1,019
Intangible Assets	75	121	173	91	15	10
Investment Property	1	1	1	1	1	1
Long Term Investments	10,909	8,007	5,796	5,432	4,938	4,144
Long Term Loans	-	275	1,927	861	788	411
Long Term Deposits	31	20	16	15	13	14
Deferred Tax Asset	193	219	205	165	191	187
Net Current Assets	13,039	11,871	9,831	9,881	9,084	9,649
	29,926	24,226	21,067	18,633	16,440	15,435
Non-Current Liabilities						
Long Term Deposits	11	12	17	1	2	2
Long Term Loan	2,273	185	149	-	-	-
Lease liabilities	80	101	-	-	-	-
Deferred income	333	22	-	-	-	-
	2,696	320	166	1	2	2
Net Assets Employed	27,230	23,906	20,901	18,631	16,438	15,433
Financed by						
Issued, Subscribed and Paid-up Capital	405	405	405	405	405	405
Reserves	26,825	23,500	20,496	18,226	16,033	15,028
Shareholders' Equity	27,230	23,906	20,901	18,631	16,438	15,433
	-	-	-	-	-	-
Summary of Profit & Loss						
Sales	37,351	27,317	16,600	22,499	19,404	17,200
Gross Profit	6,504	4,669	2,556	4,281	3,773	3,709
Profit Before Taxation	5,925	4,572	2,372	4,334	3,804	5,447
Profit After Taxation	4,257	3,482	1,867	3,154	2,686	3,966
Summary of Cash Flows						
Cash Flows from Operating Activities	1,048	1,073	1,678	(802)	305	1,664
Cash Flows from Investing Activities	(2,352)	(1,766)	(1,078)	2,000	(2,256)	65
Cash Flows from Financing Activities	1,765	(267)	(224)	(883)	(1,677)	(802)
Cash and Cash Equivalents acquired on amalgamation of subsidiary	-	-	1,022	-	-	-
Cash and Cash Equivalents at Year End	2,558	2,096	3,055	1,657	1,342	4,970

GRAPHICAL PRESENTATION SIX YEARS AT A GLANCE

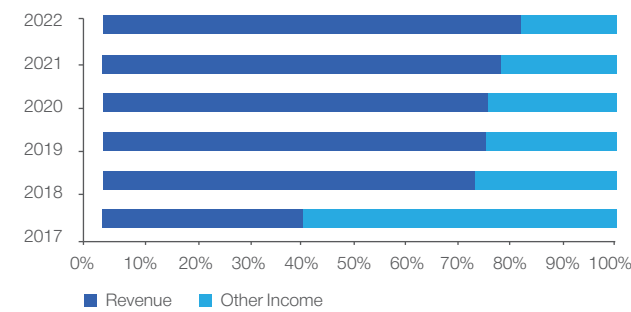
Balance Sheet Analysis Assets (%)



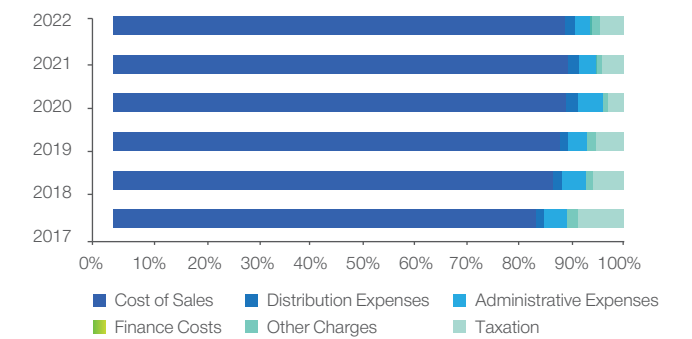
Balance Sheet Analysis Equity & Liabilities (%)



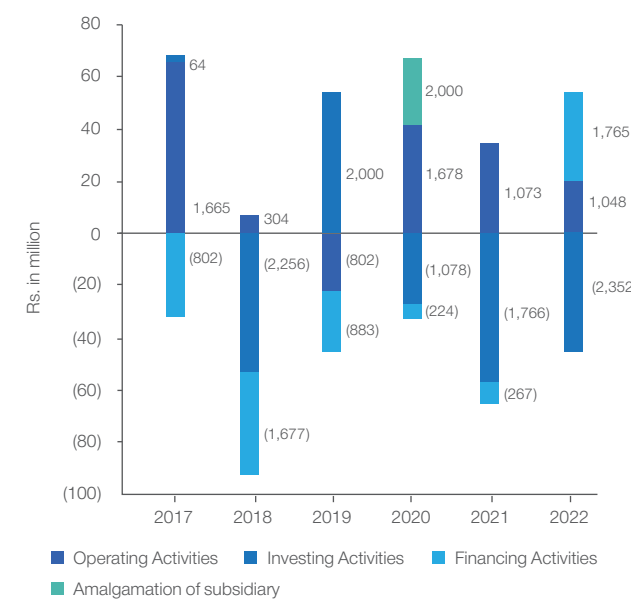
Profit & Loss Analysis Income (%)



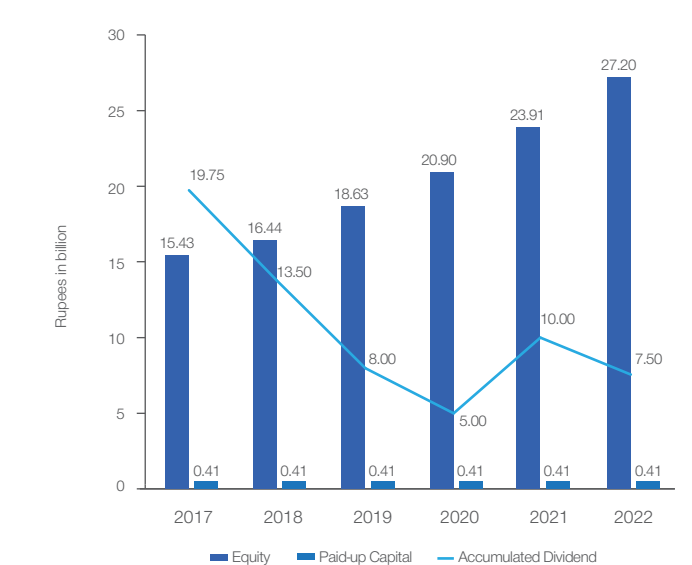
Profit & Loss Analysis Expenses (%)



Cash Flow Analysis



Equity, Paid-Up Capital & Dividend



HORIZONTAL ANALYSIS

	2022		2021		2020		2019		2018		2017	
	Rs in million	22 Vs. 21 %	Rs in million	21 Vs. 20 %	Rs in million	20 Vs. 19 %	Rs in million	19 Vs. 18 %	Rs in million	18 Vs. 17 %	Rs in million	17 Vs. 16 %
BALANCE SHEET												
EQUITY AND LIABILITIES												
Equity	27,230	13.9%	23,906	14.4%	20,901	12.2%	18,631	13.3%	16,438	6.5%	15,433	26.2%
Non-Current Liabilities	2,696	742.5%	320	92.8%	166	16500.0%	1	-50.0%	2	0.0%	2.0	23.15%
Current Liabilities	7,679	44.7%	5,306	74.0%	3,049	17.7%	2,590	4.6%	2,477	24.35%	1,992	36.8%
Total Equity & Liabilities	37,605	27.3%	29,532	22.5%	24,116	13.6%	21,222	12.2%	18,917	8.5%	17,427	27.3%
ASSETS												
Non-Current Assets	16,886	36.7%	12,354	10.0%	11,236	28.4%	8,752	18.9%	7,358	27.2%	5,786	7.8%
Current Assets	20,719	20.6%	17,173	33.3%	12,880	3.3%	12,470	7.9%	11,559	-0.7%	11,641	40.0%
Assets classified as held for sale	-	-100.0%	5	0.0%	-	0.0%	-	-	-	-	-	-
Total Assets	37,605	27.3%	29,532	22.5%	24,116	13.6%	21,222	12.2%	18,917	8.5%	17,427	27.3%
PROFIT AND LOSS ACCOUNT												
Turnover - net	37,351	36.7%	27,317	64.6%	16,600	-26.2%	22,499	15.9%	19,404	12.8%	17,200	12.2%
Cost of Sales	(30,847)	36.2%	(22,648)	61.3%	(14,045)	-22.9%	(18,217)	16.5%	(15,632)	15.9%	(13,491)	13.4%
Gross Profit	6,504	39.3%	4,669	82.7%	2,556	-40.3%	4,281	13.5%	3,772	1.7%	3,709	7.9%
Distribution Costs	(734)	34.8%	(545)	56.0%	(349)	-7.4%	(377)	15.1%	(327)	25.3%	(261)	-17.5%
Administrative Expenses	(985)	12.3%	(878)	13.5%	(773)	2.6%	(754)	-7.4%	(814)	9.7%	(742)	29.5%
Other Income	1,832	10.9%	1,652	48.3%	1,114	-27.1%	1,528	5.7%	1,446	-53.3%	3,096	165.1%
Other Charges	(547)	87.5%	(292)	84.1%	(158)	-52.7%	(335)	26.8%	(264)	-23.8%	(346)	-52.8%
Operating Profit	6,070	31.8%	4,607	92.9%	2,389	-45.0%	4,344	13.9%	3,813	-30.1%	5,456	83.0%
Finance Costs	(145)	316.4%	(35)	105.9%	(17)	72.4%	(10)	8.9%	(9)	5.7%	(9)	122.8%
Profit Before Taxation	5,925	29.6%	4,572	92.8%	2,372	-45.3%	4,334	13.9%	3,804	-30.2%	5,447	82.9%
Taxation	(1,668)	53.0%	(1,090)	116.0%	(504)	-57.2%	(1,180)	5.5%	(1,118)	-24.5%	(1,481)	85.0%
Profit After Taxation	4,257	22.3%	3,482	86.5%	1,867	-40.8%	3,154	17.4%	2,686	-32.3%	3,966	82.1%

VERTICAL ANALYSIS

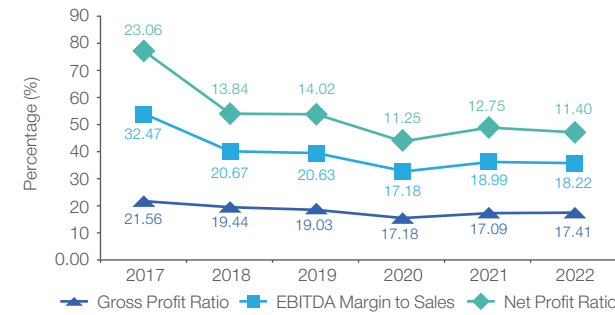
	2022		2021		2020		2019		2018		2017	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
BALANCE SHEET												
EQUITY AND LIABILITIES												
Equity	27,230	72.4%	23,906	80.9%	20,901	86.7%	18,631	87.8%	16,438	86.9%	15,433	88.6%
Non-Current Liabilities	2,696	7.2%	320	1.1%	166	0.7%	1	0.0%	2	0.0%	2	0.0%
Current Liabilities	7,679	20.4%	5,306	18.0%	3,049	12.6%	2,590	12.2%	2,477	13.1%	1,992	11.4%
Total Equity & Liabilities	37,605	100.0%	29,532	100.0%	24,116	100.0%	21,222	100.0%	18,917	100.0%	17,427	100.0%
ASSETS												
Non-Current Assets	16,886	44.9%	12,354	41.8%	11,236	46.6%	8,752	41.2%	7,357	38.9%	5,786	33.2%
Current Assets	20,719	55.1%	17,173	58.2%	12,880	53.4%	12,470	58.8%	11,560	61.1%	11,641	66.8%
Assets classified as held for sale	-	0.0%	5	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Assets	37,605	100.0%	29,532	100.0%	24,116	100.0%	21,222	100.0%	18,917	100.0%	17,427	100.0%
PROFIT AND LOSS ACCOUNT												
Turnover - net	37,351	100.0%	27,317	100.0%	16,600	100.0%	22,499	100.0%	19,404	100.0%	17,200	100.0%
Cost of Sales	(30,847)	82.6%	(22,648)	82.9%	(14,045)	84.6%	(18,217)	81.0%	(15,632)	80.6%	(13,491)	78.4%
Gross Profit	6,504	17.4%	4,669	17.1%	2,556	15.4%	4,281	19.0%	3,772	19.4%	3,709	21.6%
Distribution Costs	(734)	2.0%	(545)	2.0%	(349)	2.1%	(377)	1.7%	(327)	1.7%	(261)	1.5%
Administrative Expenses	(985)	2.6%	(878)	3.2%	(773)	4.7%	(754)	3.3%	(814)	4.2%	(742)	4.3%
Other Income	1,832	4.9%	1,652	6.0%	1,114	6.7%	1,528	6.8%	1,446	7.5%	3,096	18.0%
Other Charges	(547)	1.5%	(292)	1.1%	(158)	1.0%	(335)	1.5%	(264)	1.4%	(346)	2.0%
Operating Profit	6,070	16.3%	4,607	16.9%	2,389	14.4%	4,344	19.3%	3,813	19.6%	5,456	31.7%
Finance Costs	(145)	0.4%	(35)	0.1%	(17)	0.1%	(10)	0.04%	(9)	0.05%	(9)	0.05%
Profit Before Taxation	5,925	15.9%	4,572	16.7%	2,372	14.3%	4,335	19.3%	3,804	19.6%	5,447	31.7%
Taxation	(1,668)	4.5%	(1,090)	4.0%	(504)	3.0%	(1,180)	5.2%	(1,118)	5.8%	(1,481)	8.6%
Profit After Taxation	4,257	11.4%	3,482	12.7%	1,867	11.2%	3,155	14.0%	2,686	13.8%	3,966	23.1%

SIX YEARS' RATIO ANALYSIS

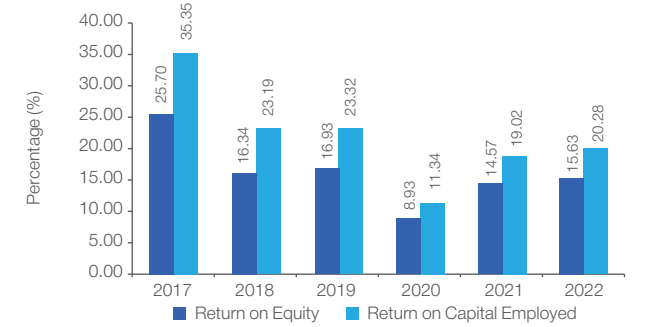
	2022	2021	2020	2019	2018	2017	
Profitability Ratios							
Gross Profit	%	17.41	17.09	15.40	19.03	19.44	21.56
EBITDA Margin to Sales	%	18.22	18.99	17.18	20.63	20.67	32.47
Net Profit Margin	%	11.40	12.75	11.25	14.02	13.84	23.06
Return on Equity	%	15.63	14.57	8.93	16.93	16.34	25.70
Return on Capital Employed	%	20.28	19.02	11.34	23.32	23.19	35.35
Liquidity Ratios							
Current Ratio	times	2.70	3.24	4.22	4.82	4.67	5.84
Quick Ratio	times	1.32	1.76	2.36	2.59	3.02	4.33
Cash to Current Liabilities	times	0.33	0.40	1.00	0.64	0.54	2.49
Cash Flow from Operations to Sales	times	0.06	0.07	0.13	0.02	0.07	0.10
Activity/Turnover Ratios							
Inventory Turnover	times	3.41	3.41	2.51	3.80	4.55	4.75
Inventory Turnover	days	107.14	107.04	145.39	96.07	80.18	76.81
Inventory Turnover - Finished Goods	times	34.00	35.98	21.61	31.71	31.10	27.89
Inventory Turnover - Finished Goods	days	10.73	10.14	16.89	11.51	11.74	13.09
Inventory Turnover - Raw Material	times	3.56	3.40	2.37	3.87	4.85	5.27
Inventory Turnover - Raw Material	days	102.41	107.43	154.25	94.35	75.21	69.23
Debtors Turnover	times	12.28	11.07	7.93	13.48	17.32	19.25
Average Collection Period	days	29.72	32.98	46.01	27.07	21.07	18.96
Creditors Turnover	times	27.03	19.85	16.98	28.19	29.93	50.12
Payable Turnover	days	13.50	18.39	21.49	12.95	12.20	7.28
Operating Cycle	days	123.35	121.63	169.91	110.19	89.06	88.49
Total Assets Turnover	times	0.99	0.93	0.69	1.06	1.03	0.99
Fixed Assets Turnover	times	6.49	7.13	5.04	9.87	13.61	16.72
Investment/Market Ratios							
Earnings Per Share	Rs.	52.54	42.97	23.04	38.93	33.15	48.95
Price Earnings Ratio	times	5.13	9.84	14.10	9.35	14.41	12.38
Cash Dividend Per Share	Rs.	7.50	10.00	5.00	8.00	13.50	19.75
Dividend Yield	%	2.78	2.37	1.54	2.20	2.83	3.26
Dividend Payout	%	14.28	23.27	21.70	20.55	40.73	40.35
Dividend Cover	times	7.01	4.30	4.61	4.87	2.46	2.48
Market Value Per Share - June 30	Rs.	269.62	422.78	324.94	364.06	477.53	606.03
Market Value Per Share - High	Rs.	424.37	487.36	395.09	471.98	642.18	702.63
Market Value Per Share - Low	Rs.	253.46	321.92	228.37	347.85	434.11	276.55
Market Capitalization	Rs. in million	21,847	34,258	26,330	29,500	38,694	49,107
Breakup Value - Net Assets Per Share	Rs.	336.05	295.02	257.94	229.93	202.86	190.46
Capital Structure Ratios							
Financial Leverage	%	38.10	23.54	15.38	13.91	13.91	12.92
Debt Equity Ratio	%	10.54	1.87	1.07	0.01	0.01	0.01
Interest Cover	times	41.87	132.31	141.27	443.08	429.85	640.99

GRAPHICAL PRESENTATION OF RATIOS

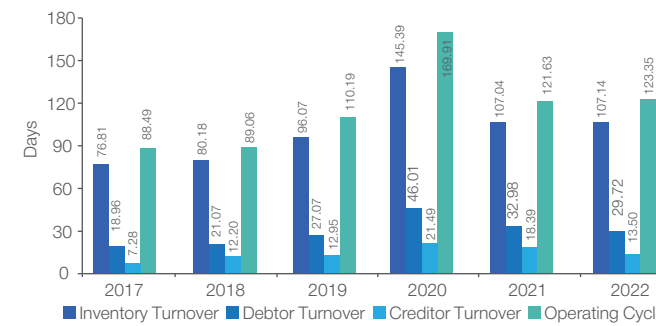
Profitability Ratios



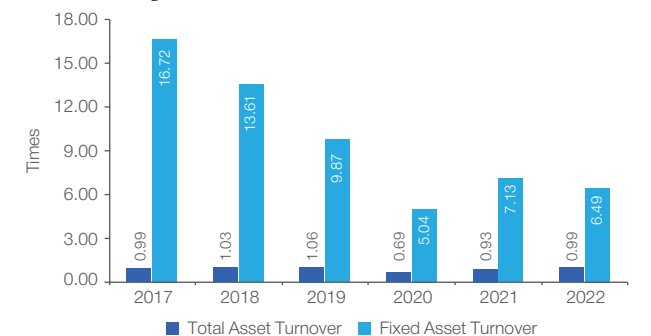
Profitability Ratios



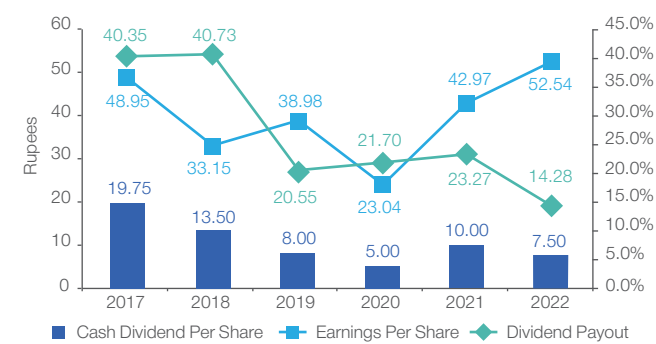
Activity / Turnover Ratios



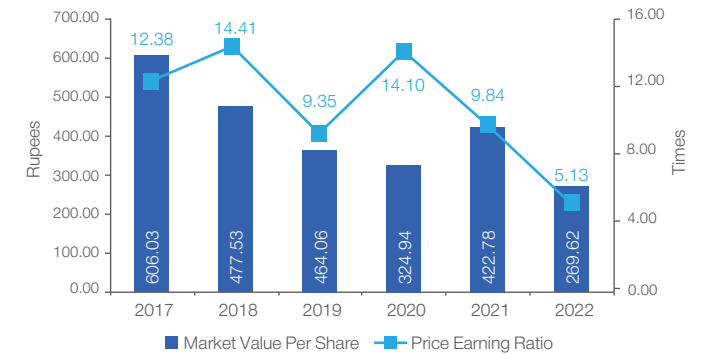
Activity / Turnover Ratios



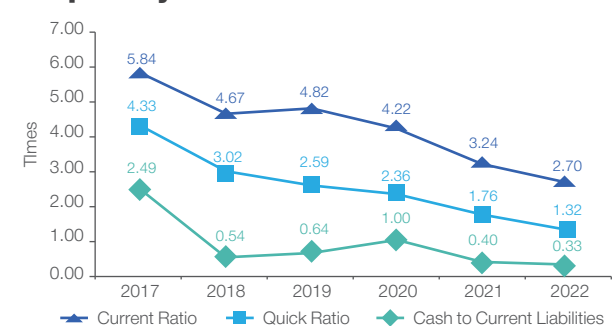
Investment / Market Ratios



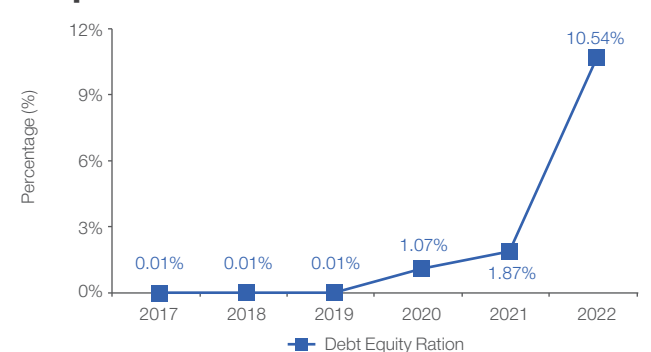
Investment / Market Ratios



Liquidity Ratios



Capital Structure Ratio



ENERGY

Rise to all occasions

Shareholder Information



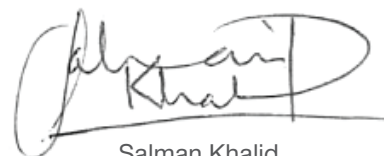
NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty-sixth Annual General Meeting of the Members of the Company will be held on Thursday, October 20, 2022 at 9:30 am at The Institute of Chartered Accountants of Pakistan (“ICAP”) Auditorium, Chartered Accountants Avenue, Clifton, Karachi as well as through electronic means/video-link facility to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2022, together with the Chairman’s Review, Directors’ Report and Auditor’s Report thereon.
- To approve a final cash dividend of 50% (i.e. Rs. 2.50 per share) for the year 2021-22 as recommended by the Board of Directors. This is in addition to the interim dividend, of 100% i.e. Rs. 5.00 per share already paid. The total dividend for 2021-22 will thus amount to 150% i.e. Rs. 7.50 per share.
- To appoint Auditors and fix their remuneration for the year ending June 30, 2023. The present auditors – Messrs EY Ford Rhodes, Chartered Accountants, retire and being eligible have offered themselves for re-appointment.
- To elect 07 (seven) directors of the Company as fixed by the Board of Directors in their meeting held on September 09, 2022 for a term of three years commencing from December 01, 2022, in accordance with the provisions of Section 159(1) of the Companies Act, 2017. The names of the retiring Directors who are eligible for re-election are:
 - Mr. Rafiq M. Habib
 - Mr. Mohamedali R. Habib
 - Mr. Imran Ali Habib
 - Mr. Muhammad Tayyab Ahmad Tareen
 - Ms. Aliya Saeeda Khan
 - Mr. Khayam Husain
 - Mr. Salman Burney

By Order of the Board



Salman Khalid
Company Secretary

Karachi.
Dated: September 09, 2022

NOTES:

- Participation in the AGM proceeding via the video conference facility**
In light of the continuing threats posed due to COVID-19 pandemic and to protect wellbeing of the shareholders, the Securities and Exchange Commission of Pakistan (“SECP”) has, vide its Circulars issued from time to time, directed the listed companies to hold their general meetings virtually in addition to the requirements of holding physical meetings. In order to facilitate the shareholders, the Company in addition to convening a physical meeting has also arranged attendance of shareholder virtually via video link facility.

The shareholders interested in attending the AGM virtually are requested to get themselves registered by sending their particulars at the designated email address tl@hoh.net for their appointment and proxy’s verification by close of business October 14, 2022. The log-in credentials and link to participate in the AGM would be provided to the shareholders.

As always, Thal Limited intends, and undertakes, to hold the captioned meeting in compliance with all applicable laws while ensuring the safety of its shareholder, employees, directors and the public at large.

Shareholder Name	Folio/CDC No.	CNIC Number	Mobile phone number	Registered Email Address

Video conference link details and login credentials will be shared with ONLY those Shareholders, whose particulars are received on or before October 14, 2022, from their registered email addresses. Shareholders can also provide their comments and questions for the agenda items of the AGM on tl@hoh.net by October 14, 2022.

- Closure of Share Transfer Books**

The Share Transfer Books of the Company will be closed from October 14, 2022 to October 20, 2022 (both days inclusive) for the purpose of the Annual General Meeting and payment of the final dividend. Transfer requests received by our Share Registrar, M/S. FAMCO Associates (Private) Ltd., 8-F, Next to Hotel Faran, Nursery, Block-6, PECHS, Sharah-e-Faisal Karachi. Tel:009-21-34380101-5,0092-21-34384621-3 (Ext-103) Fax: 0092-21-34380106 at the close of business on October 13, 2022 will be treated in time for the purpose of determining above entitlement to the transferees for payment of final dividend and to attend the Annual General Meeting.

- Proxy**

A member entitled to attend and vote at this General Meeting is entitled to appoint a Proxy to attend, speak and vote in his/her place at the Meeting. A ‘Proxy Form’ appointing a proxy must be deposited at the Registered Office of the Company or at the above-mentioned address of Company’s Share Registrar at least forty-eight hours before the time of the meeting along with the 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 meeting. The Form of Proxy in English and Urdu is attached in Annual Report and should be witnessed by two persons whose name, addresses and CNIC Numbers should be mentioned on the Forms. The Form of Proxy is also available on the Company’s website (www.thallimited.com).

- Updating of particulars**

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

- Submission of copies of 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, FAMCO Associates (Private) Limited. 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.

6. Withholding Tax on Dividend

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

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

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

7. Withholding tax on Dividend in case of Joint Account Holders

In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal shareholder) for deduction of withholding tax on dividend of the Company, shareholders are requested to please furnish the shareholding ratio details of themselves as Principal shareholder and their Joint Holders, to the Company's Share Registrar, enabling the Company to compute withholding tax of each shareholder accordingly. The required information must reach the Company's Share Registrar by October 13, 2022, otherwise each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

8. Payment of Cash Dividend Electronically (E-mandate)

In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory that dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Notice in this regard has already been published earlier in newspapers as per Regulations. All shareholders are once again requested to provide details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) IBAN number (iv) bank name and (v) branch name, code & address; to Company's Share Registrar. Shareholders who hold shares with Participants / Central Depository Company of Pakistan (CDC) are advised to provide the mandate to the concerned Broker / CDC.

9. Distribution of Annual Report through Email (Optional)

Pursuant to the provision of section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their annual financial statements, along with auditor's report, directors' review report etc. ("Annual Report") and the notice of annual general meeting ("Notice"), to its shareholders by email. Shareholders of the Company who wish to receive the Company's Annual Report and Notices of annual general meeting by email are requested to provide the completed Electronic Communication Consent Form (available on the Company's website), to the Company's Share Registrar.

The audited financial statements of the Company for the year ended June 30, 2022 have been made available on the Company's website (www.thallimited.com) in addition to annual and quarterly financial statements for the prior years.

10. Conversion of Physical Shares into Book-Entry Form

Section 72 of the Companies Act, 2017, requires all listed companies to replace the shares held in physical form with the shares to be issued in Book-Entry Form within 4 years from the date of the promulgation of the Companies Act 2017. Pursuant to the SECP letter no. CSD/ED/Misc./2016-639-640 dated March 26, 2021, the Company is following up with all shareholders holding shares in physical form with the request to convert their shares in Book-Entry Form in order to comply with the provisions of the Companies Act, 2017. Shareholders may contact the Company's Share Registrar to understand the process and benefits of conversion of shares held in physical form into Book-Entry Form.

11. Election of Directors

Any person who seeks to contest the election of directors shall, whether he is a retiring director or otherwise, file with the

Company at its Registered Office at 4th Floor, House of Habib, 3-JCHS, Block 7/8, Shahrah-e-Faisal, Karachi – 75350, not later than fourteen days before the date of the meeting, the following documents:

- (i) Notice of his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Act, together with the consent to act as a director in Form 28 prescribed under the Companies Act, 2017;
- (ii) A detailed profile along with mailing address and other contact details as required under SECP's SRO 634 (I)/2014 dated 10 July 2014;
- (iii) A candidate consenting for the election as director must be a member of the Company at the time of filing of his/her consent except a person representing a member, which is not a natural person.
- (iv) A declaration confirming that:
 - 1) He/she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange;
 - 2) He/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2017 and any other applicable law, rules and regulations.

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166(2) of the Act.

Pursuant to Companies (Postal Ballot) Regulation 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017 members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

STATEMENT UNDER REGULATION 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

• Sindh Engro Coal Mining Company Limited

In the annual general meeting held on October 2nd 2018 the members of the Company had approved investment in Sindh Engro Coal Mining Company Limited ("SECMC"). SECMC achieved commercial operations on July 10, 2019 which marks a historic milestone for Pakistan's energy sector. Phase I of the Thar mining and power generation projects comprise Pakistan's first indigenous open pit coal mine which supplies 3.8 million tons of lignite coal per annum to a 2x330 MW power generation plant set up by Engro Powergen Thar Limited ("EPTL"). For Phase I of SECMC, the Board of Directors of Thal Limited approved a total exposure of Pakistani Rupee ("PKR") equivalent of USD 36.1 million, which includes equity investment of USD 24.3 million, USD 5 million for cost over-run and USD 6.8 million for debt servicing reserve (adjustable due to LIBOR/KIBOR movement). Phase I of SECMC mining project has been completed within time and with significant cost savings. As a result of reduced project cost, the Company invested a total of USD 17.7 million as equity in SECMC Phase 1, while maintaining 11.9% ordinary shareholding in SECMC. Until such time that SECMC achieves project completion date (as defined under finance documents), the standby letter of credit issued for unutilized equity for Phase 1, contractual commitments of cost overrun support and debt service reserve account shall remain in place and may be called upon lenders as per the terms of the finance documents.

Phase II of SECMC achieved Financial Close on December 31, 2019. For Phase II of SECMC, the Board of Directors of Thal Limited approved a total exposure of PKR equivalent of USD 10.5 million, which includes equity investment of USD 7.9 million, USD 1.3 million for cost over-run and USD 1.2 million for debt servicing reserve (adjustable due to LIBOR/KIBOR movement).

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2022

As on 30th June 2022, the Company has invested Rs. 2,840.15 million in SECMC, acquiring 191,643,025 ordinary shares having face value of Rs. 10 each, at a price of Rs. 14.82 per share. The Company has issued a stand by letter of credit in favor of lenders for the balance equity commitment of Rs 1,544.3 million.

For Phase II, SECMC has entered into Coal Supply Agreements with ThalNova Power Thar (Private) Limited and Thar Energy Limited to supply additional 1.9 million tons of lignite per annum to each 330 MW power plant respectively.

The Project Company is striving to achieve commercial operations date for Phase II in 2022.

Thal Power (Private) Limited

Status update concerning the business in relation to ThalNova Power Thar (Private) Limited ("ThalNova") that was approved in the Extra-Ordinary General Meeting ("EOGM") dated March 22, 2018.

Equity Injection, Guarantee and Sponsor Support:

The shareholders in the EOGM held on March 22, 2018, had approved Equity Injection of up to USD 58.7 million (or PKR equivalent) and to arrange a Standby Letter of Credit in an amount not exceeding USD 41.1 million (or PKR equivalent) securing the Equity Obligation and commercial risk guarantee obligations of up to USD 12.4 million (or PKR equivalent) and sponsor support to be provided by the Company for the benefit of ThalNova for an aggregate amount of up to USD 23.2 million (or PKR equivalent) as an investment in the form of equity or subordinated debt to cover for funding shortfall/cost overrun that may arise in ThalNova as well as similar support/investment for debt service reserve support up to USD 12.4 USD (or PKR equivalent) . Such sponsor support 'investments' were to be made as may be required under the Sponsor Support Agreement entered into with the lenders. The Company intends to make these sponsor support investments by way of preference shares and/or ordinary shares and/or through subordinated debt depending on approvals that may be received from the lenders. If through preference shares then the key terms will include a USD return on equity of 11%, which will be cumulative if not paid in full on any payment date and redeemable at the option of the Company.

Information pursuant to Section 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017:

Information Required	Information Provided
a) Total investment approved	As above
b) Amount of investment made to date	Equity Injection of USD 26.1 million (in equivalent Pakistani Rupees)
c) Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time;	Because of various reason the Financial Close of the ThalNova project was delayed beyond original timeline and subsequently achieved on 30 September 2020. The Commercial Operations Date is expected in the second half of calendar year 2022. Equity injections were made along with debt disbursement and expected to be completed in calendar year 2022.
d) Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	The associated company to-date has received total advances and equity injection of Rs. 15.4 billion from all shareholders. The associated undertaking issued a limited notice to proceed to the EPC Contractor against a payment of USD 30 million (in Pakistani Rupees equivalent) to commence construction works prior to financial close. Financial close was achieved on 30th September 2020 and debt disbursement from lenders commenced from Apr 2021. The project construction is ongoing but the project has faced delays in recent times due to COVID related challenges. The Company expects commercial operations to commence in second half of the calendar year 2022.

No. of Shareholders	Size of Holding		Total Shares Held
	From	To	
1,378	1	100	48,881
1,251	101	500	323,852
525	501	1000	370,574
811	1001	5000	1,733,473
159	5001	10000	1,154,249
55	10001	15000	689,731
28	15001	20000	477,880
13	20001	25000	289,328
15	25001	30000	429,039
11	30001	35000	358,269
10	35001	40000	378,479
3	40001	45000	127,956
12	45001	50000	582,165
10	50001	55000	530,726
7	55001	60000	403,013
5	60001	65000	317,521
1	65001	70000	65,951
4	70001	75000	296,171
2	80001	85000	166,300
1	85001	90000	88,000
2	90001	95000	185,532
2	95001	100000	198,900
1	100001	105000	101,741
1	110001	115000	112,103
3	115001	120000	353,840
2	120001	125000	245,583
1	125001	130000	127,381
1	130001	135000	130,815
1	135001	140000	136,669
2	145001	150000	296,333
1	150001	155000	154,074
1	165001	170000	168,198
1	170001	175000	175,000
1	175001	180000	178,202
1	180001	185000	181,150
1	220001	225000	222,130
2	225001	230000	452,568
1	235001	240000	239,495
2	280001	285000	561,430
1	290001	295000	294,089
1	300001	305000	301,230
2	305001	310000	615,116
1	310001	315000	311,000
1	315001	320000	315,152
2	320001	325000	645,698
5	330001	335000	1,656,860
2	370001	375000	745,068
1	375001	380000	375,800
1	390001	395000	393,098

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2022

No. of Shareholders	Size of Holding		Total Shares Held
	From	To	
1	400001	405000	401,443
6	420001	425000	2,532,547
1	450001	455000	450,692
2	485001	490000	975,882
1	495001	500000	497,070
1	525001	530000	528,500
1	570001	575000	572,566
1	600001	605000	601,052
1	605001	610000	608,534
1	690001	695000	694,800
1	710001	715000	711,503
1	715001	720000	715,851
1	800001	805000	800,400
1	810001	815000	810,233
1	830001	835000	830,269
1	840001	845000	843,547
1	850001	855000	851,137
1	905001	910000	909,507
1	930001	935000	932,351
1	995001	1000000	1,000,000
1	1095001	1100000	1,098,016
1	1150001	1155000	1,153,170
1	1180001	1185000	1,184,956
1	1185001	1190000	1,189,452
1	1340001	1345000	1,340,202
1	1375001	1380000	1,379,578
1	1405001	1410000	1,405,639
1	1540001	1545000	1,544,279
1	1815001	1820000	1,818,017
1	1965001	1970000	1,966,508
1	2300001	2305000	2,304,386
1	2890001	2895000	2,894,306
4	3790001	3795000	15,170,103
1	4915001	4920000	4,917,100
1	6690001	6695000	6,690,500
4,389			81,029,909

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2022

S. No.	Categories of Shareholders	No. of Shares Held	Category-wise No. of Folios / CDC Accounts	Category-wise Shares Held	Percentage (%)
1	Individuals		4,176	20,355,970	25.12
2	Investment Companies		4	2,334	0.00
3	Joint Stock Companies		38	2,366,787	2.92
4	Directors, Chief Executive Officer and Their Spouse and Minor Children		15	4,848,081	5.98
	ALIYA SAEEDA KHAN	1,000			
	ATIQA RAFIQ HABIB	733,120			
	JAMILA RAFIQ HABIB	909,507			
	KHAYAM HUSAIN	1,000			
	IMRAN ALI HABIB	13,703			
	MOHAMEDALI R. HABIB	1,566,834			
	MUHAMMAD SALMAN BURNEY	1,000			
	RAFIQ HABIB	1,340,202			
	SAYYEDA MOHAMED ALI	280,715			
	MUHAMMAD TAYYAD AHMAD TAREEN	1,000			
5	Executives		5	16,868	0.02
6	Associated Companies, Undertakings and Related Parties		1	375,800	0.46
	HABIB INSURANCE COMPANY LIMITED				
7	Public Sector Companies and Corporations		1	2,304,386	2.84
8	Banks, DFI's , NBFIs, Insurance Companies, Takaful, Modarabas's and Pension Funds		38	13,026,585	16.08
	Financial Institutions	5,349,030			
	Insurance Companies	7,179,376			
	Modaraba	17,438			
	Pension Funds	480,741			
	Holding 5% or more voting intrest				
	NATIONAL BANK OF PAKISTAN	4,917,100			
	JUBILEE LIFE INSURANCE COMPANY LIMITED	6,690,500			
9	Mutual Funds		29	3,953,229	4.88
	GOLDEN ARROW SELECTED STOCKS FUND	4,149			
	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	370,400			
	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	19,100			
	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	81,300			
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	424,000			
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	6,750			
	CDC - TRUSTEE AKD INDEX TRACKER FUND	10,371			
	CDC - TRUSTEE AKD OPPORTUNITY FUND	47,000			

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2022

S. No.	Categories of Shareholders	No. of Shares Held	Category-wise No. of Folios / CDC Accounts	Category-wise Shares Held	Percentage (%)
	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	53,000			
	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	175,000			
	CDC - TRUSTEE NBP STOCK FUND	294,089			
	CDC - TRUSTEE NBP BALANCED FUND	11			
	CDC - TRUSTEE APF-EQUITY SUB FUND	32,200			
	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	6,500			
	CDC - TRUSTEE APIF - EQUITY SUB FUND	27,800			
	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	27,200			
	CDC - TRUSTEE ALFALAH GHP STOCK FUND	22,500			
	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	9,800			
	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	45,900			
	CDC - TRUSTEE ABL STOCK FUND	8,650			
	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	50			
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,966,508			
	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	64,400			
	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	27,100			
	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	50			
	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1			
	DCCL - TRUSTEE AKD ISLAMIC STOCK FUND	85,000			
	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	23,400			
	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	121,000			
10	Foreign Investors		27	32,053,380	39.56
	Holding 5% or more voting interest				
	ASAD LIMITED	7,517,613			
	ALI REZA LIMITED	7,561,504			
	MUSTAFA LIMITED	8,282,214			
	SHAKIR LIMITED	5,397,558			
11	Co-Operative Societies		2	6,814	0.01
12	Charitable Trust		13	1,092,799	1.35
13	Others		40	626,876	0.77
	TOTAL		4,389	81,029,909	100.00

Details of trading in Company's shares by the Directors, Executives and their spouses and minor children:

None of the Directors, Executives and their spouses and minor children has traded in the shares of the Company during the year, except for the following:

S No.	Name	Designation	Buy	Sell
1	Mr. Salman Burney	Director	-	4,000
2	Mr. Khayam Husain	Director	1,000	-
3	Mrs. Jamila Rafiq Habib	Spouse of Director, Mr. Rafiq M. Habib	-	51,724

VICTORY

Prosperity shines on fortitude

Financial Statements



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

Name of Company: Thal Limited (The Company)
Year ended: June 30, 2022

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 7 as per the following:

a. Male	6
b. Female	1

2. The composition of board is as follows:

a. Independent Directors	Ms. Aliya Saeeda Khan Mr. Khayam Husain
b. Other Non-Executive Director	Mr. Rafiq M. Habib Mr. Mohamedali R. Habib Mr. Imran Ali Habib Mr. Salman Burney
c. Executive Director	Mr. Muhammad Tayyab Ahmad Tareen

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 the 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 Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (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 has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Mr. Rafiq M. Habib and Mr. Salman Burney are exempted by SECP from the Directors Training Program as each of them has requisite qualification and experience of serving on the Boards. Mr. Mohamedali R. Habib, Mr. Imran Ali Habib, Ms. Aliya Saeeda Khan and Mr. Muhammad Tayyab Ahmad Tareen are certified by Pakistan Institute of Corporate Governance. Mr. Khayam Husain, who was appointed on the Board in June 2022, has completed his training with PICG subsequent to year-end.
10. The Board has approved the change in remuneration of Chief Financial Officer and Company Secretary. However, there was no new appointment of Chief Financial Officer and Company Secretary during the year. The Board has approved the appointment of Head of Internal Audit and her 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 Committee**
- | | |
|-------------------------|-------------|
| Ms. Aliya Saeeda Khan | Chairperson |
| Mr. Mohamedali R. Habib | Member |
| Mr. Imran Ali Habib | Member |
| Mr. Salman Burney | Member |

- b. **Human Resource and Remuneration Committee**
- | | |
|----------------------------------|-------------|
| Ms. Aliya Saeeda Khan | Chairperson |
| Mr. Mohamedali R. Habib | Member |
| Mr. Salman Burney | Member |
| Mr. Muhammad Tayyab Ahmad Tareen | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly / half-yearly / yearly) of the committee were as per following:
- a. Audit Committee Four quarterly meetings
- b. HR and Remuneration Committee Two meetings
15. The Board has outsourced the internal audit function to Noble Computer Services (Private) Limited (associated company) 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 regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanations for not rounding up the fractional number under Regulation 6(1) is as follows:
- a. In a Board comprising 7 members, one-third works out to 2.33. Since the fraction is below half (i.e. 0.5), the fraction contained in such one-third is not rounded up to one. Further, the Company has enough experienced and well reputed independent directors on the Board who perform and carry out their responsibilities diligently.



RAFIQ M HABIB

CHAIRMAN



MUHAMMAD TAYYAB
AHMAD TAREEN
CHIEF EXECUTIVE OFFICER
AND DIRECTOR

Karachi
September 9, 2022



EY Ford Rhodes
Chartered Accountants
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Independent Auditors' Review Report

To the members of Thal Limited

Review Report on the Statement of Compliance contained in the 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 **Thal Limited** (the Company) for the year ended 30 June 2022 in accordance with the requirements of the 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 with the requirements to the extent of the approval of 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 30 June 2022.

EY Ford Rhodes

EY Ford Rhodes

Chartered Accountants

Place: Karachi

UDIN Number: CR202210099SG1YPxA20

Date: 21 September 2022

UNCONSOLIDATED FINANCIAL STATEMENTS

- AUDITORS,, REPORT TO THE MEMBERS
- UNCONSOLIDATED FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To the members of Thal Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Thal Limited** (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2022, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 30 June 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
<p>1. Revenues</p> <p>The Company earns revenue from multiple business lines which operate as distinct business units with significant volume of revenue transactions. The recognition of revenue relating to each business line depend on the nature of contractual arrangements with the customers.</p> <p>Revenue is recorded in accordance with the requirements of IFRS 15 which provides a comprehensive model of revenue recognition and requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers.</p> <p>We identified revenue recognition as a key audit matter primarily due to it being a key performance indicator, significant volume of transactions, significant increase of 37% in revenue from last year and the amount of audit efforts in relation to this area.</p> <p>Please refer notes 5.26 and 33 to the accompanying unconsolidated financial statements.</p>	<p>We performed a range of audit procedures in relation to revenue including the following:</p> <ul style="list-style-type: none"> We reviewed the terms and conditions of distinct sale transactions and assessed the appropriateness of the revenue recognition policies and practices followed by the Company. We tested controls over revenue recognition and reporting process within each business unit including key IT dependent manual controls and IT general controls for the relevant IT systems used for revenue transaction processing by the Company. We performed analytical review procedures and other test of details over various revenue streams including cut-off procedures to check that revenue has been recognized in the appropriate accounting period. We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.
<p>2. Capital expenditure</p> <p>The Company incurred significant amount of capital expenditure during the year amounting to Rs. 2,660.094 million mainly on account of increasing the capacity of its woven polypropylene bags line in the Papersack division.</p> <p>Capital expenditures incurred during the year represent significant transactions and involve management's evaluation of components of cost to be capitalized, therefore we have identified the same as a key audit matter.</p> <p>Please refer note 7 to the accompanying unconsolidated financial statements.</p>	<p>We performed a range of audit procedures in relation to capital expenditure including the following:</p> <ul style="list-style-type: none"> We obtained an understanding of the Company's process with respect to capital expenditure including project budgeting, execution of contracts and accumulation of cost and tested key controls. We reviewed the relevant contracts and documents supporting various components of the capitalised cost. We performed physical verification, on sample basis, of fixed assets acquired to verify the existence of the assets. We considered whether the items of cost capitalised meet the recognition criteria of an asset in accordance with the applicable financial reporting standards. We evaluated the basis used by the management for depreciation charged in relation to the assets, by considering factors such as the current useful life estimates and timing of capitalisation. We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.

Information Other than the Financial Statements and Auditors' Report 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 auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' 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 auditors' 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 skepticism 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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

Signature

- 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 auditors' report is Arif Nazeer.

Signature

Chartered Accountants

Place: Karachi

UDIN Number: AR202210099xGe0Sa98m

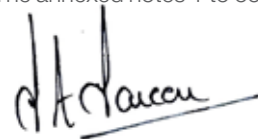
Date: 21 September 2022

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

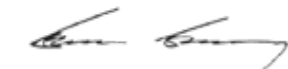
AS AT JUNE 30, 2022

	Note	2022	2021
		----- (Rupees in '000') -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,678,486	3,710,820
Intangible assets	8	74,765	120,776
Investment property	9	980	985
Long-term investments	10	10,908,740	8,007,397
Long-term loans	11	-	275,000
Long-term deposits	12	30,730	20,378
Deferred tax asset	13	192,734	218,793
		<u>16,886,435</u>	<u>12,354,149</u>
CURRENT ASSETS			
Stores, spares and loose tools	14	199,880	117,827
Stock-in-trade	15	10,379,101	7,730,049
Trade debts	16	3,829,852	3,231,174
Loans and advances	17	546,592	103,160
Trade deposits and short-term prepayments	18	1,042,163	452,711
Interest accrued		33,669	20,582
Other receivables	19	867,030	619,151
Short-term investments	20	1,263,318	2,802,265
Cash and bank balances	21	2,557,628	2,096,373
		<u>20,719,233</u>	<u>17,173,292</u>
Assets classified as held for sale	22	-	5,000
		<u>20,719,233</u>	<u>17,178,292</u>
TOTAL ASSETS		<u><u>37,605,668</u></u>	<u><u>29,532,441</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
200,000,000 (2021: 200,000,000) ordinary shares of Rs.5/- each	23	1,000,000	1,000,000
Issued, subscribed and paid-up capital	23	405,150	405,150
Reserves	24	26,824,677	23,500,483
		<u>27,229,827</u>	<u>23,905,633</u>
NON-CURRENT LIABILITIES			
Long-term deposits and payables	25	10,513	11,887
Long-term borrowings	26	2,272,565	185,242
Lease liabilities	27	80,088	100,550
Deferred income	28	332,745	22,309
		<u>2,695,911</u>	<u>319,988</u>
CURRENT LIABILITIES			
Trade and other payables	29	5,843,706	4,335,229
Accrued mark-up		24,281	3,651
Unclaimed dividend		97,740	89,256
Unpaid dividend		28,150	36,242
Current portion of long-term borrowing	26	81,898	109,164
Current portion of lease liabilities	27	20,496	17,140
Current portion of deferred income	28	70,910	4,394
Short-term borrowings	30	597,080	361,000
Income tax - net	31	876,738	264,628
Sales tax payable		38,931	86,116
		<u>7,679,930</u>	<u>5,306,820</u>
CONTINGENCIES AND COMMITMENTS	32		
TOTAL EQUITY AND LIABILITIES		<u><u>37,605,668</u></u>	<u><u>29,532,441</u></u>

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

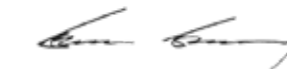
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		----- (Rupees in '000') -----	
Revenue - net	33	37,351,493	27,317,188
Cost of sales	34	(30,847,355)	(22,648,387)
Gross profit		<u>6,504,138</u>	<u>4,668,801</u>
Distribution and selling expenses	35	(734,179)	(544,689)
Administrative expenses	36	(985,384)	(877,675)
Other charges	37	(546,508)	(291,501)
		<u>(2,266,071)</u>	<u>(1,713,865)</u>
Other income	38	1,831,791	1,651,746
Operating profit		<u>6,069,858</u>	<u>4,606,682</u>
Finance costs	39	(144,964)	(34,817)
Profit before taxation		<u>5,924,894</u>	<u>4,571,865</u>
Taxation	40	(1,667,646)	(1,089,670)
Net profit for the year		<u><u>4,257,248</u></u>	<u><u>3,482,195</u></u>
		----- (Rupees) -----	
Basic and diluted earnings per share	41	<u>52.54</u>	<u>42.97</u>

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

Note	2022 ------(Rupees in '000')-----	2021
Net profit for the year	4,257,248	3,482,195
Other comprehensive income		
Item that will not be reclassified to consolidated statement of profit or loss in subsequent periods - net of tax;		
(Loss)/gain on long-term equity investments classified at fair value through other comprehensive income (FVOCI)	10.4 (41,725)	130,011
Total comprehensive income for the year	4,215,523	3,612,206

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

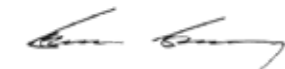
FOR THE YEAR ENDED JUNE 30, 2022

Issued, subscribed and paid-up capital	RESERVES				Total equity	
	Capital reserves	General reserves	Unappropriated profit	Gain/(loss) on revaluation of investment at fair value through other comprehensive income		
------(Rupees in '000')-----						
Balance as at July 1, 2020	405,150	1,006,915	17,629,999	1,743,690	115,399	20,901,153
Transfer to general reserve	-	-	1,460,000	(1,460,000)	-	-
Final dividend @ Rs 3.5/- per share for the year ended June 30, 2020	-	-	-	(283,606)	-	(283,606)
Interim dividend @ Rs 4.00/- per share for the year ended June 30, 2021	-	-	-	(324,120)	-	(324,120)
	-	-	-	(607,726)	-	(607,726)
Net Profit for the year	-	-	-	3,482,195	-	3,482,195
Other comprehensive income	-	-	-	-	130,011	130,011
Total comprehensive income for the year	-	-	-	3,482,195	130,011	3,612,206
Balance as at June 30, 2021	405,150	1,006,915	19,089,999	3,158,159	245,410	23,905,633
Transfer to general reserve	-	-	2,649,001	(2,649,001)	-	-
Final dividend @ Rs 6.00/- per share for the year ended June 30, 2020	-	-	-	(486,179)	-	(486,179)
Interim dividend @ Rs 5.00/- per share for the year ended June 30, 2021	-	-	-	(405,150)	-	(405,150)
	-	-	-	(891,329)	-	(891,329)
Net Profit for the year	-	-	-	4,257,248	-	4,257,248
Other comprehensive loss	-	-	-	-	(41,725)	(41,725)
Total comprehensive income for the year	-	-	-	4,257,248	(41,725)	4,215,523
Balance as at June 30, 2022	405,150	1,006,915	21,739,000	3,875,077	203,685	27,229,827

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



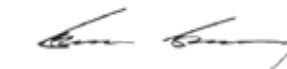
DIRECTOR



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF CASH FLOWS

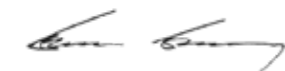
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ------(Rupees in '000')-----	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42	2,220,169	1,980,127
Finance costs paid		(124,334)	(31,429)
Leave encashment paid		(6,233)	(6,072)
Income tax paid		(1,029,477)	(860,162)
Long-term deposits - net		(11,726)	(9,159)
Net cash generated from operating activities		1,048,399	1,073,305
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		(2,660,094)	(1,028,321)
Addition to intangible assets		(12,907)	(8,953)
Proceeds from disposal of operating fixed assets		30,618	59,360
Long-term investments made during the year		(2,943,068)	(2,081,771)
Short-term investments during the year - net		1,624,887	(1,526,159)
Long-term loans returned by subsidiaries - net		37,634	1,647,786
Dividend income received during the year		1,453,623	1,072,175
Interest income received during the year		117,117	100,368
Net cash used in investing activities		(2,352,190)	(1,765,515)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease rentals paid		(17,106)	(11,087)
Short-term borrowings obtained		236,080	216,000
SBP's Refinance Facility for Salaries and Wages repaid - net		(99,571)	(24,892)
SBP's Temporary Economic Refinance Facility obtained		1,368,393	99,281
SBP's Financing Scheme for Renewable Energy obtained - net		249,279	47,579
Long-term loans obtained		918,908	-
Dividends paid		(890,937)	(593,677)
Net cash generated from / (used in) financing activities		1,765,046	(266,796)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		461,255	(959,006)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2,096,373	3,055,379
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	43	2,557,628	2,096,373

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Thal Limited (the Company) was incorporated on January 31, 1966 as a public company limited by shares and is listed on the Pakistan Stock Exchange Limited.

The Company is engaged in the manufacture of engineering goods, jute goods, papersack and laminate sheets.

1.2 Geographical location and address of business units

Head Office

The registered office of the Company is situated at 4th Floor, House of Habib, 3-Jinnah Cooperative Housing Society, Block 7/8, Shahrah-e-Faisal, Karachi.

Plants:

- Engineering operations are located at Korangi and Port Qasim, Karachi, Sindh.
- Jute operations are located at Muzaffargarh, Punjab.
- Papersack operations are located at Hub, Balochistan and Gadoon, Khyber Pakhtunkhwa.
- Laminates operations are located at Hub, Balochistan.

1.3 These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries and associates are accounted for at cost less impairment loss, if any, and are not consolidated or accounted for by using equity method of accounting.

2. STATEMENT OF COMPLIANCE

2.1 These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

Where provisions of and directives issued under the Act and IFAS differ from the IFRSs, the provision of and directives issued under the Act and IFAS have been followed.

3. BASIS OF MEASUREMENT

3.1 These unconsolidated financial statements have been prepared under the historical cost convention, except for investments in shares of listed companies and mutual funds which are measured at fair value as disclosed in the accounting policies below.

3.2 The unconsolidated financial statements are presented in Pakistani Rupees, which is also the Company's functional currency.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates, assumptions and judgements made by the management that are subject to risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

	Notes
(a) capitalization of new assets and determining the residual values and useful lives of property, plant and equipment and investment property	5.2, 5.4, 7 & 9
(b) determining the residual values and useful lives of intangibles assets	5.3 & 8
(c) Non-current assets held for sale	5.5 & 22
(d) impairment of financial and non-financial assets	5.24
(e) net realizable value estimation for inventories	5.7, 5.8, 14 & 15
(f) allowance for expected credit losses	5.9, 5.24 & 16
(g) provision for tax and deferred tax	5.6, 13, 31 & 40
(h) provision and warranty obligation	5.14 & 29.3
(i) contingencies	5.21 & 32
(j) compensated absences of employees	5.15 & 29
(k) determining the lease term of contracts with renewal and termination options;	5.20.3 & 27
(l) leases - estimating the incremental borrowing rate	5.20.4 & 27

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 New standards, amendments to approved accounting standards and new interpretations

The Company has adopted the following standards, amendments, interpretation and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current year:

Amendments to approved accounting standards

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of the above improvements and amendments did not have any material impact on these financial statements.

5.2 Property, plant and equipment

Operating fixed assets

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

Depreciation is charged to the unconsolidated statement of profit or loss applying the straight line method at the rates specified in note 7 to these unconsolidated financial statements. Depreciation on additions is charged from the month asset is available for use and in case of deletion, up to the month preceding the month of disposal.

Maintenance and normal repairs are charged to unconsolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized 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 unconsolidated statement of profit or loss when the asset is derecognised.

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

Right-of-use assets

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

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.

5.3 Intangible assets

These are stated at cost less accumulated amortization and impairment loss, if any.

Costs in relation to intangible assets are only capitalized when it is probable that future economic benefits attributable to those asset will flow to the Company and the same is amortized applying the straight line method at the rates stated in note 8 to these unconsolidated financial statements.

5.4 Investment property

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

Depreciation on investment properties is charged on reducing balance method at the rate specified in note 9 to the financial statements. Depreciation on additions is charged from the month of addition and in case of deletion up to the month of disposal.

Maintenance and normal repairs are charged to unconsolidated 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.

5.5 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the unconsolidated statement of financial position.

5.6 Taxation

(a) Current

The charge for current taxation in respect of certain income streams of the Company is based on Final Tax Regime at the applicable tax rates and remaining income streams at current rate of taxation under the normal tax regime after taking into account tax credits and rebates available, if any, 1.25% of turnover or 17% alternate corporate tax, whichever is higher. The Company had also availed Group Tax Relief under the provisions of Section 59AA and Group Taxation under the provisions of section 59B of the Income Tax Ordinance, 2001 as explained in note 31 to these unconsolidated financial statements.

(b) Deferred

Deferred tax is provided using the statement of financial position liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognised deferred tax assets are re-assessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

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 tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

The impact of deferred tax is recognised in the unconsolidated statement of profit or loss and deferred tax in relation to items outside statement of profit or loss is recognised in the statement of comprehensive income or equity.

5.7 Stores, spares and loose tools

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

5.8 Stock-in-trade

Stock-in-trade, except goods-in-transit, is stated at the lower of weighted average cost or Net Realisable Value. The cost is determined as follows:

Raw and packing materials

- Purchase cost

Work-in-process

- Cost of materials, labour cost and appropriate production overheads

Finished goods

- Cost of materials, labour cost and appropriate production overheads

Goods-in-transit are valued at cost comprising purchase price, freight value and other charges incurred thereon upto the reporting date.

NRV 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 slow moving and obsolete items as and when identified.

5.9 Trade debts and other receivables

These are recognized and carried at original invoice amount being the fair value and subsequently measured at amortised cost. Allowance is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

Exchange gains or losses arising in respect of trade debts and other receivables in foreign currency are added to their respective carrying amounts.

5.10 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 a financial 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.

5.11 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.

5.12 Share capital

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.

5.13 Trade and other payables

Liabilities for trade and other payable are carried at amortised cost which is the fair value of the consideration to be paid in the 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.

5.14 Provisions

General

Provisions are recognised in the unconsolidated statement of financial position where the Company has a legal or constructive obligation as a result of past event, it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. When the Company expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

Warranty obligations

The Company recognizes the estimated liability to repair or replace products under warranty at the statement of financial position date. These are recognised when the product is sold or service is provided to the customer. Initial recognition is based on historical experience and estimate of probability weighted expected outcome. The estimates of warranty-related costs is reviewed annually and adjusted, if required.

5.15 Compensated absences

Accrual is made for employees' compensated absences on the basis of encashable leaves as per the entitlements and company policy.

5.16 Staff retirement benefits

Defined contribution plan

Provident fund

The Company operates a recognised provident fund for its permanent employees. Equal monthly contributions are made to the fund by the Company and the employees in accordance with the rules of the scheme. The Company has no further obligation once the contributions have been paid. The contributions made by the Company are recognised as employee benefit expense when they are due.

Retirement benefit fund

The Company operates an approved funded scheme for retirement benefits for all employees on the basis of defined contribution made by the Company on attaining the retirement age or in the event of death, with a minimum qualifying period of ten years which is managed by a Trust.

5.17 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

5.18 Unclaimed dividend

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

5.19 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.

5.20 Leases

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

5.20.1 Company as a lessee

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

5.20.2 Lease liabilities

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 lease incentives receivable (if any), variable lease payments that depend on an index or a rate (if any), and amounts expected to be paid under residual value guarantees (if any). The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company (if any) and payments of penalties for terminating the lease (if any), if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. 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 lease payments or a change in the assessment of an option to purchase the underlying asset.

5.20.3 Determination of the lease term for lease contracts with extension and termination 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.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

5.20.4 Estimating the incremental borrowing rate.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

5.21 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.

5.22 Financial assets

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

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 unconsolidated 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 unconsolidated 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.

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.

5.23 Financial liabilities

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.

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 consolidated 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.

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 consolidated statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

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 consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

5.24 Impairment of financial and non financial assets

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.

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 consolidated 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 consolidated statement of profit or loss and other comprehensive income.

5.25 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 period. 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 (if any).

5.26 Revenue recognition

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

5.27 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 is recognised on constant rate of return to maturity;
- Interest on deposit accounts is recognised on accrual basis;
- Interest on loan is recognised on accrual basis;
- Capital gain on disposal of treasury bills 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 accrual basis;
- Claim from customers is recognised as income when the claim is accepted by customer;
- Service income is recognised on a straight line basis over the period that the services are provided; 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.

5.28 Foreign currency transactions

Foreign currency transactions are translated into Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in unconsolidated statement of profit or loss of the current period.

5.29 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.

5.30 Operating segments

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

5.31 Research and development expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects are recognised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Other development expenditure is recognised as an expense when incurred.

5.32 Ijarah rentals

Ijarah payments for assets under Ijarah (Islamic term finance) agreements are recognised as an expense in the unconsolidated statement of profit or loss on a straight line basis over the Ijarah term.

5.33 Dividends and appropriation to reserves

The Company recognises a liability for dividend to equity holder when it is authorized as per corporate laws in Pakistan. The transfer of reserves within the equity are recognized when these are approved as per the applicable laws.

6. STANDARDS, AMENDMENTS AND IMPROVEMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Standard or Interpretation	Effective date
IFRS 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1 Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8 Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12 Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01 January 2023
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)	
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41 Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16 Leases: Lease incentives	01 January 2022

The above standards and amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Standard or Interpretation	IASB effective date (annual periods beginning on or after)
IFRS 1 First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17 Insurance Contracts	01 January 2023

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

Note	2022	2021
	----- (Rupees in '000) -----	
7.1	4,764,206	3,094,398
7.4	914,280	616,422
	<u>5,678,486</u>	<u>3,710,820</u>

7.1 Operating fixed assets

	COST					ACCUMULATED DEPRECIATION / AMORTIZATION					WRITTEN DOWN VALUE		
	As at July 01, 2021		As at June 30, 2022		Depreciation Rate	As at July 01, 2021		As at June 30, 2022		Charge for the year impairment* (7.1.2)		On Disposals/	As at June 30, 2022
	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')		Disposals	Disposals	Disposals	Disposals				
Freehold land	4,362	-	4,362	-	-	-	-	-	-	-	-	4,362	
Right of use asset - lands	15,661	-	15,661	1-5	987	495	1,482	-	1,482	-	-	14,179	
Right of use asset - office premises	132,145	-	132,145	5-20	21,226	23,692	44,918	-	44,918	-	-	87,227	
Factory building	844,040	281,951	1,125,991	5-33	307,956	45,877	353,833	-	353,833	-	-	772,158	
Non factory building	124,471	3,220	127,691	5-33	45,224	5,796	51,020	-	51,020	-	-	76,671	
Railway sliding	4,216	-	4,216	20	1,104	218	1,322	-	1,322	-	-	2,894	
Plant and machinery	3,540,320	1,458,722	4,981,007	5-25	1,688,416	355,369	2,024,749	(17,972)	2,024,749	(17,972)	(17,972)	2,956,258	
						(1,064)*							
Furniture and fittings	35,755	3,938	38,862	33	23,202	10,293	32,664	(831)	32,664	(831)	(831)	6,198	
Vehicles	144,497	122,620	247,202	20	37,885	31,982	67,244	(2,623)	67,244	(2,623)	(2,623)	179,958	
Office and mills equipment	257,811	248,260	502,350	10-50	107,641	64,651	168,605	(3,687)	168,605	(3,687)	(3,687)	333,745	
Computer equipment	182,346	39,755	216,736	20-33	116,171	29,564	140,674	(5,061)	140,674	(5,061)	(5,061)	76,062	
Jigs and fixtures	528,842	183,230	702,347	10-33	390,658	103,163	484,096	(9,725)	484,096	(9,725)	(9,725)	218,251	
Capital stores and spares	20,748	20,540	41,288	5-20	346	4,699	5,045	-	5,045	-	-	36,243	
2022	5,835,214	2,362,236	8,139,858		2,740,816	675,799	3,375,652	(39,899)	3,375,652	(39,899)	(39,899)	4,764,206	
						(1,064)*							

	COST					ACCUMULATED DEPRECIATION / AMORTIZATION					WRITTEN DOWN VALUE		
	As at July 01, 2020		As at June 30, 2021		Depreciation Rate	As at July 01, 2020		As at June 30, 2021		Charge for the year impairment* write-offs** (7.1.2)		On Disposals/	As at June 30, 2021
	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')		Disposals	Disposals	Disposals	Disposals				
Freehold land	4,362	-	4,362	-	-	-	-	-	-	-	-	4,362	
Right of use asset - lands	15,661	-	15,661	5	496	491	987	-	987	-	-	14,674	
Right of use asset - office premises	11,811	120,334	132,145	25	5,906	15,320	21,226	-	21,226	-	-	110,919	
Factory building	773,282	70,758	844,040	10	260,126	47,830	307,956	-	307,956	-	-	536,084	
Non factory building	106,926	17,545	124,471	7.5-10	40,024	5,022	45,224	-	45,224	-	-	79,247	
						178*							
Railway sliding	4,216	-	4,216	5-10	761	343	1,104	-	1,104	-	-	3,112	
Plant and machinery	3,493,051	88,601	3,540,320	10-33	1,401,950	311,441	1,688,416	(33,545)	1,688,416	(33,545)	(33,545)	1,851,904	
						12,367*							
Furniture and fittings	35,933	570	35,755	7.5-20	21,752	2,149	23,202	(712)	23,202	(712)	(712)	12,553	
						13*							
Vehicles	51,063	117,022	144,497	10-20	35,071	6,604	37,885	(3,790)	37,885	(3,790)	(3,790)	106,612	
Office and mills equipment	176,902	81,706	257,811	10-30	88,384	19,754	107,641	(626)	107,641	(626)	(626)	150,170	
						129*							
Computer equipment	169,525	15,415	182,346	33.33	93,273	25,269	116,171	(2,412)	116,171	(2,412)	(2,412)	66,175	
						41*							
Jigs and fixtures	468,094	60,748	528,842	33.33	305,805	84,853	390,658	-	390,658	-	-	138,184	
Capital stores and spares	-	20,748	20,748	10-33	-	346	346	-	346	-	-	20,402	
2021	5,310,826	593,447	5,835,214		2,253,548	519,422	2,740,816	(41,085)	2,740,816	(41,085)	(41,085)	3,094,398	
						12,728*							

7.1.1 This includes transfers to operating fixed assets from capital work-in-progress.

7.1.2 This includes reversal of impairment amounting to Rs. 14.686 million (2021: nil). Further, during the year, the management identified certain assets which were not in their desired operating condition due to technical defects and accordingly these assets have been fully impaired. The aggregate impairment charge on these assets amounts to Rs. 13.621 million (2021: Rs. 12.728 million).

7.1.3 Jigs and fixtures include moulds having written down value of Rs. 201.073 million (2021: Rs 210.042) in the possession of sub-contractors dispersed all over the country.

7.1.4 Operating fixed assets include items having an aggregate cost of Rs. 576.913 million (2021: Rs. 327.947 million) which have been fully depreciated and are still in use of the Company.

7.1.5 The following operating fixed assets of the Company are under charge as security against guarantees issued by commercial banks in respect of the investment by the Company and its wholly-owned subsidiary, Thal Power (Private) Limited, in Sindh Engro Coal Mining Company Limited and ThalNova Power Thar (Private) Limited, respectively (note 10.2 & 10.3). The amount of charge over these fixed assets is Rs. 11,704.246 million (2021: Rs. 11,704.246 million).

	2022 Written Down Value ------(Rupees in '000')-----	2021 Written Down Value ------(Rupees in '000')-----
- Mortgage over the following leasehold lands and buildings over leasehold lands:		
1) Plot number 1, 2, 25 and 26, Sector 22 Korangi Industrial Area (Thal Engineering Division);	63,590	104,307
2) Plot numbers 35 - 42, 69 and 70 of survey 749 and 749/1, Mauza Pathra, Tehsil Hub, District Lasbella, (Papersack and Balochistan Laminates Division); and	290,152	237,828
3) An area measuring 1425 Kanals and 8 Marlas comprising of Khasra Nos.1757, 1758, 1765, 1766, 1767, 1768, 1780, 1775, 1777, 1778, 1764, 1779, 1792-1795/1, 1776, 1793, 1794, 1791, situated in Mouza Rakh, Khanpur, Tehsil & District Muzaffargarh.	91,837	78,085
	<u>445,579</u>	<u>420,220</u>
- Plant, machinery and equipment of the Group present at the following locations:		
1) Plot number 1,2,25 and 26, Sector 22 Korangi Industrial Area (Thal Engineering Division);	222,108	445,336
2) Plot numbers 35 - 42, 69 and 70 of survey 749 and 749/1, Mauza Pathra, Tehsil Hub, District Lasbella, (Papersack and Balochistan Laminates Division);	1,357,941	1,209,542
3) Thal Limited Industrial building and machinery situated at Plot bearing number DSU-14, Sector II, Downstream Industrial Estate, Bin Qasim, Karachi (Yazaki Unit); and	328,886	116,244
4) An area measuring 1425 Kanals and 8 Marlas comprising of Khasra Nos.1757, 1758, 1765, 1766, 1767, 1768, 1780, 1775, 1777, 1778, 1764, 1779, 1792-1795/1, 1776, 1793, 1794, 1791, situated in Mouza Rakh, Khanpur, Tehsil & District Muzaffargarh.	183,941	218,045
	<u>2,092,876</u>	<u>1,989,167</u>

7.1.6 Details of operating fixed assets disposed off during the year and having a net book value of Rs 500,000 or more are as follows:

	Accumulated down Cost depreciation	Written down value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
	------(Rupees in '000)-----					
Plant & machinery Items having book value upto Rs 500,000	18,035	17,972	63	6,184	6,121	
Furniture and fittings Items having book value upto Rs 500,000	831	831	-	109	109	
Vehicles						
Corolla X Grande 1.8	4,005	134	3,871	4,005	134	Negotiation Auvitronics Limited
Suzuki Cultus VXL	1,970	97	1,873	1,680	(193)	Tender Mr. Abrar Ahmed Sabri
Corolla X Grande 1.8	4,005	601	3,404	4,183	779	Employee's car scheme Mr. Naveed Alam - Ex-employee
Toyota Yaris 1.3	1,242	-	1,242	2,665	1,423	Employee's car scheme Mr. Zakir Ladhani - Employee
Toyota Yaris ATIV CVT 1.5	3,005	601	2,404	2,950	546	Employee's car scheme Major (R) Ateeq - Employee
Suzuki Cultus VXL	1,050	-	1,050	1,556	506	Employee's car scheme Syed Nayab Rizvi - Employee
Suzuki Alto VXL	737	-	737	1,298	561	Employee's car scheme Mr. Muniruddin - Employee
Toyota Yaris 1.5 ATIV CVT	2,755	505	2,250	2,585	335	Employee's car scheme Mr. Zaki Ahmed - Ex-employee
Items having book value upto Rs 500,000	1,146	685	461	954	493	
	19,915	2,623	17,292	21,876	4,584	
Office and mills equipment Items having book value upto Rs 500,000	3,721	3,687	34	565	531	
Computer equipment Items having book value upto Rs 500,000	5,365	5,061	304	809	505	
Jigs and fixtures Items having book value upto Rs 500,000	9,725	9,725	-	1,075	1,075	
2022	<u>57,592</u>	<u>39,899</u>	<u>17,693</u>	<u>30,618</u>	<u>12,925</u>	
2021	<u>69,059</u>	<u>44,882</u>	<u>24,177</u>	<u>91,210</u>	<u>67,033</u>	

7.2 The depreciation charge for the year has been allocated as follows:

	Note	2022	2021
----- (Rupees in '000') -----			
Cost of sales	34	604,869	481,925
Distribution and selling expenses	35	5,959	1,499
Administrative expenses	36	64,971	35,998
		<u>675,799</u>	<u>519,422</u>

7.3 Useful life and depreciation method of property, plant and equipment

During the year, as a result of annual reassessment of the review of the useful lives and depreciation method of operating fixed assets, the management has identified that there has been a change in the expected pattern of consumption of the future economic benefits embodied in the assets. Accordingly, useful lives and depreciation method for certain classes of operating fixed assets has been revised to reflect the changed pattern. These revisions were accounted for prospectively as changes in accounting estimates.

As stated above, had there been no changes in accounting estimates, the profit before tax for the year and carrying value of such operating fixed assets as at the year-end would have been higher by Rs. 47.873 million, due to change of depreciation method and useful lives.

7.4 Capital work-in-progress

	Opening balance	Additions during the year	Transfers to operating fixed assets	Closing balance
----- (Rupees in '000) -----				
Civil Works	155,648	591,742	(288,267)	459,123
Plant and machinery	211,707	1,356,762	(1,195,124)	373,345
Furniture and fittings	3,239	3,312	(6,551)	-
Vehicles	48,975	64,061	(96,539)	16,497
Office and mills equipment	176,644	180,188	(353,134)	3,698
Computer equipment	1,045	15,095	(7,344)	8,796
Jigs and fixtures	19,164	119,923	(86,266)	52,821
2022	<u>616,422</u>	<u>2,331,083</u>	<u>(2,033,225)</u>	<u>914,280</u>
----- (Rupees in '000) -----				
Civil Works	16,583	167,868	(28,803)	155,648
Plant and machinery	3,301	237,357	(28,951)	211,707
Furniture and fittings	-	3,809	(570)	3,239
Vehicles	-	48,975	-	48,975
Office and mills equipment	33,050	187,070	(43,476)	176,644
Computer equipment	-	1,045	-	1,045
Jigs and fixtures	8,280	15,489	(4,605)	19,164
2021	<u>61,214</u>	<u>661,613</u>	<u>(106,405)</u>	<u>616,422</u>

7.5 Details of the Company's immovable operating fixed assets are as under:

S. No.	Locations	2022		2021	
		Land Area (square yards)	Building Covered Area (square feet)	Land Area (square yards)	Building Covered Area (square feet)
----- (in '000) -----					
1	Thal Limited (Jute Division) , D.G. Khan Road, Muzaffargarh, Punjab	862	647	862	647
2	Plot #448 & 449, Sundar Industrial Estate Raiwind Road, Lahore, Punjab.	8	39	8	39
3	Plot 1, 2, 25 & 26, Sector 22, Korangi Industrial Area Karachi, Sindh.	51	229	51	229
4	DSU-14, Sector II, Downstream Industrial Estate Bin Qasim, Karachi, Sindh.	24	32	24	32
5	Shop number 6, Clifton Pride, G -3/18, Clifton, Karachi, Sindh.	0.50	0.50	0.50	0.50
6	Plot # 35, 36, 37, 38, 39, 39A, 40, 40A, 41, 42, 69, 69A, 70 and 71, Zila Moza Pathra, Hub, Balochistan	92	329	92	211
7	Plot C-49-58, Sector C, Hub Industrial Area, Hub, Balochistan	6	12	6	12
8	Plot # 38, Road # 3, Industrial Estate, Gadoon Amazai, Swabi, Khyber Pakhtunkhwa.	19	40	19	40

8. INTANGIBLE ASSETS

	Note	COST				ACCUMULATED AMORTIZATION				WRITTEN DOWN VALUE	
		Opening balance	Additions	Transfers	Disposals	Closing balance	Amortisation Rate %	Charge for the year	On Transfers		Closing balance
----- (Rupees in '000') -----											
Softwares		15,761	-	-	-	15,761	33	1,759	-	14,670	1,091
Licenses		61,078	12,907	-	-	73,985	33	11,019	-	56,533	17,452
- Software		175,385	-	-	-	175,385	20-33	46,140	-	119,163	56,222
- Product	8.2										
2022		<u>252,224</u>	<u>12,907</u>	<u>-</u>	<u>-</u>	<u>265,131</u>		<u>58,918</u>	<u>-</u>	<u>190,366</u>	<u>74,765</u>
2021		<u>243,271</u>	<u>8,953</u>	<u>-</u>	<u>-</u>	<u>252,224</u>		<u>60,873</u>	<u>-</u>	<u>131,448</u>	<u>120,776</u>

8.1 The amortisation charge for the year has been allocated as follows:

	Note	2022	2021
----- (Rupees in '000') -----			
Cost of sales	34	53,212	52,998
Distribution and selling expenses	35	225	1,134
Administrative expenses	36	5,481	6,741
		<u>58,918</u>	<u>60,873</u>

8.2 Represents patent rights and technical services acquired in respect of engineering business.

8.3 Intangible assets include items having an aggregate cost of Rs 44.952 million (2021: Rs 33.041 million) which are fully amortised and still in use of the Company.

9. INVESTMENT PROPERTY

	COST			ACCUMULATED DEPRECIATION			Written down value as at June 30,	Depriciation Rate %
	Opening balance	Additions/ subsequent expenditures	Closing balance	Opening balance	Charge for the year (Note 36)	Closing balance		
----- (Rupees in '000') -----								
Freehold land	891	-	891	-	-	-	891	-
Building on freehold land	694	-	694	600	5	605	89	5
2022	<u>1,585</u>	<u>-</u>	<u>1,585</u>	<u>600</u>	<u>5</u>	<u>605</u>	<u>980</u>	
2021	<u>1,585</u>	<u>-</u>	<u>1,585</u>	<u>595</u>	<u>5</u>	<u>600</u>	<u>985</u>	

9.1 Investment property represents godown in Multan, the fair value of which has been determined on the basis of a valuation carried out by an independent valuer, as of June 30, 2022 which amounts to Rs. 136.005 million (2021: Rs. 132.824 million). The valuation was arrived on the basis of market intelligence, indexation of the original cost, year of construction and present physical condition and location. The Company has entered into a long-term agreement with Shabbir Tiles and Ceramics Limited, a related party in respect of investment property. The rental agreement has a remaining lease term of 9 months, with escalation clause upon renewal of contract based on mutual agreement. The rental income from investment property is disclosed in Note 38 to these unconsolidated financial statements.

9.2 Details of the Company's immovable investment property are as under:

Location	Land Area (square yards)	Building Covered Area (square feet)
----- (in '000) -----		
Industrial Property bearing khewat number 861, 862, 890, 895, 905, khatooni number 1086,1087,1116, 1121,1133, Mouza Taraf Ravi, Multan, Punjab.	5	20

10. LONG-TERM INVESTMENTS

	Note	2022	2021	2022	2021
		Holding %		----- (Rupees in '000') -----	
Investments in related parties					
Subsidiaries, unquoted – at cost					
Noble Computer Services (Private) Limited		100	100	1,086	1,086
Pakistan Industrial Aids (Private) Limited		100	100	10,000	10,000
Habib METRO Pakistan (Private) Limited		60	60	2,789,223	2,789,223
Thal Power (Private) Limited	10.1	100	100	4,550,100	1,900,100
Thal Electrical (Private) Limited		100	100	100	100
Thal Boshoku Pakistan (Private) Limited		55	55	379,500	379,500
Makro-Habib Pakistan Limited		100	100	223,885	223,885
Less: Provision for impairment				(223,885)	(223,885)
				<u>-</u>	<u>-</u>
				<u>7,730,009</u>	<u>5,080,009</u>
Associates – at cost					
	10.2				
Quoted					
Indus Motor Company Limited		6.22	6.22	48,900	48,900
Habib Insurance Company Limited		4.63	4.63	561	561
Agriauto Industries Limited		7.35	7.35	9,473	9,473
Shabbir Tiles & Ceramics Limited		1.30	1.30	21,314	21,314
				<u>80,248</u>	<u>80,248</u>
Unquoted					
Sindh Engro Coal Mining Company Limited	10.3	11.90	11.90	2,840,150	2,547,082
				<u>2,920,398</u>	<u>2,627,330</u>
Other investments					
Listed shares - At FVOCI					
Habib Sugar Mills Limited				59,741	61,608
GlaxoSmithKline (Pakistan) Limited				210	278
GlaxoSmithKline Healthcare (Pakistan) Limited				120	126
Dynea Pakistan Limited				142,123	180,554
Allied Bank Limited				12,546	13,482
Habib Bank Limited				5,948	7,968
TPL Properties Limited				37,645	36,042
	10.4			<u>258,333</u>	<u>300,058</u>
				<u>10,908,740</u>	<u>8,007,397</u>

10.1 The Company, through its subsidiary, Thal Power (Private) Limited (TPL), undertook to invest USD 34.3 million in PKR equivalent in ThalNova Power Thar (Private) Limited (TNTPL), which is a company developing a coal based power plant. Upto the statement of financial position date, through TPL, the Company has invested Rs. 4,148.770 million in TNTPL acquiring 266,669,867 ordinary shares having face value of Rs. 10 each out of which Rs. 1,482.070 million is advance against share capital. During the year, the Company invested Rs. 2,650 million in TPL for further investment in TNTPL. The balance commitment of the investment is USD 10 million in PKR equivalent. TNTPL achieved its financial close on September 30, 2020 and expects to achieve Commercial Operations Date (COD) in 2022.

To secure the Company's commitment as above, a commercial bank has issued a guarantee in favour of TPL amounting to Rs. 1,905.147 million (2021: Rs. 3,509.893 million).

10.2 Although the Company has less than 20% equity interest in all its associates, the management believes that significant influence over these associates exists by virtue of the Company's representation on the Board of Directors and participation in policy making decisions of these companies.

10.3 This includes investment in Sindh Engro Coal Mining Company Limited (SECMC), an associate established for the construction of coal mine. Although the Company has less than 20% equity interest in the associate, the management believes that it has significant influence due to the contractual agreement with the shareholders. The Company undertook to invest a total of USD 25.6 million to expand the mine to 7.6 mtpa. Phase I of the Project achieved commercial operations in July 2019 and Phase II achieved financial close in December 2019. During the year, the Company invested Rs. 293.068 million in SECMC. As on the statement of financial position date, the Company has invested Rs. 2,840.15 million acquiring 191,643,025 ordinary shares having face value of Rs. 10 each, at a price of Rs. 14.82 per share. The balance commitment of the investment is USD 2.5 million in PKR equivalent.

To secure the Company's commitment as above, a commercial bank has issued a guarantee in favour of the Company amounting to Rs. 1,544.277 million (2021: Rs. 1,544.277 million).

10.4 The cost of these investments is Rs. 54.648 million (2021: Rs. 54.648 million). The Company recognised loss of Rs. 41.725 million (2021: gain of Rs. 130.011 million) on revaluation of these equity instruments in other comprehensive income.

11. LONG-TERM LOANS - considered good

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
Subsidiary - unsecured			
Thal Boshoku Pakistan (Private) Limited (TBPK)	11.1	275,000	275,000
Less: Current portion		(275,000)	-
		<u>-</u>	<u>275,000</u>

11.1 This carries interest at the rate of 3 month KIBOR + 0.75% per annum and is due for repayment in February 2023 and is extendable by mutual consent of both parties.

12. LONG-TERM DEPOSITS

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
Utilities		7,470	6,744
Security deposits		22,094	12,626
Others		1,166	1,008
		<u>30,730</u>	<u>20,378</u>

13. DEFERRED TAX ASSET

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
Deductable temporary differences arising on:			
Provisions		511,209	417,052
Lease liabilities		33,193	34,129
Unrealized loss on investments classified as FVPL		9,904	8,943
		<u>554,306</u>	<u>460,124</u>
Taxable temporary differences arising on:			
Accelerated depreciation		(361,572)	(241,331)
		<u>192,734</u>	<u>218,793</u>

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
14. STORES, SPARES AND LOOSE TOOLS			
Stores in hand		58,104	35,857
Spares in hand		213,607	145,620
Loose tools		124	113
Less: Provision for obsolescence	14.1 & 14.2	(71,955)	(63,763)
		<u>199,880</u>	<u>117,827</u>

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
14.1 Movement - Provision for obsolescence			
Opening balance		63,763	73,566
Charge/(Reversal) for the year - net		8,192	(9,803)
Closing balance		<u>71,955</u>	<u>63,763</u>

14.2 Aggregate cost of stores, spares and loose tools which have been provided for based on obsolescence amount to Rs. 110.049 million (2021: Rs. 137.137 million). Accordingly, net realisable value of such inventory amounts to Rs. 38.094 million (2021: Rs. 73.374 million).

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
15. STOCK-IN-TRADE			
Raw material			
- In hand	15.1	5,459,808	4,755,273
- In transit		3,131,505	2,019,451
		<u>8,591,313</u>	<u>6,774,724</u>
Work-in-process		809,655	560,647
Finished goods		1,207,479	606,815
Less: Provision for obsolescence	15.2 & 15.3	(229,346)	(212,137)
		<u>10,379,101</u>	<u>7,730,049</u>

15.1 Raw materials amounting to Rs 11.432 million (2021: Rs 10.887 million) are held with the sub-contractors.

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
15.2 Movement - Provision for obsolescence			
Opening balance		212,137	181,945
Charge for the year - net		17,209	30,192
Closing balance		<u>229,346</u>	<u>212,137</u>

15.3 Aggregate of raw material, work-in-process and finished goods which have been provided for based on obsolescence amount to Rs. 411.531 million (2021: Rs. 629.364 million), Rs. 15.503 million (2021: Rs. 24.354 million) and Rs. 24.499 million (2021: Rs. 426.384 million), respectively. Accordingly, net realisable value of such stock-in-trade amounts to Rs. 222.187 million (2021: Rs. 867.965 million).

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
16. TRADE DEBTS			
Considered good	16.1 & 16.2	3,908,687	3,313,294
Allowance for expected credit losses	16.3	(78,835)	(82,120)
		<u>3,829,852</u>	<u>3,231,174</u>

16.1 This includes amount due from the following related parties:

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
Indus Motor Company Limited		1,076,856	895,702
Shabbir Tiles and Ceramics Limited		33,409	11,105
		<u>1,110,265</u>	<u>906,807</u>

16.2 The maximum aggregate amount due from the related parties at the end of any month during the year is as follows:

Note	2022	2021
	----- (Rupees in '000) -----	
Indus Motor Company Limited	1,704,544	895,752
Shabbir Tiles and Ceramics Limited	33,409	27,627

16.3 Movement - Allowance for expected credit losses

Note	2022	2021
	----- (Rupees in '000) -----	
Opening balance	82,120	213,406
Reversal for the year - net	(1,266)	(131,286)
Bad debts written off during the year	(2,019)	-
Closing balance	78,835	82,120

17. LOANS AND ADVANCES

Loans - secured

Note	2022	2021
	----- (Rupees in '000) -----	
Makro Habib Pakistan Limited (MHPL) - secured	230,069	267,703
Allowance for expected credit losses	(230,069)	(267,703)

Loans - unsecured

Thal Boshoku Pakistan (Private) Limited (TBPK) - current portion	275,000	-
--	---------	---

Advances - considered good

Suppliers - secured	267,832	101,827
Employees	3,760	1,333
	271,592	103,160
	546,592	103,160

17.1 The maximum aggregate amount due from MHPL and TPL at the end of any month during the year was Rs. 267.703 million (2021: Rs. 267.703 million) and Rs. 250 million (2021: Rs. 1,652,286 million), respectively.

17.2 Movement in allowance for expected credit losses is as follows:

Note	2022	2021
	----- (Rupees in '000) -----	
Opening balance	267,703	263,203
Provision (reversal)/charge during the year	(37,634)	4,500
Closing balance	230,069	267,703

17.2.1 During the year, MHPL repaid the Company an amount of Rs. 37.634 million.

18. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Note	2022	2021
	----- (Rupees in '000) -----	
Trade deposits		
Tender	153,791	185,732
Margin against letter of credit	811,881	193,758
Deposit against custom duty	7,182	7,182
Container deposits	34,567	29,124
	1,007,421	415,796
Short-term prepayments		
Insurance	15,777	19,858
Others	18,965	17,057
	34,742	36,915
	1,042,163	452,711

18.1 These deposits are interest free.

18.2 This includes prepaid insurance amounting to Rs. 5.349 million (2021: Rs. 12.308 million) paid to Habib Insurance Company Limited, a related party.

19. OTHER RECEIVABLES

Note	2022	2021
	----- (Rupees in '000) -----	
Tooling income receivable	30,852	47,246
Duty drawback	17,326	2,006
Custom duty reimbursable	786,558	565,285
Receivable from Workers' Profit Participation Fund	5,061	376
Receivable under group taxation from MHPL	15,568	3,557
Receivable under group taxation from TPL	-	33
Others	11,665	648
	867,030	619,151

19.1 Workers' Profit Participation Fund (WPPF)

Note	2022	2021
Opening balance	376	2,937
Allocation for the current year	(229,939)	(179,624)
	(229,563)	(176,687)
Paid during the year	234,624	177,063
Closing balance	5,061	376

19.2 This includes receivable from the following related parties is as follows:

Noble Computer Services (Private) Limited	1,813	-
Thal Boshoku Pakistan (Private) Limited	8,100	-
	9,913	-

19.3 The maximum aggregate amount due from related parties at the end of any month during the year is as follows:

Note	2022	2021
	----- (Rupees in '000) -----	
Noble Computer Services (Private) Limited	1,813	-
Thal Boshoku Pakistan (Private) Limited	8,100	-

	Note	2022	2021
		----- (Rupees in '000) -----	
20. SHORT-TERM INVESTMENTS			
At fair value through statement of profit or loss			
Treasury Bills		-	927,603
Atlas Money Market Fund		102,266	300,611
UBL Liquidity Plus Fund		100,000	200,570
Alfalah GHP Money Market Fund		100,000	247,603
NBP Money Market Fund		296,698	300,554
MCB Cash Management Optimizer Fund		100,091	350,663
HBL Cash Fund	20.1	166,374	274,337
ABL Cash Fund		100,135	200,324
Meezan Rozana Amdani Fund		297,754	-
		1,263,318	1,874,662
		1,263,318	2,802,265

20.1 Mutual fund units amounting to Rs. 166.373 million (2021: Rs. 124.120 million) are under lien as margin for security against State Bank of Pakistan's Temporary Economic Refinance Facility and State Bank of Pakistan's Refinance Facility for Renewable Energy from various commercial bank.

	Note	2022	2021
		----- (Rupees in '000) -----	
21. CASH AND BANK BALANCES			
Cash in hand		2,134	638
Bank balances			
Current accounts	21.1 & 21.2	430,116	276,863
Term Deposit Receipts		1,109,370	1,159,370
Deposit accounts	21.3 & 21.4	1,016,008	659,502
		2,555,494	2,095,735
		2,557,628	2,096,373

21.1 These carry interest at rates ranging from 12.5% to 20% (2021: 6.55% to 9.00%) per annum having maturity latest by August 15, 2022.

21.2 TDR amounting to Rs. 209.37 million (2021: Rs. 145.950 million) is under lien against a letter of guarantee issued by a commercial bank on behalf of the Company.

21.3 These carry interest at rates ranging from 12.25% to 12.7%% (2021: 5.50% to 5.80%) per annum.

21.4 This includes a special bank account maintained in respect of security deposit in compliance with the requirements of Companies Act, 2017.

22. ASSETS CLASSIFIED AS HELD FOR SALE

	Note	2022	2021
		----- (Rupees in '000) -----	
Assets acquired in settlement of claims		-	6,720
Less: Provision for impairment	22.1	-	(1,720)
		-	5,000
22.1 Movement - Provision of impairment			
Opening balance		1,720	-
Charge for the year	37	1,021	1,720
Disposal of asset		(2,741)	-
Closing balance		-	1,720

23. SHARE CAPITAL

23.1 Authorized Capital

The Company has authorised capital of 200 million ordinary shares of Rs. 5/- each amounting to Rs. 1,000 million.

23.2 Issued, subscribed and paid-up capital

	2022	2021		2022	2021
	Number of ordinary shares of Rs. 5/- each			----- (Rupees in '000) -----	
	5,149,850	5,149,850	Fully paid in cash	25,750	25,750
	64,640,390	64,640,390	Issued as fully paid bonus shares	323,202	323,202
	11,239,669	11,239,669	Shares issued under the Scheme of Arrangement for Amalgamation	56,198	56,198
	81,029,909	81,029,909		405,150	405,150

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

24. RESERVES

Capital reserves

	Note	2022	2021
		----- (Rupees in '000) -----	
Reserve on merger of former Pakistan Jute and Synthetics Limited and former Thal Jute Mills Limited		13,240	13,240
Reserve on merger of former Pakistan Paper Sack Corporation Limited and former Khyber Papers (Private) Limited		42,464	42,464
Reserve on merger of A-One Enterprises (Private) Limited		951,211	951,211
		1,006,915	1,006,915

Revenue reserves

General reserve		21,739,000	19,089,999
Unappropriated profit		3,875,077	3,158,159
		25,614,077	22,248,158
Gain on revaluation of investments held at fair value through OCI		203,685	245,410
		26,824,677	23,500,483

	Note	2022	2021
		----- (Rupees in '000) -----	
25. LONG-TERM DEPOSITS AND PAYABLES			
Deposits with:			
- Related Party	25.1	708	708
- Others		755	755
Payable in respect of Gas Infrastructure Development Cess		14,545	15,919
Less: Current portion		(5,495)	(5,495)
		9,050	10,424
		10,513	11,887

25.1 Represents security deposit received from Shabbir Tiles and Ceramics Limited, a related party in respect of godown space rented thereto.

	Note	2022	2021
		----- (Rupees in '000) -----	
26. LONG-TERM BORROWING - secured			
State Bank of Pakistan's (SBP) Refinance Facility for Payment of Salaries and Wages	26.1	74,678	174,249
Less: Current portion		(74,678)	(99,571)
		-	74,678
SBP's Temporary Economic Refinance Facility	26.2	1,467,674	99,281
Less: Deferred income	28	(345,189)	(26,703)
		1,122,485	72,578
SBP's Financing Scheme for Renewable Energy	26.3	296,858	47,579
Less: Deferred income	28	(58,466)	-
Less: Current portion		(7,220)	(9,593)
		231,172	37,986
Long-term loan	26.4	918,908	-
		2,272,565	185,242

26.1 In 2020, SBP introduced a Temporary Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns to support companies in making the payment of salaries and wages due to economic challenges imposed by COVID-19. This carries interest at the rate of 1.25% per annum and is repayable in eight equal quarterly installments. The borrowing is secured against a joint Pari Passu hypothecation charge on all present and future stocks, book debts and certain receivables of the Company.

26.2 In 2020, SBP introduced Temporary Economic Refinance Facility to facilitate purchase of new plant and machinery to be used for setting up of new projects in all sectors. The total amount of the facilities from various commercial banks is Rs. 1,510 million, out of which the Company has utilised Rs 1,468 million as at June 30, 2022. The facilities carry interest at rates ranging from 1.95% to 3.00% and are repayable in 32 equal quarterly installments starting from July 2023. The facilities are secured against charge against the underlying fixed assets.

26.3 In 2016, SBP introduced Refinance Scheme for Renewable Energy to encourage and facilitate purchase and installation of renewable energy facilities. Through a circular issued in 2019, the expiry period of the scheme was extended to June 30, 2022. The total amount of the facilities from various commercial banks is Rs. 358 million, out of which the Company has utilised Rs 297 million as at June 30, 2022 for installation of solar power system at various location. The facilities carry interest at rates ranging from 2.45% to 3.45% and are repayable in 40 equal quarterly installments. The facilities are secured against charge against the underlying fixed assets.

26.4 During the year, the Company obtained long-term loan from a commercial bank for investment in ThalNova Power Thar (Private) Limited through its subsidiary, Thal Power (Private) Limited. The facilities carry interest at 3-month KIBOR + 0.25% and are repayable in 20 equal quarterly installments starting from January 2024. The facilities are secured against charge against fixed assets of the Company.

27. LEASE LIABILITIES

	Note	2022	2021
		----- (Rupees in '000) -----	
Opening balance		117,690	8,443
Re-assessment of lease liabilities		-	120,334
Accretion of interest during the year	39	9,498	5,552
Less: Lease rentals paid during the year		(26,604)	(16,639)
Closing balance		100,584	117,690
Less: Current portion		(20,496)	(17,140)
		80,088	100,550

28. DEFERRED INCOME

	Note	2022	2021
		----- (Rupees in '000) -----	
Deferred income		403,655	26,703
Less: Current portion of deferred income		(70,910)	(4,394)
		332,745	22,309
28.1 Movement - Deferred income			
Opening balance		26,703	-
Recognition of deferred income		428,799	26,988
Amortisation during the year	39	(51,847)	(285)
Closing balance		403,655	26,703

28.2 This relates to benefit of SBP's Temporary Economic Refinance Facility and SBP's Financing Scheme for Renewable Energy at below-market interest rate. The deferred income is being amortised to statement of profit or loss on a systematic basis over the period during which the related interest expense, which it is intended to compensate, is expensed.

	Note	2022	2021
		----- (Rupees in '000) -----	
29. TRADE AND OTHER PAYABLES			
Creditors	29.1	2,153,913	1,396,108
Accrued liabilities and levies		1,633,529	1,331,824
Additional custom duty provision	29.2	777,098	658,336
Payable to TPL under group taxation	31.1	658	-
Salaries payable		22,150	21,917
Warranty obligations	29.3	776,020	633,701
Advances from customers (Contract liabilities)	29.4	141,092	26,989
Royalty payable	29.5	130,896	91,581
Security deposits		1,266	1,276
Payable to retirement benefit fund		11,843	10,154
Other liabilities	29.6	195,241	163,343
		5,843,706	4,335,229
29.1 This includes amounts due to the following related parties:			
Habib Insurance Company Limited		2,510	2,142
Noble Computer Services (Private) Limited		1,444	47
Habib METRO Pakistan (Private) Limited		4,639	-
		2,515	2,189

29.2 Last year, the Federal Board of Revenue vide its SRO dated June 28, 2019 imposed additional custom duty on the imports of certain items specified in the First Schedule to the Customs Act, 1969. The Company aggrieved by the notification is contesting its applicability by filing appeal before the Appellate Tribunal Customs Karachi (ATC) where the hearing is currently pending.

In order to secure the Company's commitment as above, a commercial bank has issued a guarantee in favour of the Company amounting to Rs. 92.397 million (2021: Rs. 109.416 million).

With reference to the above, Indus Motor Company Limited (IMC), a related party, has committed to reimburse the Company for any outflow that it may incur on account of additional customs duty paid on goods imported for supplies made to IMC. Accordingly, a reimbursement asset is recorded as disclosed in note 19 to these unconsolidated financial statements.

	Note	2022 ------(Rupees in '000)-----	2021
29.3 Warranty obligations			
Opening balance		633,701	532,352
Charge for the year	35	161,198	117,436
Claims paid during the year		(18,879)	(16,087)
Closing balance		<u>776,020</u>	<u>633,701</u>

29.4 Revenue recognised during the year that was included in contract liabilities balance at the beginning of the year amounts to Rs. 26.989 million (2021: Rs. 29.428 million).

	Note	2022 ------(Rupees in '000)-----	2021
29.5 Royalty payable			
Opening balance		91,581	40,492
Charge for the year	34.2	241,895	166,861
Paid during the year		(202,580)	(115,772)
Closing balance		<u>130,896</u>	<u>91,581</u>

29.6 Other liabilities			
Withholding tax payable		17,237	2,618
Employees Old-Age Benefits Institution		62,728	62,976
Workers' Welfare Fund		87,596	78,150
Others		27,680	19,599
		<u>195,241</u>	<u>163,343</u>

30. SHORT TERM BORROWING - Secured

	Note	2022 ------(Rupees in '000)-----	2021
Export Refinance Facility	30.1	555,000	361,000
Export Finance Scheme	30.2	42,080	-
		<u>597,080</u>	<u>361,000</u>

30.1 This represents Export Refinance Facility obtained by the Company from various commercial banks. The total amount of the facility is Rs. 555 million (2021: Rs. 361 million). It carries markup at rates ranging from 2.35% to 3% per annum (2021: 3% per annum) and is secured against a joint Pari Passu hypothecation charge on all present and future stocks and book debts of the Company. The portion of the facility utilized during the year amounted to Rs 555 million (2021: Rs. 361 million) and is repayable latest by August 2022.

30.2 This represents Export Finance Scheme obtained by the Company from a commercial bank. The total amount of the facility is Rs. 68 million (2021: nil). It carries markup at the rate of 0.49% per annum and is secured against a joint Pari Passu hypothecation charge on all present and future stocks and book debts of the Company. The facility is repayable latest by October 2022.

	Note	2022 ------(Rupees in '000)-----	2021
31. INCOME TAX - net			
Group Tax Relief adjustments	31.1	(684,120)	(684,120)
Group Taxation adjustments	31.2	58,266	46,904
Income tax provision less tax payments – net	31.3	<u>1,502,592</u>	<u>901,844</u>
		<u>876,738</u>	<u>264,628</u>

31.1 In terms of the provisions of Section 59B of the Income Tax Ordinance, 2001 (the Ordinance), a subsidiary company may surrender its tax losses in favour of its holding company for a set off against the income of its holding Company subject to certain conditions as prescribed under the Ordinance.

Accordingly, the Company adjusted its tax liabilities for the tax years 2008 to 2010 by acquiring the losses of its subsidiary company and consequently an aggregate sum of Rs. 593.466 million equivalent to the tax value of the losses acquired had been paid to the subsidiary company.

The original assessments of the Company for the tax years 2008 to 2010 were amended under Section 122(5A) of the Ordinance by the tax authorities by disallowing Group Relief claimed by the Company under Section 59B of the Ordinance aggregating to Rs. 593.466 million. The Company preferred appeals against the said amended assessments before the Commissioner Inland Revenue (Appeals) who vide his orders dated 10 June 2011 and 11 July 2011 has held that the Company is entitled to Group Relief under Section 59B of the Ordinance. However, the tax department filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the Commissioner Inland Revenue (Appeal) (CIR) Order. The ATIR has passed an order in favour of the Company for the above tax years. In response, the Tax department filed reference application / appeal against the order of ATIR before the High Court of Sindh and with the Chairman ATIR which are under the process of hearings.

31.2 In terms of provision of Section 59AA of Income Tax Ordinance, 2001 (the Ordinance), Thal Limited and certain subsidiaries have irrevocably opted to be taxed as one fiscal unit. Accordingly, the tax loss and tax transferred by these subsidiaries under group taxation opted by the Company amounted to Rs. 0.811 million (2021: 2.918) and Rs. 12.173 million (2021: Rs. 5.393 million), respectively.

31.3 Includes adjustment of tax challans acquired from MHPL and TPL amounting to Rs 0.162 million (2021: Rs 0.063 million) and Rs 1.075 million (2021: Rs 3.592 million), respectively.

32. CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

32.1.1 As of June 30, 2022, the Company has no contingencies other than those disclosed in note 31.1 to these unconsolidated financial statements.

32.2 Commitments

32.2.1 Post dated cheques issued to Collector of Custom and a customer against advance export proceeds

Note	2022 ------(Rupees in '000)-----	2021
	<u>180,686</u>	<u>18,866</u>
32.2.2 Outstanding letters of credit	<u>5,515,484</u>	<u>4,168,056</u>
32.2.3 Letter of guarantees issued by banks on behalf of the Company in respect of financial commitments of the Company.	<u>4,621,237</u>	<u>3,874,935</u>
32.2.4 Commitments in respect of raw-material	<u>1,541,047</u>	<u>959,051</u>
32.2.5 Commitments in respect of capital expenditure	<u>108,492</u>	<u>261,528</u>
32.2.6 Commitments for rentals under Ijarah (lease) agreements		
Within one year	8,540	21,571
After one year but not later than five years	556	13,347
	<u>9,096</u>	<u>34,918</u>

32.2.7 Commitments in respect of investments are disclosed in notes 10.1 and 10.3 to these unconsolidated financial statements.

32.2.8 This guarantee is secured by assets disclosed in note 7.1.5 to these unconsolidated financial statements.

32.2.9 Represent Ijarah (lease) agreement entered into with a Modaraba in respect of vehicles. Total Ijarah payments due under the agreements are Rs 9.096 million and are payable in monthly installments latest by September 2023. These commitments are secured by on-demand promissory notes of Rs 34.512 million.

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
33. REVENUE - net			
Export sales		2,232,429	1,761,339
Local sales		41,098,671	30,014,023
		<u>43,331,100</u>	<u>31,775,362</u>
Less:			
Sales tax		(6,007,924)	(4,441,125)
Sales discount		(22,962)	(22,624)
		<u>(6,030,886)</u>	<u>(4,463,749)</u>
Add:			
Duty drawback		51,279	5,575
		<u>37,351,493</u>	<u>27,317,188</u>
34. COST OF SALES			
Raw material consumed	34.1	27,384,187	19,504,005
Salaries, wages and benefits		2,433,167	1,773,850
Stores and spares consumed		333,100	243,466
Repairs and maintenance		151,285	131,855
Power and fuel		370,517	323,124
Rent, rates and taxes		6,260	2,611
Vehicle running and maintenance		22,672	17,900
Insurance		16,688	13,557
Communication		10,575	8,758
Travelling and conveyance		12,018	5,682
Entertainment		1,018	595
Printing and stationery		13,174	9,521
Legal and professional expenses		13,233	13,750
Computer accessories and software maintenance fee		15,184	13,206
Royalty	34.2	241,895	166,861
Depreciation on operating fixed assets	7.2	604,869	481,925
Amortisation on intangible assets	8.1	53,212	52,998
Research		3,170	778
Ijarah rentals		4,899	15,623
Technical assistance fee		422	3,521
Others		5,482	2,998
		<u>31,697,027</u>	<u>22,786,584</u>
Work-in-process			
Opening		560,647	377,192
Closing		(809,655)	(560,647)
		<u>(249,008)</u>	<u>(183,455)</u>
Cost of goods manufactured		<u>31,448,019</u>	<u>22,603,129</u>
Finished goods			
Opening		606,815	652,073
Closing		(1,207,479)	(606,815)
		<u>(600,664)</u>	<u>45,258</u>
		<u>30,847,355</u>	<u>22,648,387</u>

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
34.1 Raw material consumed			
Opening stock		4,755,273	4,038,282
Purchases		28,088,722	20,220,996
Closing stock		(5,459,808)	(4,755,273)
		<u>27,384,187</u>	<u>19,504,005</u>
34.2 Royalty			
Party Name	Registered Address	Relationship with Company or its directors	
Denso Corporation	448-8661 1-1, ShowaCho, Kariya-city, Aichi-Pref., Japan	None	
			110,103
Furukawa Electric Comapny Limited	1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan	None	
			116,880
Yazaki Corporation	4-28 1-Chome, Mita, Minato-ku Tokyo Japan	None	
			14,015
Kyungshin Corporation	98, Gaetbeoi-Ro, Yeonsu-Gu, Incheon, Republic of Korea	None	
			897
			310
			<u>241,895</u>
			<u>166,861</u>
35. DISTRIBUTION AND SELLING EXPENSES			
Salaries and benefits		120,214	100,667
Vehicle running expense		10,338	6,800
Utilities		836	509
Insurance		1,613	1,749
Rent, rates and taxes		1,910	2,927
Communication		2,772	2,982
Advertisement and publicity		9,683	7,917
Travelling and conveyance		10,991	5,471
Entertainment		1,139	497
Printing and stationery		524	390
Legal and professional		-	33
Computer accessories		1,094	1,005
Research and development		47	68
Depreciation on operating fixed assets	7.2	5,959	1,499
Amortisation on intangible assets	8.1	225	1,134
Repairs and maintenance		377	1,335
Export expenses		51,071	30,114
Freight expenses		349,090	255,111
Provision for warranty obligations	29.3	161,198	117,436
Ijarah rentals		3,389	5,871
Others		1,709	1,174
		<u>734,179</u>	<u>544,689</u>

	Note	2022	2021
		----- (Rupees in '000) -----	
36. ADMINISTRATIVE EXPENSES			
Salaries and benefits		518,944	483,313
Vehicle running expense		20,420	14,431
Printing and stationery		4,543	3,337
Rent, rates and taxes		5,941	12,720
Utilities		8,667	7,687
Insurance		2,678	2,302
Entertainment		1,058	392
Subscription		1,834	1,421
Communication		4,925	4,713
Advertisement and publicity		3,146	1,148
Repairs and maintenance		8,989	17,706
Travelling and conveyance		11,315	5,056
Legal and professional advisory services		231,657	199,064
Computer accessories		9,600	10,860
Auditors' remuneration	36.1	6,180	6,219
Depreciation on operating fixed assets	7.2	64,971	35,998
Amortisation on intangible assets	8.1	5,481	6,741
Depreciation on investment property	9	5	5
Ijarah rentals		9,890	15,870
Charity and donations	36.2 & 36.3	59,249	45,782
Directors' fee and meeting expenses		2,090	1,875
Others		3,801	1,035
		<u>985,384</u>	<u>877,675</u>
36.1 Auditors' remuneration			
Audit fee		2,750	2,358
Half-yearly review		404	374
Taxation services		1,236	848
Other certification		1,111	2,012
Out of pocket expenses		679	627
		<u>6,180</u>	<u>6,219</u>

36.2 Charity and donations

Charity and donations include donations to following organisations in which directors or their spouses are interested:

	Note	2022	2021	
		----- (Rupees in '000) -----		
Name of donee	Address of donee	Name of directors/spouse		
Mohamedali Habib Welfare Trust	2nd Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae-e-Faisal, Karachi.	Mr. Rafiq M. Habib - Trustee	14,090	7,090
Habib Education Trust	4th floor, United Bank building, I.I. Chundrigar Road, Karachi.	Mr. Mohamedali R. Habib - Trustee	4,000	2,500
Habib University Foundation	147, Block 7&8, Banglore Cooperative Housing Society, Tipu Sultan Road, Karachi.	Mr. Rafiq M. Habib - Trustee Mr. Mohamedali R. Habib - Trustee	10,000	15,000
Ghulaman-e-Abbas Educational and Medical Trust	Bab-e-Ali, Al-alamdar Building, Near Lyari Expressway, Mauripur Road, Karachi	Mr. Rafiq M. Habib - Trustee	5,000	-
Hussaini Haematology & Oncology Trust	43-Rehmat Manzil, Bhurgari Road, Numash, Karachi.	Mr. Mohamedali R. Habib - Trustee	96	96
Anjuman -e- Behbood-Samat -e- Itefal	ABSA School 26-C National Highway, Korangi Road, Karachi.	Mrs. Rafiq M. Habib - Vice President	30	30

36.3 There are no donees, other than already disclosed in note 36.2 to these unconsolidated financial statements, to whom donations exceed 10% of total donation or Rs 1 million, whichever is higher.

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
37. OTHER CHARGES			
Workers' profits participation fund	19.1	229,939	179,624
Workers' welfare fund		83,064	64,636
Exchange loss		227,141	-
Loss on revaluation of investments classified as FVPL		6,407	28,293
(Reversal)/Charge of provision for impairment of property, plant & equipment - net		(1,064)	12,728
Charge of provision for impairment of loan - MHPL	17.2	-	4,500
Charge of provision for impairment of assets classified as held for sale	22.1	1,021	1,720
		<u>546,508</u>	<u>291,501</u>
38. OTHER INCOME			
Income from financial assets			
Dividend income from:			
Related parties			
Indus Motor Company Limited		621,030	361,860
Agriauto Industries Limited		12,694	12,694
Habib Insurance Company Limited		3,585	2,868
Shabbir Tiles and Ceramics Limited		3,902	-
Habib Metro Pakistan (Private) Limited		639,159	543,597
		<u>1,280,370</u>	<u>921,019</u>
Others			
Dynea Pakistan Limited		4,085	6,127
Habib Sugar Mills Limited		5,601	5,134
TPL Properties Limited		-	1,197
Allied Bank Limited		1,455	1,455
Habib Bank Limited		521	309
GlaxoSmithKline Pakistan Limited		12	3
Mutual Funds		161,591	136,931
		<u>173,265</u>	<u>151,156</u>
Interest on:			
Loan to subsidiary - Thal Boshoku Pakistan (Private) Limited		30,657	22,532
Deposit accounts		64,111	45,853
Term deposit receipts		34,572	31,531
Government treasury bills		-	-
		<u>129,340</u>	<u>99,916</u>
Gain on sale of Government treasury bills		72,004	77,817
Gain on disposal of investment in mutual funds		21,207	24,553
Reversal of allowance for expected credit loss		1,266	131,286
Reversal of provision for impairment of loan - MHPL	17.2	37,634	-
Exchange gain		-	64,535
		<u>1,715,086</u>	<u>1,470,282</u>
Income from non financial assets			
Gain on disposal of operating fixed assets		12,925	35,183
Rental income	38.1	3,189	2,832
Service income	38.2	32,400	32,400
Scrap sales		30,526	33,190
Claim from customers		30,614	46,009
Insurance claim		7,051	31,850
		<u>116,705</u>	<u>181,464</u>
		<u>1,831,791</u>	<u>1,651,746</u>

	Note	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
38.1 Maturity analysis of operating lease payments			
The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:			
Within one year		<u>3,189</u>	<u>2,832</u>
38.2 The Company has a service agreement with Thal Boshoku Pakistan (Private) Limited. As per the agreement, the Company provides service and support for production, plant maintenance, engineering, imports, logistics, material handling, sales administration, human resource, general administration, financial, corporate, legal and tax advisory.			
	Note	2022	2021
		------(Rupees in '000)-----	------(Rupees in '000)-----
39. FINANCE COSTS			
Interest on:			
- Export Refinance Scheme		15,436	10,178
- State Bank of Pakistan's Refinance Scheme for payment of salaries and wages		5,705	2,411
- State Bank of Pakistan's Refinance Scheme for Temporary Economic Relief		75,383	478
- State Bank of Pakistan's Financing Scheme for Renewable Energy		7,150	286
- Long-term loan		58,741	-
- Running finance facilities		5,192	25
- Lease liabilities	27	9,498	5,552
Amortisation of deferred income	28.1	(51,847)	(285)
		<u>125,258</u>	<u>18,645</u>
Bank charges and commission		19,706	16,172
		<u>144,964</u>	<u>34,817</u>
40. TAXATION			
Current		1,718,593	1,144,280
Prior		(77,006)	(40,744)
		<u>1,641,587</u>	<u>1,103,536</u>
Deferred		26,059	(13,866)
	40.1	<u>1,667,646</u>	<u>1,089,670</u>
40.1 Relationship between income tax expense and accounting profit			
Profit before taxation		<u>5,924,894</u>	<u>4,571,865</u>
Tax at the rate of 29% (2021: 29%)		1,718,219	1,325,841
Super tax at the rate of 4% (2021: nil)		236,996	-
		<u>1,955,215</u>	<u>1,325,841</u>
Tax effects of:			
Income taxed at reduced rates on dividend and gain on disposal of investments		(213,589)	(221,328)
Income taxed under Final Tax Regime on export sales		(35,156)	(33,237)
Tax effect of inadmissible items		2,124	15,823
Tax credits		(14,488)	(7,231)
Others		(26,460)	9,802
		<u>1,667,646</u>	<u>1,089,670</u>
Average effective tax rate		28%	24%

	Note	2022	2021
		----- (Rupees in '000) -----	
41. BASIC AND DILUTED EARNINGS PER SHARE			
There is no dilutive effect on the basic earnings per share of the Company, which is based on:			
Net profit for the year		4,257,248	3,482,195
Weighted average number of ordinary shares of Rs. 5/- each.		81,030	81,030
		----- (Rupees) -----	
Basic and diluted earnings per share		52.54	42.97
42. CASH GENERATED FROM OPERATIONS	Note	2022	2021
		----- (Rupees in '000) -----	
Profit before taxation		5,924,894	4,571,865
Adjustments for non-cash charges and other items:			
Depreciation:			
- Right of use assets		24,187	15,811
- Others		651,617	503,616
Amortisation		58,918	60,873
Finance costs on:			
- Lease liabilities		9,498	5,552
- Others		135,466	29,265
Interest income		(129,340)	(99,916)
Gain on revaluation / redemption of investments classified at FVPL		(86,804)	(74,077)
Dividend income		(1,453,635)	(1,072,175)
Allowance for expected credit losses		(1,266)	(131,286)
Charge for impairment of stock-in-trade and stores and spares		25,401	20,389
Provision for retirement benefits		7,922	8,060
(Reversal)/charge of provision for impairment of property, plant and equipment		(1,064)	12,728
(Reversal)/charge of provision for impairment on loan to MHPL		(37,634)	4,500
Charge of provision against non-current assets held for sale		1,021	1,720
Gain on disposal of operating fixed assets and intangible assets		(12,925)	(35,183)
		(808,638)	(750,123)
		5,116,256	3,821,742
Increase in current assets			
Stores, spares and loose tools		(90,245)	19,131
Stock-in-trade		(2,666,261)	(2,206,425)
Trade debts		(593,433)	(599,070)
Loans and advances		(168,432)	(61,104)
Trade deposits and short-term prepayments		(589,452)	(266,705)
Other receivables		(247,867)	(435,910)
		(4,355,690)	(3,550,083)
Increase in current liabilities			
Trade and other payables		1,506,788	1,664,225
Sales tax refundable		(47,185)	44,243
		1,459,603	1,708,468
		2,220,169	1,980,127

	Note	2022	2021
		----- (Rupees in '000) -----	
43. CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	2,557,628	2,096,373
44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES			
Related parties of the Company comprise of subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties, duly approved by the Board, during the year are as under:			
		2022	2021
		----- (Rupees in '000) -----	
Relationship	Nature of transactions		
Subsidiaries	Professional services acquired	168,560	137,960
	Purchase of goods	-	1,296
	Supplies purchased	497	-
	Sale of goods	-	117
	Service fee	32,400	32,400
Associates	Sale of goods	16,596,215	12,275,492
	Insurance premium	41,262	44,966
	Purchase of assets	29,609	110,983
	Insurance claim received	12,143	35,028
	Rent received	3,189	2,832
Employee benefit plans	Contribution to provident fund	57,234	45,992
	Contribution to retirement benefit fund	9,352	8,060

- 44.1 Transactions with key management personnel are disclosed in note 45 to the unconsolidated financial statements.
- 44.2 Receivable from and payable to related parties as at June 30, 2022 are disclosed in the respective notes to the unconsolidated financial statements.
- 44.3 Following are the related parties of the Company with whom the Company had entered into transactions or have arrangement/agreement in place as per mutually agreed terms and conditions.

S. No	Company Name	Basis of association	Aggregate % of shareholding	Nature of transactions
1	Noble Computer Services (Private) Limited	Subsidiary (note 44.3.1)	100%	Professional services acquired
2	Pakistan Industrial Aids (Private) Limited	Subsidiary (note 44.3.1)	100%	Sale of goods
3	Habib METRO Pakistan (Private) Limited	Subsidiary (note 44.3.1)	60%	Dividend received
4	Makro-Habib Pakistan Limited	Subsidiary (note 44.3.1)	100%	Tax profit and challans acquired and loan disbursed
5	Thal Boshoku Pakistan (Private) Limited	Subsidiary (note 44.3.1)	55%	Service fees / Mark-up on loan
6	Thal Power (Private) Limited	Subsidiary (note 44.3.1)	100%	Loan repayment received and equity investment made
7	Sindh Engro Coal Mining Company Limited	Associate (note 44.3.1)	11.90%	Equity investment
8	Indus Motor Company Limited	Associate (note 44.3.1)	6.22%	Sales of goods / Purchase of assets
9	Shabbir Tiles and Ceramics Limited	Associate (note 44.3.1)	1.30%	Sales of goods and rent received
10	Habib Insurance Company Limited.	Associate (note 44.3.1)	4.63%	Insurance premium paid and insurance claim received
11	Agriauto Industries Limited	Associate (note 44.3.1)	7.35%	Dividend received
12	Habib Metropolitan Bank Limited	Common directorship (note 44.3.1)	-	Mark-up and bank charges paid and interest received
13	Thal Limited - Employees' Provident Fund	Retirement benefit fund	-	Contribution made
14	Thal Limited - Employees' Retirement Benefit Fund	Retirement benefit fund	-	Contribution made

44.3.1 These entities are associated companies / undertakings of the Company under Companies Act, 2017.

45. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2022			2021		
	Chief executive	Directors	Executives	Chief executive	Directors	Executives
	----- (Rupees in '000) -----					
Managerial remuneration	59,495	-	355,910	56,025	-	319,762
Bonus	32,869	-	74,850	9,000	-	47,097
Company's contribution to provident fund	2,818	-	15,374	2,429	-	12,004
Company's contribution to retirement benefit fund	-	-	7,090	-	-	6,022
Other perquisites	-	-	9,492	-	-	9,484
	<u>95,182</u>	<u>-</u>	<u>462,716</u>	<u>67,454</u>	<u>-</u>	<u>394,369</u>
Number of persons	<u>1</u>	<u>6</u>	<u>67</u>	<u>1</u>	<u>6</u>	<u>51</u>

45.1 The Chief Executive, directors and certain executives of the Company are provided with free of cost use of company maintained cars.

45.2 Five non-executive directors (2021: Five) have been paid fees of Rs. 2,090,000 (2021: Rs. 1,625,000) for attending board and other meetings.

46. PLANT CAPACITY AND ACTUAL PRODUCTION

	2022	2021
Annual Capacity		
Jute (Metric Tons)	33,800	33,800
Auto air conditioners (Units)	90,000	90,000
Paper bags (Nos. 000s)	356,000	356,000
Woven polypropylene bags (Nos. 000s)	90,000	-
Alternator (Units)	90,000	90,000
Starter (Units)	90,000	90,000
Actual Production		
Jute (Metric Tons)	26,009	26,170
Auto air conditioners (Units)	74,106	60,610
Wire harness (Units)	224,436	147,904
Paper bags (Nos. 000s)	193,408	220,663
Woven polypropylene bags (Nos. 000s)	13,402	-
Alternator (Units)	57,677	47,322
Starter (Units)	55,951	34,073
Reason for shortfall	Low demand	Low demand

46.1 The capacity of wire harness is dependent on product mix.

46.2 The production capacity of laminate operations depends on the relative proportion of various types of products.

47. PROVIDENT FUND

Investments out of provident fund have been made in compliance with the provisions of section 218 of the Act and the rules formulated for this purpose.

FINANCIAL INSTRUMENTS BY CATEGORY

2022

	Interest / Mark-up bearing		Non-Interest / Mark-up bearing		Total
	No Maturity/ on demand	Maturity upto one year	No Maturity/ on demand	Maturity upto one year	
(Rupees in '000')					
Financial assets					
Fair value through OCI					
Long-term investments	-	-	258,333	-	258,333
Fair value through profit or loss					
Short-term investments	-	-	1,263,318	-	1,263,318
Amortized cost					
Long term loans	-	-	-	-	-
Long term deposits	-	-	-	30,730	30,730
Trade debts	-	-	-	3,829,852	3,829,852
Loans and advances	-	275,000	-	3,760	278,760
Trade deposits	-	-	-	41,749	41,749
Interest accrued	-	-	-	33,669	33,669
Other receivables	-	-	-	867,030	867,030
Cash and bank balances	1,016,008	1,109,370	432,250	-	2,557,628
	1,016,008	1,384,370	1,953,901	4,776,060	9,161,069
Financial liabilities					
Amortized cost					
Long-term deposits and payables	-	-	-	10,513	10,513
Long-term borrowings	-	81,898	-	-	2,354,463
Trade and other payables	-	-	-	5,701,348	5,701,348
Accrued mark-up	-	-	-	24,281	24,281
Unclaimed dividend	-	-	-	97,740	97,740
Unpaid dividend	-	-	-	28,150	28,150
Lease liabilities	-	20,496	-	-	100,584
Short-term borrowings	-	597,080	-	-	597,080
	-	699,474	3,052,127	125,890	5,862,032
					8,914,159

2021

	Interest / Mark-up bearing		Non-Interest / Mark-up bearing		Total
	No Maturity/ on demand	Maturity upto one year	No Maturity/ on demand	Maturity upto one year	
(Rupees in '000')					
Financial assets					
Fair value through OCI					
Long-term investments	-	-	300,058	-	300,058
Fair value through profit or loss					
Short-term investments	-	-	1,874,662	-	1,874,662
Amortized cost					
Long term loans	-	-	-	-	-
Long term deposits	-	-	-	20,378	20,378
Trade debts	-	-	-	3,231,174	3,231,174
Loans and advances	-	-	-	1,333	1,333
Trade deposits	-	275,000	-	36,306	36,306
Interest accrued	-	-	-	20,582	20,582
Other receivables	-	-	-	619,151	619,151
Cash and bank balances	659,502	1,159,370	277,501	-	2,096,373
	659,502	2,086,973	2,452,221	3,908,546	9,402,620
Financial liabilities					
Amortized cost					
Long-term deposits and payables	-	-	-	11,887	11,887
Long-term borrowings	-	109,164	-	-	294,406
Trade and other payables	-	-	-	4,306,964	4,306,964
Accrued mark-up	-	-	-	3,651	3,651
Unclaimed dividend	-	-	89,256	-	89,256
Unpaid dividend	-	-	36,242	-	36,242
Lease liabilities	-	17,140	-	-	117,690
Short-term borrowings	-	361,000	-	-	361,000
	-	487,304	125,498	4,310,615	4,448,000
					5,221,096

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial instruments expose it to a variety of financial risks namely operational risk, credit risk and market risk. The Board of Directors oversees policies for managing each of these risks which are summarised below.

49.1 Operational Risk

COVID-19 pandemic has created an unprecedented challenge for Company in terms of Business Continuity Plans. The Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of Company's staff and uninterrupted service to shareholders.

Business Continuity Plans for respective areas are in place and tested. Work-from-Home capabilities have been enabled for staff where required, while ensuring adequate controls to ensure that Company's information assets are adequately protected from emerging cyber threats.

49.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted.

The maximum credit risk is equal to the carrying amount of financial assets. For banks and financial institutions, only independently rated parties with reasonable credit rating are accepted. For trade receivables and loans internal risk assessment process considers the credit risk of the customer/borrower, taking into account its financial position, past experience and other factors.

The carrying values of financial assets which are not impaired are as under:

	2022	2021
	----- (Rupees in '000) -----	
Long term loans	-	275,000
Long term deposits	30,730	20,378
Trade debts	3,829,852	3,231,174
Loans and advances	278,760	1,333
Trade deposits	1,007,421	415,796
Interest accrued	33,669	20,582
Other receivables	849,704	617,145
Short term investments	1,263,318	2,802,265
Bank balances	2,555,494	2,095,735
	<u>9,848,948</u>	<u>9,479,408</u>

Ageing analysis of trade debts is as follows:

Note	2022			2021		
	Due from related parties	Other parties	Total	Due from related parties	Other parties	Total
	----- (Rupees in '000) -----					
- Not overdue	1,110,265	2,234,710	3,344,975	906,807	1,879,375	2,786,182
Past due:						
- 01 to 30 days	-	188,884	188,884	-	246,759	246,759
- 31 to 60 days	-	75,594	75,594	-	110,504	110,504
- 61 to 90 days	-	110,688	110,688	-	57,955	57,955
- over 90 days	-	188,546	188,546	-	111,894	111,894
Total trade debts	1,110,265	2,798,422	3,908,687	906,807	2,406,487	3,313,294
Allowance for expected credit losses	-	(78,835)	(78,835)	-	(82,120)	(82,120)
	<u>1,110,265</u>	<u>2,719,587</u>	<u>3,829,852</u>	<u>906,807</u>	<u>2,324,367</u>	<u>3,231,174</u>

The credit quality of financial assets other than bank balances and short term investments in TDRs can be assessed with reference to their historical performance with no or some defaults in recent history, however, no losses.

The credit quality of Company's bank balances and short term investments in TDRs can be assessed with reference to external credit ratings as follows:

Bank	Rating agency	Rating	
		Short-term	Long-term
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AA+
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Faysal Bank Limited	VIS	A-1+	AA
Habib Bank Limited	VIS	A-1+	AAA
Meezan Bank Limited	VIS	A-1+	AAA
National Bank of Pakistan	VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Telenor Microfinance Bank Limited	PACRA	A1	A
Al Baraka Bank (Pakistan) Limited	VIS	A-1	A+

49.3 Market risk

Market risk is the risk that the value of the financial instruments may fluctuate as a result of changes in market currency rates, interest rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Company's exposure to market risk or the manner in which this risk is managed and measured.

Under market risk the Company is exposed to currency risk, interest rate risk, price risk and liquidity risk.

49.3.1 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies.

USD

Bank balances
Trade receivables
Trade and other payables

EUR

Trade and other payables

JPY

Trade and other payables

CHF

Trade and other payables

CNY

Trade and other payables

	2022	2021
	----- (FCY in '000) -----	
Bank balances	1,186	823
Trade receivables	1,114	745
Trade and other payables	(5,154)	(1,590)
	<u>(2,854)</u>	<u>(22)</u>
Trade and other payables	(391)	(764)
Trade and other payables	(4,293)	(4,854)
Trade and other payables	-	(4)
Trade and other payables	(84)	(3)

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

	2022	2021
	----- (Rs / FCY) -----	
USD	206.00	158.30
EUR	215.75	188.71
JPY	1.51	1.43
CHF	215.96	171.86
CNY	30.93	24.76

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Company's profit before tax and the Company's equity.

	Change in exchange rate %	Effect on profit before tax ----- (Rupees in '000) -----	Effect on equity
2022	+ 10	(68,136)	(49,574)
	- 10	68,136	49,574
2021	+ 10	(15,532)	(11,301)
	- 10	15,532	11,301

49.3.2 Interest rate risk

Interest rate risk is the risk that the fair value of 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 rates relates primarily to the Company's loan to Thal Boshoku Pakistan (Private) Limited, cash in deposit accounts and short-term borrowings.

Sensitivity analysis:

The following figures demonstrate the sensitivity of a possible change in interest rate, with all other variables held constant, on the Company's profit before tax:

	Increase / decrease in basis points	Effect on profit before tax
2022		
KIBOR	+ 100	6,939
KIBOR	- 100	(6,939)
2021		
KIBOR	+ 100	5,735
KIBOR	- 100	(5,735)

49.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk in respect of its investments in listed shares and mutual funds.

As at the statement of financial position date, the exposure to listed equity securities at fair value was Rs 258.333 million. A decrease of 10% in the fair value of these securities would have a negative impact of approximately Rs 25.833 million on equity. An increase of 10% in the prices of these securities would positively impact equity with the similar amount.

49.3.4 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with the financial instruments.

Through its treasury function, the Company continually monitors its liquidity position and ensures availability of funds by maintaining flexibility in funding by keeping committed credit lines available.

The maturity profile of the Company's liabilities based on contractual maturities is disclosed in note 48 to these unconsolidated financial statements.

50. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern, maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as proportion of borrowings to equity at year end.

The proportion of borrowings to equity at year end was:

	2022	2021
	----- (Rupees in '000) -----	
Total borrowings	3,455,782	799,799
Total equity	27,229,827	23,905,633
Gearing ratio	13%	3%

The Company finances its expansion projects through borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

51. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

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

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

	Note	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
2022					
Assets					
- Investments carried at fair value through OCI	10	258,333	-	-	258,333
- Investments carried at fair value through profit or loss	20	1,263,318	-	-	1,263,318
2021					
Assets					
- Investments carried at fair value through OCI	10	300,058	-	-	300,058
- Investments carried at fair value through profit or loss	20	1,874,662	927,603	-	2,802,265

There were no transfers amongst levels during the year.

The market prices of listed shares and mutual fund units have been obtained from Pakistan Stock Exchange and Mutual Fund Association of Pakistan respectively.

52. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on September 09, 2022 has approved the following:

- (i) transfer of Rs. 3,649.5 million from unappropriated profit to general reserve; and
- (ii) payment of cash dividend of Rs. 2.5 per share for the year ended June 30, 2022 for approval of the members at the Annual General Meeting to be held on October 20, 2022.

53. NUMBER OF EMPLOYEES

Total number of employees

	2022	2021
Total number of Company's employees as at June, 30	5,194	4,367
Average number of Company's employees during the year	4,781	4,443

54. GENERAL

54.1 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no material rearrangements to report.

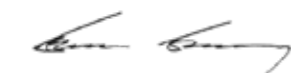
54.2 Figures have been rounded off to the nearest thousands.

55. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on September 09, 2022 by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED FINANCIAL STATEMENTS

- AUDITORS,, REPORT TO THE MEMBERS
- CONSOLIDATED FINANCIAL STATEMENTS



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Independent Auditors' Report

To the members of Thal Limited

Opinion

We have audited the annexed consolidated financial statements of Thal Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements* section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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:

Key audit matters	How the matter was addressed in our audit
<p>1. Revenues</p> <p>The Group earns revenue from multiple business lines which operate as distinct business units with significant volume of revenue transactions. The recognition of revenue relating to each business line depend on the nature of contractual arrangements with the customers.</p> <p>Revenue is recorded in accordance with the requirements of IFRS 15 which provides a comprehensive model of revenue recognition and requires the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers.</p> <p>We identified revenue recognition as a key audit matter primarily due to it being a key performance indicator, significant volume of transactions, significant increase of 34% in revenue from last year and the amount of audit efforts in relation to this area.</p> <p>Please refer notes 6.28 and 36 to the accompanying consolidated financial statements.</p>	<p>We performed a range of audit procedures in relation to revenue including the following:</p> <ul style="list-style-type: none"> We reviewed the terms and conditions of distinct sale transactions and assessed the appropriateness of the revenue recognition policies and practices followed by the Group. We tested controls over revenue recognition and reporting process within each business unit including key IT dependent manual controls and IT general controls for the relevant IT systems used for revenue transaction processing by the Group. We performed analytical review procedures and other test of details over various revenue streams including cut-off procedures to check that revenue has been recognized in the appropriate accounting period. We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.
<p>2. Capital expenditure</p> <p>The Group incurred significant amount of capital expenditure during the year amounting to Rs. 2,722.039 million mainly on account of increasing the capacity of its woven polypropylene bags line in the Holding Company's Papersack division.</p> <p>Capital expenditures incurred during the year represent significant transactions and involve management's evaluation of components of cost to be capitalized, therefore we have identified the same as a key audit matter.</p> <p>Please refer note 8 to the accompanying consolidated financial statements.</p>	<p>We performed a range of audit procedures in relation to capital expenditure including the following:</p> <ul style="list-style-type: none"> We obtained an understanding of the Group's process with respect to capital expenditure including project budgeting, execution of contracts and accumulation of cost and tested key controls. We reviewed the relevant contracts and documents supporting various components of the capitalised cost. We performed physical verification, on sample basis, of fixed assets acquired to verify the existence of the assets. We considered whether the items of cost capitalised meet the recognition criteria of an asset in accordance with the applicable financial reporting standards.

Key audit matters	How the matter was addressed in our audit
<p>2. Capital expenditure</p>	<ul style="list-style-type: none"> We evaluated the basis used by the management for depreciation charged in relation to the assets, by considering factors such as the current useful life estimates and timing of capitalisation. We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

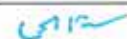
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partner on the audit resulting in this independent auditors' report is **Arif Nazeer**.


Chartered Accountants
Place: Karachi
UDIN No.: AR202210099DnF3yVoiv
Date: 21 September 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees in '000') -----	2021 ----- (Rupees in '000') -----
ASSETS			
Non-current assets			
Property, plant and equipment	8	6,659,119	4,775,320
Intangible assets	9	77,191	126,158
Investment properties	10	6,227,839	6,473,153
Long-term investments	11	14,931,971	10,517,824
Long-term deposits	12	35,455	24,803
Long-term prepayments	13	22,501	22,501
		<u>27,954,076</u>	<u>21,939,759</u>
Current assets			
Stores, spares and loose tools	14	244,143	158,309
Stock-in-trade	15	10,808,718	8,118,615
Trade debts	16	3,962,577	3,463,037
Loans and advances	17	709,261	113,330
Trade deposits and short-term prepayments	18	1,147,995	466,582
Interest accrued		23,106	13,263
Other receivables	19	961,858	719,635
Short-term investments	20	6,142,676	7,107,687
Cash and bank balances	21	3,057,253	2,680,774
		<u>27,057,587</u>	<u>22,841,232</u>
Assets classified as held for sale	22	-	5,000
		<u>27,057,587</u>	<u>22,846,232</u>
TOTAL ASSETS		<u>55,011,663</u>	<u>44,785,991</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 200,000,000 (2021: 200,000,000) ordinary shares of Rs. 5/- each	23	1,000,000	1,000,000
Issued, subscribed and paid-up capital	23	405,150	405,150
Share deposit money		12	12
Reserves	24	34,532,216	29,659,829
Equity attributable to shareholders of the Holding Company		<u>34,937,378</u>	<u>30,064,991</u>
Non-controlling interest	25	6,656,553	6,565,006
Total equity		<u>41,593,931</u>	<u>36,629,997</u>
NON-CURRENT LIABILITIES			
Long-term deposits and payables	26	339,688	339,587
Long-term borrowings	27	2,277,816	415,191
Lease liabilities	28	893,947	905,894
Deferred income	29	332,745	22,309
Deferred tax liability	30	477,952	243,136
		<u>4,322,148</u>	<u>1,926,117</u>
CURRENT LIABILITIES			
Trade and other payables	31	6,476,553	4,873,466
Accrued markup	32	28,046	7,422
Unclaimed dividend		97,740	89,256
Unpaid dividend		28,150	36,242
Current portion of long-term borrowings	27	383,056	109,164
Current portion of lease liabilities	28	122,778	120,223
Current portion of deferred income	29	70,910	4,394
Short-term borrowings	33	701,816	528,164
Income tax - net	34	1,152,423	412,838
Sales tax payable		34,112	48,708
		<u>9,095,584</u>	<u>6,229,877</u>
CONTINGENCIES AND COMMITMENTS	35		
TOTAL EQUITY AND LIABILITIES		<u>55,011,663</u>	<u>44,785,991</u>

The annexed notes 1 to 59 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

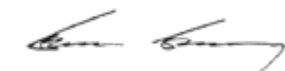
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees in '000')	2021 ----- (Rupees in '000')
Revenue - net	36	39,816,991	29,636,209
Cost of sales	37	(33,338,018)	(24,918,319)
Gross profit		6,478,973	4,717,890
Distribution and selling expenses	38	(755,647)	(568,504)
Administrative expenses	39	(1,609,559)	(1,434,736)
Other charges	40	(620,334)	(415,163)
		(2,985,540)	(2,418,403)
Other income	41	3,236,398	3,113,125
Operating profit		6,729,831	5,412,612
Finance costs	42	(285,902)	(173,776)
		6,443,929	5,238,836
Share of profit after tax of associates and joint venture	11.1	2,408,372	2,540,815
Profit before taxation		8,852,301	7,779,651
Taxation	43	(2,523,872)	(1,870,122)
Net profit for the year		6,328,429	5,909,529
Attributable to			
- Equity holders of the Holding Company		5,810,776	5,433,698
- Non-controlling interest		517,653	475,831
		<u>6,328,429</u>	<u>5,909,529</u>
		----- (Rupees) -----	
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	44	<u>71.71</u>	<u>67.06</u>

The annexed notes 1 to 59 form an integral part of these consolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

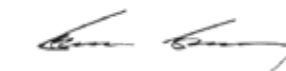
FOR THE YEAR ENDED JUNE 30, 2022

	2022 ----- (Rupees in '000')	2021 ----- (Rupees in '000')
Net profit for the year	6,328,429	5,909,529
Other comprehensive income		
Item that will not be reclassified to statement of profit or loss in subsequent periods;		
Share of actuarial gain/(loss) on remeasurement of defined benefit plans of associates - net of tax	(363)	7,082
(Loss)/gain on revaluation on equity investments at fair value through other comprehensive income	(46,697)	130,011
	(47,060)	137,093
Total comprehensive income for the year	6,281,369	6,046,622
Attributable to		
- Equity holders of the Holding Company	5,763,716	5,570,791
- Non-controlling interest	517,653	475,831
	<u>6,281,369</u>	<u>6,046,622</u>

The annexed notes 1 to 59 form an integral part of these consolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Share deposit money	RESERVES			Gain/(loss) on revaluation of investment at fair value through other comprehensive income	Non-controlling interest	Total equity
			Capital reserves	General reserve	Unappropriated profit			
Balance as at July 1, 2020	405,150	12	67,929	17,671,874	6,841,559	115,402	6,451,573	31,553,499
Transfer to general reserve	-	-	-	1,460,000	(1,460,000)	-	-	-
Final dividend @ Rs. 3.50/- per share for the year ended June 30, 2020	-	-	-	-	(283,606)	-	-	(283,606)
Interim dividend @ Rs. 4.00/- per share for the year ended June 30, 2021	-	-	-	-	(324,120)	-	-	(324,120)
Subsidiary company								
Final dividend @ Rs. 0.623/- per share for the year ended June 30, 2020	-	-	-	-	-	-	(84,705)	(84,705)
1st Interim dividend @ Rs. 0.625/- per share for the year ending June 30, 2021	-	-	-	-	-	-	(85,067)	(85,067)
2nd Interim dividend @ Rs. 0.723/- per share for the year ending June 30, 2021	-	-	-	-	-	-	(98,354)	(98,354)
3rd Interim dividend @ Rs. 0.693/- per share for the year ended June 30, 2021	-	-	-	-	-	-	(94,272)	(94,272)
	-	-	-	-	(607,726)	-	(362,398)	(970,124)
Net profit for the year								
Other comprehensive income	-	-	-	-	5,433,698	-	475,831	5,909,529
Total comprehensive income for the year	-	-	-	-	7,082	130,011	-	137,093
	-	-	-	-	5,440,780	130,011	475,831	6,046,622
Balance as at June 30, 2021	405,150	12	67,929	19,131,874	10,214,613	245,413	6,565,006	36,629,997

Balance as at July 1, 2020

Transfer to general reserve

Final dividend @ Rs. 3.50/- per share for the year ended June 30, 2020
Interim dividend @ Rs. 4.00/- per share for the year ended June 30, 2021

Subsidiary company
Final dividend @ Rs. 0.623/- per share for the year ended June 30, 2020
1st Interim dividend @ Rs. 0.625/- per share for the year ending June 30, 2021
2nd Interim dividend @ Rs. 0.723/- per share for the year ending June 30, 2021
3rd Interim dividend @ Rs. 0.693/- per share for the year ended June 30, 2021

Net profit for the year
Other comprehensive income
Total comprehensive income for the year

Balance as at June 30, 2021



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Share deposit money	RESERVES			Gain on revaluation of investment at fair value through other comprehensive income	Non-controlling interest	Total equity
			Capital reserves	General reserve	Unappropriated profit			
Transfer to general reserve	-	-	-	2,649,001	(2,649,001)	-	-	-
Final dividend @ Rs. 6.00/- per share for the year ended June 30, 2021	-	-	-	-	(486,179)	-	-	(486,179)
Interim dividend @ Rs. 5.00/- per share for the year ending June 30, 2022	-	-	-	-	(405,150)	-	-	(405,150)
Subsidiary company								
Final dividend @ Rs. 0.730/- per share for the year ended June 30, 2021	-	-	-	-	-	-	(99,306)	(99,306)
1st Interim dividend @ Rs. 0.691/- per share for the year ending June 30, 2022	-	-	-	-	-	-	(94,000)	(94,000)
2nd Interim dividend @ Rs. 0.861/- per share for the year ending June 30, 2022	-	-	-	-	-	-	(117,087)	(117,087)
3rd Interim dividend @ Rs. 0.851/- per share for the year ended June 30, 2022	-	-	-	-	-	-	(115,713)	(115,713)
	-	-	-	-	(891,329)	-	(426,106)	(1,317,435)
Net profit for the year								
Other comprehensive loss	-	-	-	-	5,810,776	-	517,653	6,328,429
Total comprehensive income for the year	-	-	-	-	(363)	(46,697)	-	(47,060)
	-	-	-	-	5,810,413	(46,697)	517,653	6,281,369
Balance as at June 30, 2022	405,150	12	67,929	21,780,875	12,484,696	198,716	6,656,553	41,593,931

Transfer to general reserve

Final dividend @ Rs. 6.00/- per share for the year ended June 30, 2021
Interim dividend @ Rs. 5.00/- per share for the year ending June 30, 2022

Subsidiary company
Final dividend @ Rs. 0.730/- per share for the year ended June 30, 2021
1st Interim dividend @ Rs. 0.691/- per share for the year ending June 30, 2022
2nd Interim dividend @ Rs. 0.861/- per share for the year ending June 30, 2022
3rd Interim dividend @ Rs. 0.851/- per share for the year ended June 30, 2022

Net profit for the year
Other comprehensive loss
Total comprehensive income for the year

Balance as at June 30, 2022



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

Note	2022	2021
	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	3,954,159	3,855,264
Finance costs paid	(251,471)	(152,067)
Retirement benefits paid	(5,451)	(5,710)
Income tax paid	(1,549,471)	(1,399,500)
Long term deposits - net	(10,551)	(9,109)
Net cash generated from operating activities	2,137,215	2,288,878
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(2,722,039)	(1,112,346)
Addition to intangible assets	(13,291)	(11,841)
Addition to investment property	(123,032)	(226,217)
Proceeds from disposal of operating fixed assets	44,071	75,175
Proceeds from disposal of investment property	-	5,495
Long-term investment made during the year	(2,694,046)	(395,029)
Short term investments during the year - net	1,100,022	(1,875,217)
Dividend income received during the year	1,187,173	745,285
Interest income received during the year	177,668	202,722
Net cash used in investing activities	(3,043,474)	(2,591,973)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease rentals paid	(18,307)	(14,576)
Short-term borrowings obtained	236,080	216,000
SBP's Refinance Facility for Salaries and Wages (repaid)/obtained	(99,571)	(24,892)
SBP's Temporary Economic Refinance Facility obtained	1,368,393	99,281
SBP's Financing Scheme for Renewable Energy obtained - net	249,279	47,579
Long-term loan obtained	926,335	-
Dividends paid	(1,317,043)	(956,075)
Net cash generated from/(used in) financing activities	1,345,166	(632,683)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	438,907	(935,778)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,513,610	3,449,388
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,952,517	2,513,610

The annexed notes 1 to 59 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

1. THE HOLDING COMPANY AND ITS OPERATIONS

1.1 Thal Limited (the Holding Company) was incorporated on January 31, 1966 as a public company limited by shares and is listed on the Pakistan Stock Exchange Limited.

The Holding Company is engaged in the manufacture of jute goods, engineering goods, papersack and laminate sheets.

1.2 The Group comprises of the Holding Company and the following subsidiaries that have been consolidated in these financial statements:

Subsidiary Companies	Note	Date of becoming subsidiary	Holding		Total assets	Total liabilities	Total assets	Total liabilities
			2022	2021	2022	2021	2022	2021
			%	%	(Rupees in '000s)		(Rupees in '000s)	
Noble Computer Services (Private) Limited	1.2.1	01-07-2005	100	100	157,931	32,480	189,656	65,080
Pakistan Industrial Aids (Private) Limited	1.2.2	27-03-2006	100	100	41,693	1,740	35,081	965
Makro-Habib Pakistan Limited	1.2.3	01-05-2008	100	100	78,397	366,854	36,023	358,519
Habib METRO Pakistan (Private) Limited	1.2.4	16-12-2011	60	60	11,472,016	1,703,875	11,111,471	1,530,244
Thal Boshoku Pakistan (Private) Limited	1.2.5	03-09-2013	55	55	1,825,182	1,080,758	1,791,045	1,001,064
Thal Power (Private) Limited	1.2.6	03-07-2014	100	100	4,546,282	1,707	1,899,342	132
Thal Electrical (Private) Limited	1.2.7	10-04-2019	100	100	76	81	73	61

1.2.1 Noble Computer Services (Private) Limited

Noble Computer Services (Private) Limited (NCSPL) was incorporated in Pakistan as a private limited company on May 8, 1983 and is a wholly owned subsidiary of Thal Limited. The NCSPL provides Internal Audit Services, I.T.related services, Advisory Services, HR Services and Management Services.

1.2.2 Pakistan Industrial Aids (Private) Limited

Pakistan Industrial Aids (Private) Limited (PIAPL) was incorporated in Pakistan on March 17, 2006 as a private limited company. The subsidiary is principally engaged in trading activity related to automotive parts, accessories, chemical gases and general goods.

1.2.3 Makro-Habib Pakistan Limited (MHPL)

(a) MHPL was incorporated in Pakistan on June 29, 2005 as a public limited (unlisted) company. MHPL was an associated undertaking of the Holding Company until April 30, 2008 and became a subsidiary company with effect from May 01, 2008. The principal objective of MHPL is to operate a chain of wholesale / retail cash and carry stores. MHPL was operating one store located at Survey No. 148/1, Abyssinia Lines, Mubarak Shaheed Road, Saddar, Karachi, on the land sub-leased by Army Welfare Trust (AWT).

(b) MHPL had entered into Arrangement with METRO Habib Cash & Carry Pakistan (Private) Limited (MHCCP) (then a wholly owned subsidiary of METRO Cash and Carry International Holding BV) (the Operator) whereby the Operator had been engaged to operate MHPL's Saddar Store (the Store) for an operations fee determined under the agreed mechanism.

As a consequence of the dismissal of the Review Petition by the Honorable Supreme Court of Pakistan (SCP) the Saddar store of the subsidiary company, MHPL, was closed down on September 11, 2015. Accordingly, the Operation Agreement with MHCCP was terminated in 2016.

AWT's Review Petition (CRP No. 10 of 2010) is pending adjudication before the SCP. In its hearing held on February 2, 2016, the Honourable Chief Justice commented that while reviewing AWT's review petition, both MHPL and Ministry of Defence would get a chance to argue

their points on the merits as they were respondents in AWT's Petition. AWT's Review Petition was fixed for hearing on October 17, 2017 before a new bench but could not proceed on account of a request for adjournment filed by the counsel representing Shehri and KWSB. AWT's Petition has not been listed in court since then and the SCP's judgement dated December 18, 2009 directing demolition of the Makro Store and handing over of vacant possession of the land to CDGK has not been suspended, and as such was still in the field.

In line with the SCP's judgement, MHPL is in the process of dismantling the store built on the premises. Once the process of dismantling is complete, the premises shall be handed over in accordance with the directions of the SCP.

1.2.4 Habib METRO Pakistan (Private) Limited

Habib METRO Pakistan (Private) Limited (HMPL) was incorporated in Pakistan as a private limited company on December 16, 2011. The main business of the HMPL is to own and manage properties.

1.2.5 Thal Boshoku Pakistan (Private) Limited

Thal Boshoku Pakistan (Private) Limited (TBPPL) was incorporated on September 03, 2013 as a private company limited by shares. The principle activity of TBPPL is to manufacture automobile seats, seat parts, air cleaner and other automobile parts. TBPPL was formed pursuant to a Joint Venture Agreement between the Holding Company, Toyota Boshoku Corporation, Japan and Toyota Tsusho Corporation, Japan.

1.2.6 Thal Power (Private) Limited

Thal Power (Private) Limited (TPPL) was incorporated in Pakistan as a Private Limited Company on July 03, 2014. TPPL has entered into a joint venture agreement with M/s Novatex Limited for collaboration to develop a 330 MW Coal-fired Power Generation Plant at Thar, Sindh.

1.2.7 Thal Electrical Pakistan (Private) Limited

Thal Electrical (Private) Limited was incorporated in Pakistan on January 12, 2018 as a private limited company.

1.3 Geographical location and address of business units

Holding Company

The head office of the Holding Company is situated at 4th Floor, House of Habib, 3-Jinnah Cooperative Housing Society, Block 7/8, Sharah-e-Faisal, Karachi.

Plants:

- Engineering operations are located at Korangi and Port Qasim, Karachi, Sindh.
- Jute operations are located at Muzaffargarh, Punjab.
- Papersack operations are located at Hub, Balochistan and Gadoon, Khyber Pakhtunkhwa.
- Laminates operations are located at Hub, Balochistan.

Subsidiaries:

- Noble Computer Services (Private) Limited operations are located at 2nd Floor, House of Habib, 3-Jinnah Cooperative Housing Society, Block 7/8, Sharah-e-Faisal, Karachi.
- Pakistan Industrial Aids (Private) Limited operations are located at - Plot number 192 Korangi industrial area, Sector 22, Karachi.
- Makro-Habib Pakistan Limited is located at 2nd Floor, House of Habib - 3-Jinnah Cooperative Housing Society, Shara e Faisal, Karachi.
- Habib Metro Pakistan (Private) Limited operations are located at Mezzanine Floor, House of Habib, 3-Jinnah Cooperative Housing Society, Block 7/8, Sharah-e-Faisal, Karachi.
- Thal Boshoku Pakistan (Private) Limited operations are located at - Plot number 192 Korangi industrial area, Sector 22 and plot number SP-C north western industrial road, Port Qasim, Karachi.
- Thal Power (Private) Limited operations are located at 4th Floor, House of Habib, 3-Jinnah Cooperative Housing Society, Block 7/8, Sharah-e-Faisal, Karachi.
- Thal Electrical (Private) Limited operations are located at 4th Floor, House of Habib, 3-Jinnah Cooperative Housing Society, Block 7/8, Sharah-e-Faisal, Karachi.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

Where provisions of and directives issued under the Act differ from the IFRSs, the provision of and directives issued under the Act and IFAS have been followed.

3. BASIS OF MEASUREMENT

3.1 These consolidated financial statements have been prepared under the historical cost convention, except for investments in shares of listed companies, mutual funds, treasury bills, term finance certificates and investments in associates which have been disclosed in the accounting policies below.

3.2 These consolidated financial statements are presented in Pakistani Rupees, which is also the Group's functional currency.

4. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, here-in-after referred to as "the Group".

A company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Holding Group, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than 100% and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company are eliminated against the subsidiary companies' shareholders' equity in the consolidated financial statements.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates, assumptions and judgements made by the management that are subject to risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

	Notes
(a) capitalization of new assets and determining the residual values and useful lives of property, plant and equipment and investment property	6.2, 6.4, 8 & 10
(b) determining the residual values and useful lives of intangibles assets	6.3 & 9
(c) Assets classified as held for sale	6.5 & 22
(d) impairment of financial and non-financial assets	6.26
(e) net realizable value estimation for inventories	6.9, 6.1, 14 & 15
(f) allowance for expected credit losses	6.26 & 16
(g) provision for tax and deferred tax	6.8, 30, 34 & 43
(h) provisions and warranty obligation	6.16 & 31.4
(i) contingencies	6.23 & 35
(j) compensated absences of employees	6.17 & 31
(k) determining the lease term of contracts with extension and termination options;	6.22.3 & 28
(l) leases - estimating the incremental borrowing rate	6.22.4 & 28

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1 New standards, amendments to approved accounting standards and new interpretations

The Group has adopted the following standards, amendments, interpretation and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current year:

Amendments to approved accounting standards

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of the above improvements and amendments did not have any material impact on these consolidated financial statements.

6.2 Property, plant and equipment and investment properties

Operating fixed assets

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

Depreciation is charged to the consolidated statement of profit or loss by applying the straight line method at the rates specified in note 8 to these consolidated financial statements. Depreciation on additions is charged from the month asset is available for use and in case of deletion, up to the month preceding the month of disposal.

Maintenance and normal repairs are charged to the consolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

An item of operating 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 consolidated statement of profit or loss when the asset is derecognised.

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

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. The capital work-in-progress are stated at cost less impairment loss, if any.

Right-of-use assets

The Group recognises a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement

of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

6.3 Intangible assets

These are stated at cost less accumulated amortization and impairment loss, if any.

Costs in relation to intangible assets are only capitalized when it is probable that future economic benefits attributable to that asset will flow to the Group and the same is amortized applying the straight line method at the rates stated in note 9 to these consolidated financial statements.

6.4 Investment property

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

Depreciation on investment properties is charged on straight line method at the rate specified in note 10 to the consolidated financial statements. Depreciation on additions is charged from the month of addition and in case of deletion up to the month of disposal.

Maintenance and normal repairs are charged to consolidated 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 the consolidated profit or loss account 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.

6.5 Assets classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

6.6 Investments in Associates

Investments in associates are accounted for using the equity method, whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the net assets of the associate. The consolidated financial statements reflects the Group's share of the results of the operations of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the same in the consolidated statement of profit or loss.

6.7 Joint arrangements

Joint arrangements are arrangements in which the Group has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement.

Depending upon the rights and obligation of the parties to the arrangement, joint arrangements can be classified as either:

6.7.1 Joint ventures

A joint arrangement is classified as a joint venture when the parties to the arrangement that have joint control have rights to the net assets of the joint venture.

The Group measures its interest in the joint venture using the equity method of accounting. Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the Group's share of the joint venture's net assets. The Group's profit or loss includes its share of the joint venture's profit or loss and the Group's other comprehensive income includes its share of the joint venture's other comprehensive income.

6.7.2 Joint operations

A joint arrangement is classified as a joint operation when the Group has the rights to the assets, and obligations for the liabilities of the arrangement in relation to the joint operation.

The Group has not made any investment in a joint operation.

6.8 Taxation

(a) Current

The charge for current taxation in respect of certain income streams of the Group is based on Final Tax Regime at the applicable tax rates and remaining income streams at current rate of taxation under the normal tax regime after taking into account tax credits and rebates available, if any, 1.25% of turnover or 17% alternate corporate tax, whichever is higher. The Group had also availed Group tax relief under the provisions of Section 59AA and 59B of the Income Tax Ordinance, 2001 as explained in note 33 to these consolidated financial statements.

(b) Deferred

Deferred tax is provided using the statement of financial position liability method, on all temporary differences at the consolidated statement of financial position date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognised deferred tax assets are re-assessed at each consolidated statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

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 tax rates (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date.

The impact of deferred tax is recognised in the consolidated statement of profit or loss and deferred tax in relation to items outside statement of profit or loss is recognised in the consolidated statement of comprehensive income or equity.

6.9 Stores, spares and loose tools

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

6.10 Stock-in-trade

Stock-in-trade, except goods-in-transit, is stated at the lower of weighted average cost or NRV determined as follows:

Raw and packing materials

- Purchase cost

Work-in-process

- Cost of materials, labour cost and appropriate production overheads

Finished goods

- Cost of materials, labour cost and appropriate production overheads

Goods-in-transit are valued at cost comprising purchase price, freight value and other charges incurred thereon upto the reporting date.

NRV 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 slow moving and obsolete items as and when identified.

6.11 Trade debts and other receivables

These are recognized and carried at original invoice amount being the fair value and subsequently measured at amortised cost. Allowance is made on the basis of lifetime expected credit losses (ECLs) that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

Exchange gains or losses arising in respect of trade debts and other receivables in foreign currency are added to their respective carrying amounts.

6.12 Loans, advances, trade 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 reporting date to determine whether there is an indication that a financial 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.

6.13 Cash and cash equivalents

For the purpose of the 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 Group's cash management. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

6.14 Share capital

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.

6.15 Trade and other payables

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

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

6.16 Provisions

General

Provisions are recognised in the consolidated statement of financial position where the Group has a legal or constructive obligation as a result of past event, it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. When the Group expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

Warranty obligations

The Group recognizes the estimated liability to repair or replace products under warranty at the reporting date. These are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience and estimate of probability weighted expected outcome. The estimates of warranty-related costs is reviewed annually and adjusted, if required.

6.17 Compensated absences

Accrual is made for employees' compensated absences on the basis of encashable leaves as per the entitlements and Group policy.

6.18 Staff retirement benefits

Defined Contribution plan

Provident fund

The Group operates a recognised provident fund for its permanent employees. Equal monthly contributions are made to the fund by the Group and the employees in accordance with the rules of the scheme. The Group has no further obligation once the contributions have been paid. The contributions made by the Group are recognised as employee benefit expense when they are due.

Retirement benefit fund

The Group operates an approved funded scheme for retirement benefits for all employees on the basis of defined contribution made by the Group on attaining the retirement age or in the event of death with a minimum qualifying period of ten years which is managed by a trust.

6.19 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

6.20 Unclaimed dividend

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

6.21 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.

6.22 Leases

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

6.22.1 Group as a lessee

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

6.22.2 Lease liabilities

At the commencement date of the lease, the Group 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 lease incentives receivable (if any), variable lease payments that depend on an index or a rate (if any), and amounts expected to be paid under residual value guarantees (if any). The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group (if any) and payments of penalties for terminating the lease (if any), if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Group uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate. 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 lease payments or a change in the assessment of an option to purchase the underlying asset.

6.22.3 Determination of the lease term for lease contracts with extension and termination options

The Group 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.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

6.22.4 Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

6.23 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 Group; 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.

6.24 Financial assets

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

Classification and measurement

Under IFRS 9 Financial assets are classified, at initial recognition, as subsequently measured at 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 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 consolidated 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 Group 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 Group 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 consolidated 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 Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL 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.

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 Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or
- (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

6.25 Financial liabilities**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.

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 consolidated 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 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. 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 consolidated statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

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 consolidated statement of profit or loss.

Offsetting of financial instruments

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

6.26 Impairment of financial and non financial assets**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 Group 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 Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At each reporting date, the Group 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 Group uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

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 the consolidated 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 the consolidated statement of profit or loss and other comprehensive income.

6.27 Earnings per share

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

6.28 Revenue recognition

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

6.29 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Group 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 is recognised on constant rate of return to maturity;
- Interest on deposit accounts is recognised on accrual basis;
- Rental income arising from investment property is accounted for on a straight-line basis over the lease term;
- Scrap sales are recognised on an accrual basis;
- Claim from customers is recognised as income when the claim is accepted by customer; and
- Service income is recognised on a straight line basis over the period that the services are provided.

6.30 Foreign currency transactions

Foreign currency transactions are translated into Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in the consolidated statement of profit or loss of the current year.

6.31 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.

6.32 Operating segments

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

6.33 Research and development expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects are recognised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Other development expenditure is recognised as an expense when incurred.

6.34 Ijarah rentals

Ijarah payments for assets under Ijarah (Islamic term finance) agreements are recognised as an expense in the consolidated statement of profit or loss on a straight line basis over the Ijarah term.

6.35 Dividends and appropriation to reserves

The Group recognises a liability for dividend to equity holder when it is authorized as per corporate laws in Pakistan. The transfer of reserves within the equity are recognized when these are approved as per the applicable laws.

7. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date	
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01 January 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)		
IFRS 1	First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	01 January 2022
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16	Leases: Lease incentives	01 January 2022

The above standards and amendments are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB Effective date (annual periods beginning on or after)	
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

8. PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
------(Rupees in '000')-----			
Operating fixed assets	8.1	5,733,689	4,143,553
Capital work-in-progress	8.4	925,430	631,767
		<u>6,659,119</u>	<u>4,775,320</u>

8.1 Operating fixed assets

	COST			ACCUMULATED DEPRECIATION			WDV as at June 30, 2022			
	As at July 01, 2021	Additions/ Transfers (Note 8.1.1)	Disposals	As at June 30, 2022	Depreciation Rate	As at July 01, 2021		Charge for the year/ impairment* (Note 8.1.2)	On disposals	As at June 30, 2022
	------(Rupees in '000')-----			------(Rupees in '000')-----				------(Rupees in '000')-----		
Freehold land	22,991	-	-	22,991	-	-	-	-	-	22,991
Right of use asset - lands	194,490	-	-	194,490	1-33	14,737	7,395	-	22,132	172,358
Right of use asset - office premises	155,096	4,892	-	159,988	4-20	28,979	32,707	-	61,686	98,302
Factory building	1,226,204	289,557	-	1,515,761	5-33	341,428	61,241	-	402,669	1,113,092
Non factory building	541,393	3,220	-	544,613	5-33	468,825	6,142	-	474,967	69,646
Railway sliding	4,216	-	-	4,216	20	1,104	218	-	1,322	2,894
Plant and machinery	4,185,906	1,458,722	(18,035)	5,626,593	5-25	1,977,268	404,642 (1,064)*	(17,972)	2,362,874	3,263,719
Furniture and fittings	69,275	4,927	(847)	73,355	7.5-33	41,087	16,095	(847)	56,335	17,020
Vehicles	229,222	149,403	(38,761)	339,864	20-35	60,981	48,174	(11,574)	97,581	242,283
Office and mills equipment	310,387	258,140	(4,399)	564,128	10-50	146,127	73,055	(4,332)	214,850	349,278
Computer equipment	227,776	50,065	(6,507)	271,334	20-33	147,312	37,837	(6,183)	178,966	92,368
Jigs and fixtures (note 8.1.3)	678,864	184,018	(9,725)	853,157	10-33	494,821	114,566	(9,725)	599,662	253,495
Capital stores and spares	20,748	20,540	-	41,288	5-20	346	4,699	-	5,045	36,243
2022	7,866,568	2,423,484	(78,274)	10,211,778		3,723,015	806,771 (1,064)*	(50,633)	4,478,089	5,733,689

	COST			ACCUMULATED DEPRECIATION/IMPAIRMENT			WDV as at June 30, 2021			
	As at July 01, 2020	Additions/ Transfers (Note 8.1.1)	Disposals	As at June 30, 2021	Depreciation Rate	As at July 01, 2020		Charge for the year/ impairment* (Note 8.1.2)	On disposals/ write-offs*	As at June 30, 2021
	------(Rupees in '000')-----			------(Rupees in '000')-----				------(Rupees in '000')-----		
Freehold land	22,991	-	-	22,991	-	-	-	-	-	22,991
Right of use asset - lands	194,490	-	-	194,490	-	7,346	7,391	-	14,737	179,753
Right of use asset - office premises	21,626	136,901	(3,431)	155,096	25-33	9,178	20,945	(1,144)	28,979	126,117
Factory building	1,155,446	70,758	-	1,226,204	10	278,437	62,991	-	341,428	884,776
Non factory building	523,848	17,545	-	541,393	7.5-10	463,265	5,382	-	468,825	72,568
Railway sliding	4,216	-	-	4,216	5-10	761	343	-	1,104	3,112
Plant and machinery	4,168,434	93,386	(75,914)	4,185,906	7-33	1,679,057	357,768	(68,127)	1,977,268	2,208,638
Furniture and fittings	69,522	627	(874)	69,275	7.5-20	34,576	7,336	(838)	41,087	28,188
Vehicles	103,934	164,809	(39,521)	229,222	20-33	58,595	15,050	(12,664)	60,981	168,241
Office and mills equipment	221,779	89,563	(955)	310,387	10-30	120,553	26,218	(773)	146,127	164,260
Computer equipment	206,113	25,499	(3,836)	227,776	33	118,676	31,552	(2,957)	147,312	80,464
Jigs and fixtures	617,719	61,145	-	678,864	20-33	377,508	117,313	-	494,821	184,043
Capital stores and spares	-	20,748	-	20,748	10-30	-	346	-	346	20,402
2021	7,310,118	680,981	(124,531)	7,866,568		3,147,952	652,635	(86,503)	3,723,015	4,143,553

8.1.1 This includes transfers to operating fixed assets from capital work-in-progress.

8.1.2 This includes reversal of impairment amounting to Rs. 14.686 million (2021: nil). Further, during the year, the management identified certain assets which were not in their desired operating condition due to technical defects and accordingly these assets have been fully impaired. The aggregate impairment charge on these assets amounts to Rs. 13.621 million (2021: Rs. 12.728 million).

8.1.3 Jigs and fixtures include moulds having written down value of Rs. 201.073 million (2021: Rs 210.042 million) in the possession of sub-contractors dispersed all over the country.

8.1.4 Operating fixed assets include items having an aggregate cost of Rs. 1,170.183 million (2021: Rs. 933.797 million) which have been fully depreciated. Out of these, fixed assets having an aggregate cost of Rs. 529.946 million (2021: Rs. 529.946 million) are retired from active use and are not classified as held for sale.

8.1.5 The following operating fixed assets of the Group are under charge as security against guarantees issued by commercial banks in respect of the investment by the Group in Sindh Engro Coal Mining Company Limited and ThalNova Power Thar (Private) Limited, respectively (note 11.6 & 11.7). The amount of charge over these fixed assets is Rs 11,704.246 million (2021: Rs 11,704.246 million).

8.1.7 Details of operating fixed assets disposed off during the year and having a net book value of Rs 500,000 or more are as follows:

	2022 Written Down Value ------(Rupees in '000')-----	2021 Written Down Value
- Mortgage over the following leasehold lands and buildings over leasehold lands:		
1) Plot number 1, 2, 25 and 26, Sector 22 Korangi Industrial Area (Thal Engineering Division);	63,590	104,307
2) Plot numbers 35 - 42, 69 and 70 of survey 749 and 749/1, Mauza Pathra, Tehsil Hub, District Lasbella, (Papersack and Balochistan Laminates Division); and	290,152	237,828
3) An area measuring 1425 Kanals and 8 Marlas comprising of Khasra Nos.1757, 1758, 1765, 1766, 1767, 1768, 1780, 1775, 1777, 1778, 1764, 1779, 1792-1795/1, 1776, 1793, 1794, 1791, situated in Mouza Rakh, Khanpur, Tehsil & District Muzaffargarh.	91,837	78,085
	<u>445,579</u>	<u>420,220</u>
- Plant, machinery and equipment of the Group present at the following locations:		
1) Plot number 1,2,25 and 26, Sector 22 Korangi Industrial Area (Thal Engineering Division);	222,108	445,336
2) Plot numbers 35 - 42, 69 and 70 of survey 749 and 749/1, Mauza Pathra, Tehsil Hub, District Lasbella, (Papersack and Balochistan Laminates Division);	1,357,941	1,209,542
3) Thal Limited Industrial building and machinery situated at Plot bearing number DSU-14, Sector II, Downstream Industrial Estate, Bin Qasim, Karachi (Yazaki Unit); and	328,886	116,244
4) An area measuring 1425 Kanals and 8 Marlas comprising of Khasra Nos.1757, 1758, 1765, 1766, 1767, 1768, 1780, 1775, 1777, 1778, 1764, 1779, 1792-1795/1, 1776, 1793, 1794, 1791, situated in Mouza Rakh, Khanpur, Tehsil & District Muzaffargarh.	183,941	218,045
	<u>2,092,876</u>	<u>1,989,167</u>

	Accum- ulated Cost	Written down value	Sales proceeds	Gain/ (loss) on disposal	Mode of disposal	Particulars of buyers
	------(Rupees in '000)-----					
Plant & machinery Items having book value upto Rs 500,000	18,035	17,972	63	6,184	6,121	
Furniture and fittings Items having book value upto Rs 500,000	847	847	-	109	109	
Vehicles						
Toyota Corolla X Grande 1.8	4,005	134	3,871	4,005	134	Negotiation Auvitronics Limited
Suzuki Cultus VXL	1,970	97	1,873	1,680	(193)	Tender Mr. Abrar Ahmed Sabri
Toyota Corolla X Grande 1.8	4,005	601	3,404	4,183	779	Employee's car scheme Mr. Naveed Alam - Ex-employee
Toyota Yaris 1.3	1,242	-	1,242	2,665	1,423	Employee's car scheme Mr. Zakir Ladhani - Employee
Toyots Yaris ATIV CVT 1.5	3,005	601	2,404	2,950	546	Employee's car scheme Major (R) Ateeq - Employee
Suzuki Cultus VXL	1,050	-	1,050	1,556	506	Employee's car scheme Syed Nayab Rizvi - Employee
Suzuki Alto VXL	737	-	737	1,298	561	Employee's car scheme Mr. Muniruddin - Employee
Toyota Yaris 1.5 ATIV CVT	2,755	505	2,250	2,585	335	Employee's car scheme Mr. Zaki Ahmed - Ex-employee
Toyota Yaris GLI 1.3 CVT	2,769	646	2,123	2,800	677	Employee's car scheme Mr. Saifullah Khan - Ex-employee
Toyota Altis CVT 1.8L	3,408	795	2,613	2,892	279	Employee's car scheme Mr. Mustafa Jafar - Ex-employee
Toyota Corolla Grande 1.8	2,904	1,262	1,642	3,200	1,558	Employee's car scheme Mr. Sibtain Haji - Ex-employee
Suzuki Alto VXR	1,398	407	991	1,080	89	Employee's car scheme Mr. Jawwad - Ex-employee
Toyota Corolla X Grande 1.8	3,004	1,591	1,413	1,651	238	Employee's car scheme Mr. Andalib Alavi - Ex-employee
Items having book value upto Rs 500,000	6,509	4,935	1,574	2,497	923	
	<u>38,761</u>	<u>11,574</u>	<u>27,187</u>	<u>35,042</u>	<u>7,855</u>	
Office and mills equipment Items having book value upto Rs 500,000	4,399	4,332	67	639	572	
Computer equipment Items having book value upto Rs 500,000	6,507	6,183	324	1,022	698	
Jigs and fixtures Items having book value upto Rs 500,000	9,725	9,725	-	1,075	1,075	
2022	<u>78,274</u>	<u>50,633</u>	<u>27,641</u>	<u>44,071</u>	<u>16,430</u>	
2021	<u>121,100</u>	<u>85,359</u>	<u>35,741</u>	<u>110,822</u>	<u>75,081</u>	

8.2 The depreciation charge for the year has been allocated as follows:

	Note	2022 ------(Rupees in '000')-----	2021
Cost of sales	37	723,964	608,557
Distribution and selling expenses	38	5,965	1,507
Administrative expenses	39	76,842	42,571
		<u>806,771</u>	<u>652,635</u>

8.3 Useful life and depreciation method of property, plant and equipment

During the year, as a result of annual reassessment of the review of the useful lives and depreciation method of operating fixed assets, the management has identified that there has been a change in the expected pattern of consumption of the future economic benefits embodied in the assets. Accordingly, useful lives and depreciation method for certain classes of operating fixed assets has been revised to reflect the changed pattern. These revisions were accounted for prospectively as changes in accounting estimates.

As stated above, had there been no changes in accounting estimates, the profit before tax for the year and carrying value of such operating fixed assets as at the year-end would have been higher by Rs. 47.873 million, due to change of depreciation method and useful lives.

8.4 Capital work-in-progress

	Opening balance	Additions during the year	Transfers to operating fixed assets	Closing balance
	------(Rupees in '000')-----			
Civil Works	155,648	628,312	(324,837)	459,123
Plant and machinery	211,707	1,356,762	(1,195,124)	373,345
Furniture and fittings	3,239	3,312	(6,551)	-
Vehicles	64,320	80,315	(116,988)	27,647
Office and mills equipment	176,644	180,188	(353,134)	3,698
Computer equipment	1,045	15,095	(7,344)	8,796
Jigs and fixtures	19,164	119,923	(86,266)	52,821
2022	<u>631,767</u>	<u>2,383,907</u>	<u>(2,090,244)</u>	<u>925,430</u>

	Opening balance	Additions during the year	Transfers to operating fixed assets	Closing balance
	------(Rupees in '000')-----			
Civil Works	16,583	167,868	(28,803)	155,648
Plant and machinery	3,301	237,357	(28,951)	211,707
Furniture and fittings	-	3,809	(570)	3,239
Vehicle	-	64,320	-	64,320
Office and mills equipment	33,050	187,070	(43,476)	176,644
Computer equipment	-	1,045	-	1,045
Jigs and fixtures	8,280	15,489	(4,605)	19,164
2021	<u>61,214</u>	<u>676,958</u>	<u>(106,405)</u>	<u>631,767</u>

8.5 Details of the Group's immovable fixed assets are as under:

S.No.	Location	2022		2021	
		Land Area (square yards)	Building Covered Area (square feet)	Land Area (square yards)	Building Covered Area (square feet)
------(In '000')-----					
1	Thal Limited (Jute Division) , D.G. Khan Road, Muzaffargarh, Punjab	862	647	862	647
2	Plot #448 & 449 Sundar Industrial Estate Raiwind Road, Lahore, Punjab.	8	39	8	39
3	Plot 1, 2, 25 & 26 Sector 22 Korangi Industrial Area Karachi, Sindh.	51	229	51	229
4	DSU-14 sector II Downstream Industrial estate Bin Qasim, Karachi, Sindh.	24	32	24	32
5	Shop number 6, Clifton Pride, G -3/18, Clifton, Karachi, Sindh.	0.50	0.50	0.50	0.50
6	Plot # SP-6, N.W.I.Z / I / P-133 C, North Western Industrial Zone, Port Qasim Authority, Karachi.	22	193	22	193
7	Survey No. 148/1, Abyssinia Lines, Mubarak Shaheed Rd. Saddar , Karachi, Sindh.	24	216	24	216
8	Plot # 35, 36, 37, 38, 39, 39A, 40, 40A, 41, 42, 69, 69A, 70 and 71, Zila Moza Pathra, Hub, Balochistan	92	329	92	211
9	Plot C-49-58, Sector C, Hub Industrial Area. Hub, Balochistan	6	12	6	12
10	Plot # 38, Road # 3, Industrial Estate, Gadoon Amazai, Swabi, Khyber Pakhtunkhwa.	19	40	19	40

9. INTANGIBLE ASSETS

	Note	COST				ACCUMULATED AMORTIZATION				WRITTEN DOWN VALUE		
		Opening balance	Additions	Transfers	Disposals	Closing balance	Amortisation Rate	Charge for the year	Transfers		Disposals	Closing balance
		(Rupees in '000')				(Rupees in '000')						
Softwares Licences		25,324	-	-	-	25,324	33	2,138	-	-	23,898	1,426
- Software		72,680	13,295	-	(40)	85,935	33	13,980	-	(36)	66,392	19,543
- Product	9.2	175,385	-	-	-	175,385	20-33	46,140	-	-	119,163	56,222
2022		273,389	13,295	-	(40)	286,644		62,258	-	(36)	209,453	77,191
2021		261,548	11,841	-	-	273,389		64,510	-	-	147,231	126,158

9.1 The amortisation charge for the year has been allocated as follows:

	Note	2022	2021
		(Rupees in '000')	
Cost of sales	37	56,124	55,494
Distribution and selling expenses	38	225	1,256
Administrative expenses	39	5,909	7,760
		62,258	64,510

9.2 Represents patent rights and technical services acquired in respect of engineering business.

9.3 Intangible assets include items having an aggregate cost of Rs 54.052 million (2021: Rs 40.395 million) which are fully amortised and still in use of the Group.

10. INVESTMENT PROPERTIES

Land and building
Capital work in progress

	Note	2022	2021
		(Rupees in '000')	
	10.1	6,122,045	6,247,495
	10.2	105,794	225,658
		6,227,839	6,473,153

10.1 Land and building

	COST				ACCUMULATED DEPRECIATION / IMPAIRMENT *				Written down value
	Opening balance	Additions/ Subsequent expenditure	Disposals	Closing balance	Opening balance	Charge for the year	Disposals	Closing balance	
	(Rupees in '000')				(Rupees in '000')				
						Depreciation Rate			
						%			
Freehold									
Land	974,504	-	-	974,504	-	-	-	-	974,504
Building and related improvements	1,697,302	-	-	1,697,302	2.5 - 16	46,167	-	604,664	1,092,638
Equipment	216,899	-	-	216,899	6.6 - 20	30,774	-	125,802	91,097
Leasehold									
Land	1,657,588	-	-	1,657,588	2.17 - 3.33	48,498	-	586,960	1,070,628
Right of Use Assets - land	510,357	-	-	510,357	2 - 10	29,208	-	84,425	425,932
Building and related improvements	3,739,018	82,940	-	3,821,958	2.5 - 16	149,589	-	1,560,176	2,261,782
Equipment	430,190	159,956	-	590,146	6.6 - 20	64,110	-	384,682	205,464
2022	9,225,858	242,896	-	9,468,754		368,346	-	3,346,709	6,122,045
2021	9,247,744	106,052	(46,374)	9,307,422		337,107	(46,374)	3,059,927	6,247,495
						4,730*			

10.1.1 Investment properties comprise various properties across Pakistan, the fair value of which has been determined on the basis of valuation carried out by an independent valuer as of June 30, 2022 and June 30, 2021 which amounts to Rs. 0.136 billion (2021: Rs 0.133 billion) and Rs. 21.015 billion (2021: Rs 20.031 billion), respectively. The valuation was carried out on the basis of market intelligence, indexation of the original cost, year of construction, present physical condition and location and lease term of related land. For properties valued in 2021, the management engaged an independent valuer to reassess the fair value and based on desktop valuation, it was determined that there is no material change in the fair value exercised carried out in 2021.

10.1.2 The Holding Company has entered into a long-term agreement with Shabbir Tiles and Ceramics Limited, a related party in respect of investment property. The rental agreement has a remaining lease term of 9 months, with escalation clause upon renewal of contract based on mutual agreement. The rental income from investment property is disclosed in Note 41 to these consolidated financial statements.

10.1.3 Details of the Group's immovable investment properties are as under:

S. No.	Location	2022		2021	
		Land Area (square yards)	Building Covered Area (square feet)	Land Area (square yards)	Building Covered Area (square feet)
(in '000)					
1	Industrial Property bearing khewat number 861, 862, 890, 895, 905, khatooni number 1086,1087,1116, 1121,1133, Mouza Taraf Ravi, Multan, Punjab.	5	20	5	20
2	Main Air Port Road, DHA, Near Divine Garden Scheme, Lahore, Punjab.	61	134	61	134
3	G-Block, Link Road, Model Town, Lahore, Punjab.	38	300	38	300
4	75 Ravi Road, Lahore (Near Minar-e-Pakistan), Punjab.	24	287	24	287
5	2 km. Thokar Niaz Baig, Multan Road, Lahore, Punjab.	61	133	61	133
6	Main Sargodha Road, Adjacent FDA City, Faisalabad, Punjab.	59	138	59	138
7	Plot 1-A, I-11/4 adjacent Railway Carriage Factory, Islamabad.	43	133	43	133
8	NA-Class 190-219, OKEWARI Near Safari Park, University Road, Karachi, Sindh	53	134	53	134
9	Near Star Gate, Shahr-e-Faisal, Karachi, Sindh.	40	384	40	384
10	D-22, Manghopir Road, S.I.T.E, Karachi, Sindh.	36	158	36	158

10.1.4 The depreciation charge for the year on investment properties are attributable entirely to administrative expenses. (note 39).

	Note	2022	2021
		----- (Rupees in '000') -----	
10.2 Capital work in progress			
Opening balance		225,658	242,437
Capital expenditure during the year		158,238	191,011
Transfers to investment property		(242,896)	(106,052)
Impairment		-	(136,944)
Advances against capital assets		(35,206)	35,206
		<u>105,794</u>	<u>225,658</u>

11. LONG-TERM INVESTMENTS

Note	2022		2021			
	Holding %	Rupees in '000	Holding %	Rupees in '000		
Investment in associates - stated as per equity method						
Quoted associates						
11.2	6.22	3,102,208	6.22	2,740,771		
					Indus Motor Company Limited	2,303,280
					Opening balance	2,740,771
					Share of profit after tax	983,091
					Share of other comprehensive (loss)/income	(624)
Dividend received during the year	(621,030)					
Closing balance	3,102,208					
[Market value Rs. 5,596.165 million (2021: Rs. 6,132.745 million)]						
Habib Insurance Company Limited						
4.63	54,871	4.63	60,045	52,615		
					Opening balance	60,045
					Share of profit after tax	3,122
					Share of other comprehensive (loss)/income	(4,711)
					Dividend received during the year	(3,585)
Closing balance	54,871					
[Market value Rs. 36.993 million (2021: Rs. 46.457 million)]						
Agriauto Industries Limited						
7.35	446,841	7.35	405,409	357,157		
					Opening balance	405,409
					Share of profit after tax	54,126
					Dividend received during the year	(12,694)
					Closing balance	446,841
[Market value Rs. 283.490 million (2021: Rs. 580.499 million)]						
Shabbir Tiles & Ceramics Limited						
11.3	42,451	1.30	31,397	24,122		
					Opening balance	31,397
					Share of profit after tax	14,956
					Dividend received during the year	(3,902)
					Closing balance	42,451
[Market value Rs. 45.668 million (2021: Rs. 104.104 million)]						
Un-quoted associates						
11.6	6,920,828	11.90	5,271,269	3,408,659		
					Sindh Engro Coal Mining Company Limited (SECMC)	181,771
					Opening balance	5,271,269
					Investment made during the year	293,068
					Share of profit after tax	1,356,491
Closing balance	6,920,828					
[Adjusted net assets Rs. 6,901.946 million (2021: Rs. 5,253.376 million)]						
		<u>10,567,199</u>		<u>8,508,891</u>		

Note	2022		2021	
	Holding %	Rupees in '000	Holding %	Rupees in '000
Joint Ventures				
ThalNova Power Thar (Private) Limited (TNTPL) 11.7 & 11.8				
Opening balance		1,708,875		1,506,429
Investment made during the year		918,908		-
Advance against issue of shares		1,482,070		213,258
Share of (loss)/profit after tax		(3,414)		(10,812)
Closing balance	26	4,106,439	26	1,708,875
[Adjusted net assets Rs. 4,116.382 million (2021: Rs. 1,725.322 million)]				
TOTAL OF ASSOCIATES AND JOINT VENTURE		14,673,638		10,217,766
Listed shares - at fair value through other comprehensive income				
Habib Sugar Mills Limited		59,741		61,608
GlaxoSmithKline (Pakistan) Limited		210		278
GlaxoSmithKline Healthcare (Pakistan) Limited		120		126
Dynea Pakistan Limited		142,123		180,554
Allied Bank Limited		12,546		13,482
Habib Bank Limited		5,948		7,968
TPL Properties Limited		37,645		36,042
	11.9	258,333		300,058
TOTAL		14,931,971		10,517,824

11.1 Share of profit after tax of associates and joint venture

	Note	2022		2021	
		----- (Rupees in '000) -----			
Associates					
Indus Motor Company Limited		983,091		798,114	
Habib Insurance Company Limited		3,122		4,453	
Agriauto Industries Limited		54,126		60,946	
Shabbir Tiles and Ceramics Limited	11.3	14,956		7,275	
Sindh Engro Coal Mining Company Limited	11.6	1,356,491		1,680,839	
		<u>2,411,786</u>		<u>2,551,627</u>	
Joint venture					
ThalNova Power Thar (Private) Limited	11.7 & 11.8	(3,414)		(10,812)	
		<u>2,408,372</u>		<u>2,540,815</u>	

11.2 Although the Group has less than 20% equity interest in all its associates, the management believes that significant influence over these associates exists by virtue of Group's representation on the Board of Directors of the respective companies.

11.3 As the financial statements of this associate were not available at the reporting date of the Group, therefore the Group used the financial statements of the associate with a lag of three months for applying the equity method of accounting. Accordingly, the financial information from the latest available financial statements is presented i.e March 31, 2022

11.4 The summarised financial information of the associated companies and joint venture, based on the latest available audited/un-audited financial statements is as follows:

	Indus Motor Company Limited		Habib Insurance Company Limited		Agriauto Industries Limited		Shabbir Tiles and Ceramics Limited		Sindh Engro Coal Mining Company Limited		ThalNova Power Thar (Private) Limited	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	31 Mar 2022	31 Mar 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Revenue	275,505,778	179,161,727	986,144	731,408	15,397,684	10,485,027	11,192,543	8,366,731	47,072,709	36,361,101	-	-
Profit/(loss) after taxation	15,801,848	12,828,592	67,435	96,163	736,821	829,664	1,146,722	557,683	11,399,078	14,270,155	(13,127)	(41,585)
Other comprehensive income/(loss)	(10,037)	19,882	(101,740)	126,235	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	15,791,811	12,848,474	(34,305)	222,398	736,821	829,664	1,146,722	557,683	11,399,078	14,270,155	(13,127)	(41,585)
Cash and cash equivalents	92,396,887	71,477,141	71,585	1,537	(859,041)	455,215	553,224	873,607	41,761,032	26,848,070	1,657,560	54,098
Non-current assets	23,833,764	19,194,251			2,936,929	2,350,556	3,642,686	2,660,696	94,849,966	81,309,175	66,702,132	31,806,988
Current assets	190,131,590	114,711,565			6,589,176	4,767,872	3,776,095	3,998,656	84,904,414	61,307,875	4,589,606	295,654
Total assets	213,965,354	133,905,816	3,992,085	3,909,004	9,526,105	7,118,428	7,418,781	6,659,352	179,754,380	142,617,050	71,291,738	32,102,642
Less:												
Non-current liabilities	(280,837)	(745,433)			(167,441)	(98,308)	(726,866)	(945,816)	(66,979,183)	(56,853,375)	(51,951,133)	(21,633,967)
Current liabilities	(159,673,441)	(84,958,918)			(3,023,639)	(1,249,116)	(3,881,604)	(3,228,314)	(53,529,295)	(40,371,300)	(4,035,563)	(1,156,566)
Total liabilities	(159,954,278)	(85,704,351)	(2,827,331)	(2,632,523)	(3,191,080)	(1,347,424)	(4,608,470)	(4,174,130)	(120,508,478)	(97,224,675)	(55,986,696)	(22,790,533)
Net assets	54,011,076	48,201,465	1,164,754	1,276,481	6,335,025	5,771,004	2,810,311	2,485,222	59,245,902	45,392,375	15,305,042	9,312,109
Less: Preference shares	-	-	-	-	-	-	-	-	(1,246,356)	(1,246,356)	-	-
Adj/Less: Advance against shares not in proportion to shareholding	-	-	-	-	-	-	-	-	-	-	527,198	(2,676,255)
Adjusted net assets	54,011,076	48,201,465	1,164,754	1,276,481	6,335,025	5,771,004	2,810,311	2,485,222	57,999,546	44,146,019	15,832,240	6,635,854
Group's share in net assets (%)	6.22%	6.22%	4.63%	4.63%	7.35%	7.35%	1.30%	1.30%	11.90%	11.90%	26.00%	26.00%
Share in net assets	3,359,489	2,998,131	53,928	59,101	465,624	424,169	36,534	32,308	6,901,946	5,253,376	4,116,382	1,725,322
Others	(257,281)	(257,360)	943	944	(18,783)	(18,760)	5,917	(911)	18,882	17,893	(9,943)	(16,447)
Carrying amount	3,102,208	2,740,771	54,871	60,045	446,841	405,409	42,451	31,397	6,920,828	5,271,269	4,106,439	1,708,875

	2022	2021
	----- (Rupees in '000) -----	
11.5 Share in contingent liabilities of associated companies	904,251	515,555
Share in commitments of associated companies	7,159,938	9,197,774

11.6 This includes investment in Sindh Engro Coal Mining Company Limited (SECMC), an associate established for the construction of coal mine. Although the Group has less than 20% equity interest in the associate, the management believes that it has significant influence due to the contractual agreement with the shareholders. The Group undertook to invest a total of USD 25.6 million to expand the mine to 7.6 mtpa. Phase I of the Project achieved commercial operations in July 2019 and Phase II achieved financial close in December 2019. During the year, the Group invested Rs. 293.068 million in SECMC. As on the reporting date, the Group has invested Rs. 2,840.15 million acquiring 191,643,025 ordinary shares having face value of Rs. 10 each, at a price of Rs. 14.82 per share. The balance commitment of the investment is USD 2.5 million in PKR equivalent.

To secure the Group's commitment as above, a commercial bank has issued a guarantee in favour of the Group amounting to Rs. 1,544.277 million (2021: Rs. 1,544.277 million).

11.7 TNTPL is a joint venture between the Holding Company, Nova Powergen Limited (subsidiary of Novatex Limited) and The Hub Power Company Limited which was formed under the Joint Venture Agreement. The Holding Company holds 26% (2021: 26%) equity interest in TNPTL comprising 266,669,867 shares (2021: 153,453,275 shares) at Rs. 10/- each and has joint control under the terms of the Joint Venture Agreement.

11.8 The Group undertook to invest USD 34.3 million in PKR equivalent in ThalNova Power Thar (Private) Limited (TNTPL), which is a company developing a coal based power plant. Upto the statement of financial position date, the Group has invested Rs. 4,148.770 million in TNTPL acquiring 266,669,867 ordinary shares having face value of Rs. 10 each out of which Rs. 1,482.070 million is advance against share capital. During the year, the Group invested Rs. 2,400.978 million in TNTPL. The balance commitment of the investment is USD 10 million in PKR equivalent. TNTPL achieved its financial close on September 30, 2020 and expects to achieve Commercial Operations Date (COD) in 2022.

During the previous year, China Machinery Engineering Corporation (CMEC) has been appointed as the EPC Contractor. TNTPL has entered into Coal Supply Agreement (CSA) with SECMC to supply 1.9 million tons per annum of lignite. It has also entered into a Power Purchase Agreement (PPA) with the Central Power Purchase Agency (Guarantee) Limited (CPPA) and the Implementation Agreement with Private Power Infrastructure Board (PPIB).

The Power Plant is listed under Priority Projects under the China Pakistan Economic Corridor (CPEC) and its financing is being led by China Development Bank and Habib Bank Limited. TNTPL achieved its financial close on September 30, 2020. Subsequently, despite a brief delay, both USD lenders and PKR lenders have disbursed their first tranche of debt. The project is expected to achieve Commercial Operations Date (COD) in 2022.

To secure the Group's commitment as above, a commercial bank has issued a guarantee in favour of the Group amounting to Rs. 1,905.147 million (2021: Rs. 3,509.893 million).

11.9 The cost of these investments is Rs. 54.648 million (2021: Rs. 54.648 million). The Group recognised loss of Rs. 41.725 million (2021: gain of Rs. 130.011 million) on revaluation of these equity instruments in other comprehensive income.

	Note	2022	2021
		----- (Rupees in '000) -----	
12. LONG-TERM DEPOSITS			
Security deposits		24,004	14,236
Utilities		9,870	9,144
Others		1,581	1,423
		<u>35,455</u>	<u>24,803</u>

	Note	2022	2021
		----- (Rupees in '000) -----	
13. LONG TERM PREPAYMENT			
Advance rent	13.1	50,671	50,671
Provision against advance rent		<u>(28,170)</u>	<u>(28,170)</u>
		<u>22,501</u>	<u>22,501</u>

13.1 This represents unamortised portion of advance rent paid to Army Welfare Trust (AWT) for the lease of land. Pending the resolution of the matter, as referred to in note 1.2.3 of these consolidated financial statements, the Group as a matter of prudence has made provision against this balance after adjusting for the rent liabilities towards AWT amounting to Rs 22.501 million (2021: Rs. 22.501 million).

	Note	2022	2021
		----- (Rupees in '000) -----	
14. STORES, SPARES AND LOOSE TOOLS			
Stores			
- in hand		65,047	43,275
Spares in hand		266,606	187,455
Loose tools		124	180
Less:			
Provision for obsolescence	14.1 & 14.2	<u>(87,634)</u>	<u>(72,601)</u>
		<u>244,143</u>	<u>158,309</u>

14.1 Movement - Provision for obsolescence

Opening balance	72,601	80,317
Charge/(reversal) for the year - net	<u>15,033</u>	<u>(7,716)</u>
Closing balance	<u>87,634</u>	<u>72,601</u>

14.2 Aggregate cost of stores, spares and loose tools which have been provided for based on obsolescence amount to Rs. 144.480 million (2021: Rs. 152.477 million). Accordingly, net realisable value of such inventory amounts to Rs 56.846 million (2021: Rs 79.876 million).

	Note	2022	2021
		----- (Rupees in '000) -----	
15. STOCK-IN-TRADE			
Raw material			
- In hand	15.1	5,819,908	4,977,029
- In transit		<u>3,163,083</u>	<u>2,164,918</u>
		8,982,991	7,141,947
Work-in-process		809,655	560,647
Finished goods			
- In hand		1,255,532	635,944
- In transit		7	987
Less: Provision for obsolescence	15.2 & 15.3	<u>(239,467)</u>	<u>(220,910)</u>
		<u>10,808,718</u>	<u>8,118,615</u>

15.1 Raw materials amounting to Rs 11.432 million (2021: Rs 10.887 million) are held with the sub-contractors.

	Note	2022	2021
		----- (Rupees in '000) -----	
15.2 Movement - Provision for obsolescence			
Opening balance		220,910	197,666
Charge for the year - net		18,557	23,244
Closing balance		239,467	220,910

15.3 Aggregate of raw material, work-in-process and finished goods which have been provided for based on obsolescence amount to Rs. 426.427 million (2021: Rs. 639.444 million), Rs. 15.503 million (2021: Rs. 24.354 million) and Rs. 41.554 million (2021: Rs. 426.464 million), respectively. Accordingly, net realisable value of such stock-in-trade amounts to Rs 248.287 million (2021: Rs 869.352 million).

	Note	2022	2021
		----- (Rupees in '000) -----	
16. TRADE DEBTS			
Considered good	16.1 & 16.2	4,042,882	3,546,670
Allowance for expected credit losses	16.3	(80,305)	(83,633)
		3,962,577	3,463,037

16.1 This includes amount due from the following related parties:

Indus Motor Company Limited	1,143,381	1,064,082
Agriauto Industries Limited	226	247
Shabbir Tiles and Ceramics Limited	33,409	12,041
	1,177,016	1,076,370

16.2 The maximum aggregate amount due from the related parties at the end of any month during the year is as follows:

	Note	2022	2021
		----- (Rupees in '000) -----	
Indus Motor Company Limited		1,730,590	1,064,128
Agriauto Industries Limited		3,699	5,929
Shabbir Tiles and Ceramics Limited		36,165	28,563

16.3 Movement - Allowances for expected credit losses

Opening balance		83,633	216,155
Reversal for the year	41	(1,309)	(132,522)
Bad debts written off during the year		(2,019)	-
Closing balance		80,305	83,633

	Note	2022	2021
		----- (Rupees in '000) -----	

17. **LOANS AND ADVANCES**

Advances - considered good - unsecured			
Suppliers		295,047	109,432
Employees		8,484	2,395
Others	17.1	405,730	1,503
		709,261	113,330
		709,261	113,330

17.1 The amount includes advance to HUBCO for retirement of Water system facility LC under letter of undertaking issued by Thal Power (Private) Limited and Nova Powergen amounting to Rs 405.6 million.

	Note	2022	2021
		----- (Rupees in '000) -----	
18. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits			
Tender		154,671	186,902
Margin against letter of credit		905,353	198,371
Deposit against custom duty		7,182	7,182
Container deposits		34,567	29,124
Others		-	30
	18.1	1,101,773	421,609
Short-term prepayments			
Rent		2,640	2,709
Insurance	18.2	20,636	20,725
Others		22,946	21,539
		46,222	44,973
		1,147,995	466,582

18.1 These deposits are interest free.

18.2 This includes prepayments amounting to Rs 7.079 million (2021: Rs 12.366 million) paid to Habib Insurance Company Limited, a related party.

	Note	2022	2021
		----- (Rupees in '000) -----	
19. OTHER RECEIVABLES			
Tooling income receivable		30,852	47,246
Duty drawback		17,326	2,006
Receivable against WPPF	19.3	5,061	-
Custom duty reimbursable	31.3	892,813	659,608
Others	19.1 & 19.2	15,806	10,775
		961,858	719,635

19.1 This includes receivable from the following related parties:

Indus Motor Company Limited	5,310	418
Agriautos Industries Limited	2,058	104
Shabbir Tiles and Ceramics Limited	435	118
	7,803	640

19.2 The maximum aggregate amount due from related parties at the end of any month during the year is as follows:

	Note	2022	2021
		----- (Rupees in '000) -----	
Indus Motor Company Limited		5,310	418
Agriautos Industries Limited		2,058	104
Shabbir Tiles and Ceramics Limited		435	118

19.3 Workers' Profit Participation Fund (WPPF)

(Payable)/Receivable to WPPF at the beginning of the year	(2,942)	2,937
Allocation for the current year	(229,939)	(182,942)
	(232,881)	(180,005)
Paid during the year	237,942	177,063
Receivable/(payable) against WPPF at the end of the year	5,061	(2,942)

	Note	2022 ------(Rupees in '000)-----	2021
20. SHORT-TERM INVESTMENTS			
At fair value through profit or loss			
Treasury Bills	20.1	741,340	1,591,814
Term Finance Certificates (TFCs)	20.2	237,500	242,000
Mutual funds			
ABL Cash Fund		118,406	740,736
Alfalah GHP Income Fund		4,306	29,320
Alfalah GHP Money Market Fund		641,597	743,300
Al-Meezan Rozana Amdani Fund		297,754	160,752
Atlas Money Market Fund		293,992	405,532
Faysal Money Market Fund		69,367	105,224
HBL Cash Fund	20.3	884,575	892,551
MCB Cash Management Optimizer Fund		1,086,239	575,113
NBP Money Market Fund		1,062,474	701,451
NIT Money Market Fund		94,461	165,009
UBL Liquidity Plus Fund		610,665	754,885
		<u>5,163,836</u>	<u>5,273,873</u>
		<u>6,142,676</u>	<u>7,107,687</u>

20.1 These carry effective yield of 8% to 14.25% (2021: 7% to 8%) per annum, having maturity latest by July 2022.

20.2 This represents participation in private placement of TFCs carrying interest rate at the rate of 3 month KIBOR + 1.6% (2021: 3 month KIBOR + 1.6%) per annum. These TFCs do not have any fixed maturity date and are perpetual in nature.

20.3 Mutual fund units amounting to Rs. 166.373 million (2021: Rs. 124.120 million) are under lien as margin for security against State Bank of Pakistan's Temporary Economic Refinance Facility and State Bank of Pakistan's Refinance Facility for Renewable Energy from various commercial bank.

	Note	2022 ------(Rupees in '000)-----	2021
21. CASH AND BANK BALANCES			
Cash in hand		2,184	638
Bank balances in:			
Current accounts		481,023	277,670
Term Deposit Receipts (TDRs)	21.1 & 21.2	1,146,597	1,351,597
Savings accounts	21.3 & 21.4	1,427,449	1,050,869
		<u>3,055,069</u>	<u>2,680,136</u>
		<u>3,057,253</u>	<u>2,680,774</u>

21.1 These carry interest at rates ranging from 5.75% to 20% (2021: 6.55% to 9.00%) per annum having maturity latest by August 15, 2022.

21.2 TDR amounting to Rs. 209.37 million (2021: Rs. 145.950 million) is under lien against a letter of guarantee issued by a commercial bank on behalf of the Group and a TDR amounting to Rs. 2.227 million (2021: Rs. 2.227 million) provided as security against guarantee in favour of Sui Southern Gas Company Limited.

21.3 These carry interest at rates ranging from 5.50% to 14.5% (2021: 5.50% to 5.80%) per annum.

21.4 This includes a special bank account maintained in respect of security deposit in compliance with the requirements of Companies Act, 2017.

22. ASSETS CLASSIFIED AS HELD FOR SALE

Assets acquired in settlement of claims
Less: Provision for impairment

22.1 Movement - Provision of impairment

Opening balance
Charge for the year
Reversal for the year
Closing balance

23. SHARE CAPITAL

23.1 Authorized Capital

The Holding Company has authorised capital of 200 million ordinary shares of Rs. 5/- each amounting to Rs. 1,000 million.

23.2 Issued, Subscribed and paid-up capital

	2022	2021		2022	2021
	Number of ordinary shares of Rs. 5/- each			------(Rupees in '000)-----	
	5,149,850	5,149,850	Fully paid in cash	25,750	25,750
	64,640,390	64,640,390	Issued as fully paid bonus shares	323,202	323,202
			Shares issued under the Scheme of Arrangements for Amalgamation		
	<u>11,239,669</u>	<u>11,239,669</u>		<u>56,198</u>	<u>56,198</u>
	<u>81,029,909</u>	<u>81,029,909</u>		<u>405,150</u>	<u>405,150</u>

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

24. RESERVES

Capital reserves

Reserve on merger of former Pakistan Jute and Synthetics Limited and former Thal Jute Mills Limited
Premium on issue of share capital
Reserve on merger of former Pakistan Paper Sack Corporation Limited and former Khyber Papers (Private) Limited

Revenue reserves

General reserve
Unappropriated profit

Gain on revaluation of investments held at fair value through OCI

	2022	2021
	------(Rupees in '000)-----	
	13,240	13,240
	12,225	12,225
	<u>42,464</u>	<u>42,464</u>
	<u>67,929</u>	<u>67,929</u>
	<u>21,780,875</u>	<u>19,131,874</u>
	<u>12,484,696</u>	<u>10,214,613</u>
	<u>34,265,571</u>	<u>29,346,487</u>
	<u>198,716</u>	<u>245,413</u>
	<u>34,532,216</u>	<u>29,659,829</u>

	Note	2022	2021
		----- (Rupees in '000) -----	
25. NON-CONTROLLING INTEREST			
Habib Metro Pakistan (Private) Limited		6,234,944	6,151,272
Thal Boshoku Pakistan (Private) Limited		421,609	413,734
		<u>6,656,553</u>	<u>6,565,006</u>
26. LONG TERM DEPOSITS AND PAYABLES			
Deposits with:			
- Related Party	26.1	291,807	290,615
- Others	26.2	38,831	38,548
Payable in respect of Gas Infrastructure Development Cess		14,545	15,919
Less: Current maturity		(5,495)	(5,495)
		<u>9,050</u>	<u>10,424</u>
		<u>339,688</u>	<u>339,587</u>

26.1 This includes security deposits received from the following related parties under rent agreements:

	Note	2022	2021
		----- (Rupees in '000) -----	
Indus Motor Company Limited		326	326
Shabbir Tiles and Ceramics Limited		1,974	783
Metro Pakistan (Private) Limited		289,507	289,506
		<u>291,807</u>	<u>290,615</u>

26.2 These deposits are utilisable as per agreement with customers. During the year, the Group invested an amount of Rs. 23.005 million (2021: Nil) in treasury bills from these deposits.

27. LONG-TERM BORROWINGS

	Note	2022	2021
		----- (Rupees in '000) -----	
Secured			
State Bank of Pakistan's (SBP) Refinance Facility for Payment of Salaries and Wages	27.1	74,678	174,249
Less: Current portion		(74,678)	(99,571)
		-	74,678
SBP's Temporary Economic Refinance Facility	27.2	1,467,674	99,281
Less: Deferred income	29	(345,189)	(26,703)
		<u>1,122,485</u>	<u>72,578</u>
SBP's Financing Scheme for Renewable Energy	27.3	296,858	47,579
Less: Deferred income	29	(58,466)	-
Less: Current portion		(7,220)	(9,593)
		<u>231,172</u>	<u>37,986</u>
Long-term loan	27.4	918,908	-
Islamic mode of financing	27.5	7,427	-
Less: Current portion		(2,176)	-
		<u>5,251</u>	<u>-</u>
Unsecured			
Toyota Boshoku Asia Corporation Limited - NCI	27.6	298,982	229,949
Less: Current portion		(298,982)	-
		<u>-</u>	<u>229,949</u>
		<u>2,277,816</u>	<u>415,191</u>

27.1 In 2020, SBP introduced a Temporary Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns to support companies in making the payment of salaries and wages due to economic challenges imposed by COVID-19. This carries interest at the rate of 1.25% per annum and is repayable in eight equal quarterly installments. The borrowing is secured against a joint Pari Passu hypothecation charge on all present and future stocks, book debts and certain receivables of the Group.

27.2 In 2020, SBP introduced a Temporary Economic Refinance Facility to facilitate purchase of new plant and machinery to be used for setting up of new projects in all sectors. The total amount of the facilities from various commercial banks is Rs 1,510 million, out of which the Group has utilised Rs 1,468 million as at June 30, 2022. The facilities carry interest at rates ranging from 1.95% to 3.00% and are repayable in 32 equal quarterly installments starting from July 2023. The facilities are secured against charge against the underlying fixed assets.

27.3 In 2016, SBP introduced Refinance Scheme for Renewable Energy to encourage and facilitate purchase and installation of renewable energy facilities. Through a circular issued in 2019, the expiry period of the scheme was extended to June 30, 2022. The total amount of the facilities from various commercial banks is Rs 358 million, out of which the Group has utilised Rs 297 million as at June 30, 2022 for installation of solar power system at various location. The facilities carries interest at rates ranging from 2.45% to 3.45% and are repayable in 40 equal quarterly installments. The facilities are secured against charge against the underlying fixed assets.

27.4 During the period, the Holding Company obtained long-term loan from a commercial bank for investment in ThalNova Power Thar (Private) Limited through its subsidiary, Thal Power (Private) Limited. The facilities carries interest at 3-month KIBOR + 0.25% and is repayable in 20 equal quarterly installments starting from January 2024. The facilities are secured against charge against fixed assets of the Holding Company.

27.5 This represents Diminishing Musharaka Arrangement of Rs. 8.408 million with a modaraba for financing expenditure incurred. The tenor of the facility is five years with no years grace period. This finance facility is repayable in sixty equal monthly installments which commenced from December 2021 and is payable latest by November 2026.

27.6 This represents a foreign currency loan of USD 1.459 million, in equivalent Pakistani Rupees, which on the date of transfer amounted to Rs. 225 million. This carries mark up at LIBOR + 0.1% per annum and is repayable by January, 2023.

28. LEASE LIABILITIES

	Note	2022	2021
		----- (Rupees in '000) -----	
Opening balance		1,026,117	882,702
Re-assessment of lease liabilities		4,892	136,901
Accretion of interest		123,699	115,430
Less: Lease rentals paid		(137,983)	(108,916)
Balance at the end of the year		<u>1,016,725</u>	<u>1,026,117</u>
Less: Current portion		(122,778)	(120,223)
Long-term lease liabilities		<u>893,947</u>	<u>905,894</u>

29. DEFERRED INCOME

	Note	2022	2021
Deferred income	29.1	403,655	26,703
Less: Current portion	29.2	(70,910)	(4,394)
		<u>332,745</u>	<u>22,309</u>
29.1 Movement - Deferred income			
Opening balance		26,703	-
Recognition of deferred income during the year		428,799	26,988
Amortisation during the year		(51,847)	(285)
Closing balance		<u>403,655</u>	<u>26,703</u>

29.2 This relates to benefit of SBP's Temporary Economic Refinance Facility and SBP's Financing Scheme for Renewable Energy at below-market interest rate. The deferred income is being amortised to the consolidated statement of profit or loss on a systematic basis over the period during which the related interest expense, which it is intended to compensate, is expensed.

	Note	2022	2021
		----- (Rupees in '000) -----	
30. DEFERRED TAX LIABILITY - net			
Taxable temporary differences arising:			
Accelerated depreciation		423,086	307,935
Investment in associates and joint venture		735,883	478,613
		<u>1,158,969</u>	<u>786,548</u>
Deductible temporary differences arising on:			
Provisions		(566,635)	(440,418)
Lease liabilities		(33,193)	(34,129)
Unused tax losses carried forward	30.1	(32,323)	(47,229)
Unused tax credit carried forward		(38,962)	(12,693)
Unrealized loss on investments classified as FVPL		(9,904)	(8,943)
		<u>(681,017)</u>	<u>(543,412)</u>
		<u>477,952</u>	<u>243,136</u>

30.1 TBPPL has carried forward taxable losses of Rs. 134.40 million (2021: Rs. 162.86 million). The losses will be realised to the extent of tax benefit through future taxable profits, based on the projections.

	Note	2022	2021
		----- (Rupees in '000) -----	
31. TRADE AND OTHER PAYABLES			
Creditors	31.1	2,225,827	1,476,859
Accrued liabilities and levies	31.2	1,917,658	1,574,517
Additional custom duty provision	31.3	863,840	735,027
Salaries payable		22,150	24,844
Warranty obligations	31.4	823,154	670,297
Advance from customer (Contract liabilities)	31.5	141,092	28,711
Royalty payable	31.6	144,463	106,636
Payable to provident fund		1,331	459
Payable to retirement benefit fund		14,181	11,710
Security deposits		10,715	13,083
Other liabilities	31.7	312,142	231,323
		<u>6,476,553</u>	<u>4,873,466</u>

31.1 This includes amounts due to related parties:

Habib Insurance Company Limited		2,513	2,142
Indus Motor Company Limited		-	100
METRO Pakistan (Private) Limited		9,944	436
		<u>12,457</u>	<u>2,678</u>

31.2 This includes amounts due to the following related party:

Toyota Boshoku Asia Corporation Limited		-	6,056
Habib Insurance Company Limited		1,204	363
METRO Pakistan (Private) Limited		9,434	8,839
		<u>10,638</u>	<u>15,258</u>

31.3 Last year the Federal Board of Revenue vide its SRO dated June 28, 2019 imposed additional custom duty on the imports of certain items specified in the First Schedule to the Customs Act, 1969. The Group aggrieved by the notification is contesting its applicability by filing appeal before the Appellate Tribunal Customs Karachi (ATC) where the hearing is currently pending.

In order to secure the Group's commitment as above, a commercial bank has issued a guarantee in favour of the Group amounting to Rs. 92.397 million (2021: Rs. 109.416 million).

With reference to the above Indus Motor Company Limited (IMC), a related party, committed to reimburse the Group for any outflow that it may incur on account of additional customs duty paid on goods imported for supplies made to IMC. Accordingly, a reimbursement asset is recorded as disclosed in note 19 to the consolidated financial statements.

	Note	2022	2021
		----- (Rupees in '000) -----	
31.4 Warranty obligations			
Opening balance		670,297	558,644
Charge for the year	38	171,740	127,740
Claims paid during the year		(18,883)	(16,087)
Closing balance		<u>823,154</u>	<u>670,297</u>

31.5 Revenue recognised during the year that was included in contract liabilities balance at the beginning of the year amounts to Rs. 28.711 million (2021: Rs. 42.313 million).

	Note	2022	2021
		----- (Rupees in '000) -----	
31.6 Royalty payable			
Opening balance		106,636	43,667
Charge for the year	37	268,155	192,588
Paid during the year		(230,328)	(129,619)
Closing balance		<u>144,463</u>	<u>106,636</u>

31.7 Other liabilities

Provision against municipal utility charges	31.7.1	32,801	32,801
Advance from contractor	31.7.2	49,833	-
Withholding tax payable		20,188	5,249
Employees Old-Age Benefits Institution (EOBI)		65,060	62,998
Workers' Profit Participation Fund	19.3	-	2,942
Workers' Welfare Fund	31.7.3	92,502	83,891
Licence fee received in advance		7,928	13,795
Others		43,830	29,647
		<u>312,142</u>	<u>231,323</u>

31.7.1 During the year ended 30 June 2017, the MHPL received a bill from Karachi Metropolitan Corporation in respect of Municipal Service Charges amounting to Rs. 32.801 million. Out of which Rs.1.306 million pertains to the period July to October 2016 and the remaining pertains to prior years. MHPL is contesting the applicability of the above charges. However, as a matter of prudence, full provision has been made in these consolidated financial statements.

31.7.2 Represents advance from a contractor for purchase and dismantling of steel and RCC structure of MHPL's Store as mentioned in note 1.2.3 to these consolidated financial statements.

31.7.3 During the year ended 30 June 2017, the Supreme Court of Pakistan (SCP) declared the amendments made in WWF through Finance Act as null and void. However, a review petition was tried in 2017 against the above order of SCP by the Federal Board of Revenue. The management of MHPL, based on the opinion of its legal advisor, is confident that the MHPL would not be liable to pay any amount in respect of this matter. However, as a matter of prudence and abundant caution, the management has decided to keep the provision of Rs. 3.345 million in these consolidated financial statements, without prejudice, and without admitting the liability, until the verdict of SCP on this matter.

32. ACCRUED MARK-UP

This includes interest due to Toyota Boshoku Asia Corporation Limited, a related party amounting to Rs. 6.123 million (2021: Rs. 1.623 million)

	Note	2022	2021
----- (Rupees in '000) -----			
33. SHORT-TERM BORROWINGS			
Export Refinance Scheme	33.1	555,000	361,000
Export Finance Scheme	33.2	42,080	-
Running finance facilities	33.3	104,736	167,164
		<u>701,816</u>	<u>528,164</u>

33.1 This represents Export Refinance Facility obtained by the Holding Company from various commercial bank. The total amount of the facility is Rs. 555 million (2021: Rs. 361 million). It carries markup at rates ranging from 2.35% to 3% per annum (2021: 3% per annum) and is secured against a joint Pari Passu hypothecation charge on all present and future stocks and book debts of the Holding Company. The portion of the facility utilized during the year amounted to Rs 555 million (2021: Rs. 361 million) and is repayable latest by August 2022.

33.2 This represents Export Finance Scheme obtained by the Holding Company from a commercial bank. The total amount of the facility is Rs. 68 million (2021: nil). It carries markup at the rate of 0.49% per annum and is secured against a joint Pari Passu hypothecation charge on all present and future stocks and book debts of the Holding Company. The facility is repayable latest by October 2022.

33.3 Represents short-term running finance facilities obtained from various commercial banks which carry markup at the rates ranging from 3 month KIBOR plus 0.4% to 1 month KIBOR plus 1% (2021: 3 month KIBOR plus 0.4% to 1 month KIBOR plus 1% per annum) and are repayable on demand. These are secured by way of pair passu hypothecation charge over all the present and future stocks and receivables of TBPPL and all plant and machinery of TBPPL located at factory premises. As at June 30, 2022 the unutilized portion of these facilities amounts to Rs. 494 million (2021: Rs. 328 million).

	Note	2021	2020
----- (Rupees in '000) -----			
34. INCOME TAX - net			
Group Tax Relief adjustments	34.1	(684,120)	(684,120)
Group Taxation adjustments	34.2	58,266	46,904
Income tax provision less tax payments – net	34.3	1,778,277	1,050,054
		<u>1,152,423</u>	<u>412,838</u>

34.1 In terms of the provisions of Section 59B of the Income Tax Ordinance, 2001 (the Ordinance), a subsidiary company may surrender its tax losses in favour of its holding company for set off against the income of its holding company subject to certain conditions as prescribed under the Ordinance.

Accordingly, the Holding Company adjusted its tax liabilities for the tax years 2008 to 2010 by acquiring the losses of its subsidiary company and consequently an aggregate sum of Rs. 593.466 million equivalent to the tax value of the losses acquired had been paid to the subsidiary company.

The original assessments of the Holding Company for the tax years 2008 to 2010 were amended under Section 122(5A) of the Ordinance by the tax authorities by disallowing Group Relief claimed by the Holding Company under Section 59B of the Ordinance aggregating to Rs. 593.466 million. The Holding Company preferred appeals against the said amended assessments before the Commissioner Inland Revenue (Appeals) who vide his orders dated 10 June 2011 and 11 July 2011 has held that the Holding Company is entitled to Group Relief under Section 59B of the Ordinance. However, the tax department filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the Commissioner Inland Revenue (Appeal) (CIR) Order. The ATIR has passed an order in favour of the Holding Company for the above tax years. In response, the Tax department filed reference application / appeal against the order of ATIR before the High Court of Sindh and with the Chairman ATIR which are under the process of hearings.

34.2 In terms of provision of Section 59AA of Income Tax Ordinance, 2001 (the Ordinance), the Holding Company and certain subsidiaries have irrevocably opted to be taxed as one fiscal unit. Accordingly, the tax loss and tax transferred by these subsidiaries under group taxation opted by the Holding Company amounted to Rs. 0.811 million (2021: 2.918) and Rs. 12.173 million (2021: Rs. 5.393 million), respectively.

34.3 Includes adjustment of tax challans acquired from MHPL and TPL amounting to Rs 0.162 million (2021: Rs 0.063 million) and Rs 1.075 million (2021: Rs 3.592 million), respectively.

35. CONTINGENCIES AND COMMITMENTS

35.1 Contingencies

35.1.1 The Group Relief tax contingency is disclosed in note 33.1 to these consolidated financial statements.

35.1.2 Officer Inland Revenue ("OIR") initiated the proceedings for monitoring of withholding taxes of MHPL vide show cause notice on 06 April 2016. The exparte under Section 161/205/182(1) of the Income Tax Ordinance, 2001 were passed on 14 April 2016 and tax of Rs. 142.596 million for the tax years from 2011 to 2014, was determined inclusive of default surcharge and penalty. MHPL being aggrieved with the order of Assessing Officer, filed an appeal before the Commissioner Inland Revenue (Appeals) through combined appellate order dated 23 May 2016 for the tax years 2011 to 2014 maintained the decision of OIR.

MHPL being aggrieved with order of the Commissioner Inland Revenue (Appeals), filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which by an order dated 20 June 2016 annulled the orders of OIR and Commissioner Inland Revenue (Appeals) and also deleted the consequential default surcharge and penalty.

Further, during the year 2017, OIR challenged the order of the ATIR in the Honorable High Court of Sindh (HCS) and the case is still pending before the Honourable High Court of Sindh. Based on the opinion of the tax advisor the position of MHPL is sound on technical basis and eventual outcome ought to be in favour of MHPL. Pending the resolution of the matters stated above, no provision has been made in these consolidated financial statements.

	Note	2022	2021
----- (Rupees in '000) -----			

35.2 Commitments

35.2.1 Post dated cheques issued to Collector of Custom a customer against advance export proceeds

180,686	180,686
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35.2.2 Outstanding letters of credit

5,731,152	4,452,809
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35.2.3 Letter of guarantees issued by banks on behalf of the Group in respect of financial commitments of the Group.

6,568,639	7,425,033
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35.2.4 Corporate guarantee issued to collector of customs

91,615	76,691
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35.2.5 Commitments in respect of raw material

1,541,047	959,051
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35.2.6 Commitments in respect of capital expenditure

139,742	324,043
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	Note	2022	2021
----- (Rupees in '000) -----			

35.2.7 Commitments for rentals under Ijarah (lease) agreements
Within one year

11,904	26,472
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Later than one year but not later than five years

3,305	18,744
15,209	45,216

35.2.8 Commitments in respect of investment are disclosed in note 11 to these consolidated financial statements.

35.2.9 This guarantee is secured by assets disclosed in note 8.1.6 to these consolidated financial statements.

35.2.10 Represent Ijarah (Islamic term finance) agreement entered into with a Modaraba in respect of vehicles. Total Ijarah payments due under the agreements are Rs. 15.209 million and are payable in monthly installments latest by September, 2023. These commitments are secured by on-demand promissory notes of Rs. 34.512 million.

	Note	2022	2021
		----- (Rupees in '000) -----	
36. REVENUE - net			
Export sales		2,232,429	1,761,339
Local sales		43,661,882	32,468,760
		<u>45,894,311</u>	<u>34,230,099</u>
Less:			
Sales tax		(6,380,410)	(4,798,061)
Sales discount		(22,962)	(22,624)
		<u>(6,403,372)</u>	<u>(4,820,685)</u>
		<u>39,490,939</u>	<u>29,409,414</u>
Add:			
Service income	36.1	274,773	221,220
Add:			
Duty drawback		51,279	5,575
		<u>39,816,991</u>	<u>29,636,209</u>

36.1 Service income is presented net of sales tax of Rs. 60.293 million (2021: Rs. 45.167 million).

	Note	2022	2021
		----- (Rupees in '000) -----	
37. COST OF SALES			
Raw material consumed	37.1	28,995,229	21,007,348
Salaries, wages and benefits		2,968,812	2,194,792
Stores and spares consumed		368,436	279,546
Repairs and maintenance		167,670	150,886
Power and fuel		389,788	339,763
Rent, rates and taxes		7,911	4,554
Vehicle running and maintenance		35,294	56,455
Insurance		20,393	16,778
Communication		21,104	18,124
Travelling and conveyance		39,991	29,030
Entertainment		6,435	2,449
Printing and stationery		15,318	12,059
Legal and professional expenses		20,695	13,750
Computer accessories		22,445	17,581
Royalty	37.2	268,155	192,588
Depreciation on operating fixed assets	8.2	723,964	608,557
Amortization on intangible assets	9.1	56,124	55,494
Research and development		6,988	3,886
Ijarah rentals		4,899	15,778
Technical Assistance fee		422	3,521
Others		7,169	4,777
		<u>34,147,242</u>	<u>25,027,716</u>
Work-in-process			
Opening		560,647	377,192
Closing		(809,655)	(560,647)
		<u>(249,008)</u>	<u>(183,455)</u>
Cost of goods manufactured		<u>33,898,234</u>	<u>24,844,261</u>
Finished goods			
Opening stock		635,944	676,153
Purchases		59,372	33,849
Closing stock		(1,255,532)	(635,944)
		<u>(560,216)</u>	<u>74,058</u>
		<u>33,338,018</u>	<u>24,918,319</u>

		2022	2021
		----- (Rupees in '000) -----	
37.1 Raw material consumed			
Opening stock		4,977,029	4,390,214
Purchases		29,838,108	21,594,163
Closing stock		(5,819,908)	(4,977,029)
		<u>28,995,229</u>	<u>21,007,348</u>
37.2 Royalty			
Party Name	Registered Address	Relationship with Directors	
Denso Corporation	448-8661 1-1, Showa-Cho, Kariya-city, Aichi-Pref., Japan.	None	110,103
Furukawa Electric Company Limited	1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan.	None	116,880
Yazaki Corporation	4-28 1-Chome, Mita, Minato-ku Tokyo Japan	None	14,015
Kyungshin Corporation	98, Gaetbeoi-Ro, Yeonsu-Gu, Incheon, Republic of Korea	None	897
Toyota Boshoku Japan Corporation	88, kanayama, kamekubi-cho Toyotam Aichi, 470-0395 Japan.	None	26,260
			<u>268,155</u>
			<u>192,588</u>

38. DISTRIBUTION AND SELLING EXPENSES

	Note	2022	2021
		----- (Rupees in '000) -----	
Salaries and benefits		123,281	103,738
Vehicle running expense		10,344	6,800
Utilities		836	509
Insurance		1,642	1,801
Rent, rates and taxes		1,910	2,927
Communication		2,787	3,019
Advertisement and publicity		9,700	7,934
Travelling and conveyance		11,125	5,551
Entertainment		1,139	497
Printing and stationery		524	390
Legal and professional		-	33
Computer accessories		1,094	1,005
Research and development		47	68
Depreciation on operating fixed assets	8.2	5,965	1,507
Amortization on intangible assets	9.1	225	1,256
Repairs and maintenance		516	1,335
Export expenses		51,071	30,137
Freight expenses		356,603	265,032
Provision for warranty claims	31.4	171,740	127,740
Ijarah rentals		3,389	5,871
Others		1,709	1,354
		<u>755,647</u>	<u>568,504</u>

	Note	2022	2021
		----- (Rupees in '000) -----	
39. ADMINISTRATIVE EXPENSES			
Salaries and benefits		676,197	618,257
Vehicle running expense		20,870	14,813
Printing and stationery		5,189	3,939
Rent, rates and taxes		38,570	28,678
Utilities		117,930	95,532
Insurance		3,798	3,441
Entertainment		1,685	906
Subscription		2,529	2,355
Communication		5,925	5,876
Advertisement and publicity		6,771	1,982
Repairs and maintenance		37,862	48,320
Travelling and conveyance		14,862	7,578
Legal and professional advisory services		105,587	107,815
Computer accessories		12,194	13,389
Auditors' remuneration	39.1	8,615	8,489
Depreciation on operating fixed assets	8.2	76,842	42,571
Amortization on intangible assets	9.1	5,909	7,760
Depreciation on investment property	10.1	368,346	337,107
Ijarah rentals		9,890	15,870
Charity and donations	39.2 & 39.3	78,295	61,314
Directors' Fee & meeting expenses		2,090	1,875
General contracted services		1,549	1,417
Others		8,054	5,452
		<u>1,609,559</u>	<u>1,434,736</u>
39.1 Auditors' remuneration			
Audit fee		4,570	3,998
Half-yearly review		404	374
Taxation services		1,266	848
Other certifications		1,279	2,257
Out of pocket expenses		1,096	1,012
		<u>8,615</u>	<u>8,489</u>

39.2 Charity and donations

Charity and donations include the following donees in whom directors or their spouses are interested:

Name of donee	Address of donee	Name of directors/spouse	2022	2021
			----- (Rupees in '000) -----	
Mohamedali Habib Welfare Trust	2nd Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.	Mr. Rafiq M. Habib - Trustee	14,234	17,090
Habib Education Trust	4th floor, United Bank building, I.I. Chundrigar Road, Karachi.	Mr. Mohamedali R. Habib - Trustee	12,500	7,000
Habib University	147, Block 7&8, Banglore Cooperative Housing Society, Tipu Sultan Road, Karachi.	Mr. Rafiq M. Habib - Trustee Mr. Mohamedali R. Habib - Trustee	10,060	15,000
Ghulaman-e-Abbas Educational and Medical Trust	Bab-e-Ali, Al-alamdar Building, Near Lyari Expressway, Mauripur Road, Karachi	Mr. Rafiq M. Habib - Trustee	5,000	-
Hussaini Heamotology & Oncology Trust	43-Rehmat Manzil, Bhurgari Road, Numaish, Karachi.	Mr. Mohamedali R. Habib - Trustee	96	96
Anjuman -e- Behbood Samat -e- Itefal	ABSA School 26-C National Highway, Korangi Road, Karachi.	Mrs. Rafiq M. Habib - Vice President	30	30

39.3 There are no donees, other than already disclosed in note 39.2 to these consolidated financial statements, to whom donations exceed 10% of total donation or Rs 1 million, whichever is higher.

	Note	2022	2021
		----- (Rupees in '000) -----	
40. OTHER CHARGES			
Workers' profits participation fund	19.3	229,939	182,942
Workers' welfare fund		83,557	65,963
Provision for impairment of investment property		-	141,674
Bad debts written off		-	10,136
Provision for impairment - PPE		(1,064)	12,728
Exchange loss - net		306,881	-
Provision for impairment - non-current assets held for sale	22	1,021	1,720
		<u>620,334</u>	<u>415,163</u>

41. OTHER INCOME	Note	2022	2021
		----- (Rupees in '000) -----	
Income from financial assets			
Dividend income from:			
- Dynea Pakistan Limited		4,085	6,127
- Habib Sugar Mills Limited		5,601	5,134
- TPL Properties Limited		-	1,197
- Allied Bank Limited		1,455	1,455
- Habib Bank Limited		521	309
- GlaxoSmithKline Pakistan Limited		12	3
- Mutual funds		534,300	353,638
		<u>545,974</u>	<u>367,863</u>
Interest on:			
- Bank balances		104,291	75,279
- Term deposit receipts		42,586	42,622
- Government treasury bills		18,395	12,340
- Term Finance Certificates (TFCs)		27,318	22,850
		<u>192,590</u>	<u>153,091</u>
Gain on treasury bills		119,096	127,196
(Loss)/Gain on disposal of investment in mutual funds		(6,407)	24,553
Gain/(Loss) on revaluation of investments classified as FVPL		17,243	(31,208)
Reversal of provision for expected credit loss	16.3	1,309	132,522
Exchange gain - Net		-	83,730
Liabilities no longer payable written back		-	105,894
		<u>323,831</u>	<u>595,778</u>
Income from non financial assets			
Gain on disposal of property, plant and equipment		16,430	43,231
Gain on disposal of investment property		-	5,495
Gain on termination of lease arrangements		7,570	151
Rental income	41.1, 41.2 & 41.3	2,130,257	1,916,846
Scrap sales of inventory and investment property		68,817	40,739
Claim from suppliers/customers		30,614	46,009
Rent from sign boards, utilities and others		79,259	60,543
Advertising income		4,472	4,056
Insurance claim		7,051	31,850
Commission income		-	32
Others		22,123	532
		<u>2,366,593</u>	<u>2,149,484</u>
		<u>3,236,398</u>	<u>3,113,125</u>
41.1 Maturity analysis of operating lease payments			
The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:			
	Note	2022	2021
		----- (Rupees in '000) -----	
- Within one year		2,271,541	1,866,044
- After one year but not more than five years		5,615,159	7,452,848
- More than five years		-	1,837,689
		<u>7,886,700</u>	<u>11,156,581</u>

41.2 The Group has entered into long term rentals agreements with METRO Pakistan (Private) Limited (MPPL) in respect of store premises. The rentals are payable annually at fixed amount subject to inflationary adjustments. In addition, Group has also entered into various short-term rental arrangements with shops with various parties with period of one year and which are renewable.

41.3 Short-term rental concessions have been allowed due to COVID-19 situation. These concessions are only in respect of one year contracts and the total impact of such concessions amounts to Rs. 26.988 million in 2021, which had been adjusted from the rental income.

42. FINANCE COSTS	Note	2022	2021
		----- (Rupees in '000) -----	
Interest on:			
- Export Refinance Scheme		15,436	10,178
- State Bank of Pakistan's Refinance Scheme for payment of salaries and wages		5,705	2,411
- State Bank of Pakistan's Refinance Scheme for Temporary Economic Relief		66,211	478
- State Bank of Pakistan's Financing Scheme for Renewable Energy		16,322	286
- Long-term loan		58,741	-
- Loan from Thal Boshoku Asia Corporation Limited - NCI		16,465	1,623
- Running finance facilities		5,192	15,212
- Lease liabilities		123,699	115,430
Amortisation of deferred income		(51,847)	(285)
		<u>255,924</u>	<u>145,333</u>
Bank charges and commission		29,978	28,443
		<u>285,902</u>	<u>173,776</u>
43. TAXATION			
Current		2,365,871	1,616,260
Prior		(76,815)	(62,708)
		<u>2,289,056</u>	<u>1,553,552</u>
Deferred		234,816	316,570
	43.1	<u>2,523,872</u>	<u>1,870,122</u>
43.1 Relationship between income tax expense and accounting profit			
Profit before taxation and share of profit of associates		<u>6,443,929</u>	<u>5,238,836</u>
Tax at the rate of 29% (2021: 29%)		1,868,740	1,519,283
Super tax at the rate of 4% (2021: nil)		236,996	-
		<u>2,105,736</u>	<u>1,519,283</u>
Tax effects of:			
Income taxed at reduced rates on dividend and gain on disposal of investments		401,770	328,139
Income taxed under Final Tax Regime on export sales		(35,771)	(32,642)
Tax effect of inadmissible items		92,905	74,735
Tax credits		(14,488)	(7,231)
Others		(26,280)	(12,162)
		<u>2,523,872</u>	<u>1,870,122</u>
Average effective tax rate		<u>39%</u>	<u>36%</u>

44. BASIC AND DILUTED EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the Holding Company which is based on:

	2022	2021
	----- (Rupees in '000) -----	
Net profit for the year attributable to the equity holders of the Holding Company	5,810,776	5,433,698
	Number of shares in thousands	
Weighted average number of ordinary shares of Rs. 5/- each in issue	81,030	81,030
	----- (Rupees) -----	
Basic and diluted earnings per share	71.71	67.06

Note

	2022	2021
	----- (Rupees in '000) -----	

45. CASH GENERATED FROM OPERATIONS

	2022	2021
	----- (Rupees in '000) -----	
Profit before taxation	8,852,301	7,779,651
Adjustments for non-cash charges and other items:		
Depreciation on:		
- Right of use assets	61,915	49,973
- Investment properties	368,346	337,107
- Others	744,856	602,662
Amortisation	62,258	64,510
Finance costs on:		
- Lease liabilities	123,699	115,430
- Others	162,203	58,346
Interest income	(192,590)	(153,091)
Share in profit of associates	(2,408,372)	(2,540,815)
Liabilities no longer payable written back	-	(105,894)
Gain on revaluation / redemption / disposal of investments classified at FVPL	(129,932)	(120,541)
Dividend income	(545,974)	(367,863)
Allowance for expected credit losses	(1,266)	(132,565)
Bad debts written off	-	10,136
(Reversal)/charge of provision for impairment of property, plant and equipment	(1,064)	12,728
Provision for impairment of investment property	-	141,674
Charge of provision against assets classified as held for sale	1,021	1,720
Provision for retirement benefits	7,922	8,060
Unrealised exchange loss/(gain) on long-term loan	69,033	(15,334)
Gain on disposal of investment properties	-	(5,495)
Gain on disposal of operating fixed assets	(16,430)	(43,231)
	(1,694,375)	(2,082,483)
	7,157,926	5,697,168
Increase in current assets		
Stores, spares and loose tools	(85,834)	(16,158)
Stock-in-trade	(2,690,103)	(2,172,845)
Trade debts	(494,295)	(707,532)
Loans and advances	(595,931)	(63,149)
Trade deposits and short-term prepayments	(589,024)	(274,654)
Other receivables	(334,224)	(518,252)
	(4,789,411)	(3,752,590)
Increase in current liabilities		
Trade and other payables	1,600,240	1,801,290
Sales tax payable	(14,596)	109,396
	1,585,644	1,910,686
	3,954,159	3,855,264

46. CASH AND CASH EQUIVALENTS

	Note	2022	2021
		----- (Rupees in '000) -----	
Cash and bank balances	21	3,057,253	2,680,774
Short-term borrowings	33	(104,736)	(167,164)
		2,952,517	2,513,610

47. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Group comprise of associates, retirement benefit funds, directors and key management personnel. Details of transactions with related parties, duly approved by the Board, are as under:

Relationship	Nature of transactions	2022	2021
		----- (Rupees in '000) -----	
Associates	Sales	18,264,710	14,119,747
	Professional services rendered	220,801	221,412
	Rental income on properties	1,899,262	1,712,487
	Franchising fee	49,946	25,825
	Insurance premium paid	45,629	49,529
	Insurance claim received	12,357	35,028
Retirement benefit funds	Supplies purchased	1,501,549	1,133,771
	Purchase of assets	27,039	114,212
	Contribution to provident fund	63,330	57,596
	Contribution to retirement benefit fund	9,352	8,060

47.1 Transactions with key management personnel are disclosed in note 48 to the consolidated financial statements.

47.2 Receivable from and payable to related parties as at June 30, 2022 are disclosed in the respective notes to the consolidated financial statements.

47.3 Following are the related parties of the Group with whom the Group had entered into transactions or have arrangement/agreement in place as per mutually agreed terms and conditions.

S. No	Company Name	Basis of association	Aggregate % of shareholding	Nature of transactions
1	Indus Motor Company Limited	Associate (note 47.3.1)	6.22%	Sales of goods / Professional services rendered / Rent received
2	Shabbir Tiles and Ceramics Limited	Associate (note 47.3.1)	1.30%	Sales of goods / Supplies purchased / Professional services rendered / Rent received
3	Habib Insurance Company Limited	Associate (note 47.3.1)	4.63%	Insurance premium / Insurance claim received
4	Agriauto Industries Limited	Associate (note 47.3.1)	7.35%	Professional services rendered / Rent paid
5	Sindh Engro Coal Mining Company Limited	Associate (note 47.3.1)	11.90%	Equity investment
6	Thal Limited - Employees' Provident Fund	Retirement benefit fund	-	Contribution made
7	Thal Limited - Employees' Retirement Benefit Fund	Retirement benefit fund	-	Contribution made
8	Makro-Habib Pakistan Limited Limited - Employees' Provident Fund	Retirement benefit fund	-	Contribution made
9	Noble Computer Services (Private) Limited - Employees' Provident Fund	Retirement benefit fund	-	Contribution made
10	Habib Metro Pakistan (Private) Limited - Employees' Provident Fund	Employees' fund	-	Contribution made
11	Thal Boshoku Pakistan (Private) Limited - Employees' Provident Fund	Employees' fund	-	Contribution made
12	ThalNova Thar Power (Private) Limited	Joint Venture	-	Investment made
13	Metro Cash & Carry International Holdings B.V.	Associate of subsidiary	-	Dividend paid
14	METRO Pakistan (Private) Limited	Associate of subsidiary	-	Rental income

47.3.1 These entities are associated companies / undertakings of the Group under Companies Act, 2017

47.4 Following are the associated companies / undertakings of the Group outside Pakistan with whom the Group had entered into transactions or have arrangement/agreement in place:

Toyota Boshoku Asia Corporation Limited
Registered Address: 1-1 Toyoda-cho, Kariya-shi, Aichi, 448-8651
Country of incorporation: Thailand
Basis of association: Shareholder
Aggregate Shareholding: 25.4%

Toyota Tsusho Corporation
Country of incorporation: Japan
Basis of association: Shareholder
Aggregate Shareholding: 10%
Nature of transaction: Supplies purchased

Toyota Boshoku Corporation Japan
Registered Address: 1-1 Toyoda-cho, Kariya-shi, Aichi, 448-8651
Country of incorporation: Japan
Basis of association: Shareholder
Aggregate Shareholding: 9.64%
Nature of transaction: Supplies purchased

48. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVES AND DIRECTORS

	2022			2021		
	Chief executive	Directors	Executives	Chief executive	Directors	Executives
	------(Rupees in '000)-----					
Managerial remuneration	59,495	-	628,074	56,025	-	607,487
Bonus	32,869	-	152,767	9,000	-	91,352
Group's contribution to provident fund	2,818	-	29,900	2,429	-	17,527
Group's contribution to retirement fund	-	-	7,222	-	-	6,123
Other perquisites	-	-	9,492	-	-	9,484
	<u>95,182</u>	<u>-</u>	<u>827,455</u>	<u>67,454</u>	<u>-</u>	<u>731,973</u>
Number of persons	<u>1</u>	<u>6</u>	<u>96</u>	<u>1</u>	<u>6</u>	<u>77</u>

48.1 The chief executives, directors and certain executives of the Holding Company are provided with free of cost use of company maintained cars.

48.2 Five non-executive directors (2021: Five) have been paid fees of Rs. 2,090,000 (2021: Rs. 1,625,000) for attending board and other meetings.

48.3 The Chief Executives and Directors of Pakistan Industrial Aids (Private) Limited, Thal Boshoku Pakistan (Private) Limited, Thal Power (Private) Limited, Makro-Habib Pakistan Limited and Thal Electrical (Private) Limited are not being paid any remuneration for holding the office.

49. PLANT CAPACITY AND ACTUAL PRODUCTION

	2022	2021
Annual Capacity		
Jute (Metric Tons)	33,800	33,800
Auto air conditioners (Units)	90,000	90,000
Paper bags (Nos. 000s)	356,000	356,000
Woven polypropylene bags (Nos. 000s)	90,000	-
Alternator (Units)	90,000	90,000
Starter (Units)	90,000	90,000
Seat tracks (Sets)	55,000	55,000
Side frame (Sets)	55,000	55,000
Air cleaner (Sets)	110,000	110,000
Seats (Units)	50,000	50,000
Actual Production		
Jute (Metric Tons)	26,009	26,170
Auto air conditioners (Units)	74,106	60,610
Wire harness (Units)	224,436	147,904
Paper bags (Nos. 000s)	193,408	220,663
Woven polypropylene bags (Nos. 000s)	13,402	-
Alternator (Units)	57,677	47,322
Starter (Units)	55,951	34,073
Seat tracks (Sets)	46,000	18,000
Side frame (Sets)	57,000	21,000
Air cleaner (Sets)	23,000	29,000
Seats (Units)	23,000	29,000
Reason for shortfall	Low demand	Low demand

49.1 The capacity of wire harness is dependent on product mix.

49.2 The production capacity of Laminate Operations depends on the relative proportion of various types of products.

50. PROVIDENT FUND

Investments out of provident fund have been made in compliance with the provisions of section 218 of the Act and the rules formulated for this purpose.

51. FINANCIAL INSTRUMENTS BY CATEGORY

	2022		2022		Total
	Interest / Mark-up bearing	Non-Interest / Mark-up bearing	No Maturity / upto one year	Maturity after one year	
Financial assets					
Fair value through OCI					
Long-term investments	-	258,333	-	-	258,333
Fair value through profit or loss					
Short-term investments	237,500	741,340	5,163,836	978,840	6,142,676
Amortized cost					
Long term deposits	-	-	-	35,455	35,455
Trade debts	-	-	-	3,962,577	3,962,577
Loans and advances	-	-	-	-	-
Trade deposits	-	-	41,749	41,749	41,749
Interest accrued	-	-	23,106	23,106	23,106
Other receivables	-	-	961,858	961,858	961,858
Cash and bank balances	1,427,449	1,146,597	483,207	483,207	3,057,253
	1,664,949	1,887,937	5,905,376	4,989,290	14,483,007
Financial liabilities					
Amortized cost					
Long-term deposits	-	-	-	291,807	291,807
Long-term borrowings	383,056	2,277,816	-	-	2,660,872
Lease liabilities	122,778	893,947	-	-	1,016,725
Trade and other payables	-	-	6,324,746	-	6,324,746
Accrued mark-up	-	-	28,046	-	28,046
Unclaimed dividend	-	-	97,740	-	97,740
Unpaid dividend	-	-	28,150	-	28,150
Short-term borrowings	701,816	3,171,763	125,890	6,352,792	11,149,902
	1,207,650	4,379,413	6,352,792	6,770,489	11,149,902

	2021		2021		2021		Total
	Interest / Mark-up bearing	Non-Interest / Mark-up bearing	Interest / Mark-up bearing	Non-Interest / Mark-up bearing	Interest / Mark-up bearing	Non-Interest / Mark-up bearing	
	No Maturity / upto one year	Maturity after one year	No Maturity / upto one year	Maturity after one year	No Maturity / upto one year	Maturity after one year	
	(Rupees in '000')						
	No Maturity / upto one year	Maturity after one year	No Maturity / upto one year	Maturity after one year	No Maturity / upto one year	Maturity after one year	
Financial assets							
Fair value through OCI							
Long-term investments	-	-	300,058	-	-	-	300,058
Fair value through profit or loss							
Short-term investments	242,000	1,591,814	1,833,814	5,273,873	-	-	7,107,687
Amortized cost							
Long term deposits	-	-	-	-	24,803	24,803	24,803
Trade debts	-	-	-	3,463,037	-	3,463,037	3,463,037
Loans and advances	-	-	-	-	-	-	-
Trade deposits	-	-	-	36,336	-	36,336	36,336
Interest accrued	-	-	-	13,263	-	13,263	13,263
Other receivables	-	-	-	719,635	-	719,635	719,635
Cash and bank balances	1,050,869	1,351,597	2,402,466	278,308	278,308	278,308	2,680,774
	1,292,869	2,943,411	4,236,280	5,852,239	4,232,271	10,109,313	14,345,593
Financial liabilities							
Amortized cost							
Long-term deposits	-	-	-	-	290,615	290,615	290,615
Long-term borrowings	-	109,164	415,191	524,355	-	-	524,355
Lease liabilities	-	120,223	905,894	1,026,117	-	-	1,026,117
Trade and other payables	-	-	-	-	4,831,672	4,831,672	4,831,672
Accrued mark-up	-	-	-	-	7,422	7,422	7,422
Unclaimed dividend	-	-	-	-	-	-	-
Unpaid dividend	-	-	-	89,256	-	89,256	89,256
Short-term borrowings	-	528,164	-	36,242	-	36,242	36,242
	-	757,551	1,321,085	2,078,636	125,498	4,839,094	7,333,843

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments expose it to a variety of financial risks namely operational risk, credit risk and market risk. The Board of Directors oversees policies for managing each of these risks which are summarised below.

52.1 Operational Risk

The Group's financial instruments expose it to a variety of financial risks namely operational risk, credit risk and market risk. The Board of Directors oversees policies for managing each of these risks which are summarised below.

COVID-19 pandemic has created an unprecedented challenge for Group in terms of Business Continuity Plans. The Group is closely monitoring the situation and has invoked required actions to ensure the safety and security of Group's staff and uninterrupted service to shareholders.

52.2 Credit Risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted.

The maximum credit risk is equal to the carrying amount of financial assets. For banks and financial institutions, only independently rated parties with reasonable credit rating are accepted. For trade receivables, internal risk assessment process considers the credit risk of the customer, taking into account its financial position, past experience and other factors.

The carrying values of financial assets which are not impaired are as under:

	2022	2021
	(Rupees in '000)	
Long term deposits	35,455	24,803
Trade debts	3,962,577	3,463,037
Trade deposits	41,749	36,336
Interest accrued	23,106	13,263
Other receivables	961,858	719,635
Short term investments	6,142,676	7,107,687
Cash and bank balances	3,057,253	2,680,774
	14,224,674	14,045,535

Ageing analysis of trade debts is as follows:

Note	2022			2021		
	Due from related parties	Other parties	Total	Due from related parties	Other parties	Total
	(Rupees in '000)					
- Not overdue	1,177,016	2,302,154	3,479,170	1,074,238	1,930,429	3,004,667
Past due:						
- 01 to 30 days	-	188,884	188,884	-	256,801	256,801
- 31 to 60 days	-	75,594	75,594	-	110,504	110,504
- 61 to 90 days	-	110,688	110,688	989	57,955	58,944
- Over 90 days	-	188,546	188,546	1,143	114,611	115,754
Total trade debts	1,177,016	2,865,866	4,042,882	1,076,370	2,470,300	3,546,670
Allowance for expected credit losses	16.3	(80,305)	(80,305)	-	(83,633)	(83,633)
	1,177,016	2,785,561	3,962,577	1,076,370	2,386,667	3,463,037

The credit quality of financial assets other than bank balances and short term investments in TDRs and TFCs can be assessed with reference to their historical performance with no or some defaults in recent history, however, no losses.

The credit quality of Group's bank balances and short term investments in TDRs and TFCs can be assessed with reference to external credit ratings as follows:

Bank Balances	Rating agency	Rating	
		Short-term	Long-term
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AA+
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A-1+	AA
Habib Bank Limited	VIS	A-1+	AAA
Meezan Bank Limited	VIS	A-1+	AAA
National Bank of Pakistan	PACRA	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
Telenor Microfinance Bank Limited	PACRA	A1	A
Al Baraka Bank Pakistan	PACRA	A-1	A+
Short term investments			
TFCs	VIS	A-1+	AA

52.3 Market risk

Market risk is the risk that the value of the financial instruments may fluctuate as a result of changes in market currency rates, interest rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Group's exposure to market risk or the manner in which this risk is managed and measured.

Under market risk the Group is exposed to currency risk, price risk and liquidity risk.

52.3.1 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies.

	2022	2021
	----- (FCY in '000) -----	
USD		
Bank balances	1,186	823
Trade receivables	1,114	745
Trade and other payables	(5,156)	(1,590)
Long-term loan	(1,453)	(1,453)
	<u>(4,309)</u>	<u>(1,475)</u>
EUR		
Trade and other payables	(391)	(764)
JPY		
Trade and other payables	(4,293)	(4,854)
CHF		
Trade and other payables	-	(4)
CNY		
Trade and other payables	(84)	(3)

The following exchange rates have been applied at the reporting date:

	2022	2021
	----- (Rs / FCY) -----	
USD	206.00	158.30
EUR	215.75	188.71
JPY	1.51	1.43
CHF	215.96	171.86
CNY	30.93	24.76

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

	Change	Effect on profit before tax	Effect on equity
	%	----- (Rupees in '000) -----	
2022	+ 10	(98,118)	(71,391)
	- 10	98,118	71,391
2021	+ 10	(38,527)	(28,032)
	- 10	38,527	28,032

52.3.2 Interest rate risk

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

The Group's exposure to the risk of changes in market interest rates relates primarily to the loan from Toyota Boshoku Asia Corporation, cash and deposit and savings accounts, short term borrowings (export refinance scheme) and long-term borrowings.

Sensitivity analysis:

The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax:

	Increase / decrease in basis points	Effect on profit before tax
2022		
KIBOR/LIBOR	+ 100	9,631
KIBOR/LIBOR	- 100	(9,631)
2021		
KIBOR/LIBOR	+ 100	5,303
KIBOR/LIBOR	- 100	(5,303)

52.3.3 Price risk

Price risk is the risk that the fair value of future cashflows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is exposed to price risk in respect of its investments in listed shares and mutual funds.

As at the reporting date, the exposure to listed equity securities at fair value was Rs 258.333 million. A decrease of 10% in the fair value of these securities would have a negative impact of approximately Rs 25.833 million on equity. An increase of 10% in the prices of these securities would positively impact equity with the similar amount.

52.3.4 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with the financial instruments.

Through its treasury function, the Group continually monitors its liquidity position and ensures availability of funds by maintaining flexibility in funding by keeping committed credit lines available.

The maturity profile of the Group's liabilities based on contractual maturities is disclosed in note 50 to these consolidated financial statements.

53. CAPITAL RISK MANAGEMENT

The Group's prime objective when managing capital is to safeguard its ability to continue as a going concern, maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as proportion of borrowings to equity at year end.

The proportion of borrowings to equity at year end was:

Total borrowings
Total equity
Gearing ratio

	2022	2021
	------(Rupees in '000)-----	
Total borrowings	4,081,252	1,577,175
Total equity	41,593,931	36,629,997
Gearing ratio	10%	4%

The Group finances its expansion projects through borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

54. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

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

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

	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
2022				
Assets				
- Investment carried at fair value through OCI	258,333	-	-	258,333
- Investment carried at fair value through Profit and Loss	5,163,836	978,840	-	6,142,676
2021				
Assets				
- Investment carried at fair value through OCI	300,058	-	-	300,058
- Investment carried at fair value through Profit and Loss	5,273,873	1,833,814	-	7,107,687

There were no transfers amongst levels during the year.

The market prices of listed shares have been obtained from Pakistan Stock Exchange and the market prices of mutual funds and TFCs have been obtained from Mutual Fund Association of Pakistan.

55. OPERATING SEGMENTS

55.1 Segment analysis

	2022				2021					
	Engineering	Building Materials and Allied Products	Real estate management & others	Total	Engineering	Building Materials and Allied Products	Real estate management & others	Total		
	------(Rupees in '000)-----									
Sales revenue - external	25,160,060	14,321,917	335,014	-	39,816,991	18,273,012	11,108,360	254,837	-	29,636,209
- internal	-	-	190,825	(190,825)	-	-	-	151,814	(151,814)	-
Rental income	-	-	2,211,156	-	2,211,156	-	-	1,978,731	-	1,978,731
Total segment revenue	25,160,060	14,321,917	2,736,995	(190,825)	42,028,147	18,273,012	11,108,360	2,385,382	(151,814)	31,614,940
Segment result	3,823,622	2,501,500	1,453,357	-	7,778,479	2,615,180	2,100,696	1,174,359	-	5,890,235
Unallocated (expenses) / income:										
Administrative and distribution costs				(1,484,961)	(1,484,961)					(1,263,108)
Other charges				(620,377)	(620,377)					(248,905)
Other income				1,056,690	1,056,690					1,034,390
Operating profit				6,729,831	6,729,831					5,412,612
Finance cost				(285,902)	(285,902)					(173,776)
Share of profit after tax of associates and joint venture				2,408,372	2,408,372					2,540,815
Taxation				(2,523,872)	(2,523,872)					(1,870,122)
Segment assets				6,328,429	6,328,429					5,909,529
Corporate assets	12,409,751	12,425,657	16,322,343	(424,115)	40,733,636	9,560,103	8,404,775	13,295,887	499,566	31,760,331
Unallocated assets				14,278,027	14,278,027					13,025,660
Segment liabilities				55,011,663	55,011,663					44,785,991
Corporate liabilities	4,691,277	4,344,506	1,766,257	(553,942)	10,248,098	3,953,839	1,712,942	1,730,630	(556,069)	6,841,342
Unallocated liabilities				1,379,257	1,379,257					484,472
				1,790,377	1,790,377					830,180
				13,417,732	13,417,732					8,155,994

The Engineering segment is engaged in the manufacturing of automotive parts.

The Building material and allied products segment includes jute, papersack and laminate operations.

The third segment includes the real estate management, trading and management services.

55.2 Geographical Information of customers

	2022	2021
	----- (Rupees in '000) -----	
Pakistan	37,533,283	27,869,295
Australia	95,531	125,623
Belgium	-	6,903
Egypt	518,744	-
Greece	18,645	11,931
Indonesia	-	30,950
Italy	120,180	62,152
Jordan	7,611	32,885
Malaysia	4,286	2,332
Netherlands	-	57,286
New Zealand	15,533	60,112
Oman	13,176	1,112
Qatar	37,066	3,127
Saudi Arabia	52,031	2,894
Switzerland	206,957	183,916
Tanzania	-	23,124
Turkey	288,511	162,980
Uganda	-	3,771
United Arab Emirates	905,211	987,031
United Kingdom	226	2,205
United States of America	-	6,580
	<u>39,816,991</u>	<u>29,636,209</u>

The revenue information above is based on the location of customers.

55.3 Revenue from one customer amounted to Rs. 18,586 million (2021: Rs. 13,995 million), arising from sales in the Engineering Segment.

55.4 All non-current assets of the group as at June 30, 2022 (June 30, 2021) are located in Pakistan.

56. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on September 9, 2022 has approved the following:

(i) transfer of Rs. 3,649.5 million from unappropriated profit to general reserve; and

(ii) payment of cash dividend of Rs. 2.5 per share for the year ended June 30, 2022 for approval of the members at the Annual General Meeting to be held on October 20, 2022.

57. NUMBER OF EMPLOYEES

56.1 Total number of employees

Total number of Company's employees as at June, 30

Average number of Company's employees during the year

	2022	2021
Total number of Company's employees as at June, 30	<u>5,521</u>	<u>4,704</u>
Average number of Company's employees during the year	<u>5,113</u>	<u>4,763</u>

58. GENERAL

58.1 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications to report.

58.2 Figures have been rounded off to the nearest thousands.

59. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on September 9, 2022 by the Board of Directors of the Holding Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

THAL LIMITED

E-DIVIDEND MANDATE FORM

We wish to inform you that in accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive your dividends directly into your Bank account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your CNIC to the Registrar of the Company M/s FAMCO Associates (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

CDC shareholders are requested to submit their Dividend Mandate and CNIC directly to their broker (participant)/CDC on the given below format.

I hereby communicate to receive my future dividends directly in my Bank account as detailed below:

Name of shareholder: _____

Folio Number / CDC Account No: _____ Company _____
_____ Limited.

Contact number of shareholder: _____

Email Address: _____

Title of Account: _____

IBAN Number (see Note below):

P	K																																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Account No: _____

Branch Code: _____

Name of Bank: _____

Bank branch & full mailing address: _____

CNIC No. (copy attached): _____

NTN (in case of corporate entity): _____

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes in the said particulars In future.

Shareholder's Signature

Note: Please provide complete IBAN Number, after checking with your concerned branch to enable electronic credit directly into your bank account.

The payment of cash dividend will be processed to the above account only. Your company is entitled to rely on the account number as per your instructions. The company shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and / or due to any event beyond the control of the company.

The shareholder who hold shares in physical form are requested to submit the required Dividend Mandate Form after duly filled in to the Share Registrar concerned. The Shareholders who hold shares in Central Depository Company are requested to submit the required Dividend Mandate Form after duly filled in to their Participants / Investor Account Services.

THAL LIMITED

Form of Proxy
Fifty Sixth Annual General Meeting

The Secretary
Thal Limited
House of Habib, 4th floor
Shahra-e-Faisal,
Karachi - 75350

I/We _____

of _____ in the district of _____

being member of Thal Limited, and holder of _____

Ordinary Shares as per Share Register Folio No. _____

and/or CDC Participant I.D. No. _____

And Sub. Account No. _____ hereby appoint _____

of _____ in the district of _____

or failing him / her _____ of _____

as my / our proxy to vote for me/us and on my/our behalf at the 56th Annual General Meeting of the Company to be held on October 20, 2022 and or any adjournment thereof.

Signed this _____ day of _____

WITNESSESS:

Signature _____

Name _____

Address _____

CNIC or _____

Passport No. _____

Signature _____

Name _____

Address _____

CNIC or _____

Passport No. _____

Note:

- This proxy form duly completed and signed, must be received at the Registered Office of the Company or Share Registrar of the Company, not less than 48 hours before the time of holding the meeting.
- 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.
- If a member appoints more than one proxy and more than one instrument 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:

- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- In case of corporate entry, 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.

تھل لمیٹڈ

ای۔ ڈیوٹیڈ مینڈیٹ فارم

ہم آپ کو مطلع کرنا چاہتے ہیں کہ کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۴۲ کی شقوں کے مطابق کسی بھی لمیٹڈ کمپنی کے لئے یہ لازم ہے کہ شیئرز ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرونک طریقہ کار تحقیقات کے حامل شیئرز ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں براہ راست کی جائے۔

اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کی غرض سے براہ مہربانی درج ذیل کے مطابق کوائف مکمل کریں اور اس لیٹر کو باقاعدہ دستخط کے ساتھ بشمول اپنے سی این آئی سی کی کاپی کمپنی کے رجسٹرار میسرز فیکو ایبوسٹی ایٹس (پرائیویٹ) لمیٹڈ، 8-F، نزد ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو ارسال کریں۔

سی ڈی سی شیئرز ہولڈرز سے درخواست ہے کہ اپنے منافع منقسمہ کا مینڈیٹ اور سی این آئی سی برائے راست اپنے بروکر (پرائیویٹ) / سی ڈی سی کو دینے کے لئے درج ذیل فارمیٹ پر فراہم کر دیں۔

میں بذریعہ ہذا اپنے مستقبل کے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصول کرنا چاہوں گا جیسا کہ تفصیل ذیل میں درج ہے:

_____ شیئرز ہولڈر کا نام

_____ فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر: _____ کمپنی _____ لمیٹڈ۔

_____ شیئرز ہولڈر کا رابطہ نمبر

_____ ای میل ایڈریس

_____ اکاؤنٹ کا نام

انٹرنیشنل بینک اکاؤنٹ نمبر (نیچے نوٹ ملاحظہ کریں) _____ پی کے

_____ اکاؤنٹ نمبر

_____ برانچ کوڈ

_____ بینک کا نام

_____ بینک برانچ اور ڈاک کا مکمل پتہ

_____ سی این آئی سی نمبر (کاپی منسلک)

_____ این ٹی این (کارپوریٹ ادارے کی صورت میں)

واضح کیا جاتا ہے کہ میری جانب سے دیئے گئے مذکورہ بالا کوائف درست اور میری بہترین معلومات کے مطابق ہیں۔ میں مستقبل میں اپنے کوائف میں کسی تبدیلی کی صورت میں کمپنی کو مطلع کرتا رہوں گا۔

_____ شیئرز ہولڈر کے دستخط

نوٹ:

براہ مہربانی مکمل آئی بی اے این نمبر اپنی متعلقہ برانچ کے ساتھ مکمل چیکنگ کے بعد فراہم کریں تاکہ آپ کے بینک اکاؤنٹ میں الیکٹرونک کریڈٹ کو براہ راست ممکن بنایا جاسکے۔

نقد منافع منقسمہ کی ادائیگی صرف مذکورہ بالا اکاؤنٹ میں کی جائے گی۔ آپ کی کمپنی آپ کی ہدایات کے مطابق اکاؤنٹ نمبر پر انحصار کرے گی۔ کمپنی ایسے کسی بھی نقصان، ڈبج یا دعویٰ کی بلواسطہ یا بلاواسطہ کسی بھی وقت کسی تاخیر یا ایسے کسی بھی مالی ذمہ داری کی ادائیگی کیلئے ذمہ دار نہ ہوگی جو کسی غیر درست ادائیگی کی ہدایات کے باعث ہو اور / یا کمپنی کے کنٹرول کے باہر کسی معاملے کے تحت ہو۔

ایسے شیئرز ہولڈرز جو فزیکل صورت میں شیئرز کے حامل ہوں ان سے درخواست ہے کہ اپنا مطلوبہ ڈیوٹیڈ مینڈیٹ فارم باقاعدہ کر کے متعلقہ شیئرز رجسٹرار کو جمع کرائیں۔ وہ شیئرز ہولڈرز جو سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ میں شیئرز رکھتے ہیں ان سے درخواست ہے کہ وہ مطلوبہ منافع منقسمہ کا مینڈیٹ فارم باقاعدہ بھرنے کے بعد اپنے پرائیویٹس / انویسٹر اکاؤنٹ سروسز کو جمع کرا دیں۔

تھل لمیٹڈ

پراکسی فارم

۵۶ واں سالانہ اجلاس عام

سیکرٹری

تھل لمیٹڈ

ہاؤس آف حبیب، چوتھی منزل
شاہراہ فیصل، کراچی۔ ۷۳۵۰

میں/ہم

ساکن

ضلع

میں بحیثیت ممبر تھل لمیٹڈ اور ہولڈر بابت

عام شیئرز جن کے شیئرز رجسٹر فو لیو نمبر _____ اور/یا سی ڈی سی پارٹنر پیٹ آئی ڈی نمبر _____

اور ذیلی اکاؤنٹ نمبر _____

بذریعہ ہذا

ضلع

ساکن

اور اگر ان کے لئے ممکن نہ ہو تو

ساکن

کو بطور اپنا/ہمارا پراکسی مقرر کرتا/کرتی ہوں تاکہ وہ ۲۰ اکتوبر ۲۰۲۲ء کو منعقد کئے جانے والے کمپنی کے ۵۶ ویں سالانہ اجلاس عام میں میری/ہماری جگہ ووٹ دے سکیں۔

دستخط _____ مورخہ _____ ۲۰۲۲ء

گواہان:

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

یا پاسپورٹ نمبر _____

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

یا پاسپورٹ نمبر _____

نوٹ:

۱۔ یہ پراکسی فارم باقاعدہ مکمل کردہ اور دستخط شدہ صورت میں کمپنی کے رجسٹرڈ آفس یا کمپنی کے شیئرز رجسٹرار کو اجلاس کے مقررہ وقت سے کم از کم ۳۸ گھنٹے قبل لازماً موصول ہو جائیں۔

۲۔ کوئی فرد پراکسی کے فرائض انجام نہیں دے سکتا جب تک کہ وہ کمپنی کا ممبر نہ ہو، ماسوائے ایک کارپوریشن جو ممبر کے علاوہ بھی کسی فرد کو پراکسی مقرر کر سکتی ہے۔

۳۔ اگر کوئی ممبر ایک سے زائد پراکسی کا تقرر کرتا ہے یا کسی ممبر کی جانب سے پراکسی کی ایک سے زائد دستاویز کمپنی کو جمع کرائی جاتی ہے تو پراکسی کی ایسی تمام دستاویز غیر کارآمد تصور کی جائیں گی۔

سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لئے:

مذکورہ بالا کے علاوہ درج ذیل شرائط کو پورا کرنا بھی لازم ہے:

i پراکسی فارم پر ۱۲ افراد کی گواہی ہو، جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہونے چاہئیں۔

ii بنی فینش اونرز اور پراکسی کے سی این آئی سی یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں۔

iii کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اتارنی مع نمونہ دستخط کمپنی کو پراکسی فارم کے ساتھ جمع کرائی جائیں (اگر یہ پہلے فراہم نہ کئے گئے ہوں)۔

(دستخط نمونہ کے مطابق ہونے چاہئیں)

دستخط کمپنی کے پاس رجسٹرڈ ہونے چاہئیں)

دستخط

مبلغ ۵ روپے

کے ڈاک ٹکٹ

ایس ای سی ایم سی کے فیئر-II کا فنانشل کلوز ۳۱ دسمبر ۲۰۱۹ کو حاصل کیا گیا تھا۔ ایس ای سی ایم سی کے فیئر-II کیلئے قصل لمیٹڈ کے بورڈ آف ڈائریکٹرز نے ۵ء ۱۰ ملین امریکی ڈالر کے مساوی پاک روپے کے مجموعی ایکسیوڈر کی منظوری دی تھی جس میں ۹ ملین امریکی ڈالر کی ایکویٹی سرمایہ کاری، کاسٹ اوور۔ رن اخراجات کیلئے ۳ ملین امریکی ڈالر اور ۲ ملین امریکی ڈالر برائے ڈیپٹ سرونگ ریزرو LIBOR/KIBOR نقل وقل حمل کے باعث قابل منہا) شامل ہیں۔

۳۰ جون ۲۰۲۲ء کے مطابق کمپنی نے ایس ای سی ایم سی میں ۱۵ء ۲.۸۲ ملین روپے کی سرمایہ کاری کر کے ہر ایک ۱۰ روپے کی ظاہری مالیت کے ۲۵،۰۶۳۳،۰۹۱ عمومی شیئرز ۸۲ء ۱۴ روپے فی شیئر کی قیمت پر حاصل کئے۔ کمپنی نے ۳ ۵۴۴،۵ روپے کے باقی ماندہ ایکویٹی معاہدے کیلئے قرض دینے والے اداروں (لینڈرز) کے حق میں ایک اسٹینڈ بائی لیئر آف کریڈٹ جاری کر دیا۔

فیئر-II کیلئے ایس ای سی ایم سی نے قصل نو واپا ورتھر (پرائیویٹ) لمیٹڈ اور تھرانزی لمیٹڈ کے ساتھ بالترتیب ہر ایک ۳۳۰ میگ واٹ پاور پلانٹ کیلئے ۹ء ملین ٹن لگنائٹ اضافی کی فراہمی کے سلسلے میں کول سپلائی معاہدے کئے ہیں۔

پروجیکٹ کمپنی کی کوشش ہے کہ فیئر-II کے لئے تجارتی آپریشنز کی تاریخ ۲۰۲۲ء میں حاصل کر لی جائے۔

قصل پاور (پرائیویٹ) لمیٹڈ

غیر معمولی اجلاس عام منعقدہ ۲۲ مارچ ۲۰۱۸ء میں قصل نو واپا ورتھر (پرائیویٹ) لمیٹڈ (“قصل نو و“) سے متعلق کاروبار کے بارے میں اسٹیٹس کوپ ڈیٹ کرنے کے ضمن میں منظوری دی گئی تھی۔

ایکیویٹی کی شمولیت، گارنٹی اور اسپانسر کی معاونت

غیر معمولی اجلاس عام منعقدہ ۲۲ مارچ ۲۰۱۸ء میں شیئر ہولڈرز نے ۷ء ۵۸ ملین امریکی ڈالر (یا اس کے مساوی پاک روپے) تک کی ایکویٹی شامل کرنے اور ۲۱ ملین امریکی ڈالر (یا اس کے مساوی پاک روپے) کی حد تک ایک رقم میں اسٹینڈ بائی لیئر آف کریڈٹ کے انتظام کی منظوری دی تھی تاکہ ایکویٹی کی مالیاتی ذمہ داری کو تحفظ اور ۴ء ۱۲ ملین امریکی ڈالر (یا اس کے مساوی پاک روپے) کی کمرشل خطرات کی ضمانت لینے کی ذمہ داری پوری کی جائے اور اس کے ساتھ کمپنی کو ۲ ۲۳ ملین امریکی ڈالر (یا اس کے مساوی پاک روپے) تک کی ایک مجموعی رقم کیلئے قصل نو واپا نیز ۴ء ۱۲ ملین امریکی ڈالر (یا اس کے مساوی پاک روپے) تک کے ڈیپٹ سروں ریزرو سپورٹ کیلئے اسی نوعیت کی معاونت/سرمایہ کاری کے ضمن میں ہوں۔ اسپانسر کی ایس معاہدتی ”سرمایہ کاری“ قرض دینے والوں کے ساتھ اسپانسر سپورٹ ایگریمنٹ کے تحت عمل میں آئے گی۔ کمپنی کا ارادہ ہے کہ یہ اسپانسر سپورٹ سرمایہ کاریاں بذریعہ ترجیحی شیئرز اور/یا عمومی شیئرز اور/یا ذیلی ڈیپٹ کے ذریعے کی جائیں جن کا انحصار ان منظور یوں کے مطابق ہوں جو قرض دینے والوں سے حاصل کی جاسکتی ہیں۔ اگر یہ بذریعہ ترجیحی شیئرز ہوں تو کلیدی شرائط ۱۱ فیصد کی ایکویٹی پر امریکی ڈالر کا منافع شامل کیا جائے گا جو اسی صورت میں مجموعی ہوگا اگر ادائیگی کی تاریخ پر مکمل ادا نہ کیا اور کمپنی کے اختیار کے تحت قابل انفکاس (redeemable) ہوا۔

کمپنیز (ذیلی کمپنیوں یا منسلک اداروں میں سرمایہ کاری) ریگولیشنز، ۷ء ۲۰۱۷ء کے سیکشن ۴ (۲) کے مطابق معلومات:

کمپنیز (ذیلی کمپنیوں یا منسلک اداروں میں سرمایہ کاری) ریگولیشنز، ۷ء ۲۰۱۷ء کے سیکشن ۴ (۲) کے مطابق معلومات:

درکار معلومات	فراہم کردہ معلومات
(اے) مجموعی منظور کردہ سرمایہ کاری	جیسا کہ اوپر درج ہے
(بی) اس تک کی گئی سرمایہ کاری کی رقم	۲۶۱ ملین امریکی ڈالر (پاک روپے میں مساوی رقم) کی ایکویٹی شمولیت
(سی) سرمایہ کاری کی منظور کردہ مدت سے انحراف کیلئے اسباب، جہاں سرمایہ کاری کا فیصلہ مقررہ مدت میں لاگو کیا گیا تھا	قصل نو واپا وجیکٹ کے فنانشل کلوز میں مختلف وجوہات کے باعث ہونے والی تاخیر اصل ٹائم لائن سے زائد تھی اور بعد ازاں اسے ۳۰ ستمبر ۲۰۲۰ء کو حاصل کر لیا گیا۔ تجارتی آپریشنز کی تاریخ متوقع طور پر تقویمی سال ۲۰۲۲ء کی دوسری ششماہی ہے۔ ایکویٹی انجکشن بشمول ڈیپٹ کی تقسیم کو اب شامل کیا جائے گا اور توقع ہے کہ ۲۰۲۲ء میں اسے مکمل کر لیا جائے گا۔
(ڈی) منسلکہ کمپنی یا ذیلی ادارے کے مالیاتی حسابات میں ضروری تبدیلی سرمایہ کاری کی منظوری کیلئے قرارداد کی منظوری کی تاریخ سے کی گئی	منسلکہ کمپنی نے آج کی تاریخ تک تمام شیئر ہولڈرز سے ۴ء ۱۵ ملین پاک روپے کی مجموعی ایڈوانسز اور ایکویٹی انجکشن وصول کی ہے۔ منسلکہ ذیلی ادارے ۳۰ ملین امریکی ڈالر (پاک روپے میں مساوی) کی ادائیگی کے عوض ای پی سی کنٹریکٹر کیلئے رقم کا ایک محدود نوٹس جاری کیا جو فنانشل کلوز سے قبل تعمیراتی کام کے آغاز کیلئے تھا۔ فنانشل کلوز ۳۰ ستمبر ۲۰۲۰ء کو حاصل کر لیا گیا تھا اور قرض دینے والے اداروں سے قرضوں کی تقسیم کا آغاز اپریل ۲۰۲۱ء سے ہوا۔ پروجیکٹ کی تعمیر جاری ہے تاہم کوویڈ سے متعلق چیلنجوں کے باعث درپیش مشکلات کی وجہ سے پروجیکٹ کو تاخیر کا سامنا ہے۔ کمپنی کو توقع ہے کہ تجارتی آپریشنز کا آغاز تقویمی سال ۲۰۲۲ء کی دوسری ششماہی میں ہو جائے گا۔

شیر ہولڈرز کی کارآمدکاپی کی کمپنی کے ریکارڈ میں عدم دستیابی کی صورت میں کمپنی سیکشن ۲۲۳ بت کمپنیز ایکٹ ۲۰۱۷ء کی شقوں کے تحت منافع منقسمہ روک لے گی۔

۶۔	منافع منقسمہ پرودہ ہولڈنگ ٹیکس	
	موجودہ طور پر کمپنیز کی جانب سے ادا کئے جانے والے منافع منقسمہ کی رقم پرودہ ہولڈنگ ٹیکس کی کوئی اگم ٹیکس آرڈیننس ۲۰۰۱ کے سیکشن ۱۵۰ کے تحت کی جارہی ہے جو درج ذیل کے مطابق ہے:	
	(اے) ایک ٹو ٹیکس ہینڈرسٹ (اے ٹی ایل) پر موجود افراد کے لئے	۱۵ فیصد
	(بی) ایک ٹو ٹیکس ہینڈرسٹ (اے ٹی ایل) پر موجود نہ ہونے والے افراد کے لئے	۳۰ فیصد

وہ شیر ہولڈرز جو اپنے گوشوارے داخل کر چکے ہوں انہیں ہدایت کی جاتی ہے کہ وہ اپنے ناموں کی ایف بی آر کی ویب سائٹ پرفراہم کردہ تازہ ترین ٹیکس ہینڈرسٹ (اے ٹی ایل) پر موجودگی کو منافع منقسمہ کی ادائیگی کے وقت یقینی بنائیں بصورت دیگر انہیں اے ٹی ایل پر موجود نہ ہونے والا فرد تصور کیا جائے گا اور ان کے نقد منافع منقسمہ پر ۱۵ فیصد کے بجائے ۳۰ فیصد کی شرح سے کوئی کی جائے گی۔

۷۔	جوائنٹ اکاؤنٹ ہولڈرز کی صورت میں منافع منقسمہ پرودہ ہولڈنگ ٹیکس	
	کمپنی کو ریگولیشنز کی ہدایات پر عمل کرتے ہوئے جوائنٹ اکاؤنٹ ہولڈرز (ہولڈرز) کے شیر ہولڈنگ کے تناسب کا تعین (جہاں پرنسپل شیر ہولڈرز کی جانب سے شیر ہولڈنگ کا تعین نہ کیا گیا ہو) برائے کمپنی کے منافع منقسمہ پرودہ ہولڈنگ ٹیکس کی کوئی کے سلسلے میں شیر ہولڈرز سے درخواست ہے کہ وہ اپنے پاس موجود شیر ہولڈنگ کے تناسب کی تفصیل بطور پرنسپل شیر ہولڈرز ان کے مشیر کہ ہولڈرز کمپنی کے شیر رجسٹرار کو فراہم کر دیں تاکہ کمپنی اس کے مطابق ہر ایک شیر ہولڈر کے ودہ ہولڈنگ ٹیکس کا تعین کر سکے۔ مطلوبہ معلومات لازماً کمپنی کے شیر رجسٹرار کو ۱۱۳ اکتوبر ۲۰۲۲ء تک موصول ہو جائیں بصورت دیگر ہر ایک شیر ہولڈر کو شیر کے مساوی تعداد کا حامل تصور کیا جائے گا اور اس کے مطابق ٹیکس کی کوئی کی جائے گی۔	

۸۔	نقد منافع منقسمہ کی الیکٹرونکلی ادائیگی (ای۔ مینڈیٹ)	
	کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۲۲ کی شقوں اور کمپنیز (منافع منقسمہ کی تقسیم) ریگولیشنز، ۲۰۱۷ء کے مطابق یہ لازم ہے کہ نقد کی صورت میں قابل ادائی منافع منقسمہ صرف بذریعہ الیکٹرونک طریقہ کار براہ راست استحقاق کے حامل شیر ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں جمع کرایا جائے۔ اس سلسلے میں ضوابط کے تحت اخبارات میں نوٹس پہلے ہی شائع کرائے جائچکے ہیں۔ تمام شیر ہولڈرز کو ایک بار پھر مطلع کیا جاتا ہے کہ وہ اپنے بینک مینڈیٹ کی تفصیلات جس میں (i) اکاؤنٹ کا ٹائٹل (ii) اکاؤنٹ نمبر (iii) آئی بی آئی اے این (iv) بینک کا نام (v) برانچ کا نام، کوڈ اور پتہ شامل ہو، کمپنی کے شیر رجسٹرار کو فراہم کر دیں۔ ایسے شیر ہولڈرز جو پارٹنیشنس/اینٹرل پازٹرنری کمپنی آف پاکستان (سی ڈی سی) کے پاس شیرز کے حامل ہوں، ان کو آگاہ کیا جاتا ہے کہ وہ اپنا مینڈیٹ متعلقہ بروکر/ سی ڈی کو فراہم کر دیں۔	

۹۔	سالانہ رپورٹ کی بذریعہ ای میل تقسیم (اختیاری)	
	کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۲۲۳ (۶) کی شق کے مطابق کمپنیز کو اجازت دی جاتی ہے کہ وہ اپنے سالانہ مالیاتی حسابات بشمول آڈیٹرز کی رپورٹ، ڈائریکٹرز کا جائزہ وغیرہ (سالانہ رپورٹ) اور سالانہ اجلاس عام کی اطلاع (نوٹس) اپنے شیر ہولڈرز کو بذریعہ ای میل ارسال کر سکتے ہیں۔ کمپنی کے ایسے شیر ہولڈرز جو کمپنی کی سالانہ رپورٹ اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنے کے خواہشمند ہوں، ان سے درخواست ہے کہ وہ (کمپنی کی ویب سائٹ پر دستیاب) الیکٹرونک میوٹیکیشن کنسیٹ فارم کو پُر کر کے کمپنی کے شیر رجسٹرار کو ارسال کر دیں۔	

۳۰ جون ۲۰۲۲ء، ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی حسابات کمپنی کی ویب سائٹ (www.thallimited.com) پر گزشتہ سالوں کے لئے سالانہ اور سہ ماہی مالیاتی حسابات کے علاوہ دستیاب ہیں۔

۱۰۔	فزیکل شیرز کی بک اینٹری فارم کی صورت میں منتقلی	
	کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۷۲ کے مطابق یہ لازم ہے کہ تمام لسٹڈ کمپنیاں فزیکل صورت میں موجود شیرز کو کمپنیز ایکٹ، ۲۰۱۷ء کے نفاذ کی تاریخ سے ۴ سالوں کے اندر تک اینٹری کی صورت میں جاری کردہ شیرز سے تبدیل کر دیں۔ ایس ای سی پی کے لیٹر نمبر CSD/ED/Misc/2016-639-64، مورخہ ۲۶ مارچ ۲۰۲۱ء کے مطابق کمپنی فزیکل صورت میں شیرز کے حامل تمام شیر ہولڈرز سے رابطہ کر کے ان	

	سے درخواست کریں کہ وہ کمپنیز ایکٹ، ۲۰۱۷ء کی شقوں پر عملدرآمد کرتے ہوئے اپنے شیرز کو بک اینٹری کی صورت میں تبدیل کرالیں۔ شیر ہولڈرز فزیکل صورت میں موجود شیرز کو بک اینٹری کی شکل میں تبدیل کرانے کے عمل اور اس کے فوائد کو سمجھنے کیلئے کمپنی کے شیر رجسٹرار سے رابطہ کر سکتے ہیں۔	
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۱۱۔	ڈائریکٹرز کا انتخاب	
	کوئی بھی فرد جو ڈائریکٹرز کے انتخاب میں حصہ لینے کا خواہشمند ہوں، چاہے وہ سبکدوش ہونے والا کوئی ڈائریکٹر ہو یا کوئی دیگر، اسے کمپنی کو اس کے رجسٹرڈ آفس، چوتھی منزل، ہاؤس آف حبیب، ۳۔ بے سی ایچ ایس، بلاک 7/8، شاہراہ فیصل، کراچی۔75350 میں اجلاس کی تاریخ سے کم از کم ۱۲ دن قبل درج ذیل دستاویزات جمع کرانی ہوں گی:	
(i)	ایکٹ کے سیکشن ۱۵۹ (۳) کی شرائط کے مطابق ڈائریکٹرز کے انتخاب کیلئے خود کو پیش کرنے کی غرض سے اپنے ارادے کا نوٹس مع کمپنیز ایکٹ ۲۰۱۷ء کے تحت مقررہ فارم ۲۸ پر بطور ڈائریکٹر کام کرنے کا اجازت نامہ؛	
(ii)	ایک مفصل پروفائل بشمول ڈاک کا پتہ اور دیگر رابطے کی تفصیلات جیسا کہ ایس ای سی پی کے ایس آر او ۲۳۳ (I) /۲۰۱۴ مورخہ ۱۰ جولائی ۲۰۱۴ء کے تحت درکار ہیں؛	
(iii)	ڈائریکٹر کی حیثیت سے انکیشن میں حصہ لینے والے کسی بھی امیدوار کیلئے یہ لازم ہے کہ وہ اپنا اجازت نامہ داخل کرنے کے وقت کمپنی کا ممبر ہونا چاہیے سوائے کسی بھی ممبر کی نمائندگی کرنے والا فرد جو ایک نیچرل فرد نہیں ہے؛	
(iv)	ایک ڈیکلریشن جس میں توثیق کی گئی ہو کہ:	

۱۔	وہ مرد/خواتین کمپنی کے میورنڈم اور آرٹیکلز آف ایسوسی ایشن اور پاکستان اسٹاک ایکچینج کے سٹنگ ریگولیشنز کے تحت اپنے فرائض اور اختیارات سے بخوبی واقف ہے۔	
۲۔	وہ ایکٹ کی کسی بھی شق کے تحت کسی لسٹڈ کمپنی کا ڈائریکٹر بننے کے لئے نااہل نہ ہو، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۷ اور دیگر نافذ العمل قوانین، رولز اور ریگولیشنز کے مطابق مہدے کا اہل ہونا چاہیے۔	

	انڈیپنڈنٹ ڈائریکٹرز کا انتخاب ایکٹ کے سیکشن ۱۵۹ کی شرائط کے مطابق ڈائریکٹر کے انتخاب کے طریقہ کار کے ذریعے کیا جائے گا اور وہ ایکٹ کے سیکشن ۱۶۶ (۲) کے تحت مروجہ اہلیت کے معیار پر پورا اترتے ہوں۔	
	کمپنیز (پوشل بیٹ) ریگولیشنز ۲۰۱۸ء کے مطابق ڈائریکٹرز کے انتخاب اور کسی بھی دیگر ایجنڈا آئٹم کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۱۱۴۳ اور ۱۲۴ کی شرائط سے مشروط ہے۔ ممبران کو پوشل بیٹ کے ذریعے اپنا استحقاق استعمال کرنے کی اجازت ہوگی کہ وہ بذریعہ ڈاک یا بذریعہ الیکٹرونک طریقہ کار مذکورہ بالا ریگولیشنز کی شرائط اور طریقہ کار کے مطابق ووٹ دے سکیں گے۔	

	کمپنیز (مشملہ کمپنیوں یا ایسوسی ایٹڈ اداروں میں سرمایہ کاری) ریگولیشنز، ۲۰۱۷ء کے ضابطے ۴ (۲) کے تحت بیان	
	سندھ اینگریگول مائنگ کمپنی لمیٹڈ	
	کمپنی کے ممبران کا سالانہ اجلاس منعقدہ ۱۲ اکتوبر ۲۰۱۸ء میں سندھ اینگریگول مائنگ کمپنی لمیٹڈ (ایس ای سی ایم سی) میں سرمایہ کاری کی منظوری دی گئی تھی۔ ایس ای سی ایم سی نے ۱۰ جولائی ۲۰۱۹ء کو تجارتی آڈیٹنز کا آغاز کر دیا تھا جو پاکستان کے انرجی سیکٹر کیلئے ایک تاریخی سنگ میل کی حیثیت رکھتا ہے۔ فخر مائنگ کا فیئر-11 اور پاور جنریشن پروجیکٹس پاکستان کے پہلے مقامی اوپن پٹ کول مائن پرمیشنل ہیں جو اینگریگول پاور جنرلیمیٹڈ (“ای پی ٹی ایل“) کی جانب سے قائم کردہ 2x330 میگا واٹ پاور جنریشن پلانٹ کیلئے ۸.۳ ملین ٹن لگنائٹ کونکرنڈ سالا نہ فراہم کر رہا ہے۔ ایس ای سی ایم سی کے فیئر-1 کے لئے نقل لمیٹڈ کے بورڈ آف ڈائریکٹرز نے ۶.۱ ملین امریکی ڈالر کے مساوی پاک روپے کی مجموعی رقم کی منظوری دی تھی جس میں ۳.۴ ملین امریکی ڈالر کی ایکویٹی انویسٹمنٹ، ۵.۷ ملین امریکی ڈالر کی رقم برائے کاسٹ اور۔رن اور ۶.۸ ملین امریکی ڈالر کی رقم برائے ڈیبٹ سروسنگ ریزرو LIBOR/KIBOR نقل و حمل کے باعث قابل منہا) شامل ہے۔ ایس ای سی ایم سی مائنگ پروجیکٹ کا فیئر-1 مقررہ مدت کے اندر اور اخراجات میں نمایاں بچت کے ساتھ مکمل ہو چکا ہے۔ پروجیکٹ کی لاگت میں کمی کے نتیجے کے طور پر کمپنی نے ایس ای سی ایم سی فیئر-1 میں ۷.۷ ملین امریکی ڈالر کی مجموعی رقم بطور ایکویٹی انویسٹ کی ہے جبکہ ایس ای سی ایم سی میں ۱۱.۹ فیصد کی عمومی شیر ہولڈنگ کو برقرار رکھا گیا ہے۔ ایسے وقت تک کے لئے کہ ایس ای سی ایم سی پروجیکٹ کی تکمیل کی تاریخ حاصل نہ کر لے (جیسا کہ مالیاتی دستاویزات میں واضح کیا گیا ہے)، ایشیڈ بانی لیٹرز آف کریڈٹ فیئر-1 کے لئے استعمال شدہ ایکویٹی کے سلسلے میں جاری کر دیا گیا ہے تاکہ اور۔رن سپورٹ اخراجات کے معاہدہ جاتی مالی فرائض اور ڈیبٹ سروس ریزرو کاؤنٹ اپنی جگہ برقرار رکھیں اور مالیاتی دستاویزات کی شرائط کے مطابق قرضہ دینے والے کو طلب کیا جاسکے۔	

اطلاع برائے سالانہ اجلاس عام

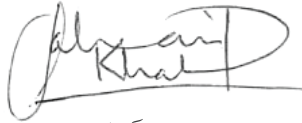
بذریعہ بلڈ اطلاع دی جاتی ہے کہ کمپنی کے ممبران کا ۵۶ واں سالانہ اجلاس عام بروز جمعرات ۲۰ اکتوبر ۲۰۲۲ء صبح ۹:۳۰ بجے بمقام دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان (”آئی سی اے پی“) آڈیٹوریم، چارٹرڈ اکاؤنٹینٹس ایونیو بکلفشن، کراچی اس کے ساتھ الیکٹرونک وڈیولنک سہولت کے ذریعے بھی درج ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا:

عمومی کارروائی

- ۱۔ ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے سال کیلئے کمپنی کے سالانہ آڈٹ شدہ مالیاتی حسابات مع ان پرجیئر مین کا جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- ۲۔ سال ۲۰۲۱-۲۲ء کے لئے حتمی نقد منافع منقسمہ بشرح ۵۰ فیصد (یعنی ۲،۵۰ روپے فی شیئر) کی منظوری، جیسا کہ بورڈ آف ڈائریکٹرز نے سفارش کی ہے۔ یہ پہلے ہی سے ادا کئے جانے والے ۱۰۰ فیصد عبوری منافع منقسمہ یعنی ۵۰۰ روپے فی شیئر کے علاوہ ہے۔ ۲۲-۲۰۲۱ء کیلئے مجموعی منافع منقسمہ کی رقم ۱۵۰ فیصد یعنی ۵۰،۰۰ روپے فی شیئر ہو جائے گی۔
- ۳۔ ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے سال کے لئے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین۔ موجودہ آڈیٹرز میسرز ای وائی فورڈ ریبوڈز، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں اور اہل ہونے کی بناء پر انہوں نے خود کو دوبارہ تفری کے لئے پیش کیا ہے۔
- ۴۔ کمپنی کے ۷ (سات) ڈائریکٹرز کا انتخاب جیسا کہ بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ ۹ ستمبر ۲۰۲۲ء میں یہ تعداد تقرر کی ہے، یہ انتخاب کمپنیز ایکٹ ۲۰۱۷ کے سیکشن (۱)۱۵۹ کی شقوں کے مطابق یکم دسمبر ۲۰۲۲ء سے شروع ہونے والی ۳ سالہ مدت کے لئے ہوگا۔ سبکدوش ہونے والے ڈائریکٹرز، جو دوبارہ انتخاب کے لئے اہل ہیں، ان کے نام یہ ہیں:

- ۱ جناب رفیق ایم۔ حبیب
- ۲ جناب محمد علی آر۔ حبیب
- ۳ جناب عمران علی حبیب
- ۴ جناب محمد طیب احمد ترین
- ۵ محترمہ عالیہ سعیدہ خان
- ۶ جناب خیام حسین
- ۷ جناب سلمان ربئی

حسب احکم بورڈ



کمپنی سیکریٹری

کراچی: سلمان خالد

۹ ستمبر ۲۰۲۲ء

نوٹ:

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سالانہ اجلاس عام کی کارروائیوں میں بذریعہ وڈیو کانفرنس شرکت کی سہولت

COVID-19 (کورونا وائرس) کی وبائی صورتحال کے پیش نظر مستقل طور پر جاری خطرات اور شیئر ہولڈرز کے تحفظ کیلئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (”ایس ای سی پی“) نے وقتاً فوقتاً جاری کردہ اپنے سرکلرز کے تحت لیکچینیئر کو ہدایت کی ہے کہ فزیکل اجلاسوں کے انعقاد کی شرائط کے لئے اجلاس عام ورچوئل طور پر منعقد کئے جائیں گے۔ شیئر ہولڈرز کو سہولت پہنچانے کی غرض سے کمپنی فزیکل اجلاسوں کے انعقاد کے علاوہ شیئر ہولڈرز کی شرکت کے سلسلے میں ورچوئل اجلاس بذریعہ وڈیولنک فیصلیٹی کے بھی اختیارات کرتی ہے۔

سالانہ اجلاس عام میں ورچوئل شرکت کے خواہشمند شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے ضروری کوائف نامزد کردہ ای میل ایڈریس tl@hoh.net پر ارسال کر کے اپنی تفری کے لئے خود کو رجسٹرڈ کرائیں اور پراکسی کی تصدیق ۱۱۳ اکتوبر ۲۰۲۲ء کو کاروباری اوقات کے اختتام تک لازماً کرائیں۔ سالانہ اجلاس عام میں شرکت کیلئے لاگ ان کی تفصیل اور لنک شیئر ہولڈرز کو بعد از ان فراہم کر دیا جائے گا۔

بیشک کی طرح تھل لمیٹڈ کا ارادہ ہے اور کوشش کی گئی ہے کہ مذکورہ اجلاس نافذ العمل قوانین کے مطابق منعقد کیا جائے جبکہ اپنے شیئر ہولڈرز، ملازمین، ڈائریکٹرز اور عوام الناس کے تحفظ کو یقینی بنایا جائے۔

شیئر ہولڈر کا نام	فولیو/سی ڈی سی نمبر	سی این آئی سی نمبر	موبائل نمبر	رجسٹرڈ ای میل ایڈریس

وڈیو کانفرنس لنک کی تفصیلات اور لاگ ان کا تصدیق نامہ صرف ان شیئر ہولڈرز کو ارسال کیا جائے گا جن کے مکمل کوائف ۱۱۳ اکتوبر ۲۰۲۲ء تک یا اس سے قبل رجسٹرڈ ای میل ایڈریسز پر موصول ہو جائیں گے۔ شیئر ہولڈرز اپنے تھمرے اور اختیارات برائے سالانہ اجلاس عام کے ایجنڈا آن لائن tl@hoh.net پر ۱۱۳ اکتوبر ۲۰۲۲ء تک ارسال کر سکتے ہیں۔

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شیئر ٹرانسفر بکس کی بندش

کمپنی کی شیئر ٹرانسفر بکس ۱۱۳ اکتوبر ۲۰۲۲ء تا ۱۲۰ اکتوبر ۲۰۲۲ء (بشمول دونوں یوم) سالانہ اجلاس عام اور حتمی منافع منقسمہ کی ادائیگی کے مقاصد کے لئے بند رہیں گی۔ ہمارے شیئر رجسٹرار، میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8-F، متصل ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی۔ فون 5-34380101-21-0092-21-34384621-0092 (ایکسٹینشن 103)، فیکس 0092-21-34380106 پر ۱۱۳ اکتوبر ۲۰۲۲ء کو کاروباری اوقات کے اختتام تک موصول ٹرانسفر حتمی نقد منافع منقسمہ کی ادائیگی اور سالانہ اجلاس عام میں شرکت کے لئے ٹرانسفریز کے تعین کے مقصد کے لئے بروقت تصور کئے جائیں گے۔

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پراکسی

اجلاس عام میں شرکت کرنے اور ووٹ دینے کا استحقاق رکھنے والا کوئی بھی ممبر اجلاس میں اپنی جگہ شرکت کرنے، بولنے اور ووٹ دینے کیلئے پراکسی کا تقرر کر سکتا/سکتی ہے۔ پراکسی کے تقرر کی دستاویز لازماً اجلاس کے وقت سے کم از کم ۲۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں یا کمپنی کے شیئر رجسٹرار کے درج بالا پتہ پر پراکسی کی سی این آئی سی کی کاپی کے ساتھ جمع کرادی جائے۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد کردہ کے نمونہ دستخط بشمول ان کی سی این آئی سی کی کاپی اجلاس سے کم از کم ۲۸ گھنٹے قبل فراہم کر دی جائے۔ پراکسی کا فارم اردو اور انگریزی زبان میں سالانہ رپورٹ کے ساتھ منسلک ہے اور اسے دو افراد کی گواہی کے ساتھ ارسال کیا جائے جن کے نام، پتے اور سی این آئی سی نمبرز فارم میں درج ہونے چاہئیں۔ پراکسی فارم کمپنی کی ویب سائٹ (www.thallimited.com) پر بھی دستیاب ہے۔

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کوائف کو اپ ڈیٹ کرنا

شیئر ہولڈرز سے درخواست ہے کہ اپنے پتوں میں کسی بھی تبدیلی، اگر کوئی ہو، سے کمپنی کے شیئر رجسٹرار کو فوری طور پر مطلع کریں۔ کارپوریٹ ادارے کی صورت میں شیئر ہولڈرز سے درخواست ہے کہ اپنے مجاز نمائندے، اگر لاگو ہو، کے کوائف میں تبدیلی کے بارے میں مطلع فرمائیں۔

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ابھی تک فراہم نہ کئے جانے والے سی این آئی سی کی نقول کا جمع کرنا

انفرادی شیئر ہولڈرز سے ایک مرتبہ پھر درخواست ہے کہ اگر انہوں نے ابھی تک اپنی کارآمد سی این آئی سی کی نقول کمپنی کے شیئر رجسٹرار فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو جمع نہیں کرائیں تو فوری جمع کرا دیں،

سال کے دوران ہیومن ریسورسز اینڈ ٹری میونریشن کمیٹی کے 12 اجلاس ہوئے اور اس میں ڈائریکٹرز کی حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
1	محترمہ عالیہ سعیدہ خان (چیئر پرسن)*	0/0
2	جناب آصف قادر۔ چیئر مین	1/1
3	جناب محمد علی آر۔ حبیب	2/2
4	جناب سلمان برنی	2/2
5	جناب محمد طیب احمد ترین	2/2

* محترمہ عالیہ سعیدہ خان کو جون 2022 میں کمیٹی کی چیئر پرسن کی حیثیت سے تعینات کیا گیا۔

منافع کی تقسیم و تخصیص

غیر مختص شدہ منافع جات سے 3,649.5 ملین روپے کی رقم عمومی ریزرو میں منتقل کی گئی۔

اعتراف

بورڈ آف ڈائریکٹرز اور انتظامیہ کی جانب سے میں اپنے شیئرز ہولڈرز، صارفین، ڈیلرز اور کاروباری شرکاء کا ان کی مستقل سرپرستی اور اعتماد پر تہ دل سے شکر یہ ادا کرتا ہوں۔ اپنی تمام ریگولیٹری اختاریہ کی ذمہ داری اور نفاذ کے لئے

بھی مشکور ہوں۔ سب سے آخر میں، خاص طور پر، بورڈ آف ڈائریکٹرز اپنے تمام عملے کی مخلصانہ کادشوں کا اعتراف کرتے ہیں جو انہوں نے مسابقتی حالات میں کمپنی کی ترقی کیلئے جاری رکھیں۔



چیف ایگزیکٹو آفیسر

کراچی:

مورخہ: 9 ستمبر 2022

چیئر مین کی جائزہ رپورٹ

یہ امر ہمارے لئے باعث فخر ہے کہ آپ کے ادارے نقل لمیٹڈ نے ایک اور کامیاب سال کا اختتام کیا۔ آٹو انجینئرنگ، تھرمل سسٹمز، الیکٹریک سسٹمز اور انجن کیمینٹس کے شعبے سمیت پیکیجنگ اور بلڈنگ میٹریلز کے ہمارے کاروباری

شعبے نے مالیاتی سال 22 میں عالمی چیلنجز کے باوجود ترقی اور فروغ حاصل کی۔

میں یہ اطلاع دیتے ہوئے خوش ہوں کہ کمپنی کی کارکردگی گرین ظاہر ہوئی اور گروپ کا منافع بعد از ٹیکسیشن 6.3 بلین روپے ریکارڈ کیا گیا۔ اس سے سبز کے اعداد و شمار میں 34 فیصد سال بہ سال اضافہ ظاہر ہوا ہے جیسا کہ کلیدی

شعبوں میں نمایاں گروتھ دیکھی گئی۔

گزشتہ سال ہمارے آٹو انجینئرنگ کے شعبے نے آٹو انڈسٹری کے فروغ اور مارکیٹ میں نئے ادوی ایبز کے آنے کی بدولت اپنی سبز میں 42 فیصد کامیابیاں اضافہ حاصل کیا تھا۔ نقل ان تمام کیلئے باقاعدگی سے سپلائی کا سلسلہ جاری رکھے گا۔

پیکیجنگ اور بلڈنگ میٹریلز کے شعبے جس میں نقل جوٹ، نقل پیکیجنگ اور بلوچستان لمیٹینٹس ڈویژن نے بھی سال بہ سال 29 فیصد کی گروتھ حاصل کی۔ جوٹ برنس نے اپنی گروتھ ظاہر کرتے ہوئے برآمدی سبز بڑھائی اور پاکستان گرین سیکس کی طلب میں اضافہ ہوا۔ ہمارے پیکیجنگ برنس کی گروتھ ابتدائی طور پر دووں پراپلین بیگ مینوفیکچرنگ لمیٹیڈ سے منسوب ہے جس نے انتہائی تیزی سے مارکیٹ میں آکر اپنی جگہ مستحکم بنائی۔ پیکیجنگ ڈویژن کے اندر موجودہ پروڈکٹ لائسنز کمپنی کی سبز کے لئے پیش رو کے طور پر کارفرما ہے جس نے سال کے اختتام پر اپنا کردار بخوبی ادا کرتے ہوئے مثبت رجحان ظاہر کیا۔ ہمارا ٹریڈ مارک فار ماہیٹ نے کرنسی کی قدر میں کمی اور کرارنے کے اخراجات میں اضافے کے باوجود بہترین کارکردگی کا مظاہرہ کیا۔ مارکیٹ پر بیشتر کے باوجود کاروبار بنانے سال کا اختتام منافع کے ساتھ کیا۔ پراپرٹی کے سیکٹر میں حبیب میٹرو نے سال کے دوران مناسب منافع منقسمہ ادا کیا اور گروتھ آپشنز کے ساتھ آگے بڑھ رہا ہے جو عمومی اقتصادی ماحول کے تحت لازم ہے۔ انرجی سیکٹر کے تحت سندھا پیٹروکول مائننگ کمپنی لمیٹڈ (“ایس ای سی ایم سی”) نے پاور پلانٹ اور نقل نواد پاور تھر (پرائیویٹ) لمیٹڈ (نقل نووا) کے لئے سہل انداز میں کوئٹے کی سپلائی کا سلسلہ برقرار رکھا اور 2022 تک تجارتی آپریشنز کے حصول کیلئے کوشاں ہے۔

افراط زور مہنگائی کے چیلکوں، درآمدی پابندیوں، کرنسی کی قدر میں کمی، عالمی تنازعات اور ملک گیر سیلابی صورتحال کے باعث مالیاتی سال 23 میں پاکستان میں متوقع بحرانوں کا سامنا رہے گا اور اس کے باعث کئی چیلنجز بھی درپیش رہیں گے۔ تاہم نقل کا مظہ نظر یہ ہے کہ ان پابنیوں میں احتیاط اور اعتماد سے راستہ بنایا جائے تاکہ کوآتر سے جاری اور قائم رہنے والے بہتر مستقبل اور ملک ہم سب کو میسر ہو پائے۔ پیکیجنگ برنس نے جارحانہ توجہ دیتے ہوئے اپنے برآمدی سلسلوں کو بڑھایا اور با کفایت پیداواری عمل پر توجہ دی۔ بلوچستان لمیٹینٹس ڈویژن فار ماہیٹ کے نام سے سرگرم عمل ہے اور اس نے ایک نئی پروڈکٹ تشکیل دی ہے جو مقامی مارکیٹ کے لئے انتہائی منفرد ہے۔ کمپنی بھرپور انداز میں کلیدی خام مال کی مقامی سطح پر تیاری کے لئے کام کر رہی ہے جو پوری صنعت کے لئے فروغ کا باعث ہوگا، ایس ای سی ایم سی اپنے کول مائننگ کے ساتھ مصروف عمل ہے اور مناسب گنجائش کے ساتھ پاور پلانٹ کو کولڈ فرام کر رہی ہے۔ ایس ای سی ایم سی اور نقل نووا کے درمیان معاہدے کا مقصد 2023 تک پاکستان کے لئے 330 میگا واٹ بجلی کی پیداوار کا حصول ہے۔

نقل لمیٹڈ میں ٹیمیں موثر طور پر یکٹھے کے عمل میں ہزاروں گھنٹوں صرف کرتی ہیں۔ اس سال لرننگ فیئر دوبارہ منعقد کیا گیا اور 144 ملازمین کو بائیس مختلف پروگراموں میں شامل کیا گیا تاکہ وہ جدید تصورات اور طریقہ کار سے واقف ہو سکیں۔ وبائی صورتحال کے بارے میں خوش آئند خبر یہ ہے کہ ہم نے اپنی تمام سائنس، پلانٹس اور دفاتر میں صحت اور تحفظ کے شعبے پر انتہائی قریبی نگاہ رکھی۔ ہم مسرت کے ساتھ یہ کہہ سکتے ہیں کہ ہم نے کام کے کسی نقصان کے بغیر 7.9 بلین محفوظ گھنٹے اور 790 محفوظ ملازمین کے ساتھ اپنے آپریشنز کو جاری رکھا۔ ہم اپنی مختلف سائنس پر لگ بھگ 2 فیصد تک کاربن کے اخراج کو کم کرنے کے ضمن میں کام کر رہے ہیں۔

میں اپنی مخلص قیادت کیلئے انتہائی خوش محسوس کرتا ہوں اور گروپ کے ہر حصے میں ان کی کارکردگی سے مطمئن ہوں اور اس سلسلے میں بورڈ آف ڈائریکٹرز، آڈٹ اور ہیومن ریسوس وری میونریشن کمیٹیوں، اسٹاف، شراکت کاروں اور ڈیلرز کی سخت محنت و جدوجہد کا شکر گزار ہوں جو کہ توقعات سے زائد ہیں۔

ہم بحیثیت ایک قوم درپیش تمام چیلنجز سے نشتے کیلئے متحد ہیں گے۔ انشاء اللہ شتر کہ طور پر ہم اپنے مقصد کو بروئے کار لاتے ہوئے ان طوفانوں کا مقابلہ کرتے ہوئے ان کا رخ موڑ دیں گے اور ہم سب کیلئے بہتر مستقبل اور مستحکم ملک کیلئے کارفرما رہیں گے۔

نوٹ:

نقل کی جانب سے محتاط جدوجہد کے حصے کے طور پر ہمارا کاربن کا اخراج کم کرنے، توانائی کو بچانے اور اپنے وسائل کے بہتر استعمال کے لئے اس سال ہماری سالانہ رپورٹ 2021-2022 محدود تعداد میں شائع کی جائے گی

تاہم مکمل تفصیل اور ورژن ہمارے ویب پیج پر دستیاب ہے۔



رفیق ایم۔ حبیب

چیئر مین

آڈیٹرز

موجودہ آڈیٹرز ’ای وائی فور ڈی ہوڈرز‘، چارٹرڈ اکاؤنٹنٹس رینٹرز ہورے ہیں اور اہل ہونے کی بناء پر انہوں نے سال 2022-23 میں خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ آڈٹ کمیٹی نے بھی ان کے دوبارہ تقرری سفارش کی ہے۔

شیئرز ہولڈنگ کا طرز

شیئرز ہولڈنگ کا طرز بمطابق 30 جون 2022 اس رپورٹ کے ساتھ منسلک ہے۔

بورڈ اور بورڈ کی سب کمیٹیوں کی دوبارہ تشکیل

جناب آصف قادر نے مارچ 2022 میں بورڈ سے استعفیٰ دے دیا اور جناب خیام حسین کو ان کی جگہ جون 2022 میں انڈیپنڈنٹ ڈائریکٹر مقرر کیا گیا۔

مزید برآں محترمہ عالیہ سعیدہ خان کو جناب آصف قادر کی جگہ پر بورڈ کی آڈٹ کمیٹی اور ہیومن ریسورس وری میوزیشن کمیٹی کی چیئر پرسن کی حیثیت سے تعینات کیا گیا۔

ڈائریکٹرز ٹینگ پروگرام

ڈائریکٹرز بورڈ پر خدمات انجام دینے کیلئے مطلوبہ قابلیت اور تجربے کے حامل ہیں اور ٹینگ پروگرام پر مکمل عملدرآمد کرتے ہیں۔

اجتماعی اور مالیاتی رپورٹنگ فریم ورک میں کوڈ آف کارپوریٹ گورننس پر عملدرآمد کا اسٹیٹمنٹ

۱۔ کمیٹی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ میں کمیٹی کے معاملات، آپریشنز کے نتائج، قومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔

۲۔ کمیٹی کے حسابات کیلئے کھاتوں کو درست طور پر مرتب کیا گیا ہے۔

۳۔ مالیاتی اسٹیٹمنٹ کی تیاری میں ہر جگہ حسابات کی پالیسی کو درست طور پر استعمال کیا گیا ہے اور حسابات کے تخمینے کے سلسلے میں مناسب ترین اور دانشمندانہ فیصلے کئے گئے ہیں۔

۴۔ مالیاتی اسٹیٹمنٹ، پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی بنیاد پر تیار کئے گئے ہیں۔

۵۔ بورڈ نے انٹرنل آڈٹ کے امور بیرونی ذریعہ، مینسز نوٹبل کمپیوٹر سروسز (پرائیویٹ) لمیٹڈ کو تفویض کئے ہیں جو اس کام کیلئے نہایت موزوں اہلیت اور تجربے کے حامل ہیں اور کمیٹی کی پالیسیوں اور طریقہ کار سے بخوبی آگاہ ہیں۔

۶۔ اندرونی کنٹرول سسٹم کی تشکیل نہایت مضبوط ہے اور اس کا نفاذ اور نگرانی موثر طور پر کی جا رہی ہے۔

۷۔ آڈٹ کمیٹی کے تمام ممبران آزادانہ۔ ایکزیکیوٹو ڈائریکٹرز ہیں۔

۸۔ کمیٹی کے موجودہ حیثیت میں کام جاری رکھنے میں کسی رکاوٹ کا شک و شبہ نہیں ہے۔

۹۔ اصول و ضوابط کی فہرست میں درج کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی بات خارج نہیں کی گئی ہے۔ ایک ضابطہ اخلاق تیار کر کے ہر ڈائریکٹرز اور ہر ملازم کو پہنچا دیا گیا ہے۔

۱۰۔ پراڈکٹ فنڈ اور ریٹائرمنٹ فنڈ میں سرمایہ کاری کی رقم بمطابق 30 جون 2022، بالترتیب 740 ملین روپے اور 81 ملین روپے ہے۔

۱۱۔ گزشتہ چھ سال کی آپریٹنگ اور مالیاتی معلومات اس رپورٹ کے ضمیمہ میں درج ہیں۔

ڈائریکٹرز کی مجموعی تعداد درج ذیل کے مطابق (7) ہے:

اے۔	مرد	6
بی۔	خاتون	1

بورڈ کی تشکیل درج ذیل کے مطابق ہے:

اے۔	انڈیپنڈنٹ ڈائریکٹرز	محترمہ عالیہ سعیدہ خان جناب خیام حسین
بی۔	دیگرانہ۔ ایکزیکیوٹو ڈائریکٹرز	جناب رفیق ایم۔ حبیب جناب محمد علی آر۔ حبیب جناب عمران علی حبیب جناب سلمان برنی
سی۔	ایگزیکٹو ڈائریکٹر	جناب محمد طیب احمد ترین

بورڈ ممبرز کے نام اور سال کے دوران منعقد ہونے والے 15 اجلاسوں میں ان کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
1	جناب رفیق ایم۔ حبیب (چیئر مین)	4/5
2	جناب محمد علی آر۔ حبیب	5/5
3	جناب عمران علی حبیب	5/5
4	محترمہ عالیہ سعیدہ خان	5/5
5	جناب خیام حسین*	1/1
6	جناب آصف قادر*	3/3
7	جناب سلمان برنی	5/5
8	جناب محمد طیب احمد ترین	5/5

* جناب آصف قادر نے مارچ 2022 میں بورڈ سے استعفیٰ دے دیا اور جناب خیام حسین کو ان کی جگہ جون 2022 میں انڈیپنڈنٹ ڈائریکٹر مقرر کیا گیا۔

سال کے دوران آڈٹ کمیٹی کے 14 اجلاس ہوئے اور اس میں ڈائریکٹرز کی حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
1	محترمہ عالیہ سعیدہ خان (چیئر پرسن)*	1/1
2	جناب آصف قادر	3/3
3	جناب محمد علی آر۔ حبیب	4/4
4	جناب عمران علی حبیب	4/4
5	جناب سلمان برنی	4/4

* محترمہ عالیہ سعیدہ خان کو اپریل 2022 میں کمیٹی کی چیئر پرسن کی حیثیت سے تعینات کیا گیا۔

صحت، تحفظ اور ماحولیات (HSE)

کمپنی فخر کے ساتھ ایک ایسا ماحول تشکیل دیتی ہے جس میں تحفظ اولین ترجیح ہے۔ کمپنی کے مقاصد میں نقصانات سے تحفظ اور کام کیلئے محفوظ ماحول کو برقرار رکھنا شامل ہے۔ پورے سال کے دوران کمپنی نے تحفظ کے انتہائی مستحکم طریقہ کار پر عملدرآمد کیا جس کے نتیجے میں کمپنی نے 7.9 ملین محفوظ افرادی قوت کے حامل گھنٹے اور کام کے کسی نقصان والے دن کے بغیر 790 محفوظ ایام کار حاصل کئے۔

بین الاقوامی معیار سے ہم آہنگ سیفٹی میئنٹ سسٹمز پر توجہ دینے کا سلسلہ بھی برقرار رہا جس میں آکیوشنل سیفٹی اور ہیلتھ ایڈمنسٹریشن (ISO 45001) شامل ہیں، کمپنی ایسپلائرز فیڈریشن آف پاکستان کی جانب سے باقاعدہ تسلیم شدہ اور اس نے پوسیسڈ اور منسلک کیٹرز میں ’’ OSH&E 2020-2021 کیلئے بہترین پریکٹیسز ایوارڈ‘‘ کی کیمگري میں دوسری پوزیشن حاصل کی۔

اس کے علاوہ کمپنی نے تمام ترمیموں، فیکچرنگ یونٹس اور محتاط مقامات پر جدید ترین فائر الارم اور ڈیٹیکشن سسٹم نصب کر رکھے ہیں۔ ان کوششوں پر غور کرتے ہوئے فائر پریفیکشن ایسوسی ایشن آف پاکستان نے انجینئرنگ کے شعبے کو فائز سیفٹی ایوارڈ 2020-2021 تفویض کیا۔

اس سال ایچ ایس ای وی یک میں COVID-19 (کورونا وائرس) کی ویکسی نیشن، کام کرنے کے مقامات پر زخمی اور بیمار ہونے سے بچاؤ کی اہمیت پر روشنی ڈالی گئی اور تحفظ اور صحت کے معاملات کو سمجھنے پر خصوصی توجہ دی گئی۔

ہم ایک سماجی ذمہ دار ادارے کی حیثیت سے ماحولیات کے ضمن میں بھی کمپنی کی ذمہ داری سے بخوبی آگاہ ہیں۔ انجینئرنگ کا شعبہ 2 فیصد کے ہدف کے برخلاف 4 فیصد تک کاربن کے اثرات کم کرنے میں کامیاب رہا۔ نیشنل فورم نے ماحولیات اور صحت کیلئے ان بہترین کوششوں کا اعتراف کیا اور انجینئرنگ کے شعبے کو انوائزمنٹ ایکیلیٹیس ایوارڈ 2021-2020 تفویض کیا۔

کارپوریٹ سوشل ریسپانسیبلٹی (CSR)

تھل لمیٹڈ سماجی شعبوں کے ساتھ تعاون اور ہمارے معاشرے کے پسماندہ طبقات کی معاونت پر یقین رکھتا ہے۔ ہم اپنے ملازمین کی بہتری اور خوشحالی کے لئے کام کرتے ہیں اور اپنی قوم کے استحکام کے ضمن میں بھی شراکت کرتے رہتے ہیں۔ گزشتہ مالی سال کے دوران ہم نے کمیونٹی ڈیولپمنٹ، ہیلتھ کیئر، تعلیم، ماحول اور ملازمین کی بہبود کے شعبوں کے اندر لگ بھگ 59 ملین روپے کی سوشل انوےسٹمنٹ کی۔

ہم اسکالرشپس اور مالی امداد کے ذریعے حبیب یونیورسٹی کے ذہین اور قابل طلبا کی مستقل طور پر معاونت جاری رکھتے ہیں۔ مزید برآں ہم اپنے ملازمین اور ان کے بچوں کی سپورٹ محمد علی حبیب ویلفیئر ٹرسٹ کو عطیات دینے کے ذریعے کرتے رہتے ہیں جو طبی اور تعلیمی اخراجات کے لئے مالی معاونت فراہم کرتا ہے۔

انفارمیشن ٹیکنالوجی (IT)

دنیا بھر میں مقامی اور گلوبل انفارمیشن سکیورٹی ("InfoSec") کے پیش نظر کمپنی نے اپنی سکیورٹی پالیسی کو سخت کر دیا ہے اور اپنے انفارمیشن اثاثہ جات کے تحفظ پر خصوصی توجہ دے رہی ہے۔ آئی ٹی ڈیپارٹمنٹ نے جدید ترین سولروونڈز نیٹ ورک مانیٹرنگ سولوشن نصب کر رکھا ہے تاکہ نیٹ ورک ڈیوائسز کے لائیو اسٹیٹس اور تمام اوقات میں نیٹ ورک کی کارکردگی کے جائزے سے باخبر رہا جائے۔

عمومی حملوں کے خلاف تحفظ اور کمپنی کے دفاع کے لئے تھل لمیٹڈ کی انفوسیک ٹیم نے سی آئی ایس کنٹرولز لاگو کر رکھا ہے تاکہ دفاع کی ایک مستحکم سائبر سکیورٹی لائن تشکیل دی جائے۔ کمپنی باقاعدگی سے نیٹ ورک کے دخول اور کمزوریوں اور خامیوں کے جائزے کی جانچ پڑتال کے لئے بیرونی آڈیٹرز کی خدمات حاصل کرتی ہے۔

کمپنی نے اپنے فزیکل آئی ٹی اثاثہ جات ٹریک کرنے کیلئے اثاثہ جاتی کے ٹریکنگ سسٹم پر مبنی ریڈیوفریکونی آئیڈنٹی فیکیشن ’’آرایف آئی ڈی‘‘ لاگو کر رکھا ہے۔ کمپنی اس ٹیکنالوجی کو کمپنی کے دیگر فزیکل اثاثہ جات کیلئے بھی استعمال کرنے کا ارادہ رکھتی ہے۔

آئی ٹی ڈیپارٹمنٹ نے نئے قائم شدہ WPP بیگزیمینوفیکچرنگ پلانٹ میں SAP ERP کا مکمل نظام نافذ کر دیا ہے۔ SAP ماڈیولز نئے WPP بیگزیمینوفیکچرنگ پلانٹ لائن کو اپنے کاروباری پوسیسز کو ڈیجیٹل بنانے میں مدد دے گا اور کمپنی کو اپنے پلانٹ کے مربوط و معظم بنانے میں معاونت فراہم کرے گا۔

متعلقہ پارٹیز سے لین دین

تمام پارٹیز کے ساتھ لین دین کے معاملات لاگو پالیسیاں اور ضابطوں کے مطابق انجام دینے گئے ہیں اور متعلقہ نوٹس کے تحت مالیاتی گوشواروں میں ظاہر کئے گئے ہیں۔

اندرونی مالی کنٹرولز

کمپنی اور اس کے ذیلی اداروں میں انٹرنل فنانشل کنٹرولز کا ایک موثر سسٹم لاگو کیا گیا ہے تاکہ اس کے اثاثہ جات کو محفوظ بنانے کے ساتھ اس کے ریکارڈز کو درست اور قابل اعتماد بنایا جائے۔ سینئر انتظامیہ کمپنی اور اس کے ذیلی اداروں کی مالیاتی کارکردگی کا جائزہ ماہانہ مفصل مالیاتی رپورٹس کے ذریعے لیتی ہے جبکہ بورڈ بھی ہر سہ ماہی کے اختتام پر اس کا ذاتی جائزہ لیتا ہے اور بجٹ کے لحاظ سے اس کا تقابلی موازنہ کرتا ہے۔ مربوط طریقہ کار کے تحت انٹرنل آڈٹ کے ذریعے باقاعدگی کے ساتھ مفصل جانچ پڑتال کی جاتی ہے۔ انٹرنل آڈٹ کے عمل کی رپورٹس بہترین طریقہ کار کے مطابق بورڈ آڈٹ کمیٹی کے جائزے کے لئے پیش کی جاتی ہیں۔

خدشات اور غیر یقینی کیفیت

کمپنی اس سلسلے میں کافی محتاط ہے کہ کمپنی کو اندرونی اور بیرونی دونوں سطحوں پر کاروبار میں مختلف اقسام کے خطرات کا سامنا ہے۔ کمپنی نے اس کے لئے ایک انٹر پرائزر رسک میئنجمنٹ (ای آر ایم) سسٹم نافذ کر رکھا ہے۔ ای آر ایم کو درپیش خطرات اور چیلنجز کی تلاش، اس کی جانچ، ترجیحی حل، پڑتال اور اس کے تدارک کا مربوط عمل ہے۔ خدشات کو دور کرنے کا بندوبست کرنا کمپنی کی میئنجمنٹ کی بنیادی ذمہ داری ہے۔ اس سلسلے میں انٹرنل آڈٹ فنکشن اور بورڈ آف ڈائریکٹرز ان پالیسیوں اور طریقوں کے مطابق جائزہ لیتے ہیں اور مدد کرتے ہیں جو متوقع خدشات کا مقابلہ کرنے کیلئے وضع کی گئی ہیں۔

کمپنی نے ان خدشات کی درجہ بندی اس طرح کی ہے:

- ۱۔ حکمت عملی کے خدشات
- ۲۔ مالیاتی خدشات

- | | |
|----|-----------------------|
| ۱) | بیرونی کرنسی کے خدشات |
| ب) | کریڈٹ کے خدشات |
| ج) | شرح سود کے خدشات |

۳۔ انٹرنل کنٹرول کے خدشات

۴۔ آپریشنل/کمرشل خدشات

- | | |
|----|---|
| ۱) | کاروباری حربیوں کے خدشات/ٹیکنالوجی اور جدت کے خدشات |
| ب) | ضوابط کے خدشات |
| ج) | سپلائی چین کے خدشات |

۵۔ صحت، تحفظ اور ماحولیات

تدارک کی حکمت عملی وضع کی گئی ہے اور کمپنی ای آر ایم سسٹم کے ذریعے اس کی نگرانی اور جائزہ لینے کا عمل جاری رکھے ہوئے ہے۔

قومی خزانہ میں حصہ

سال 2021-22 میں کمپنی نے ٹیکسیشن، کسٹمز ڈیولپرز، محصولات، ایکسائز ڈیولپرز اور ڈبلیو ڈبلیو ایف کی صورت میں قومی خزانہ میں 8.1 ارب روپے جمع کرائے۔ (2020-21: 6.1 ارب روپے)

نان۔ ایگزیکٹو ڈائریکٹرز کیلئے معاوضہ پالیسی

کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے نان۔ ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے معاوضے کا تعین بورڈ کی جانب سے وقتاً فوقتاً کیا جاتا ہے۔

سال کے دوران ڈائریکٹرز کا معاوضہ سال تختہ 30 جون 2022 کے لئے غیر مجموعی مالیاتی حسابات کے نوٹ 45 میں واضح کر دیا گیا ہے۔

آؤٹ لگ

مقامی معیشت پر مستقل دباؤ اور غیر یقینی سیاسی صورتحال کے سبب کمپنی کے مستقبل کا منظر نامہ چیلنجنگ نظر آتا ہے۔ تاہم کمپنی کا ارادہ ہے کہ نئے او ای ایبز کے ساتھ اپنے کاروبار میں اضافے اور اپنی پروڈکٹ رینج میں اضافے کے ذریعے خطرات سے نمٹا جائے۔ کمپنی نے اپنی گنجائش اور صلاحیت میں اضافے کی غرض سے اپنی موجودہ فیکٹری میں توسیع اور نئے کاروباروں کی شرائط کو آسانی پورا کرنے کے ضمن میں سرمایہ کاری کا منصوبہ بھی بنایا ہے۔

آؤٹ لگ

مقامی معیشت پر مستقل دباؤ اور غیر یقینی سیاسی صورتحال کے سبب کمپنی کے مستقبل کا منظر نامہ چیلنجنگ نظر آتا ہے۔ تاہم کمپنی کا ارادہ ہے کہ نئے او ای ایبز کے ساتھ اپنے کاروبار میں اضافے اور اپنی پروڈکٹ رینج میں اضافے کے ذریعے خطرات سے نمٹا جائے۔ کمپنی نے اپنی گنجائش اور صلاحیت میں اضافے کی غرض سے اپنی موجودہ فیکٹری میں توسیع اور نئے کاروباروں کی شرائط کو آسانی پورا کرنے کے ضمن میں سرمایہ کاری کا منصوبہ بھی بنایا ہے۔

حبیب میٹروپاکستان (پرائیویٹ) لمیٹڈ

حبیب میٹروپاکستان (پرائیویٹ) لمیٹڈ (“ایچ ایم پی ایل“) کا مرکزی کاروبار جائیداد کی ملکیت اور اس کا انتظام ہے۔ حبیب میٹروپاکستان (پرائیویٹ) لمیٹڈ کیش اینڈ کیری ریٹیل ریٹیل برنس کے فروغ اور اپنے اسٹور کی لوکیشن سے کاروباری قدر و قیمت بڑھانے کیلئے مختلف کاروباری مواقع تلاش کر رہی ہے۔

حبیب میٹروپاکستان (پرائیویٹ) لمیٹڈ موجودہ سائنس پر مبنی ڈیولپمنٹ اور گرتھ کے آپشنز بھی دیکھ رہا ہے، اگرچہ یہ عمومی معاشی صورتحال کے تناظر میں خود پر اکتھار ہے۔

سال کے دوران قرض لیمیٹڈ کے لئے منافع منقسمہ کی ادائیگیوں کا حجم 639 ملین روپے رہا جو اس کے مقابلے میں گزشتہ سال 544 ملین روپے تھا۔

میکرو-حبیب پاکستان لمیٹڈ

میکرو حبیب پاکستان لمیٹڈ (“ایم ایچ پی ایل“) قرض لیمیٹڈ کا ایک مکمل ملکیتی ذیلی ادارہ ہے جو مبارک شہید روڈ، لائسنز ایریا، کراچی میں اپنی اسٹور پرییمیز کی ملکیت کا حامل تھا۔ سپریم کورٹ کے فیصلے کے تحت اسٹور کو ستمبر 2015 میں بند کر دیا گیا تھا۔

مزید برآں سپریم کورٹ کے فیصلے پر عملدرآمد کرتے ہوئے ایم ایچ پی ایل نے پرییمیز پر تعمیر شدہ اسٹور کو سہارا کر دیا تھا اور موجودہ طور پر اس کے مستقبل کی کارروائی پر غور کیا جا رہا ہے۔

ٹوٹل کپیوٹرسروسز (پرائیویٹ) لمیٹڈ

برنس قرض لیمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے۔ یہ ہاؤس آف حبیب کے گروپ آف کمپنیز کے لئے انٹرنل آؤٹ، آئی ٹی، ایڈوائزری، ایچ آر اور دیگر انتظامی خدمات فراہم کر رہا ہے۔

پاکستان انٹرسٹریٹ ایڈز (پرائیویٹ) لمیٹڈ

اپنے تجارتی آپریشنز کے ذریعے برنس نے آٹوموبیو پارٹس اور ایئر کنڈیشننگ گیس کی آٹوموبائل اسپارلز اور آٹوپارٹس مینوفیکچررز کو فراہم کر کے اپنا کاروبار جاری رکھا ہے۔ یہ قرض لیمیٹڈ کا مکمل ملکیتی ادارہ ہے۔

پاور سیکٹر میں سرمایہ کاریاں

سندھ اینگروکول مائننگ کمپنی لمیٹڈ

سندھ اینگروکول مائننگ کمپنی لمیٹڈ (“ایس ای سی ایم سی“) حکومت سندھ، قرض لیمیٹڈ، اینگرو پاور جن لیمیٹڈ، حب پاور کمپنی لمیٹڈ، حبیب بینک لمیٹڈ، سی ایم ای سی تھر مائننگ انویسٹمنٹس لمیٹڈ اور ایس پی آئی منگڈ ونگ کے مابین ایک جوائنٹ وینچر ہے۔ ایس ای سی ایم سی تھرکول بلاک-II میں پاکستان کے پہلے اوپن ہٹ مائننگ پروجیکٹ کو تیار کرنے میں سرگرم عمل ہے۔

ایس ای سی ایم سی 10 جولائی 2019 کو 3.8 ملین ٹن سالانہ کپاسٹی مائن (فیز-I) کیلئے اپنے تجارتی آپریشنز کی تاریخ (“سی او ڈی“) حاصل کر چکا ہے۔ تھر مائننگ کا فیز-II اینگرو پاور جن تھر (پرائیویٹ) لمیٹڈ کی جانب سے قائم کردہ 2x330 میگا واٹ (“ایم ڈبلیو“) پاور جنریشن پلانٹ کیلئے کوئلہ فراہم کر رہا ہے۔

سال 2022 کی پہلی ششماہی میں ایس ای سی ایم سی نے باآسانی کام کرتے ہوئے 1.4 ملین ٹن کوئلہ فراہم کیا اور 21.2 ارب روپے کی بیلرز یونیورس اور 3.5 ارب روپے کا بعد از ٹیکس منافع حاصل کیا۔ اس کے ساتھ ایس ای سی ایم سی نے اس مدت کے دوران مثبت کیش فلو حاصل کیا یہ پروجیکٹ کی تکمیل کی تاریخ (PCD) کے حصول تک اپنے فنانسنگ معاہدوں کے تحت کسی بھی منافع منقسمہ کے اعلان سے ممنوع قرار دی گئی ہے جو ”ژرواپ“ (Trueup) اور ایس ای سی ایم سی کے سی او ڈی اسٹیٹجیٹیف کی پیشین کی منظوری سے مشروط ہے، جو تھرکول اور انرجی بورڈ کی جانب سے دائر کی گئی ہے۔ ایس ای سی ایم سی کی اختتامیہ تقوی می سال 2022 میں پی سی ڈی کے حصول میں سہولت کیلئے ریگولیٹر کے ساتھ رابطے میں ہے۔

ایس ای سی ایم سی نے کامیابی کے ساتھ 31 دسمبر 2019 کو 7.6 ملین ٹن ہر سال (“ایم ٹی پی اے“) کے لئے اپنے کان کنی کے آپریشنز کی توسیع کیلئے فنانشل کویڈر حاصل کر لیا۔ فیز-II کے لئے ایس ای سی ایم سی قرض لیمیٹڈ اور تھر انرجی لمیٹڈ کے ساتھ کول سپلائی ایگریمنٹس کر چکی ہے جو ہر ایک 330 میگا واٹ پاور پلانٹ کیلئے اضافی 1.9 ملین ٹن لگنائٹ سالانہ کی فراہمی کے سلسلے میں ہیں۔

پروجیکٹ کمپنی 2022 میں فیز II کے لئے کرسٹل آپریشنز کی تاریخ کے حصول کیلئے کوشاں ہے۔

کمپنی ایس ای سی ایم سی میں 11.9 فیصد عمومی شیئرز ہولڈنگ کی حامل ہے۔

قرض پاور (پرائیویٹ) لمیٹڈ

قرض لیمیٹڈ اور تھر پرائیویٹ لمیٹڈ (“قرض نووا“) قرض پاور پرائیویٹ لمیٹڈ، نووا پاور جن لمیٹڈ (نوونیکس لمیٹڈ کے ذیلی ادارے) اور حب پاور کمپنی لمیٹڈ کا ایک مشترکہ منصوبہ ہے جو تھر سندھ میں واقع 330 میگا واٹ مائن ماؤتھ کول فائر ڈ پاور جنریشن پلانٹ قائم کرنے کیلئے ہے۔ یہ پاور پلانٹ ایس ای سی ایم سی کی جانب سے چلائی جانے والی مائن سے نکالے جانے والے دیسی کوئلے سے چلایا جائے گا۔

چائینہ شیئی اینڈ انجینئرنگ کارپوریشن (“سی ایم ای سی“) کو ای پی سی کانسٹریکٹرز مقرر کیا گیا۔ قرض نووا نے ایس ای سی ایم سی کے ساتھ سالانہ 1.9 ملین ٹن لگنائٹ کی فراہمی کیلئے کول سپلائی ایگریمنٹ پر دستخط کئے ہیں۔ اس نے سینٹرل پاور پراجیکٹس (گارنٹی) لمیٹڈ کے ساتھ پاور پراجیز ایگریمنٹ اور پرائیویٹ پاور انفراسٹرکچر بورڈ کے ساتھ اپیلی میٹیشن ایگریمنٹ بھی کیا ہے۔

قرض نووا نے 30 ستمبر 2020 میں فنانشل کلوز حاصل کیا اور قرضے کی پہلی قسط اپریل 2021 میں وصول کی۔

پروجیکٹ ممکنہ طور پر آنے والے سال میں آن لائن ہو جائے گا۔

ہیومن ریسورسز

گروپ ہر سطح پر اپنے ملازمین کیلئے سکھنے اور ان کے فروغ پر یقین رکھتا ہے تاکہ ہر طرح سے امتیاز اور بہتری کا معیار حاصل کی جائے۔ آسان الفاظ میں ہمارے ملازمین ہمارے اس کاروبار کیلئے دل کی حیثیت رکھتے ہیں جو ہم کر رہے ہیں۔

ہمارے جاری پروگراموں کے حصے کے طور پر لرننگ فیڈر دو بارہ منعقد کیا گیا جہاں ہم نے پورے قرض کے شعبوں میں 1,974 تربیتی گھنٹوں تک ٹریننگ کا انعقاد کیا۔ 3 روز میں 14 ٹرییز زاور 6 لرننگ کورسز کے ساتھ 16 سیشنز منعقد کیے گئے۔ اس کے علاوہ ایک بااخلاق اور بہترین کام کے مقام کو یقینی بنانے کیلئے ضابطہ اخلاق کو ریفریش کرنے کی مشق کی گئی۔

پیشہ ورانہ مہارت کے انتہائی معیار کو برقرار رکھنے اور تمام پہلوؤں سے اغراض و مقاصد کے حصول کیلئے قرض لیمیٹڈ اور اس کے ذیلی اداروں میں اس گزشتہ سال کے دوران ایک منظم کہی ٹینسی فریم ورک تشکیل دیا گیا۔ سکھنے کے ایک ماحول بنت نئے راستوں کی تلاش، اور ایل ای اے پی پروگرام کے تحت انتظامی ٹیموں کے اندر ایکشن اور پریکٹس کے اس مربوط عمل کے تحت ورکشاپس منعقد کی گئیں۔ ہم اپنے انتہائی آغاز سے پرورش پاتے ہوئے ٹیلنٹ کے حق پر یقین رکھتے ہیں۔ ایچ او ایچ مشن بیلیف میٹجمنٹ ٹرینی پروگرام 2022 کے ذریعے ایچ ای سی کی معروف جامعات سے 9,500 طلبہ کے پول سے 10 انتہائی باصلاحیت امیدواروں کا انتخاب کیا گیا تاکہ گروپ کے اندر نئے ٹیلنٹ کو شامل کیا جائے۔

اپرنٹس شپ پروگرام کے تحت قرض میں اس سال 1,299 نئے امیدواروں کو شامل کیا گیا۔ اس پروگرام کا مقصد ادارے اور ملک کے لئے تعلیم یافتہ اور مہارت کی حامل افرادی قوت کیلئے جگہ بنانا ہے۔

ہم شفاف اور متوازن طریقے سے ہر شعبے میں مساوی مواقع فراہم کر رہے ہیں۔ کام کرنے والی خواتین کیلئے کام کے خوشگوار ماحول کو فراہم کرنے اور ضمنی امتیاز کے بغیر کام کے ماحول کی غرض سے تربیت یافتہ ایچ آر ماہرین کے اشتراک سے حساسیت اور اینٹی ہراسمنٹ سیشنز منعقد کیے گئے۔ خواتین کا دن پورے ادارے میں بھرپور طور پر منایا گیا اور ایک مشترکہ مذاکرہ منعقد کیا گیا کہ کس طرح ضمنی امتیاز کی شناخت اور اس کا خاتمہ کیا جاسکتا ہے۔

ٹیموں کے اخلاقی اقدار کو بہتر بنانے کے ضمن میں ایک ایسپلائی انگیجمنٹ سروے ہمارے بیرونی ماہرین ایپاکس کنسلٹنگ (Mercer) کے تعاون سے وسط تا سینئر سطح کے ملازمین کیلئے منعقد کیا گیا۔ اس کے نتائج پورے قرض لیمیٹڈ میں اوسط سطح سے زیادہ اسکور کے حامل پائے گئے اور ہمیں آنے والے سال کے لئے توجہ کے طالب شعبوں کے لئے واضح ہدایات کے ساتھ ایک مفصل رپورٹ فراہم کی گئی۔

ایسپلائی انگیجمنٹ سروے نتائج سے آگاہ کرنے کے بعد پورے قرض لیمیٹڈ میں مختلف انگیجمنٹ سرگرمیاں انجام دی گئیں تاکہ ٹیموں کو مزید فعال اور متحرک بنانے کے لیے ان کو بھرپور قوت فراہم کی جائے۔ ان میں ایڈریجس ری ٹریٹس، اوپن فورمز اور ملازمین کی بحالی اور خوشحالی کے سیشنز شامل تھے۔

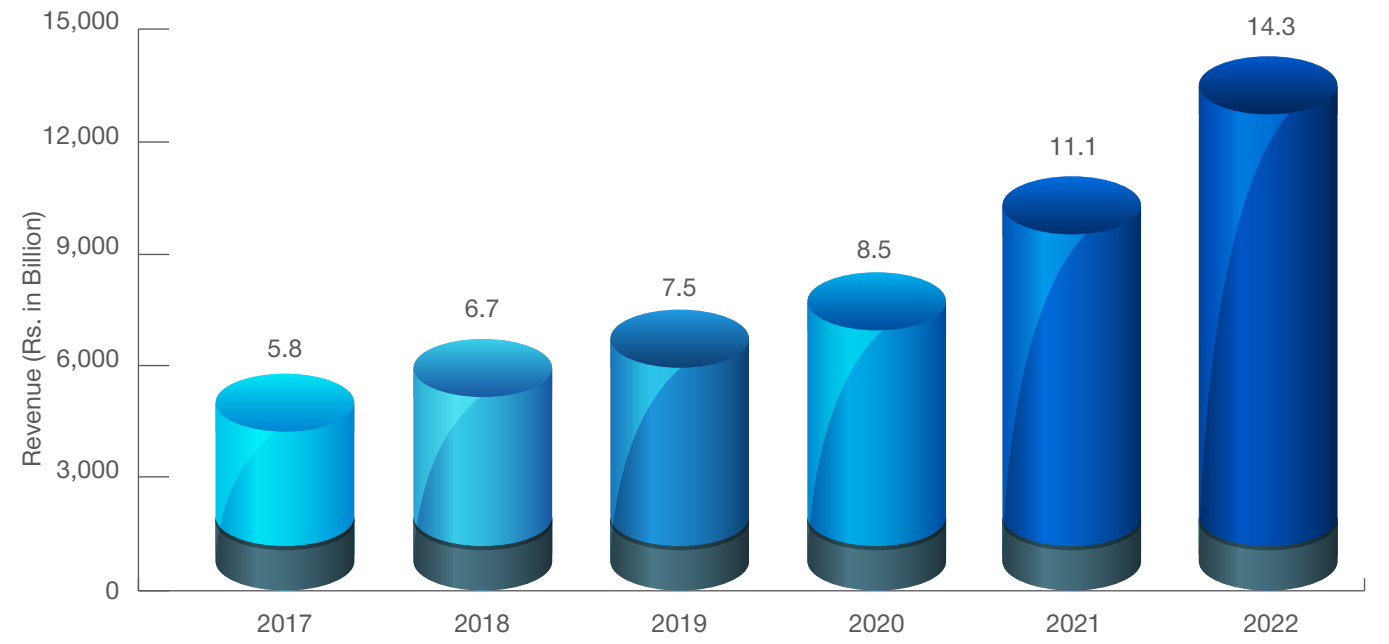
مجموعی معاوضے کا ایک سروے بھی مالی سال 22 میں منعقد کیا گیا تاکہ کمپنی کو مسابقت اور مارکیٹ پریکٹیسز کے ساتھ ہم آہنگ رکھا جائے۔

مستقبل میں قرض لیمیٹڈ کی افرادی قوت کی مستقل تربیت اور فروغ ہمیں آپ کی معاونت کے ساتھ جدید ترین امکانات و توقعات اور رجحانات کو یقینی بنائے گی۔۔

پیکینگ، بلڈنگ مٹریل اور منسلک مصنوعات کا شعبہ

کمپنی اس شعبے میں تین اہم کاروبار نقل و حمل، نقل و پیکینگ اور بلوچستان لمینٹس کی حامل ہے۔

جانے والے سال کے دوران مجموعی طور پر اس شعبے نے سال بہ سال کی بنیاد پر 29 فیصد (14.3 ارب روپے بہتابلہ گزشتہ سال 11.1 ارب روپے) شرح نمو حاصل کی۔



جوٹ برنس

جوٹ برنس نے ایک متاثر کن کارکردگی کا مظاہرہ کیا اور گزشتہ چند سالوں کی طرح اپنی مثبت شرح نمو کی رفتار کو برقرار رکھا۔

سال کے دوران گندم کی درآمدات نیز لمینٹس اور سیکنگ کی درآمدات میں گروتھ کی وجہ سے طلب انتہائی مستحکم رہی۔ برآمدات کا شعبہ توجہ کا ایک کلیدی مرکز رہا ہے اور اب ہیگ سٹیز کے 25 فیصد کی نمائندگی کرتا ہے۔

کم از کم تنخواہوں میں اضافے اور کرنسی کی قدر میں کمی کی وجہ سے اخراجات بڑھ چکے ہیں، جس کے نتیجے میں تیار کردہ جوٹ پروڈکٹس کے نرخوں میں اضافہ کے سبب شرح منافع نیز طلب کے حجم میں فرق پڑا ہے۔ تاہم مجموعی طور پر

کاروبار نے گزشتہ سالوں کے مقابلے میں انتہائی مستحکم کارکردگی کا مظاہرہ کیا ہے۔

آؤٹ لگ

آنے والا مالی سال چیلنجنگ ہے جس کی وجہ خام مال، توانائی اور کرایہ اور معاوضوں کے اخراجات بڑھنے سے مہنگائی میں اضافے کا ہونا ہے لیکن ہم امید کرتے ہیں کہ مقامی طلب اور برآمدات سٹیز میں اضافہ ہوگا جس سے مثبت رجحان

برقرار رہنے کا سلسلہ جاری رہے گا۔ انتظامیہ باکفایت پیداواری عمل پر توجہ دینے کے ساتھ ملازمین کے لئے کام کرنے کے بہتر اور محفوظ ماحول کو یقینی بنارہی ہے۔

پیکینگ برنس

زیر جائزہ سال سہ ماہی چین کے مسائل، بڑھتے ہوئے خام مال اور کرایہ کے اخراجات کے باعث انتہائی چیلنجنگ رہا۔ تاہم کاروبار اپنی گروتھ کا رجحان برقرار رکھنے میں کامیاب رہا اور سال کا اختتام بہترین سٹیز پر یونیورسٹی اور حجم کی گروتھ

کے ساتھ ہوا۔

یہ گروتھ نئے وودن پولی پرائیملین (“ڈبلیو پی پی”) سیکڑ مینوفیکچرنگ پلانٹ مع 90 ملین سیکڑ تک کی سالانہ تیاری کی گنجائش کے ذریعے ممکن ہوئی۔ یہ پلانٹ اب مکمل طور پر آپریشنل ہو چکا ہے اور جدید جرمن ٹیکنالوجی پر تیار کردہ سیکڑ

فراہم کر رہا ہے۔ پروڈکٹ کا معیار پاکستان اسٹینڈرڈ اینڈ کوالٹی کنٹرول اتھارٹی (“پی ایس کیو سی اے”) کی جانب سے جانچ شدہ اور مصدقہ ہے اور ہم اب اسے اپنے کئی سرکردہ کارپوریٹ کلائنٹس کو سپلائی کر رہے ہیں۔

کیئر سیریک کا شعبہ مستقل طور پر تیز رفتار گروتھ ظاہر کر رہا ہے، فوڈ پیکینگ کا شعبہ حلال سرٹیفیکیشن حاصل کر چکا ہے جس سے ہمیں عمومی سٹیز گروتھ میں مدد ملی ہے۔ کاروبار مستقل طور پر اپنے نمایاں کلائنٹس کے طور پر مقامی اور عالمی دونوں

فوڈ برانڈز کے ساتھ اپنے پورٹ فولیو میں توسیع جاری رکھے ہوئے ہے۔

آؤٹ لگ

آئندہ مالی سال کے لئے کاروباری ماحول بلند تر افراط زر، مہنگائی، غیر ملکی زرمبادلہ کے اتار چڑھاؤ، سیاسی عدم استحکام، بلند تر خام مال اور پیداواری اخراجات اور روس۔ یوکرین تنازع کے باعث سیک کرافٹ پیپر کی عالمی قلت کی وجہ

سے چیلنجنگ دکھائی دیتا ہے۔ انتظامیہ پائیدار ترقی کو یقینی بنانے اور تمام شعبوں میں اپنی برآمدات کا سلسلہ بڑھانے پر انتہائی توجہ دینے کے لئے موثر طور پر سرگرم عمل ہے۔

لمینٹس برنس

لمینٹس برنس تین اہم اقسام میں “فار مائیٹ“ کے برانڈ نام کے تحت سرگرم عمل ہے یہ تین شعبے ہائی پریشر لمینٹس (پینچ پی ایل)، کمپیکٹ لمینٹس اور لمینٹیڈ بورڈز ہیں۔ برانڈ اپنے معیار اور کارپوریٹ ویلیوز کے لئے انفرادیت

کے لئے مصروف ہے۔

مالیاتی سال 2021-22 کے دوران ان خصوص گزشتہ سہ ماہی میں میٹریل کی قلت اور اخراجات میں اضافے کی وجہ سے اہم پروڈکٹس کی مجموعی مارکیٹ متاثر ہوئی جس سے منافع جات کی شرح پراثر پڑا۔ مزید برآں ایئر آف کریڈٹ (

اہل سیز) کے کھلنے اور کلیئرنگ میں رکاوٹیں بھی مستقل طور پر ایک چیلنج بنی رہیں گی۔ عالمی سطح پر مجموعی اقتصادی صورتحال کے پیش نظر ہمارے برآمدی آرڈر بھی متاثر ہوئے۔ ان تمام چیلنجوں کے باوجود کاروبار نے سال کا اختتام منافع

کے ساتھ کیا ہے۔

آؤٹ لگ

پلانٹ کی جانب برنس سے چند اہم پروڈکٹس مکمل کیے تاکہ پلانٹ اور توانائی کی کارکردگی میں اضافہ، پیداواری صلاحیت بہتر اور آپریشنز کو مزید منظم اور پائیدار بنایا جائے۔ ہم کام کے افعال کو بہتر بنانے کے لئے پلانٹ پر چند کلیدی

شعبوں میں بھی اپنی افرادی قوت کو مستحکم بنا رہے ہیں۔

پروڈکٹس اور جاری اقدامات کی تکمیل کے ساتھ اور پیداواری صلاحیت میں اضافے کے نتیجے میں توقع ہے کہ لمینٹس برنس مستقبل قریب میں مزید پائیدار اور منافع بخش ہو جائے گا۔

ذیلی ادارے

نقل و پھونک پاکستان (پرائیویٹ) لمیٹیڈ

سال 2021-22 کے دوران برنس نے 2.1 ارب روپے کی مالیت کا سٹیز حجم حاصل کیا جبکہ گزشتہ سال کے دوران بھی 2.1 ارب روپے کی سٹیز حاصل ہوئی تھیں۔ اس سال کے دوران حجم کچھ کم رہا تاہم سال کے دوران زرمبادلہ کی

شرحیں بڑھ جانے کے پیش نظر قیمت فروخت میں اضافے کے ذریعے کمی کو پورا کر لیا گیا۔ کم تر حجم کے نتیجے کے طور پر بلند تر افراط زر اور مہنگائی، کرنسی کی قدر میں کمی اور شرح سود میں نمایاں اضافے کے سبب کمپنی کے لئے منافع جات

کا حصول ایک چیلنج رہا۔

آپریشن کی موجودہ جانب پر تمام صارفین کی سپلائرز کی ضروریات “ذیروٹھ انٹرنیشنل“ کے ساتھ پوری کی گئی ہے اور پورے سال کے دوران برنس کو صارفین کی جانب سے “گرین زون“ میں رکھا گیا۔ پیداواری کفایت کو بہتر بنانے، کابزن

اور ہمارے ٹیم ممبران کیلئے کام کرنے کے سہتمندانہ اور محفوظ ماحول فراہم کرنے کے ضمن میں توجہ کا سلسلہ بھی برقرار ہے۔ اعلیٰ معیار کی سٹیز تیار کی گئیں جن کو صارفین کی جانب سے بھی بہترین تسلیم کیا گیا۔

کاروبار کے فروغ کے ضمن میں برنس نے مارکیٹ میں اپنی موجودگی بڑھائی اور نئے ادائیگی کے ساتھ نئے مواقعوں پر بھی بات چیت کی۔ موجودہ ادائیگی ایبز کے نئے ماڈلز پر ترقیاتی کام بھی آغاز کیا گیا جو کہ مستقبل قریب میں

اخراجات کا دباؤ کم کرنے میں برنس کی مدد کریں گے۔

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

ہم بورڈ آف ڈائریکٹرز کی جانب سے نہایت مسرت کے ساتھ تھل لمیٹڈ (دی "کمپنی") کی 56 ویں سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے برائے سال ختمہ 30 جون 2022 پیش کر رہے ہیں۔

معاشی جائزہ

معیشت نے مالیاتی سال 2020 میں ایک فیصد تک سکڑنے کے بعد بحالی کے آثار ظاہر کیے۔ رسد اور طلب کے عدم توازن واضح ہوئے، جس کی وجہ ٹرانسپورٹ میں رکاوٹوں اور مشکلات کی وجہ سے سپلائی چین کا متاثر ہونا تھا۔ ایشیائے صرف کے بین الاقوامی زخموں نے بھی معیشت کو شدید متاثر کیا جس کے نتیجے میں دنیا کے بیشتر حصوں بشمول پاکستان میں افراط زر اور مہنگائی تیزی سے بڑھی۔

2022 کی دوسری سہ ماہی میں بلند تر عالمی مہنگائی، افراط زر، مانیٹری سخت پالیسی COVID-19 (کورونائوزس) کی پابندیوں اور روس۔ یوکرین تنازع کے سبب عالمی آڈٹ پٹ میں کمی کا آغاز ہوا۔ عالمی اور مقامی غیر یقینی صورتحال تا حال معیشت کے اطراف موجود ہے۔ اس کے علاوہ مومن سون کی موسلا دھار بارشوں کے نتیجے میں حالیہ سیلابی صورتحال نے سندھ، بلوچستان، خیبر پختونخواہ اور پنجاب کے بیشتر علاقوں میں اقتصادی سرگرمیوں پر انتہائی منفی اثرات مرتب کیے ہیں۔

اس کے ساتھ ساتھ پاکستان کو پہلے سے غیر ملکی زرمبادلہ کے ذخائر میں کمی اور کرنسی کی قدر گھٹنے کا سامنا ہے جس کی وجہ سے دباؤ ممکنہ طور پر مزید بڑھے گا جبکہ پاکستان اس صورتحال سے نکلنے کی کوششیں کر رہا ہے۔

مالیاتی نتائج

سال کے دوران کمپنیز کا نیٹ ریویو سال بہ سال 37 فیصد تک بڑھ کر 37.4 ارب روپے ہو گیا۔ منافع بعد از ٹیکس 4.3 ارب روپے (سال بہ سال 23 فیصد تک بڑھا) ریکارڈ کیا گیا جو 2020-2021 کے دوران 3.5 ارب روپے رہا تھا۔

(روپے بلین میں)				
کنسولیدیشن		اسٹیٹ الون		
2020-21	2021-22	2020-21	2021-22	
29.6	39.8	27.3	37.4	خالص آمدنی
7.8	8.9	4.6	5.9	قبل از ٹیکس منافع
1.9	2.5	1.1	1.7	محصول کی ادائیگی
5.9	6.3	3.5	4.3	بعد از ٹیکس منافع
67.06	71.71	42.97	52.54	فی شیئر آمدنی، روپے میں

کاروباری شعبوں کا جائزہ

کمپنی دو نمایاں کاروباری شعبوں۔ انجینئرنگ کے شعبے اور پیکنگ، بلڈنگ میٹریل و منسلک مصنوعات سے متعلق شعبے کی حامل ہے۔

شعبہ انجینئرنگ

کمپنی کا شعبہ انجینئرنگ تھرمل اور انجن کے اجزاء کے کاروبار اور الیکٹریک سسٹم برنس پر مشتمل ہے۔ ان کاروباروں نے اپنی بنیادی توجہ آٹو انڈسٹری کے لئے پارٹس کی تیاری پر مرکوز کر رکھی ہے۔

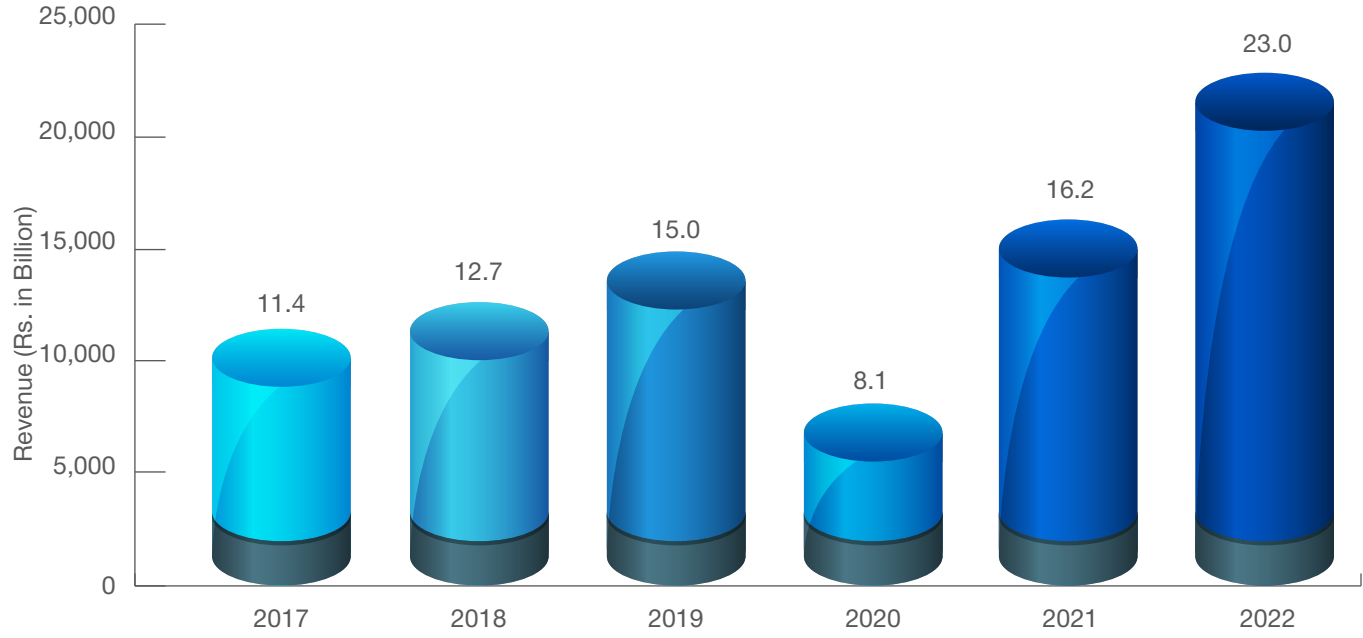
شعبے نے گزشتہ سال 16.2 ارب روپے کی سیلز کے مقابلے میں اس سال 23.0 ارب روپے کی سیلز ریکارڈ کی اور 42 فیصد اضافہ حاصل کیا جبکہ پاکستان آٹوموٹیو میٹریل فیڈریشن (پی اے ایم اے) کی رپورٹس کے مطابق نیچر کاروں کی سیلز میں 54.9 فیصد اور اسپورٹس یوٹیلٹی ویہیکلز اور لائٹ کمرشل ویہیکلز سیلز میں 49.2 فیصد اضافے کے ذریعے مجموعی آٹو انڈسٹری نے بہتر شرح نمو حاصل کی۔

سال 2021-22 میں آٹو سیلز میں گزشتہ سال کے دوران مزید نمایاں حد تک بحالی دیکھی گئی جیسا کہ معیشت اور مقامی صنعت پر جولائی 2021 کے بعد COVID-19 (کورونائوزس) کی وبائی صورتحال اور حکومت پاکستان کی جانب سے نافذ کردہ لاک ڈاؤن کے منفی اثرات مرتب ہوئے تھے، مزید برآں حکومت پاکستان کی جانب سے فراہم کردہ مراعات بشمول کم تر مارک شرحوں کے باعث مقامی صنعت میں بہتری دیکھی گئی اور صارفین بھی مارکیٹ کی طرف لوٹ آئے۔

تاہم سال کے آخر میں ملک کی معاشی صورتحال تیزی سے بگڑی جس کی وجہ بین الاقوامی مارکیٹ میں ایشیائے صرف کے تیزی سے بڑھتے ہوئے زخموں کے سبب بیرونی محاذ سے بھاری دباؤ اور آئی ایم ایف پروگرام کی بحالی میں تاخیر تھی۔ فنانشنگ خلا کے نتیجے میں حکومت پاکستان کو مجبور کیا کہ درآمدات پر پابندیاں عائد کی جائیں اور نتیجتاً اسٹیٹ بینک آف پاکستان نے ایک اور اضافی شرط عائد کر دی جس کے ذریعے پاکستان کسٹمز ٹیرف کوڈ کے باب 184 اور 85 کے تحت آنے والی ایشیاء کی درآمد کے لئے ٹرانزیکشنز شروع کرنے سے قبل اسٹیٹ بینک آف پاکستان کی پیشگی اجازت لینا لازم تھا جس کی وجہ سے "کمپیٹ ٹیکنالوجی ڈاؤن" (سی کے ڈی) کٹس اور پارٹس کے خام مال کی درآمد شدید متاثر ہوئی جس کے سبب آٹو سیلز مفلوج ہو کر رہ گیا۔ مزید برآں بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کی وجہ سے پاکستانی روپے کی قدر انتہائی گھٹ گئی جس سے صارفین کی قوت خرید میں نمایاں کمی آئی۔

انتظامیہ مسلسل متعلقہ حکومتی، ریگولیشنری اور صنعتی تنظیموں کے ساتھ رابطے میں ہے تاکہ موجودہ بحران کو حل کیا جائے۔ مزید برآں انتظامیہ کاروباری توسیع، مقامی صنعت کو فروغ دینے اور منافع بخش آپریشنز کے لئے باکفایت پیداواری عمل پر بھی توجہ دے رہی ہے۔

آگے بڑھتے ہوئے انتظامیہ اور پینل ایکویٹیٹی میڈیٹیشنرز ("او ای ایم")، کوالٹی، ہیلتھ، سٹیفٹی، ماحولیاتی اقدامات کی بہتر فراہمی اور نئے او ای ایم سے نئے کاروبار کے حصول پر توجہ دیتی رہے گی جبکہ مستقل بہتری کے عمل کے ذریعے باکفایت پیداواری عمل بڑھایا جائے گا۔



آڈٹ لگ








آنے والے مالی سال کے دوران توقع ہے کہ آٹو سیلز کو خاصی بلچل کا سامنا کرنا پڑے گا جیسا کہ مستقل طور پر درآمدی پابندیاں آپریشنز کو متاثر کریں گی اور اس کے نتیجے میں حجم میں نمایاں کمی آئے گی۔ مستقل طور پر بڑھتی ہوئی مہنگائی اور افراط زر کے ساتھ آئندہ مالیاتی سال کاروبار کے لئے انتہائی کٹھن ثابت ہوگا۔










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