Downloaded from: https://OpenDoors.Pk

Thal Limited
2023
Annual Report



Thal Limited | 2023 Annual Report

Design & Produced: Crayons



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/+92 (21) 3431 2185

Downloaded from: https://OpenDoors.Pk

Contents

04 Corporate information

05 Company structure

06 Vision

07 Values

09 Chairman's review report

11 Directors' profile

13 Directors' report to the shareholders

35 Board Committees and their terms of references

37 Notice of the annual general meeting

61 Statement of compliance with listed companies

63 Review report to the members

64 Key figures

65 Graphical presentation-six years at a glance

66 Graphical presentation of ratios

67 Financial performance-six years at a glance

68 Six years' ratio analysis

69 Horizontal analysis

70 Vertical analysis

71 Statement of value addition

72 Unconsolidated financial statements

130 Consolidated financial statements

198 Combined pattern of CDC and physical shareholding

Downloaded from: https://OpenDoors.Pk

Corporate Information

Board Of Directors

Rafiq M. Habib	Chairman - Non-Executive Director
Tayyab 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

Sameer Amlani

Audit Committee

Khayam Husain	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
Tayyab Tareen	Member

External Auditors

EY Ford Rhodes Chartered Accountants

Legal Advisors

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

Credit Rating

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

Tax Advisors

EY Ford Rhodes Chartered Accountants

Bankers

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

Registered Office

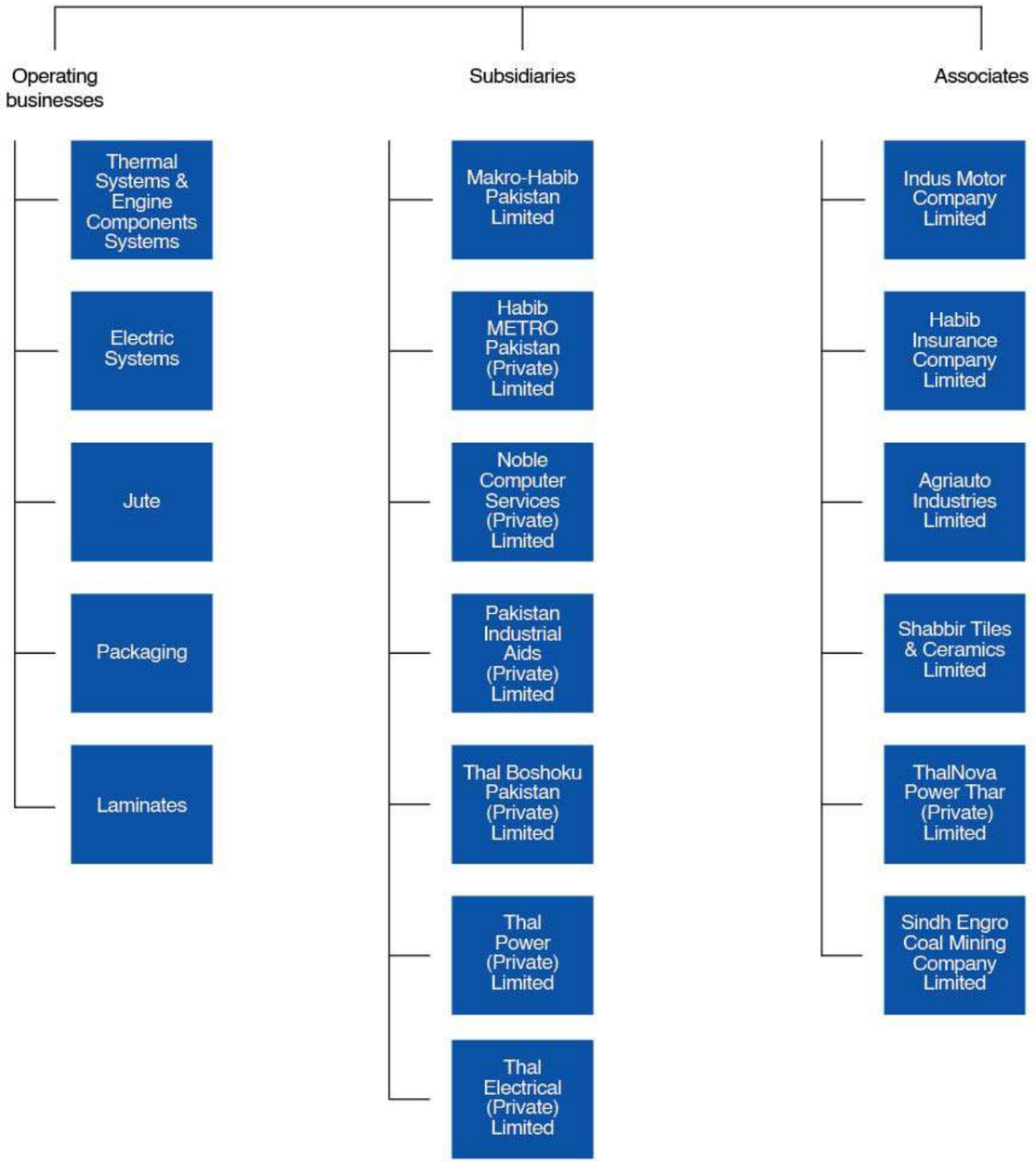
4th Floor, House of Habib
3-Jinnah Cooperative Housing Society, Block 7/8
Sharah-e-Faisal, Karachi - 75350
PABX: +92(21) 3431-2030, +92(21) 3431-2185
E-mail: tl@hoh.net
Web: www.thallimited.com

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, +92(21) 3438 4621-5
Fax: +92(21) 3438 0106, +92(21) 3242 8310
Email: info.shares@famco.com.pk
Web: www.famco.com.pk

Downloaded from: https://OpenDoors.Pk

Company Structure



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.

Our Vision

Recognized as the most respected and dynamic groupwith expanding & diversifying businesses, sustainingcompetitive returns to stakeholders.

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

Downloaded from: https://OpenDoors.Pk

Our Values

Team Work

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

Justice & Integrity

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

Humility & Respect

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

Entrepreneurship

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

Optimum use of Resources

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

Cleanliness

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

Chairman's Review Report



Downloaded from: https://OpenDoors.Pk

Chairman's Review Report

With great pleasure we close another overall successful year at your Company – Thal Limited. Our business segments in Auto Engineering; Thermal Systems & Engine Components Systems, Electric Systems and Packaging, Building Materials & Allied Products segment have yet again given us a profitable bottom line. That said, the macroeconomic situation in Pakistan, devaluation of the rupee, rising interest rates, increasing price of raw materials and the soaring loss of foreign exchange has made it a challenge indeed for businesses to thrive today.

However, I am truly happy to report that Company performance was positive, contributing Rs. 2.8 billion to profits after taxation. The Company remains committed to its business in Pakistan while remaining active on all fronts to bring down costs and localize where possible for overall profitability in the coming years. As one of the pioneering business houses in the nation we reaffirm our pledge to support the country and economy across all instances and in all circumstances with a clear path to prosperity in mind.

Our Auto Engineering segment delivered sales of Rs. 13.8 billion despite restrictions on imports and non-production days. The Company will continue to focus on acquiring new partnerships with orignal equipment manufacturers (OEMs) and remain a preferred supplier while also gearing up to study the export market and diversifications outside the automotive space.

The Company's Packaging, Building Materials and Allied Product segment exceeded expectations with a 26% increase in sales. We expect market conditions to remain challenging in the coming year but a keen eye on sustainability through renewable energy coupled with business process optimization and new automation should keep us lean with fewer costs.

Thal Boshoku Pakistan Limited recorded sales of Rs. 919 million. This was due to lower demand in the market, finance and exchange losses and an overall slowdown after FY 22's auto boom. The Company was once again highly rated by its partners and continues to reduce its dependency on existing products and customers with an eye on future growth.

In the property sector, Habib METRO Pakistan (Private) Limited owns and manages properties across Pakistan. HMPL grew with sales of Rs. 791 million, up from Rs. 639 million last year. Moving ahead, the business will focus on enhancing opportunities through value and creating new developments on its existing sites.

In the energy sector, Sindh Engro Coal Mining Company (SECMC) has achieved an overall project completion date and declared a dividend of Rs. 8 billion. Thal Limited received Rs. 678 million in June 2023 as per its 11.9% shareholding in the joint venture.

Thal Nova Power Thar (Private) Limited is a joint venture with Nova Powergen Limited. The venture aims to source 1.9 million tons per annum of lignite coal from SECMC to power its 330MW power plant in Thar, Pakistan. Alhamdulillah, the entity successfully achieved commercial operations in February 2023.

On the Human Resources front, the Company held learning fairs and a very successful Management Trainee Program in FY 23 which ushered in new recruits. The year also focused on training existing staff, promoting diversity and inclusion and creating an overall environment to empower all individuals.

Health, Safety and Environment trainings were at the center of FY 23 and the Company also successfully passed annual certification audits for Occupational Health Safety Management System & Environmental Management Systems.

Information Technology (IT) was vigorously enhanced with improvements across all our systems. Regular employee exercises on cyber phishing were conducted to prevent any threats to our network.

The Company also remains committed to its duties as a good corporate citizen with ongoing initiatives for the underprivileged across the health and education sectors.

It is with the deepest gratitude that I acknowledge the Company's sheer dedication to perform and the resolve to deliver across all business channels this year. In light of this, I would sincerely like to thank the Board of Directors, Audit and Human Resource and Remuneration Committees, staff, partners and dealers for always putting their best foot forward and helping us to succeed in these extremely challenging times.

Sincerely,
Rafiq M. Habib
Chairman, Thal Limited

چیئرمین کی جائزہ رپورٹ

یہ امر ہمارے لئے باعث فخر ہے کہ آپ کی کمپنی تھل لمیٹڈ نے ایک اور کامیاب سال کا اختتام کیا۔ آٹو انجینئرنگ، تھرمل سسٹمز اور انجن کمپونینٹس کے شعبے سمیت پیکیجنگ اور بلڈنگ میٹریلز کے ہمارے شعبے منافع بخش رہے۔ یہ کہا جارہا ہے کہ پاکستان کی معاشی صورتحال، روپے کی قدر میں کمی، شرح سود میں اضافہ، خام مال کی بڑھتی ہوئی قیمت اور غیر ملکی زرمبادلہ کے بڑھتے ہوئے خسارہ نے آج کاروبار کے فروغ کو ایک چیلنج بنادیا ہے۔

تاہم میں یہ اطلاع دیتے ہوئے خوش ہوں کہ کمپنی کی کارکردگی ثبت رہی اور کمپنی نے بعد از ٹیکس منافع میں 2.8 بلین روپے کا حصہ ڈالا۔ کمپنی پاکستان میں اپنے آپریشنز کے لیے وقف ہے اور آنے والے سالوں میں مجموعی منافع میں اضافہ کیلئے لاگت میں کمی اور لوکلائزیشن کی کوششوں پر فعال طور پر کام جاری رکھے ہوئے ہے۔ ملک میں ایک اہم کاروباری اداروں میں سے ایک کے طور پر، ہم خوشحالی کو فروغ دینے پر واضح توجہ کے ساتھ، تمام حالات میں ملک اور اس کی معیشت کی حمایت کرنے کے اپنے عزم کا اعادہ کرتے ہیں۔

ہمارے آٹو انجینئرنگ شعبہ نے درآمدات اور غیر پیداواری دنوں پر پابندی کے باوجود 13.8 بلین روپے کی فروخت کی۔ کمپنی OEMs کے ساتھ نئی شراکت داری قائم کرنے اور ترجیحی سپلائر کے طور پر اپنی حیثیت کو برقرار رکھنے کو ترجیح دیتی رہے گی۔ مزید برآں، یہ برآمدی مارکیٹ میں مواقع تلاش کرنے اور آٹو موٹیو سیکٹر سے آگے اپنے کاموں کو متنوع بنانے کے لیے بھی تیاری کرے گی۔

کمپنی کی پیکیجنگ، بلڈنگ میٹریلز، اور الائیڈ پراڈکٹس کے شعبہ نے توقعات سے بڑھ کر فروخت میں 26 فیصد اضافہ حاصل کیا۔ ہم توقع کرتے ہیں کہ آنے والے سال میں مارکیٹ کے حالات مسابقتی رہیں گے۔ تاہم، قابل تجدید توانائی کے ذریعے پائیداری پر مضبوط توجہ، کاروباری عمل کی اصلاح اور نئی آٹومیشن کے ساتھ، ہمیں کم لاگت کے ساتھ مؤثر طریقے سے کام کرنے میں مدد کرنی چاہئے۔

تھل بوشوکو پاکستان لمیٹڈ نے 919 ملین روپے کی فروخت ریکارڈ کی۔ اس کی وجہ مارکیٹ کی طلب میں کمی، مالیاتی اور زرمبادلہ میں ہونے والے نقصانات اور مالی سال 22 کے آٹو بوم کے بعد مجموعی طور پر سست روی تھی۔ کمپنی کو اپنے شراکت داروں سے ایک بار پھر اعلیٰ درجہ بندی ملی ہے اور مستقبل میں ترقی کے مواقع پر نظر رکھتے ہوئے، موجودہ مصنوعات اور صارفین پر اپنا انحصار مسلسل کم کررہی ہے۔

پراپرٹی کے شعبے میں، حبیب میٹرو پاکستان لمیٹڈ پاکستان بھر میں جائیدادوں کے مالک اور ان کا انتظام کرتا ہے۔ HMPL نے 791 ملین روپے کی فروخت کے ساتھ اضافہ کیا، جو گزشتہ سال 639 روپے تھے۔ آگے بڑھتے ہوئے، کاروباری قدر کے ذریعے مواقع کو بڑھانے اور اپنی موجودہ سائٹس پر نئی پیش رفت پیدا کرنے پر توجہ مرکوز کرے گا۔

توانائی کے شعبے میں، سندھ انگرو کول مائننگ کمپنی نے مجموعی طور پر پراجیکٹ کی تکمیل کی تاریخ حاصل کرلی ہے اور 8 ارب روپے کے ڈیویڈنڈ کا اعلان کیا ہے۔ تھل لمیٹڈ کو جون 2023 میں مشترکہ منصوبے میں 11.9 فیصد شیئر ہولڈنگ کے مطابق 678 ملین روپے حاصل ہوئے۔

تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ نووا پاور جن لمیٹڈ کے ساتھ ایک مشترکہ منصوبہ ہے۔ اس منصوبے کا مقصد ایس ای سی ایم سی سے 1.9 ملین ٹن سالانہ لگنائٹ کوئلہ حاصل کرنا ہے تاکہ تھر، پاکستان میں اس کے 330 میگاواٹ پاور پلانٹ کو بجلی فراہم کی جاسکے۔ الحمدللہ، تھل نے فروری 2023 میں کامیابی کے ساتھ تجارتی آپریشنز حاصل کرلیے۔

انسانی وسائل کے محاذ پر، کمپنی نے مالی سال 23 میں لرننگ فیئرز اور ایک انتہائی کامیاب مینجمنٹ ٹریننی پروگرام کا انعقاد کیا، جس سے نئی بھرتیاں ہوئیں۔ اس سال نے موجودہ عملے کی تربیت، تنوع اور شمولیت کو فروغ دینے، اور تمام افراد کو بااختیار بنانے کے لیے مجموعی ماحول کو فروغ دینے پر بھی زور دیا۔

مالی سال 23 میں صحت، حفاظت اور ماحولیات کی تربیتیں دی گئیں اور کمپنی نے پیشہ ورانہ ہیلتھ سیفٹی مینجمنٹ سسٹم اور ماحولیاتی انتظام کے نظام کے لیے سالانہ سرٹیفکیشن آڈٹ بھی کامیابی سے پاس کیا۔
انفارمیشن ٹیکنالوجی (آئی ٹی) کے بنیادی ڈھانچے میں ہمارے تمام سسٹمز میں بہتری کے ساتھ نمایاں اضافہ ہوا ہے۔ ہمارے نیٹ ورک کو لاحق خطرات کو کم کرنے کے لیے سائبر فشنگ پر ملازمین کی باقاعدہ تربیتی مشقیں کی گئیں۔

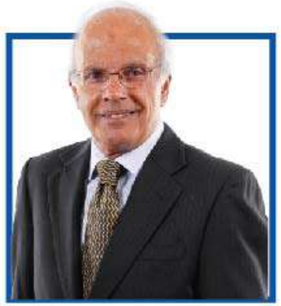
کمپنی صحت کی دیکھ بھال اور تعلیم کے شعبوں میں پسماندہ افراد کی مدد کے لیے جاری اقدامات کے ساتھ، کارپوریٹ سماجی ذمہ داری کے لیے اپنی وابستگی کو بھی برقرار رکھتی ہے۔

میں اپنی مخلص قیادت کیلئے انتہائی خوشی محسوس کرتا ہوں اور کمپنی 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 داروں اور ڈیلرز کی سخت محنت و جدوجہد کا شکر گزار ہوں جو کہ انتہائی شدید مشکل وقت اور حالات میں کامیابی کا سہارا بنے۔

رفیق ایم۔ حبیب
چیئرمین

Downloaded from: https://OpenDoors.Pk

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.

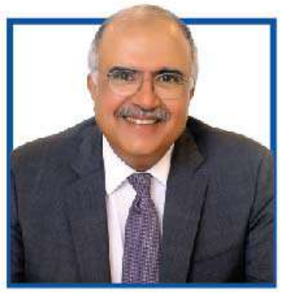
He is the founding Chancellor of Habib University.



Tayyab Tareen
Chief Executive

Mr.Tayyab Tareen joined as CEO of Thal Limited on July 01, 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



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.

He 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. He 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.

He 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.



Salman Burney
Non-executive Director

Mr. Salman Burney joined the Board in February 2016 as a Non-Executive Director. 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 in the capacity of VP/Area GM.

He 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.



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.



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.

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

Downloaded from: https://OpenDoors.Pk

Directors' Report to the Shareholders

On behalf of the Board of Directors, we are pleased to present the fifty-seventh annual report along with the Audited Financial Statements of Thal Limited (the "Company") for the year ended June 30, 2023.

Economic Overview

The fiscal year ended June 30, 2023 was a challenging year, however, it ended on a positive note with current account showing surplus with the successful funding from IMF. The policy rate was increased to 22% during the year, in continuation of monetary tightening measures, dampening economic activity and growth projections. Rapid devaluation of the rupee, record levels of inflation and an increase in tax rates eroded the purchasing power of the masses and also added to the cost of doing business. Businesses saw a significant increase in the price of raw materials and other inputs and found it challenging to fully pass these to the end consumer, driving down the profitability.

As macroeconomic indicators stabilize, we anticipate our businesses to gain momentum in a positive growth environment.

Rs. in million	Unconsolidated		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Net Revenue	31,925	37,351	33,132	39,817
Profit Before Taxes	4,012	5,925	7,287	8,852
Taxation	1,262	1,668	2,427	2,524
Profit After Taxes	2,751	4,257	4,860	6,328
Earnings Per Share (Rs.)	33.95	52.54	54.40	71.71

During the year, the Company's sales revenue decreased by 15% compared to prior year to Rs. 32 billion. Profit after tax was recorded at Rs. 2.8 billion (down by 35% year on year) compared to Rs. 4.3 billion during 2021-22.

Overview of Business Segments

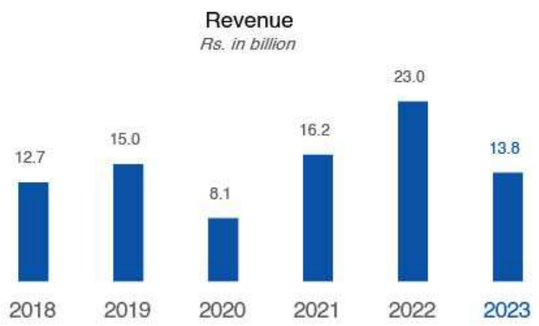
The Company's operating businesses are categorized under two segments, namely the engineering segment and the packaging, building material & allied products segment.

Engineering Segment

The Company's engineering segment comprises:

- Thermal Systems & Engine Components Division
- Electric Systems Division

These businesses are primarily focused on the manufacturing of parts for the automotive industry.



The engineering segment recorded sales of Rs. 13.8 billion compared to last year sales of Rs. 23 billion witnessing a decrease of 40%, in line with the downward trend witnessed by automobile manufacturers.

Restrictions on imports, non-production days at customers and reduced demand during the year severely impacted the industry and its ancillaries.

The business remains committed to providing an uninterrupted supply and high-quality output to its existing customers while enhancing cost efficiencies through continuous process improvement and further localization to maintain profitable operations. Meanwhile, the management will continue to strategize on business expansion; including initiatives to acquire business from new original equipment manufacturers (OEM), diversification outside the automotive space and tapping into exports.

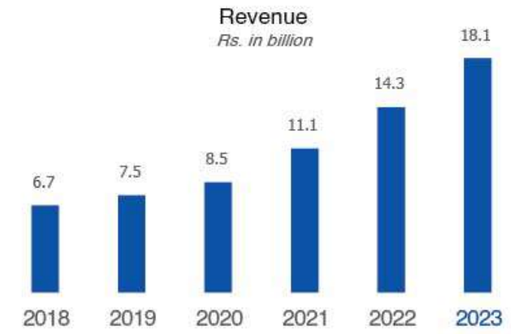
Outlook

We anticipate that the market will start to stabilize in the coming year. Volumes are expected to pick up and the industry will start to see some form of consistency. Although, high level of inflation will remain a significant challenge for the business.

Packaging, Building Materials & Allied Products Segment

The Company's packaging, building material & allied products segment comprises:

- Jute Division
- Packaging Division
- Laminates Division



During the year, overall segment turnover registered an increase of 26% to Rs. 18.1 billion compared to Rs. 14.3 billion last year.

Jute Division

During the financial year 2022-23, despite challenges from devaluation and import restrictions, the Jute division recorded a successful year and added positively to the profitability of the Company, reaffirming their commitment to sustainable growth and financial success. Gross revenue reached a historical high, showcasing an expanding market reach in the export and local market.

Sales witnessed fluctuations in both local and export markets. Wheat sack demand remained robust, driven by wheat imports in first half of the year and the domestic crop in second half. However, the local market in the southern region suffered due to floods in Sind and Baluchistan and higher prices.

Raw jute supply presented several challenges. Restrictions on imports by way of administrative difficulties in opening of letters of credit, and uncertain economic conditions. Additionally, global scarcity of higher-grade jute contributed to higher prices.

Outlook

The coming year poses challenges with increasing input material costs and exchange rate volatility. Nevertheless, we expect a positive trend in sacking demand and export sales. Our focus remains on cost efficiencies, meeting market demand, and ensuring employee safety.

The division reaffirms its dedication towards driving growth, pursuing innovative projects and creating value for our customers and shareholders.

Packaging Division

Financial year 2022-23 presented numerous challenges for the Packaging division, characterized by sluggish economic growth, import restrictions and soaring input costs owing to rupee devaluation and inflationary pressures.

Our major segment of cement bags faced the impact of the economic downturn on cement sales and a major challenge on the availability of raw material however, our woven polypropylene bag manufacturing plant came online during the current year and added to a 13% increase in sales revenue compared to previous financial year.

Evolving market conditions call for a strategic focus on expanding the export portfolio. The division successfully established new partnerships in Middle East, North Africa, Europe and North America.

Outlook

We expect this general theme of business challenges to continue in the forthcoming year. To address these challenges, we are actively working on implementing sustainable measures, including adoption of solar energy, optimizing workflows, and embracing automation. These initiatives are expected to enhance cost controls, strengthening our competitive edge both in the domestic and export markets.

By fostering adaptability and resilience, we are confident in our ability to sustain growth and position our packaging business for a prosperous future.

Laminates Division

The Laminates division operates under the brand name "Formite" in the engineered surface industry offering high pressure laminates, technical laminates and laminated boards.

The laminates industry has also been impacted by the country's broader issues of political instability, rising inflation, unstable exchange rates and dwindling foreign exchange reserves. The business was able to overcome these obstacles and positively contribute to the bottom-line by proactively adjusting the strategy in the local market, launching into the the export market. Localization of key raw materials and achieving significant savings remains a key priority.

Downloaded from: https://OpenDoors.Pk

Outlook
The business has completed a solar renewable energy project, which will increase cost-efficiency and streamline operations while also being more sustainable.

While anticipating a challenging environment, we are taking proactive actions by focusing on cost improvement projects, product mix strategies, and sales channel optimization to increase profitability and market share in the foreseeable future.

Subsidiaries

Thal Boshoku Pakistan (Private) Limited (TBPPL)
During the year 2022-23, TBPPL recorded sales amounting to Rs. 920 million, against last year sales of Rs. 2,130 million. This decrease in sales is directly related to decline in OEM volumes and slowdown in the automotive industry. In terms of profitability, TBPPL faced significant cost pressures, especially related to finance cost and exchange losses which increased significantly during the current year.

During the year, the shareholders injected Rs. 1 billion of equity into TBPPL, used primarily to pay off the shareholders' loan and for investment in expansion for upcoming OEM models.

Once again, TBPPL was highly rated by its customers for maintaining zero defects in its products. TBPPL's focus remains on expanding shareholder value and return by improving production efficiency, kaizen and continues to explore diversification opportunities in order to reduce its dependency on existing products and customers.

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

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

During the year, the Company received dividends amounting to Rs. 791 million as compared to Rs. 639 million in the previous year.

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

In September 2015, MHPL shut down and dismantled its store in compliance with the judgement passed by the Supreme Court. The future course of action is being determined.

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
It is a wholly owned subsidiary of Thal Limited. The business involved in supplying automotive parts and air conditioning gas to automobile assemblers and auto parts manufacturers.

Investments in Energy Sector
Sindh Engro Coal Mining Company Limited (SECMC)
SECMC is a joint venture between the Government of Sindh, Thal Limited, Engro Energy 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.

Phase I of Thar mining is supplying coal to a 2x330 megawatt ("MW") power generation plant set up by Engro Powergen Thar Private Limited. For Phase II, SECMC has Coal Supply Agreements with ThalNova Power Thar (Private) Limited and Thar Energy Limited to supply lignite to each of the 330 MW power plants.

The project company achieved commercial operations date for Phase II in September 2022. SECMC is now supplying coal to 1320 MW Thar coal-based power plants in Block 2 – ranked high in the merit order of NEPRA for evacuation of power.

SECMC achieved project completion date (PCD) in this period and declared its first ever dividend of Rs. 8 billion comprising Rs. 5.7 billion ordinary dividend and Rs. 2.3 billion accumulated preferred dividend. The Company received Rs. 678 million of dividends in June 2023 based on its 11.9% ordinary shareholding.

ThalNova Power Thar (Private) Limited (ThalNova)
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.

ThalNova has a Coal Supply Agreement with SECMC to supply 1.9 million tons per annum of lignite. It also has a Power Purchase Agreement with the Central Power Purchase Agency (Guarantee) Limited and the Implementation Agreement with Private Power Infrastructure Board.

The project achieved commercial operations date in February 2023.

Human Resources (HR)
At the core of our approach is a commitment to fostering continuous growth and advancement for our employees and our business revolves around prioritizing our people and striving for excellence in all endeavours.

Under our mandate for learning, training and development, the annual "Learning Fair" trained employees across the Company by calling trainers from across the industry and holding training session and short learning courses.

In line with our ethos of nurturing talent, the Management Trainee Program 2023 yielded high potential candidates from a pool of applicants from leading universities through a rigorous process.

In order to foster employee engagement, we carried out various engagement activities which garnered a lot of excitement from our workforce. A customized Total Remuneration Survey was also conducted in FY22-23 to keep the Company competitive and aligned with market practices.

In order to inculcate an environment which promotes diversity and inclusion, we focused on increasing our gender diversity ratio across the Company. International Women's Day was enthusiastically observed and an interactive session focused around creating an environment to empower individuals.

Health, Safety & Environment (HSE)
Health, safety and environmental training initiatives remains the cornerstone of our commitment in creating a safe and healthy work environment. There were numerous trainings held during the year to embed the culture and safety and employee well-being. The Company successfully passed annual certification audits under ISO standard 45001 (Occupational Health Safety Management System) & 14001 (Environmental Management System) solidifying our commitment towards upholding industry best practices.

The Company was also duly recognized by Employers Federation of Pakistan for the leading role in creating a safe and healthy workplace and secured the first position in the 'EFP Occupational Health, Safety and Well Being Award 2022'. Fire Safety Award 2022 & Annual Environment Excellence Award 2022 were amongst the recognitions received by the Company during the year.

Embedding the kaizen culture and the practice of holding "Quality Control Circles" (QCC) enhances our problem-solving skills and underscores our holistic approach to improving operational efficiency while prioritizing environmental responsibilities. The energy-efficient technologies and solar plant with a current installed capacity of 4.15 MW has helped achieve an annual reduction of 3,266 tons of CO_2 with an additional 1.95 MW capacity expected to come online.

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.

Corporate Social Responsibility (CSR)
The core of our values lies in the advancement and betterment of communities and the less privileged segments of society. Our dedication to enhancing the quality of life for stakeholders, employees and fellow citizens persisted despite the uncertainties during these times.

We continue to contribute in social investments encompassing community development, healthcare, education, environment and employee well-being during the fiscal year 2023.

Information Technology (IT)
We aligned our objectives as per the strategic need of the Company during the year and focused on delivering high quality, consistent and cost-effective IT solutions. Our main focus was to bring improvement in the IT infrastructure and ensure service continuity to businesses to aid in serving our valuable customers.

With the increased dependency on IT systems, the Company deployed resources to counter cyber security threats. The information security wing focused to secure organizational data by implementing latest tools in order to secure both end-users and backend servers. Selecting TrendMicro Deep Security helped the Company protect enterprise applications and data from breaches and business disruption. Aside this, the team continued to educate employees about information security through awareness session and strengthening their behaviors by phishing testing at different intervals.

Downloaded from: https://OpenDoors.Pk

Related Party Transactions
All transactions with related parties have been executed in accordance with applicable 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.

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
   b) Technological & innovation risk
   c) Regulatory risk
   d) 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 2022-23, the Company contributed a sum of Rs. 8.5 billion (2021-22: Rs. 8.1 billion) towards the national exchequer by way of taxation, custom duties, levies, excise duty and WPPF.

Remuneration Policy of Executive & Non-Executive Directors
The Board acknowledges the valuable contributions being made by the Non-Executive Directors (including Independent Directors), and currently a meeting fee is being offered for attendance and participation at each Board meeting or its Committee. While this does not reflect compensation of their contributions, it just represents a token of appreciation.

Remuneration of directors during the year is disclosed in note 43 to the unconsolidated financial statements for the year ended June 30, 2023.

Auditors
The present Auditors M/s. EY Ford Rhodes, Chartered Accountants, are due to retire in the forthcoming annual general meeting of the Company. The Board Audit Committee and the Board of Directors have recommended M/s. A.F. Ferguson & Co., Chartered Accountants for appointment as external auditors for shareholders consideration and approval at the forthcoming annual general meeting for the year ending June 30, 2024.

Pattern of Shareholding
The pattern of shareholding as at June 30, 2023 is attached to this report.

The Board has determined the Chief Executive Officer, the Chief Financial Officer, the Head of Internal Audit and the Company Secretary, as those executives whose reporting is to be made to the Pakistan Stock Exchange (PSX) in respect of trading in Company shares.

Directors' Training Program
The Directors are in compliance with the training program as they have the requisite qualification and experience of serving on the board.

Compliance with the Code of Corporate Governance & Statement of Directors' Responsibility
1) 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.
2) Proper books of account have been maintained.
3) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates based on reasonable and prudent judgment.
4) International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
5) The Board has outsourced the internal audit function to M/s. Noble Computer Services (Private) Limited, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedure of the Company.
6) The system of internal control is sound in design and has been effectively implemented and monitored.
7) All members of the Audit Committee are independent/non-executive Directors.
8) There are no significant doubts upon the Company's ability to continue as a going concern.
9) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
10) The value of investment of provident fund and retirement benefit fund stands at Rs. 873 million and Rs. 100 million, respectively as at June 30, 2023.
11) The key operating & finance data for the last six years are annexed to the report.

Total number of Directors are 7 (seven) consisting of 6 (six) male Directors and 1 (one) female Director.

Composition of the Board is as follows:

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

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

Names of Directors	Meeting Attended
Mr. Rafiq M. Habib (Chairman)	6/6
Mr. Mohamedali R. Habib	6/6
Mr. Imran Ali Habib	6/6
Ms. Aliya Saeeda Khan	6/6
Mr. Khayam Husain*	6/6
Mr. Salman Burney	5/6
Mr. Tayyab Tareen	6/6

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

Names of Directors	Meeting Attended
Ms. Aliya Saeeda Khan*	2/2
Mr. Khayam Husain*	2/2
Mr. Mohamedali R. Habib	3/4
Mr. Imran Ali Habib	4/4
Mr. Salman Burney	4/4

*Ms. Aliya Saeeda Khan resigned in December 2022 and Mr. Khayam Husain was appointed as the Audit Committee Chairman.

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

Names of Directors	Meeting Attended
Ms. Aliya Saeeda Khan (Chairperson)	2/2
Mr. Mohamedali R. Habib	2/2
Mr. Salman Burney	2/2
Mr. Tayyab Tareen	2/2

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

- Final cash dividend declared of Rs. 6.50 per share, i.e. 130% in addition to interim dividends of Rs. 1.50 per share, i.e. 30%.
- Transfer of a sum of Rs. 2,000 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 **Director**
Karachi
Dated: September 11, 2023

Downloaded from: https://OpenDoors.Pk

بی۔	نان ایگزیکیٹیو ڈائریکٹرز	جناب رفیق ایم حبیب جناب محمد علی آر حبیب جناب عمران علی حبیب جناب سلمان برنی
سی۔	ایگزیکیٹیو ڈائریکٹر	جناب محمد طیب احمد ترین

بورڈ ممبرز کے نام اور سال کے دوران منعقد ہونے والے 6 اجلاسوں میں ان کی حاضری کی تفصیلات درج ذیل ہیں:

ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
جناب رفیق ایم حبیب (چیئرمین)	6/6
جناب محمد علی آر حبیب	6/6
جناب عمران علی حبیب	6/6
محترمہ عالیہ سعیدہ خان	6/6
جناب خیام حسین	6/6
جناب سلمان برنی	5/6
جناب محمد طیب احمد ترین	6/6

سال کے دوران آڈٹ کمیٹی کے 4 اجلاس منعقد ہوئے اور اس میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
محترمہ عالیہ سعیدہ خان*	2/2
جناب خیام حسین*	2/2
جناب محمد علی آر حبیب	3/4
جناب عمران علی حبیب	4/4
جناب سلمان برنی	4/4

*محترمہ عالیہ سعیدہ خان نے دسمبر 2022 میں آڈٹ کمیٹی سے استعفیٰ دے دیا اور جناب خیام حسین کو ان کی جگہ آڈٹ کمیٹی چیئرمین مقرر کیا گیا۔

سال کے دوران ہیومن ریسورسز اینڈ ری میونریشن کمیٹی کے 2 اجلاس منعقد ہوئے اور اس میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
محترمہ عالیہ سعیدہ خان (چیئرپرسن)	2/2
جناب محمد علی آر حبیب	2/2
جناب سلمان برنی	2/2
جناب محمد طیب احمد ترین	2/2

منافع کی تقسیم و تخصیص:

ڈائریکٹرز موجودہ سال کے منافع میں سے درج ذیل تخصیصات تجویز کرتے ہیں:

☆ فی شیئر 6.5 روپے کے حتمی نقد منافع منقسمہ کا اعلان کیا گیا یعنی 130 فیصد، علاوہ فی شیئر 1.50 روپے کے عبوری منافع منقسمہ یعنی 30 فیصد۔

☆ غیر مختص شدہ منافع سے 2,000 ملین روپے کی رقم عمومی ریزرو میں منتقل کرنا۔

اعتراف:

بورڈ آف ڈائریکٹرز اور انتظامیہ کی جانب سے میں اپنے شیئر ہولڈرز، صارفین، ڈیلرز اور کاروباری شرکاء کا ان کی مستقل سرپرستی اور اعتماد پر تہہ دل سے شکریہ ادا کرتا ہوں۔ اپنی تمام ریگولیٹری اتھارٹیز کی رہنمائی اور تعاون کیلئے بھی مشکور ہوں۔ سب سے آخر میں، خاص طور پر، بورڈ آف ڈائریکٹرز اپنے تمام عملے کی مخلصانہ کاوشوں کا اعتراف کرتے ہیں جو انہوں نے مسابقتی حالات میں کمپنی کی ترقی کیلئے جاری رکھیں۔

چیف ایگزیکیٹو

ڈائریکٹر

کراچی

مورخہ: 11 ستمبر 2023

Downloaded from: https://OpenDoors.Pk

نان۔ایگزیکٹیو ڈائریکٹرز کیلئے معاوضہ پالیسی:

بورڈ نان ایگزیکٹو ڈائریکٹرز (بشمول آزاد ڈائریکٹرز) کی جانب سے کی گئی اہم شراکت کو تسلیم کرتا ہے اور ان کی تعریف کرتا ہے۔ فی الحال، ہر بورڈ میٹنگ یا اس کی کمیٹیوں میں ان کی حاضری اور شرکت کے لیے میٹنگ فیس فراہم کی جاتی ہے۔ اگرچہ یہ ان کی خدمات کے معاوضہ کی عکاسی نہیں کرتا، یہ محض تعریفی علامت کے طور پر نمائندگی کرتا ہے۔

دوران سال ڈائریکٹرز کے معاوضہ کا انکشاف 30 جون 2023 کو ختم ہونے والے سال کے غیر عبوری مالیاتی گوشواروں کے نوٹ 43 میں کیا گیا ہے۔

آڈیٹرز:

موجودہ آڈیٹرز میسرز ای وائی فورڈ ہوڈز، چارٹرڈ اکاؤنٹینٹس، کمپنی کے آئندہ سالانہ اجلاس عام میں ریٹائر ہو رہے ہیں، بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے شیئر ہولڈرز سے 30 جون 2024 کو ختم ہونے والے سال کیلئے میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کی بطور بیرونی آڈیٹرز تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا طرز:

شیئر ہولڈنگ کا طرز بمطابق 30 جون 2023 اس رپورٹ کے ساتھ منسلک ہے۔

بورڈ اور بورڈ کی سب کمیٹیوں کی دوبارہ تشکیل:

بورڈ نے چیف ایگزیکٹیو آفیسر، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ اور کمپنی سیکرٹری کو ان ایگزیکٹیو کے طور پر متعین کیا ہے جن کی رپورٹنگ کمپنی کے شیئرز میں ٹریڈنگ کے سلسلے میں پاکستان اسٹاک ایکسچینج (پی ایس ایکس) کو کی جانی ہے۔

ڈائریکٹرز ٹریننگ پروگرام:

ڈائریکٹرز بورڈ پر خدمات انجام دینے کیلئے مطلوبہ قابلیت اور تجربے کے حامل ہیں اور ٹریننگ پروگرام پر مکمل عملدرآمد کرتے ہیں۔

اجتماعی اور مالیاتی رپورٹنگ فریم ورک میں کوڈ آف کارپوریٹ گورننس پر عملدرآمد کا اسٹیٹمنٹ:

ا۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ میں کمپنی کے معاملات، آپریشنز کے نائج، رقومات کے بہاؤ

اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔

۲۔ کمپنی 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، میسرز نوبل کمپیوٹر سروسز (پرائیویٹ) لمیٹڈ کو تفویض کئے ہیں جو اس کام کیلئے نہایت موزوں اہلیت اور تجربہ کے حامل ہیں اور کمپنی 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 جارہی ہے۔

۷۔ آڈٹ کے تمام ممبران آزاد/ نان ایگزیکٹیو ڈائریکٹرز ہیں۔

۸۔ کمپنی کے موجودہ حیثیت میں کام جاری رکھنے میں کسی رکاوٹ کا شک وشبہ نہیں ہے۔

۹۔ اصول وضوابط کی فہرست میں درج کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی بات خارج نہیں کی گئی ہے۔

۱۰۔ پروویڈنٹ فنڈ اور ریٹائرمنٹ فنڈ میں سرمایہ کاری کی رقم بمطابق 30 جون 2023، بالترتیب 873 ملین روپے اور 100 ملین روپے ہے۔

۱۱۔ گذشتہ چھ سال کی آپریٹنگ اور مالیاتی معلومات اس رپورٹ کے ضمیمہ میں درج ہیں۔

ڈائریکٹرز کی کل تعداد 7 ہے جس میں 6 مرد ڈائریکٹرز اور 1 خاتون ڈائریکٹر ہیں۔

بورڈ کی تشکیل درج ذیل کے مطابق ہے:

اے۔	انڈیپینڈنٹ ڈائریکٹرز	محترمہ عالیہ سعیدہ خان جناب خیام حسین

Downloaded from: https://OpenDoors.Pk

خدمت میں تعاون کرنے کے لیے کاروبار کے لیے سروس کے تسلسل کو یقینی بنانا تھا۔

آئی ٹی سسٹمز پر بڑھتے ہوئے انحصار کے ساتھ، کمپنی سائبر سیکیورٹی کے خطرات کا مقابلہ کرنے کے لیے اپنے وسائل کو استعمال کیا۔ انفارمیشن سیکیورٹی ونگ نے جدید ترین ٹولز کو لاگو کر کے تنظیمی ڈیٹا کو محفوظ بنانے پر توجہ مرکوز کی تا کہ اینڈ یوزرز اور بیک اینڈ سرورز دونوں کو محفوظ بنایا جا سکے۔ ٹرینڈ مائیکرو ڈیپ سیکیورٹی کو منتخب کرنے سے کمپنی کو انٹر پرائز ایپلی کیشنز اور ڈیٹا کی خلاف ورزیوں اور کاروباری خلل سے بچانے میں مدد ملی۔ اس کے علاوہ، ٹیم نے اویرنس سیشن کے ذریعے ملازمین کو معلومات کی حفاظت کے بارے میں آگاہ کرنا جاری رکھا اور مختلف وقفوں پر فشنگ ٹیسٹنگ کے ذریعے ان کے طرز عمل کو مضبوط کیا۔

متعلقہ پارٹیز سے لین دین:

تمام پارٹیز کے ساتھ لین دین کے معاملات لاگو پالیسیاں اور ضابطوں کے مطابق انجام دیئے 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 تا کہ 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۔ مروجہ طریقہ کار کے تحت انٹرنل آڈٹ کے ذریعے باقاعدگی کے ساتھ مفسل جانچ پڑتال کی جاتی ہے۔ انٹرنل آڈٹ کے عمل کی رپورٹس پر 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 پرائز رسک مینجمنٹ (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 مینجمنٹ 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

ا) بیرونی کرنسی کے خدشات

ب) کریڈٹ کے خدشات

ج) شرح سود کے خدشات

۳۔ انٹرنل کنٹرول کے خدشات

۴۔ آپریشنل/کمرشل خدشات

ا) کاروباری حریفوں کے خدشات/ٹیکنالوی اور جدت کے خدشات

ب) ضوابط کے خدشات

ج) سپلائی چین کے خدشات

۵۔ صحت، تحفظ اور ماحولیات

تدارت 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 2022-23 میں کمپنی نے ٹیکسیشن، کسٹم ڈیوٹیز، محصولات، ایکسائز ڈیوٹیز اور ڈبلیو پی پی ایف کی صورت میں قومی خزانہ میں 8.5 بلین روپے جمع کرائے (2021-22: 8.1 بلین روپے)۔

Downloaded from: https://OpenDoors.Pk

ہیومن ریسورسز:

ہمارے نقطہ نظر کا مرکز اپنے ملازمین کے لیے مسلسل ترقی اور ترقی کو فروغ دینے کا عزم ہے، اور ہمارا کاروبار اپنے لوگوں کو ترجیح دینے اور تمام کوششوں میں بہترین کارکردگی کے لیے کوشاں ہے۔

ہمارے سیکھنے، تربیتی اور ترقی کے پروگرامز کے تحت سالانہ ''لرننگ فیئر'' منعقد کیا گیا جہاں کمپنی کے تمام ملازمین کو تربیتی سیشن اور مختصر لرننگ کورسز کی تربیت دی گئی۔

پیشہ ورانہ مہارت کے انتہائی معیار کو برقرار رکھنے اور تمام پہلوؤں سے اغراض و مقاصد کے حصول کیلئے مینجمنٹ ٹرینی پروگرام 2023 نے سخت عمل کے ذریعے معروف یونیورسٹیوں کے درخواست دہندگان کے ایک گروپ سے بہترین ممکنہ امیدواروں کو حاصل کیا۔

ہم نے امپلائی انگیجمنٹ کو فروغ دینے کے لیے، مختلف انگیجمنٹ سرگرمیاں انجام دیں جس سے ہماری افرادی قوت میں کافی جوش وخروش پیدا ہوا۔ مالی سال 2023 میں مجموعی معاوضے کا ایک سروے بھی منعقد کیا گیا تا کہ کمپنی کو مسابقتی اور مارکیٹ پریکٹسز کے ساتھ ہم آہنگ رکھا جائے۔

تنوع اور شمولیت کو فروغ دینے والا ماحول پیدا کرنے کے لیے، ہم نے کمپنی میں صنفی تنوع کے تناسب کو بڑھانے پر توجہ مرکوز کی۔ خواتین کا عالمی دن جوش وخروش سے منایا گیا اور ایک انٹرایکٹو سیشن افراد کو بااختیار بنانے کے لیے ماحول بنانے پر توجہ مرکوز کی۔

صحت، تحفظ اور ماحولیات (HSE):

صحت، حفاظت اور ماحولیاتی تربیت کے اقدامات محفوظ اور صحت مند کام کا ماحول بنانے کے لیے ہمارے عزم کا سنگ بنیاد ہیں۔ ثقافت اور حفاظت اور ملازمین کی فلاح و بہبود کو سرایت کرنے کے لیے سال کے دوران متعدد تربیتی سیشنز منعقد کئے گئے۔ کمپنی نے بین الاقوامی معیار سے ہم آہنگ سیفٹی مینجمنٹ سسٹمز ISO اسٹینڈرڈ 45001 (آکیوپیشنل سیفٹی اور ہیلتھ ایڈمنسٹریشن) اور 14001 (انوائرمنٹل مینجمنٹ سسٹم) کے تحت سالانہ سرٹیفکیشن آڈٹ کامیابی کے ساتھ پاس کئے جو

صنعت کے بہترین طریقوں کو برقرار رکھنے کے لئے ہمارے عزم کو مستحکم کرتے ہیں۔

کمپنی کو ایمپلائرز فیڈریشن آف پاکستان کی طرف سے بھی ایک محفوظ اور صحت مند کام کی جگہ بنانے میں اہم کردار ادا کرنے پر تسلیم کیا گیا اور ''EFP آکیوپیشنل ہیلتھ، سیفٹی اینڈ ویل بینگ ایوارڈ 2022'' میں پہلی پوزیشن حاصل کی۔ فائر سیفٹی ایوارڈ 2022 اور سالانہ انوائرنمنٹ ایکسیلنس ایوارڈ 2022 کمپنی دوران سال ملنے والے اعزازات میں شامل تھے۔

کائیزن کلچر کو سرایت کرنا اور " کوالٹی کنٹرول سرکلز "(QCC) کے انعقاد کی مشق ہماری مسئلہ حل کرنے کی مہارتوں کو بڑھاتی ہے اور ماحولیاتی ذمہ داریوں کو ترجیح دیتے ہوئے آپریشنل کارکردگی کو بہتر بنانے کے لیے ہمارے مجموعی نقطہ نظر کی نشاندہی کرتی ہے۔ 4.15 میگاواٹ کی موجودہ نصب شدہ صلاحیت کے ساتھ توانائی کی بچت والی ٹیکنالوجیز اور شمسی پلانٹ نے 3,266 ٹن CO_2 کی سالانہ کمی کو حاصل کرنے میں مدد کی ہے جس کی اضافی 1.95 میگاواٹ صلاحیت آن لائن آنے کی توقع ہے۔

کمپنی ایک ایسا ماحول بنانے میں فخر محسوس کرتی ہے جس میں حفاظت کو سب سے زیادہ ترجیح دی جاتی ہے۔ کمپنی کا مقصد خطرات کو روکنا اور کام کرنے کے لیے ایک جگہ کو محفوظ کرنا ہے۔

کارپوریٹ سوشل ریسپانسیبلٹی (CSR):

ہمارے اقدار کی بنیاد برادریوں اور معاشرے کے پسماندہ طبقات کی ترقی اور بہتری میں مضمر ہے۔ اس وقت غیر یقینی صورتحال کے باوجود اسٹیک ہولڈرز، ملازمین اور شہریوں کے معیار زندگی کو بہتر بنانے کیلئے ہماری لگن برقرار رہی۔

مالی سال 2023 کے دوران ہم معاشرتی ترقی، صحت کی دیکھ بھال، تعلیم، ماحولیات اور ملازمین کی فلاح و بہبود پر مشتمل سماجی سرمایہ کاری میں اپنا حصہ ڈالتے رہیں گے۔

انفارمیشن ٹیکنالوجی (IT):

ہم نے دوران سال کمپنی کی حکمت عملی کی ضرورت کے مطابق اپنے مقاصد کو ہم آہنگ کیا اور اعلیٰ معیار، مستقل اور لاگت سے موثر آئی ٹی حل فراہم کرنے پر توجہ مرکوز کی۔ ہماری بنیادی توجہ آئی ٹی کے بنیادی اسٹرکچر میں بہتری لانا اور اپنے قیمتی صارفین کی

Downloaded from: https://OpenDoors.Pk

میکروحبیب پاکستان لمیٹڈ:

میکروحبیب پاکستان لمیٹڈ (ایم ایچ پی ایل) تھل لمیٹڈ کا ایک ملکیتی ذیلی ادارہ ہے جو مبارک شہید روڈ، لائنز ایریا، کراچی میں اپنی اسٹور پریمیسز کی ملکیت کا حامل ہے۔

اسٹور کو ستمبر 2015 میں سپریم کورٹ کے فیصلے کے تحت بند کر دیا گیا تھا اور موجودہ طور پر اس کے مستقبل کی کاروائی پر غور کیا جا رہا ہے۔

نوبل کمپیوٹر سروسز (پرائیویٹ) لمیٹڈ:

بزنس تھل لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے۔ یہ ہاؤس آف حبیب کے گروپ آف کمپنیز کیلئے انٹرنل آڈٹ، آئی ٹی، ایڈوائزری، ایچ آر اور دیگر انتظامی خدمات فراہم کر رہا ہے۔

پاکستان انڈسٹریل ایڈز (پرائیویٹ) لمیٹڈ:

اپنے تجارتی آپریشنز کے ذریعے بزنس نے آٹوموٹیو پارٹس اور ایئر کنڈیشننگ گیس کی آٹو موبائل اسمبلز اور آٹو پارٹس مینوفیکچررز کو فراہم کر کے اپنا کاروبار جاری رکھا ہے۔ یہ تھل لمیٹڈ کا مکمل ملکیتی ادارہ ہے۔

انرجی سیکٹر میں سرمایہ کاریاں:

سندھ اینگرو کول مائننگ کمپنی لمیٹڈ

سندھ اینگرو کول مائننگ کمپنی لمیٹڈ (ایس ای سی ایم سی) حکومت سندھ، تھل لمیٹڈ، اینگرو پاور جن لمیٹڈ، حب پاور کمپنی لمیٹڈ، حبیب بینک لمیٹڈ، سی ایم ای سی تھر مائننگ انویسٹمنٹس لمیٹڈ اور ایس پی آئی منگڈ ومنگ کے مابین ایک جوائنٹ وینچر ہے۔ ایس ای سی ایم سی تھر کول بلاک II میں پاکستان کے پہلے اوپن پٹ مائننگ پروجیکٹ کو تیار کرنے میں سرگرم عمل ہے۔

تھر مائننگ کا فیز II اینگرو پاور جن تھر (پرائیویٹ) لمیٹڈ کی جانب سے قائم کردہ 2x330 میگاواٹ (ایم ڈبلیو) پاور جنریشن پلانٹ کیلئے کوئلہ فراہم کر رہا ہے۔ فیز II کے لیے، سندھ اینگرو کول مائننگ کمپنی لمیٹڈ (ایس ای سی ایم سی) کے تھل نوا پاور تھر (پرائیویٹ) لمیٹڈ اور تھر انرجی لمیٹڈ کے ساتھ کوئلے کی فراہمی کے معاہدے ہیں جو 330 میگاواٹ پاور پلانٹس میں سے ہر

ایک کو لگنائٹ فراہم کرتے ہیں۔

ستمبر 2022 میں فیز II کے لیے پراجیکٹ کمپنی نے کمرشل آپریشنز کی تاریخ حاصل کی۔ سندھ اینگرو کول مائننگ کمپنی لمیٹڈ (ایس ای سی ایم سی) اب بلاک 2 میں 1320 میگاواٹ کے تھر کول پر مبنی پاور پلانٹس کو کوئلہ فراہم کر رہا ہے جو کہ بجلی کے اخراج کے لیے نیپرا کے میرٹ آرڈر میں اعلیٰ درجہ پر ہے۔

سندھ اینگرو کول مائننگ کمپنی لمیٹڈ (ایس ای سی ایم سی) نے اس مدت میں پراجیکٹ کی تکمیل کی تاریخ (پی سی ڈی) حاصل کی اور 5.7 بلین روپے عام منافع منقسمہ اور 2.3 بلین جمع شدہ ترجیحی منافع منقسمہ پر مشتمل 8 بلین روپے کے اپنے پہلے منافع منقسمہ کا اعلان کیا۔ کمپنی نے اپنی 11.9 فیصد عام شیئر ہولڈنگ کی بنیاد پر جون 2023 میں 678 ملین منافع منقسمہ حاصل کیا۔

تھل نوا پاور تھر (پرائیویٹ) لمیٹڈ (تھل نووا):

تھل نوا پاور تھر (پرائیویٹ) لمیٹڈ (تھل نووا) تھل پاور پرائیویٹ لمیٹڈ، نوا پاور جن لمیٹڈ (نووا ٹیکس لمیٹڈ کے ذیلی ادارے) اور حب پاور کمپنی لمیٹڈ کا ایک مشترکہ منصوبہ ہے جو تھر سندھ میں واقع 330 میگواٹ مائن ماؤتھ کول فائرڈ 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۔

تھل 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 پرچیز ایجنسی (گارنٹی) لمیٹڈ کے ساتھ پاور پرچیز ایگریمنٹ اور پرائیویٹ پاور انفراسٹرکچر بورڈ کے ساتھ امپلی مینٹیشن ایگریمنٹ بھی کیا ہے۔

اس پروجیکٹ نے فروری 2023 میں تجارتی آپریشن کی تاریخ حاصل کی۔

Downloaded from: https://OpenDoors.Pk

ذیلی ادارے:

تھل بوشکو پاکستان (پرائیویٹ) لمیٹڈ:

سال 2022-23 کے دوران TBPK نے 920 ملین روپے کی فروخت ریکارڈ کی جبکہ گذشتہ سال کے دوران 2,130 ملین روپے کی فروخت ہوئی تھی۔ فروخت میں اس کمی کا براہ راست تعلق OEM حجم میں کمی اور آٹو موٹیو انڈسٹری میں سست روی سے ہے۔ منافع کے لحاظ سے، TBPK کو لاگت کے دباؤ کا سامنا کرنا پڑا، خاص طور پر مالیاتی لاگت اور زر مبادلہ کے نقصانات سے متعلق جس میں موجودہ سال کے دوران نمایاں اضافہ ہوا۔

دوران سال، شیئر ہولڈرز نے TBPK میں 1 بلین روپے کی ایکویٹی ڈالی جو بنیادی طور پر شیئر ہولڈرز کے قرض کی ادائیگی اور آئندہ آنے والے OEM ماڈلز کیلئے سرمایہ کاری میں استعمال ہوئی ہے۔

ایک بار پھر، TBPK کو اس کے صارفین نے اپنی مصنوعات میں صفر نقائص کو برقرار رکھنے کے باعث بہت زیادہ درجہ دیا ہے۔ TBPK کی توجہ پیداواری کارکردگی کو بہتر بنا کر شیئر ہولڈر کی قدر اور واپسی کو بڑھانے پر مرکوز ہے، اور موجودہ مصنوعات اور صارفین پر انحصار کم کرنے کے لیے تنوع کے مواقع تلاش کرنا جاری رکھے ہوئے ہے۔

حبیب میٹرو پاکستان (پرائیویٹ) لمیٹڈ

حبیب میٹرو پاکستان (پرائیویٹ) لمیٹڈ (ایچ ایم پی ایل) کا مرکزی کاروبار جائیداد کی ملکیت اور اس کا انتظام ہے۔ حبیب میٹرو پاکستان (پرائیویٹ) لمیٹڈ کیش اینڈ کیری ریٹیل رینٹل بزنس کے فروغ اور اپنے اسٹور کی لوکیشن سے کاروباری قدر و قیمت بڑھانے کیلئے مختلف کاروباری مواقع تلاش کر رہی ہے۔

حبیب میٹرو پاکستان (پرائیویٹ) لمیٹڈ موجودہ سائٹس پر نئی ڈویلپمنٹ اور گروتھ آپریشنز بھی دیکھ رہا ہے، اگرچہ یہ عمومی معاشی صورتحال پر منحصر ہے۔

دوران سال کمپنی کیلئے منافع منقسمہ کی ادائیگیوں کا حجم 791 ملین روپے رہا جبکہ گذشتہ سال 639 ملین روپے تھا۔

ہمیں توقع ہے کہ یہ کاروباری چیلنجز آئندہ سال بھی جاری رہیں گے۔ ان چیلنجز سے نمٹنے کے لیے، ہم پائیدار اقدامات بشمول شمسی توانائی کو اپنانا، ورک فلو کو بہتر بنانا، اور آٹومیشن کو اپنانا، کے نفاذ پر فعال طور پر کام کر رہے ہیں۔ توقع ہے کہ ان اقدامات سے لاگت کے کنٹرول میں اضافہ ہوگا، جس سے ملکی اور برآمدی مارکیت میں ہماری مسابقتی برتری مضبوط ہوگی۔

موافقت اور لچک کو فروغ دے کر ہم ترقی کو برقرار رکھنے اور اپنے پیکیجنگ کے کاروبار کو خوشحال مستقبل کے لیے پوزیشن دینے کی اپنی صلاحیت پر پراعتماد ہیں۔

لیمینیٹس ڈویژن:

لیمینیٹس ڈویژن انجینئرڈ سطح کی صنعت میں برانڈ "فورمائٹ" کے تحت کام کرتا ہے جو ہائی پریشر لیمینیٹ، ٹیکنیکل لیمینیٹ اور لیمینیٹڈ بورڈز پیش کرتا ہے۔

ملکی سیاسی عدم استحکام، مہنگائی اور افراط زر میں اضافہ، غیر مستحکم شرح مبادلہ اور زرمبادلہ کے ذخائر میں کمی سے بھی لیمینیٹس کی صنعت متاثر ہوئی ہے۔ کاروبار ان رکاوٹوں پر قابو پانے میں کامیاب رہا اور برآمدی مارکیٹ میں آغاز کرتے ہوئے مقامی مارکیٹ میں حکمت عملی کو فعال طور پر ایڈجسٹ کرتے ہوئے مثبت طور پر اپنا کردار ادا کیا۔ اہم خام مال کی لوکلائزیشن اور اہم بچت کا حصول ایک اہم ترجیح ہے۔

آؤٹ لک:

اس کاروبار نے شمسی توانائی سے قابل تجدید توانائی کا منصوبہ مکمل کیا ہے، جو زیادہ پائیدار ہونے کے ساتھ ساتھ لاگت کی کارکردگی میں اضافہ کرے گا اور آپریشن کو ہموار کرے گا۔

ہم لاگت میں بہتری لانے کیلئے پروجیکٹس، پروڈکٹ مکس کی حکمت عملیوں، اور سیلز چینل آپٹیمائزیشن پر توجہ مرکوز کئے ہوئے فعال اقدامات کر رہے ہیں تاکہ مستقبل قریب میں منافع اور مارکیٹ شیئر میں اضافہ کیا جا سکے۔

Downloaded from: https://OpenDoors.Pk

جوٹ کے خام مال کی فراہمی کے باعث لیٹر آف کریڈٹ کھولنے میں انتظامی مشکلات اور غیر یقینی معاشی حالات کی وجہ سے درآمدات پر پابندیوں جیسی کئی مشکلات کا سامنا کرنا پڑا۔ مزید برآں، عالمی سطح پر اعلیٰ درجے کے جوٹ کی قلت نے قیمتوں میں اضافہ میں اہم کردار ادا کیا۔

آؤٹ لک:

آنے والا سال خام مال کی بڑھتی ہوئی قیمتوں کے ساتھ چیلنجوں کا سامنا کر رہا ہے۔ بہر حال، ہمیں توقع ہے کہ طلب اور برآمدی فروخت کو ختم کرنے میں مثبت رجحان رہے گا۔ ہماری توجہ لاگت کی افادیت، مارکیٹ کی طلب کو پورا کرنے، اور ملازمین کی حفاظت کو یقینی بنانے پر مرکوز ہے۔

یہ ڈویژن ترقی کی رفتار بڑھانے، اختراعی منصوبوں کو آگے بڑھانے اور اپنے صارفین اور شیئر ہولڈرز کے لیے قدر پیدا کرنے کے لیے اپنی لگن کی تصدیق کرتا ہے۔

پیکیجنگ ڈویژن:

مالی سال 23-2022 میں پیکیجنگ ڈویژن کو خصوصی طور پر سست اقتصادی ترقی، درآمدی پابندیاں اور روپے کی قدر میں کمی اور افراط زر کے دباؤ کی وجہ سے بڑھتے ہوئے ان پٹ اخراجات کے باعث متعدد چیلنجز درپیش رہے۔

ہمارے سیمنٹ بیگز کے بڑے حصے کو سیمنٹ کی فروخت پر معاشی بدحالی کے اثرات اور خام مال کی دستیابی پر ایک بڑے چیلنج کا سامنا کرنا پڑا تاہم، ہمارے بنے ہوئے پولی پروپیلین بیگ مینوفیکچرنگ پلانٹ نے رواں سال کے دوران آن لائن کام کیا اور گذشتہ مالی سال کے مقابلے میں فروخت کی آمدنی میں 13 فیصد اضافہ ہوا۔

مارکیٹ کی بدلتی ہوئی صورتحال برآمدی پورٹ فولیو کو وسعت دینے پر ایک اسٹریٹجک توجہ کا مطالبہ کرتی ہے۔ اس ڈویژن نے کامیابی سے مشرق وسطیٰ، شمالی افریقہ، یورپ اور شمالی امریکہ میں نئی شراکتیں قائم کیں۔

آؤٹ لک:

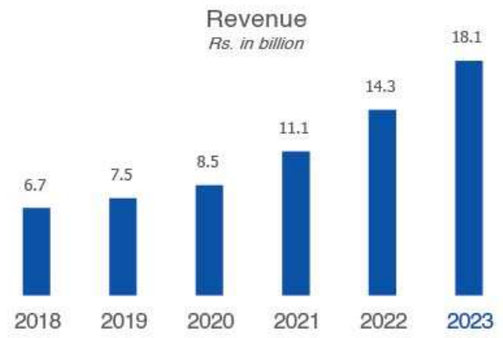
آؤٹ لک:

آنے والے مالی سال کے دوران توقع ہے کہ مارکیٹ مستحکم ہونا شروع ہوگی۔ حجم میں تیزی آئے گی، مستقل طور پر بڑھتی ہوئی مہنگائی اور افراط زر کے ساتھ آئندہ مالیاتی سال کاروبار کے لئے انتہائی کٹھن ثابت ہوگا۔

پیکیجنگ، بلڈنگ میٹریل اور منسلکہ مصنوعات کا شعبہ:

کمپنی کا پیکیجنگ، بلڈنگ میٹریل اور منسلکہ مصنوعات کا شعبہ درج ذیل پر مشتمل ہے:

- جوت ڈویژن
- پیکیجنگ ڈویژن
- لیمینیٹس ڈویژن



دوران سال اس شعبے نے گذشتہ سال کے 14.3 بلین روپے کے مقابلے میں 18.1 بلین روپے کی شرح نمو حاصل کی جو کہ 26 فیصد کا اضافہ ہے۔

جوٹ ڈویژن:

مالی سال 23-2022 کے دوران، قدر میں کمی اور درآمدی پابندیوں کے چیلنجز کے باوجود، جوٹ ڈویژن نے ایک کامیاب سال ریکارڈ کیا اور کمپنی کے منافع میں مثبت اضافہ کیا، پائیدار ترقی اور مالیاتی کامیابی کے لیے اپنے عزم کا اعادہ کیا۔ مجموعی آمدنی ایک تاریخی سطح پر پہنچی، جو برآمدات اور مقامی مارکیٹ میں بڑھتی ہوئی مارکیٹ کی رسائی کو ظاہر کرتی ہے۔

مقامی اور برآمدی دونوں مارکیٹس میں فروخت میں اتار چڑھاؤ دیکھا گیا۔ سال کی پہلی ششماہی میں گندم کی درآمد اور دوسری ششماہی میں ملکی فصل کی وجہ سے گندم کی بوری کی طلب مضبوط رہی۔ تاہم سندھ اور بلوچستان میں سیلاب اور قیمتوں میں اضافے کے باعث جنوبی علاقے کی مقامی مارکیٹ کو نقصان پہنچا۔

Downloaded from: https://OpenDoors.Pk

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

ہم بورڈ آف ڈائریکٹرز کی جانب سے نہایت مسرت کے ساتھ تھل لمیٹڈ (دی ''کمپنی'') کی 57ویں سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے برائے سال مختتمہ 30 جون 2023 پیش کر رہے ہیں۔

معاشی جائزہ:

30 جون 2023 کو اختتام پذیر ہونے والا مالی سال کافی چیلنجنگ رہا، تاہم کرنٹ اکاؤنٹ میں IMF سے کامیاب فنڈنگ کے ساتھ سرپلس ظاہر ہوا۔ دوران سال مالیاتی سختی کے اقدامات، معاشی سرگرمیوں کو کم کرنے اور ترقی کے تخمینوں کے تسلسل میں پالیسی کی شرح 22 فیصد تک بڑھا دی گئی۔ روپے کی قدر میں تیزی سے کمی، افراط زر میں ریکارڈ اضافہ اور ٹیکس کی شرح میں اضافے نے عوام کی قوت خرید کو ختم کر دیا اور کاروباری لاگت میں بھی اضافہ کیا۔ کاروبار نے خام مال اور دیگر ان پٹ اشیاء کی قیمتوں میں نمایاں اضافہ کیا اور ان کو مکمل طور پر آخری صارف تک پہنچانا ایک چیلنجنگ رہا جس سے منافع میں کمی آئی۔

جیسے جیسے میکرو اکنامک اشارے مستحکم ہوتے رہیں گے ہم امید کرتے ہیں کہ ہمارے کاروبار مثبت ترقی حاصل کریں گے۔

مالیاتی نتائج:

روپے ملین میں	ان کنسولیڈیٹڈ		کنسولیڈیٹیڈ	
	2022-23	2021-22	2022-23	2021-22
خالص آمدنی	31,925	37,351	33,132	39,817
قبل از ٹیکس منافع	4,012	5,925	7,287	8,852
محصول کی ادائیگی	1,262	1,668	2,427	2,524
بعد از ٹیکس منافع	2,781	4,257	4,860	6,328
فی شیئر آمدنی، روپے میں	33.95	52.54	54.40	71.71

دوران سال کمپنی کا سیلز ریونیو سال بہ سال 15 فیصد کم ہو کر 32 بلین روپے ہو گیا۔ منافع بعد از ٹیکس 2.8 بلین روپے (سال بہ سال 35 فیصد تک کمی) ریکارڈ کیا گیا جو 2021-2022 کے دوران 4.3 بلین روپے رہا تھا۔

کاروباری شعبوں کا جائزہ:

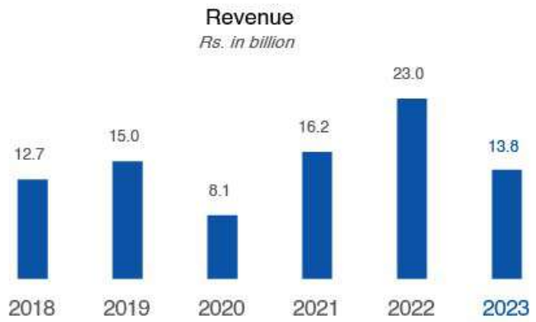
کمپنی دو نمایاں کاروباری شعبوں، انجینئرنگ کے شعبے اور پیکیجنگ، بلڈنگ میٹریل و منسلکہ مصنوعات سے متعلق شعبے کی حامل ہے۔

انجینئرنگ کا شعبہ:

کمپنی کا انجینئرنگ شعبہ درج ذیل پر مشتمل ہے:

- تھرمل اور انجن کمپونینٹس ڈویژن
- الیکٹرک سسٹمز ڈویژن

اس کاروبار کی توجہ بنیادی طور پر آٹو موٹیو انڈسٹری کے پارٹس کی تیاری پر مرکوز ہے۔



انجینئرنگ کے شعبے نے 13.8 بلین روپے کی فروخت ریکارڈ کی جو کہ گذشتہ سال 23 بلین روپے تھی جو کہ آٹو موبائل مینوفیکچررز کی جانب سے نچلی سطح کی جانب 40 فیصد کی کمی ہے۔

درآمدات پر پابندیوں، صارفین پر غیر پیداواری دن اور سال کے دوران طلب میں کمی نے صنعت اور اس کے ذیلی اداروں کو شدید متاثر کیا۔

کاروبار اپنے موجودہ صارفین کو بلاتعطل سپلائی اور اعلیٰ معیاری پیداوار فراہم کرنے کے لیے پرعزم ہے جبکہ مزید لوکلائزیشن کے ذریعے عمل میں مسلسل بہتری اور منافع بخش آپریشنز کو برقرار رکھنے کے لیے لاگت کی استعداد کار میں اضافہ ہو رہا ہے۔ دریں اثنا، انتظامیہ کاروبار کی توسیع نئے اور بجنل ایکوپمنٹ مینوفیکچررز (OEM) سے کاروبار حاصل کرنے کے اقدامات، آٹو موٹیو اسپیس سے باہر تنوع اور برآمدات کو ٹیپ کرنے جیسے اقدامات پر حکمت عملی جاری رکھے گی۔

Downloaded from: https://OpenDoors.Pk

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) 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 there of
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 there of.
p) consideration of any other issue or matter as may be assigned by the board of directors

Members:
Mr. Khayam Husain – Chairperson (Independent)
Mr. Mohamedali R. Habib – Member
Mr. Imran Ali Habib – Member
Mr. Salman Burney– Member

Human Resources & Remuneration Committee:
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 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. Tayyab 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:
mprised 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.

Downloaded from: https://OpenDoors.Pk

Notice of the Annual General Meeting

Notice is hereby given that the Fifty-seventh Annual General Meeting of the Members of the Company will be held on Monday, October 23, 2023 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

1. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2023, together with the Chairman's Review, Directors' and Auditor's Report thereon.

2. To approve a final cash dividend of 130% (i.e. Rs. 6.50 per share) for the year 2022-23 as recommended by the Board of Directors. This is in addition to the interim dividend, of 30% i.e. Rs. 1.50 per share already paid. The total dividend for 2022-23 will thus amount to 160% i.e. Rs. 8.00 per share.

3. To appoint auditors and fix their remuneration for the year ending June 30, 2024. The Board Audit Committee and the Board of Directors have recommended M/s. A.F. Ferguson & Co., Chartered Accountants, as auditors for appointment in the annual general meeting in place of retiring auditors, M/s. EY Ford Rhodes, Chartered Accountants.

Special business

4. To consider and, if deemed fit, pass, with or without modification(s), the following resolutions as ordinary resolutions to enable and authorize the Company to circulate the annual audited financial statements, to the members of the Company through QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 389(I)/2023 dated March 21, 2023, instead of circulating the same through CD/DVD/USB.

   RESOLVED THAT the Company be and is hereby authorized to circulate its annual audited financial statements, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 dated March 21, 2023, issued by SECP.

   FURTHER RESOLVED THAT the Chief Executive, Chief Financial Officer or Company Secretary of the Company be and are hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents, as may be necessary or incidental for the purpose of implementing this resolution.

5. To consider and, if deemed fit, to pass with or without modifications(s), addition(s) or deletion(s), the following special resolutions in terms of section 199 of the Companies Act, 2017:

   RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 and the regulations made thereunder, to create a charge on assets of the Company, up to an amount not exceeding the PKR equivalent of USD 2,800,000 (United States Dollars Two Million Eight Hundred Thousand Only), or to provide such security as may be required by the banks/financial institutions not exceeding the aforementioned amount, for the purpose of securing the obligations of ThalNova Power Thar (Private) Limited ("TN"), under the letter of credit issued on behalf of TN in favour of the Central Power Purchasing Agency (Guarantee) Limited, pursuant to its Power Purchase Agreement with TN. Such obligation shall be valid for a period of 10 (ten) years, or such period until the liabilities/obligations of the sponsors remain undischarged, whichever is later.

   FURTHER RESOLVED THAT the Chief Executive and the Chief Financial Officer, acting jointly or severally are authorized to negotiate and finalize the terms of the required agreements, and to execute all necessary documents in relation to the creation, perfection and filing of the required agreements, security documents and other related filings and documents; and to handle and execute all matters and requirements incidental and/ or ancillary thereto.

They may also make any amendments, restatements, addenda or supplementals to the documents including but not limited to the agreements, as may be required from time to time, to fully achieve the objectives of the aforesaid resolutions.

Statement under section 134(3) of the Companies Act, 2017 concerning special resolution is attached along with the notice circulated to the members of the Company.

Karachi
Dated: September 11, 2023

By Order of the Board
Sameer Amlani
Company Secretary

Notes

1. **Participation in the AGM proceeding via the video conference facility**
   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. Video link and login credentials will be shared with ONLY those members, whose emails, containing all the below mentioned particulars, is received at least 48 hours before the AGM.

Shareholder name	Folio/CDC No.	CNIC number	Mobile phone number	Registered email address

   Shareholders may also provide their comments and questions for the agenda items of the AGM in their email for registration.

2. **Closure of share transfer books**
   The share transfer books of the Company will be closed from October 17, 2023 to October 23, 2023 (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 16, 2023 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.

3. **For attending the meeting:**
   In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate their identity by showing original CNIC or original passport at the time of attending the meeting.

   In the case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the meeting.

Downloaded from: https://OpenDoors.Pk

4. 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).

5. 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.

6. 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.

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

8. 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 16, 2023, otherwise each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

9. 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.

10. 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 notice 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, 2023 have been made available on the Company's website (www.thallimited.com) in addition to annual and quarterly financial statements for the prior years.

11. 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.

12. Procedure for E-Voting and postal ballot

Pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(I)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business in the AGM, in accordance with the conditions mentioned in the aforesaid regulations. The Company shall provide its members with the following options for voting.

13. E-voting procedure

1. Members who intend to exercise their right of vote through e-voting shall send email with subject "E-voting Request" at tl@hoh.net and provide their valid CNIC Numbers, Cell numbers and email address on or before October 13, 2023. Details of the e-voting facility will be shared through an email with the members.

2. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of M/S. FAMCO Associates (Private) Ltd

3. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

4. E-voting lines will start from October 16, 2023, 09:00 a.m. and shall close on October 20, 2023 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a member, he/ she shall not be allowed to change it subsequently.

14. Postal ballot

Members may alternatively opt for voting through postal ballot. The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address, Thal Limited, 4th Floor, House of Habib, 3 Jinnah Cooperative Housing Society, Block 7/8, Sharah-e-Faisal, Karachi or email with subject "Voting through Postal Ballot" at tl@hoh.net no later than October 20, 2023, during working hours. The signature on the ballot paper, shall match with the signature on CNIC. The postal ballot paper will be placed on the Company's website www.thallimited.com at least seven (7) days before the meeting.

Downloaded from: https://OpenDoors.Pk

Statement of material facts under section 134(3) of the Companies Act, 2017 relating to the special business

This statement sets out the material facts concerning the special business, given in agenda no. 4 & 5 of the notice, intended to be transacted at the AGM.

Agenda No. 4 of the notice

The SECP has allowed listed companies, through its SRO No. 389(I)/2023 dated March 21, 2023, to circulate the annual audited financial statements, to the members of the Company through QR-enabled code and weblink (instead of CD/DVD/USB), subject to approval of shareholders in the annual general meeting. Where an email address has been provided by the shareholder, the Company shall circulate annual audited financial statements to the member through email. A shareholder may request the Company to provide a hard copy of the annual audited financial statements, and the same shall be provided at the shareholder's registered address free of cost, upon receipt of a duly completed request form, as available on the Company's website, www.thallimited.com

Agenda No. 5 of the Notice

Background

Thal Limited through its wholly owned subsidiary Thal Power (Private) Limited, has invested in setting up ThalNova Thar (Private) Limited ("TN"), a 330MW power plant in Thar. Thal Power (Private) Limited, holds 26.0% of the total shareholding of TN, the remaining shareholding is held by Hub Power Holdings Limited 38.3%, Nova Powergen Limited 24.70%, Descon 1%, and CMEC 10%.

Under the terms of the Power Purchase Agreement ("PPA") dated July 21, 2017 entered into between TN and the Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G"), as amended from time to time, TN has provided a letter of credit in favor of CPPA-G to secure its certain obligations under the Power Purchase Agreement letter of credit ("PPA LC").

As TN does not have sufficient security to fully secure its obligations under such letter of credit the Company, along with the other sponsors of TN, is required to provide security. This will be achieved by creating a charge on the Company's fixed assets, or to provide such security as may be required by the banks / financial institutions up to an amount not exceeding the PKR equivalent of USD 2,800,000 (United States Dollars Two Million Eight Hundred Thousand Only) as may be required by the relevant banks/financial institutions.

Nature of Information required to be disclosed pursuant to the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (the "Regulations")

a) Disclosures required under Regulation 3(a) for all types of investments:

Information Required	Information Provided	
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN")	
Basis of relationship	TN is an associated company of the Company. The Company, through its wholly owned subsidiary, Thal Power (Private) Limited, presently holds 26.0% shares in TN. Mr. Muhammad Tayyab Ahmed Tareen is the CEO of the Company and holds directorship in TN. Mr. Muhammad Salman Burney is the common director in both the Company's and TN's Board.	
Earnings per share for the last three years	Years	Earnings Per Share
	2023	Rs. 2.71
	2022	Rs. (0.013)
	2021	Rs. (0.07)

Information Required	Information Provided	
Break-up value per share, based on latest audited financial statements	Rs. 15.79 per share as of June 30, 2023	
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	ThalNova Power Thar (Private) Limited	
	As at June 30, 2023	Rs in '000
	Total Assets	139,451,791
	Equity	27,878,829
	Long term loan	72,911,740
	Current Liabilities	38,661,222
	Turnover	22,522,972
	Profit for the year	4,793,581
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely: i) Description of the project and its history since conceptualization; ii) Starting date and expected date of completion of work; iii) Time by which such project shall become commercially operational; iv) Expected time by which the project shall start paying return on investment; and v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	Not applicable	
Maximum amount of investment to be made	Provide security up to an amount not exceeding PKR equivalent of US$ 2.8 million for PPA LC or such other security up to the aforesaid limit as may be required by the banks/ lenders of TN from time to time	
Purpose and benefits likely to accrue to the investing company and its members from such investment and period of investment	TN has been incorporated to construct, own, and operate 330 MW coal-based facility ("Project"). Under the terms of the Power Purchase Agreement dated July 21, 2017 entered into between TN and the Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G"), as amended from time to time, TN is required to provide a letter of credit in favor of CPPA-G to secure certain obligations under the PPA ("PPA LC"). As TN does not have adequate security to fully secure its obligations under such letter of credit, the Company, along with the other Sponsors of TN, is required to provide replacement security (as discussed in the introduction). Investment in TN is anticipated to generate a return of 20% in IRR terms as per the NEPRA awarded upfront tariff.	

Downloaded from: https://OpenDoors.Pk

Information Required	Information provided
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: i) justification for investment through borrowings; ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and iii) cost benefit analysis	Not applicable
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	The Shareholders Agreement ("SHA") entered into for TN details the investment in equity of TN by each of the shareholders such that the shares of TN are distributed as follows: The Company through its wholly owned subsidiary Thal Power (Private) Limited, holds 26.0% of the total shareholding of TN, the remaining shareholding is held by Hub Power Holdings Limited 38.3%, Nova Powergen Limited 24.70%, Descon 1%, and CMEC 10%. As per the SHA, each Party shall jointly assist the Company to achieve successful completion and operations of the Project.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The Company through Thal Power (Private) Limited currently owns 26.0% shares in TN. Mr. Muhammad Tayyab Ahmed Tareen is the CEO of the Company and holds directorship in TN. Mr. Muhammad Salman Burney is the common director in both the Company's and TN's Board.
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	Thal Limited has not injected any equity in nor extended any loan to TN.
Any other important details necessary for the members to understand the transaction	Not applicable

b) Disclosures required under Regulation 3(c):

Category-wise amount of investment	Provide security, up to an amount not exceeding PKR equivalent of US$ 2.8 million, or such other security up to the aforesaid limit as may be required by TN's lenders from time to time, in order to secure the obligations of TN under the letter of credit issued in favour of CPPA-G.

Information required	Information provided
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	3-month KIBOR + 0.45%
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	Higher than the mark-up payable by the Company on its own borrowing of like or similar maturities, at the time of disbursement.
Particulars of collateral or security to be obtained in relation to the proposed investment	Not applicable
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not applicable
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Not applicable

Directors interest

None of the directors of the Company have any direct or indirect interest in the special business, except in their capacity as members and directors of the Company.

Statement under Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Status update concerning the business in relation to Sindh Engro Coal Mining Company Limited ("SECMC") that was approved in the Annual General Meeting ("AGM") held on October 2nd, 2018.

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 savings in project cost, the Company invested a total of USD 17.7 million as equity in SECMC Phase I, while maintaining 11.9% ordinary shareholding in SECMC.

Downloaded from: https://OpenDoors.Pk

SECMC achieved project completion date for Phase I in May 2023 and subsequently SECMC declared total dividend of PKR 8 billion in June 2023 (ordinary dividend of PKR 5.7 billion and accrued preferred dividend of PKR 2.3 billion). The Company received its share of PKR 678 million based on 11.9% ordinary shareholding. Post project completion date of Phase I, the contractual commitments of cost overrun support and debt service reserve account have now been released.

SECMC entered into coal supply agreements with Thar Energy Limited and ThalNova Power Thar (Private) Limited for Phase II, to supply 1.9 million tons per annum to each of the two 330 MW power plants – taking the total capacity of the mine to 7.6 million tons per annum. 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).

SECMC Phase II achieved commercial operations date on 30th September 2022. As a result of savings in project cost, the Company invested a total of USD 5.4 million as equity in SECMC Phase II. The unutilized equity standby letter of credit and contractual sponsor support of cost over-run and debt service reserve support shall be released once SECMC achieves project completion date of Phase II.

SECMC is presently supplying coal to 1320 MW Thar based power plants in Block II, Islamkot. These power plants are ranked among the cheapest source of base-load power in the country.

As on 30th June 2023, 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.

ThalNova Power (Private) Limited
Status update concerning the business in relation to ThalNova Power Thar (Private) Limited 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 TN 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 TN 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 33.7 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;	The Company diluted its shareholding in TN from 49.5% in 2018 to 26% in 2018. The TN project was delayed beyond original timeline due to challenges with arranging USD financing for coal projects and subsequent delays related to COVID-19. The project achieved financial close on 30 September 2020 and subsequently achieved commercial operations date in February 2023. Equity injections were made along with debt disbursement and total equity obligation of the Company has now been met.
(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's financial close was delayed beyond original timelines due to challenges with arranging USD financing for coal projects and subsequent delays related to COVID-19. The project achieved financial close on 30 September 2020 and subsequently achieved commercial operations date in February 2023.

Downloaded from: https://OpenDoors.Pk

(سی) سرمایہ کاری کی منظور شدہ ٹائم لائن سے انحراف کی وجوہات، جہاں سرمایہ کاری کے فیصلے کو مخصوص وقت میں نافذ کیا جانا تھا۔	2018 میں کمپنی نے تھل نووا میں 49.5 فیصد سے 2018 میں 26 فیصد تک اپنی شیئر ہولڈنگ کو کم کر دیا۔ کول منصوبوں کے لیے امریکی ڈالر کی مالی اعانت کے انتظامات اور اس کے نتیجے میں Covid-19 سے متعلق تاخیر کے باعث تھل نووا پروجیکٹ اصل ٹائم لائن سے آگے تاخیر کا شکار ہوا۔ اس منصوبے نے 30 ستمبر 2020 کو مالیاتی اختتام حاصل کیا اور اس کے بعد فروری 2023 میں تجارتی آپریشن کی تاریخ حاصل کی۔ ایکویٹی انجیکشن قرض کی تقسیم کے ساتھ ساتھ بنائے گئے تھے، اور کمپنی نے اب اپنی پوری ایکویٹی ذمہ داری پوری کر دی ہے۔
(ڈی) سرمایہ کاری کی منظوری کے لیے منظور کی گئی قرارداد کی تاریخ کے بعد سے ملحقہ کمپنی یا متعلقہ انڈرٹیکنگ کے مالیاتی گوشواروں میں مادی تبدیلی۔	کول منصوبوں کے لیے امریکی ڈالر فنانسنگ کا بندوبست کرنے میں درپیش چیلنجوں اور اس کے نتیجے میں Covid-19 سے متعلق تاخیر کی وجہ سے متعلقہ کمپنی کی مالیاتی بندش اصل ٹائم لائنز سے زیادہ تاخیر کا شکار ہوئی۔ اس منصوبے نے 30 ستمبر 2020 کو مالیاتی اختتام حاصل کیا اور اس کے بعد فروری 2023 میں تجارتی آپریشن کی تاریخ حاصل کی۔

تھل نووا پاور (پرائیویٹ) لمیٹڈ:

غیر معمولی اجلاس عام منعقدہ 22 مارچ 2018 میں تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ (تھل نووا) سے متعلق کاروبار کے بارے میں اسٹیٹس کو اپ ڈیٹ کرنے کے ضمن میں منظوری دی گئی تھی۔

ایکویٹی کی شمولیت، گارنٹی اور اسپانسر کی معاونت

غیر معمولی اجلاس عام منعقد 22 مارچ 2018 میں شیئر ہولڈرز نے 58.7 ملین امریکی ڈالر (یا اس کے مساوی پاک روپے) تک کی ایکویٹی شامل کرنے اور 41.1 ملین امریکی ڈالر (یا اس کے مساوی پاک روپے) کی حد تک ایک رقم میں اسٹینڈ بائی لیٹر آف کریڈٹ کے انتظام کی منظوری دی تھی تا کہ ایکویٹی کی مالیاتی ذمہ داری کو تحفظ اور 12.4 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 23.2 ملین امریکی ڈالر (یا اس کے مساوی پاک روپے) تک کی ایک مجموعی رقم کیلئے تھل نووا میں 12.4 ملین امریکی ڈالر (یا اس کے مساوی پاک روپے) تک کے ڈیبٹ سروس ریزرو سپورٹ کیلئے اس نوعیت کی معاونت/ سرمایہ کاری کے ضمن میں ہوں۔ اسپانسر کی ایسی معاونتی 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 زیلی ڈیبٹ کے ذریعے کی جائیں جن کا انحصار ان منظوریوں کے مطابق ہوں جو قرض دینے والوں سے حاصل کی جاسکتی ہیں۔ اگر یہ بذریعہ ترجیحی شیئرز ہوں تو کلیدی شرائط 11 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 ترجیحوا۔

کمپنیوں (ملحقہ کمپنیوں یا ایسوسی ایٹڈ انڈرٹیکنگز میں سرمایہ کاری) ریگولیشنز 2017 کے سیکشن (2) 4 کے تحت معلومات:

درکار معلومات	فراہم کردہ معلومات
(اے) منظور کردہ کل سرمایہ کاری	جیسا کہ اوپر دی گئی ہے
(بی) اب تک کی گئی سرمایہ کاری کی رقم	33.7 ملین امریکی ڈالر (پاکستانی روپے کے مساوی) ایکوئٹی میں لگائی گئی۔

Downloaded from: https://OpenDoors.Pk

سندھ اینگرو کول مائننگ کمپنی لمیٹڈ:

کمپنی کے ممبران کا سالانہ اجلاس منعقد 2 اکتوبر 2018 میں سندھ اینگرو کول مائننگ کمپنی لمیٹڈ (ایس ای سی ایم سی) میں سرمایہ کاری کی منظوری دی گئی تھی۔ ایس ای سی ایم سی نے 10 جولائی 2019 کو تجارتی آپریشنز کا آغاز کر دیا تھا جو پاکستان کے انرجی سیکٹر کیلئے ایک تاریخی سنگ میل کی حیثیت رکھتا ہے۔ تھر مائننگ کا نیز اور پاور جنریشن پروجیکٹس پاکستان کے پہلے مقامی اوپن پٹ کول مائن پر مشتمل ہیں جو اینگرو پاور جن تھر لمیٹڈ (ای پی ٹی ایل) کی جانب سے قائم کردہ 330×2 میگاواٹ پاور جنریشن پلانٹ کیلئے 3.8 ملین ٹن لگنائٹ کو کہ سالانہ فراہم کر رہا ہے۔ ایس ای سی ایم سی کے فیز-I کے لئے تھل لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 36.1 ملین امریکی ڈالر کے مساوی پاک روپے کی مجموعی رقم کی منظوری دی تھی جس میں 24.3 ملین امریکی ڈالر کی ایکویٹی انویسٹمنٹ، 5 ملین امریکی ڈالر کی رقم برائے کاسٹ اوور - رن اور 6.8 ملین امریکی ڈالر کی رقم برائے ڈیبیٹ سروسنگ ریزرو (KIBOR/LIBOR نقل وحمل کے باعث قابل منہا) شامل ہے۔ ایس ای سی ایم سی مائننگ پروجیکٹ کا فیز-I 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 فیز I میں سے ہے 17.7 ملین امریکی ڈالر کی مجموعی رقم بطور ایکویٹی انویسٹ کی ہے جبکہ ایس ای سی ایم سی میں 11.9 فیصد کی عمومی شیئر 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، اسٹینڈ بائی لیٹر آف کریڈٹ فیز-I کے لئے استعمال شدہ ایکویٹی کے سلسلے میں جاری کر دیا گیا ہے۔

ایس ای سی ایم سی نے تھر انرجی لمیٹڈ اور تھل نوا پاور تھر (پرائیویٹ) لمیٹڈ کے ساتھ فیز II کے لیے کوئلے کی فراہمی کے معاہدے کیے، جس سے ہر دو 330 میگاواٹ پاور پلانٹس میں سے ہر ایک کو 1.9 ملین ٹن سالانہ سپلائی کیا جائے گا، جس سے مائن کی کل صلاحیت سالانہ 7.6 ملین ٹن ہو جائے گی۔ 31 دسمبر 2019 کو ایس ای سی ایم سی کے فیز II کا مالی سال ختم ہوا۔ ایس ای سی ایم سی کے فیز II کے لیے، تھل لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 10.5 ملین امریکی ڈالر کے مساوی PKR کی کل نمائش کی منظوری دی، جس میں 7.9 ملین امریکی ڈالر کی ایکویٹی سرمایہ کاری برائے کاسٹ اوور۔رن 1.3 ملین اور ڈیبیٹ سروسنگ ریزرو (KIBOR/LIBOR نقل وحمل کے باعث قابل منہا) 1.2 ملین امریکی ڈالر شامل ہیں۔

ایس ای سی ایم سی فیز II نے 30 ستمبر 2022 کو کمرشل آپریشنز کی تاریخ حاصل کی۔ پروجیکٹ لاگت میں بچت کے نتیجے میں، کمپنی نے ایس ای سی ایم سی فیز II میں ایکویٹی کے طور پر کل 5.4 ملین کی سرمایہ کاری کی۔ غیر استعمال شدہ ایکویٹی اسٹینڈ بائی لیٹر آف کریڈٹ اور کاسٹ اوور رن اور ڈیبیٹ سروس ریزرو سپورٹ کا معاہدہ شدہ اسپانسر سپورٹ ایس ای سی ایم سی کے فیز II کی پروجیکٹ کی تکمیل کی تاریخ حاصل کرنے کے بعد جاری کیا جائے گا۔

ایس ای سی ایم سی اس وقت بلاک II، اسلام کوٹ میں 1320 میگاواٹ تھر پتنی پاور پلانٹس کو کوئلہ فراہم کر رہا ہے۔ ان پاور پلانٹس کو ملک میں بیس لوڈ پاور کے سب سے سستے ذرائع میں شمار کیا جاتا ہے۔

30 جون 2023 تک، کمپنی نے ایس ای سی ایم سی میں 2,840.15 ملین روپے کی سرمایہ کاری کی اور فی شیئر 14.82 روپے کی قیمت پر 191,643,025 عام شیئرز حاصل کیے جن کی فی شیئر قیمت 10 روپے روپے ہے۔

(ب) ریگولیشن 3(c) کے تحت ضروری انکشافات:

درجہ بدرجہ سرمایہ کاری کی رقم	لیٹر کے تحت ٹی این کی ذمہ داریوں کو محفوظ بنانے کے لیے، ایک ایسی رقم تک جو PKR سے 2.8 ملین امریکی ڈالر کے مساوی نہ ہو، یا CPPA-G کے حق میں جاری کردہ لیٹر آف کریڈٹ کے تحت ٹی این کی ذمہ داریوں کو محفوظ بنانے کیلئے مذکورہ بالا حد تک ایسی دوسری سیکیورٹی فراہم کرنا جو کہ ٹی این کے قرض دہندگان کو وقتاً فوقتاً درکار ہو۔
سرمایہ کاری کرنے والی کمپنی کی قرض لینے کی اوسط لاگت، متعلقہ مدت کے لیے کراچی انٹر بینک آفرڈ ریٹ (KIBOR)، شریعہ کے مطابق مصنوعات کے لیے شرح منافع اور غیر فنڈ شدہ سہولیات کے لیے شرح منافع، جیسا کہ معاملہ ہو۔	3ماہ KIBOR + 0.45 فیصد غیر فنڈ شدہ: 0.25 فیصد سالانہ
سود کی شرح، مارک اپ، منافع، فیس یا کمیشن وغیرہ جو سرمایہ کاری کرنے والی کمپنی کے ذریعہ وصول کی جائے گی۔	قرضے لیے گئے فنڈز کے لیے کمپنی کی طرف سے وصول کی جانے والی سود کی شرح اس سود کی شرح سے زیادہ ہونی چاہئے جو کمپنی کو ادا کرنا پڑے گی
مجوزہ سرمایہ کاری کے سلسلے میں کو لیٹرل یا سیکیورٹی کی تفصیلات حاصل کی جائیں۔	قابل اطلاق نہیں
اگر سرمایہ کاری میں تبادلوں کی خصوصیت ہوتی ہے یعنی یہ سیکیورٹیز میں تبدیل کرنے کے قابل ہے، تو یہ حقیقت شرائط وضوابط بشمول تبادلوں کے فارمولے، حالات جن میں تبدیلی ہو سکتی ہے اور وہ وقت جب تبدیلی قابل عمل ہو سکتی ہے۔	قابل اطلاق نہیں
قرض کی ادائیگی کا شیڈول اور شرائط وضوابط یا متعلقہ کمپنی یا اس سے وابستہ انڈر ٹیکنگ کو دیے جانے والے قرضے	قابل اطلاق نہیں

ڈائریکٹرز کا مفاد:

کمپنی کے ڈائریکٹرز میں سے کسی کو بھی خصوصی کاروبار میں براہ راست یا بالواسطہ دلچسپی نہیں ہے، سوائے کمپنی کے ممبران اور ڈائریکٹرز کے۔

کمپنیز (مسلکہ کمپنیوں یا ایسوسی ایٹڈ اداروں میں سرمایہ کاری) ریگولیشنز 2017 کے ضابطے (2) 4 کے تحت بیان:

سندھ اینگرو کول مائننگ کمپنی لمیٹڈ (ایس ای سی ایم سی) کے سلسلے میں کاروبار سے متعلق اسٹیٹس اپ ڈیٹ جسے 2 اکتوبر 2018 کو منعقدہ سالانہ اجلاس عام میں منظور کیا گیا تھا۔

Downloaded from: https://OpenDoors.Pk

متعلقہ کمپنی یا اس سے وابستہ انڈرٹیکنگ کے پروجیکٹ کے سلسلے میں سرمایہ کاری کی صورت میں جس نے کام شروع نہیں کیا ہے، مزید معلومات کے بعد، یعنی: ۱) منصوبے کی تفصیل اور تصور کے بعد سے اس کی تاریخ؛ ۲) شروع ہونے کی تاریخ اور کام کی تکمیل کی متوقع تاریخ؛ ۳) وہ وقت جب تک اس طرح کا منصوبہ تجارتی طور پر کام کرے گا۔ ۴) متوقع وقت جب تک پراجیکٹ سرمایہ کاری پر واپسی کی ادائیگی شروع کردے گا اور ۵) پروموٹرز، اسپانسرز، متعلقہ کمپنی یا اس سے منسلک انڈرٹیکنگ کی طرف سے سرمایہ کاری کی گئی یا سرمایہ کاری کی جانے والی رقم نقد اور غیر نقد رقم میں فرق کرتے ہوئے؛	قابل اطلاق نہیں
سرمایہ کاری کی زیادہ سے زیادہ حد	LCPPA کے لیے 2.8 ملین امریکی ڈالر کے مساوی PKR سے زیادہ نہ ہو یا مذکورہ بالا حد تک سیکیورٹی فراہم کرنا جو کہ TN کے بینکوں/ قرض دہندگان کو وقتاً فوقتاً درکار ہو۔
اس طرح کی سرمایہ کاری اور سرمایہ کاری کی مدت سے سرمایہ کار کمپنی اور اس کے ممبران کو حصول کا مقصد اور فوائد	ٹی این کو 330 میگاواٹ کوئلے پر مبنی سہولت (''پروجیکٹ'') کی تعمیر، ملکیت اور چلانے کے لیے شامل کیا گیا ہے۔ ٹی این اور سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ("CPPA-G") کے درمیان 21 جولائی 2017 کو طے پانے والے پاور پرچیز ایگریمنٹ کی شرائط کے تحت، جیسا کہ وقتاً فوقتاً ترمیم کی جاتی ہے، ("PPA SBLC") PPA کے تحت کچھ ذمہ داریوں کو محفوظ کرنے کے لیے ٹی این کو CPPA-G کے حق میں کریڈٹ لیٹر فراہم کرنے کی ضرورت ہے۔ چونکہ ٹی این کے پاس اس طرح کے لیٹر آف کریڈٹ کے تحت اپنی ذمہ داریوں کو مکمل طور پر محفوظ کرنے کے لیے مناسب سیکیورٹی نہیں ہے، ٹی این کے دیگر اسپانسرز کے ساتھ، متبادل سیکیورٹی فراہم کرنے کی ضرورت ہے (جیسا کہ تعارف میں زیر بحث آیا ہے)۔ ٹی این میں سرمایہ کاری سے نیپرا کے پیشگی ٹیرف کے مطابق آئی آر آر کی شرائط میں 20 فیصد کی واپسی متوقع ہے۔

سرمایہ کاری کے لیے استعمال کیے جانے والے فنڈز کے ذرائع اور جہاں قرضے لیے گئے وہاں فنڈز کا استعمال کرتے ہوئے سرمایہ کاری کا ارادہ ہے: ۱) قرض کے ذریعے سرمایہ کاری کا جواز؛ ۲) ایسے فنڈز کے حصول کے لیے ضمانت، فراہم کردہ ضمانتوں اور گروی رکھے گئے اثاثوں کی تفصیل؛ اور ۳) لاگت کے فائدہ کا تجزیہ	قابل اطلاق نہیں
مجوزہ سرمایہ کاری کے حوالے سے متعلقہ کمپنی یا متعلقہ انڈرٹیکنگ کے ساتھ معاہدے کی نمایاں خصوصیات، اگر کوئی ہو؛	ٹی این کے لیے جو شیئر ہولڈرز کا معاہدہ (SHA) کیا گیا ہے اس میں ہر ایک شیئر ہولڈرز کی طرف سے ٹی این کی ایکویٹی میں سرمایہ کاری کی تفصیلات درج ہیں جیسے کہ ٹی این کے شیئرز اس طرح تقسیم کیے جائیں: کمپنی اپنی مکمل ملکیتی ذیلی کمپنی تھل پاور (پرائیویٹ) لمیٹڈ کے ذریعے ٹی این کے کل شیئر ہولڈنگ کے 26.0 فیصد کی حامل ہے باقی شیئر ہولڈنگ حب پاور ہولڈنگز لمیٹڈ 38.3 فیصد، نووا پاور جن لمیٹڈ 24.70 فیصد، ڈیسکون 1 فیصد، اور سی ایم ای سی 10 فیصد ہے۔ شیئر ہولڈرز کے معاہدے (SHA) کے مطابق، ہر فریق کمپنی کو اس منصوبے کو کامیابی سے مکمل کرنے اور چلانے میں مدد کرنے کے لیے تعاون کرنے کا پابند ہے۔
متعلقہ کمپنی یا متعلقہ انڈرٹیکنگ یا زیر غور لین دین میں ڈائریکٹرز، اسپانسرز، اکثریتی شیئر ہولڈرز اور ان کے رشتہ داروں کا براہ راست یا بالواسطہ مفاد، اگر کوئی ہو	تھل پاور (پرائیویٹ) لمیٹڈ کے ذریعے کمپنی فی الحال ٹی این میں 26.0 فیصد شیئرز کی مالک ہے۔ جناب محمد طیب احمد ترین کمپنی کے سی ای او ہیں اور ٹی این میں ڈائریکٹرشپ رکھتے ہیں۔ جناب محمد سلمان برنی کمپنی اور ٹی این کے بورڈ دونوں میں مشترکہ ڈائریکٹر ہیں۔
اگر ملحقہ کمپنی یا اس سے وابستہ انڈرٹیکنگ میں کوئی سرمایہ کاری پہلے ہی کی گئی ہو تو، اس طرح کی سرمایہ کاری کی کارکردگی کا جائزہ بشمول کسی بھی خرابی کے لیے مکمل معلومات/ جواز یا رائٹ آف؛	تھل لمیٹڈ نے ٹی این کو کوئی ایکویٹی نہیں دی ہے اور نہ ہی کوئی قرض دیا ہے۔
لین دین کو سمجھنے کے لیے ممبران کے لیے کوئی اور اہم تفصیلات	قابل اطلاق نہیں

Downloaded from: https://OpenDoors.Pk

بنیادی تعلقات	ٹی این کمپنی کی ملحقہ کمپنی ہے۔ کمپنی، اپنی مکمل ملکیتی ذیلی کمپنی، تھل پاور (پرائیویٹ) لمیٹڈ کے ذریعے، اس وقت ٹی این میں 26.0 فیصد شیئرز کی حامل ہے۔ جناب محمد طیب احمد ترین کمپنی کے سی ای او ہیں اور ٹی این میں ڈائریکٹرشپ کے حامل ہیں۔ جناب محمد سلمان برنی کمپنی اور ٹی این کے بورڈ دونوں میں مشترکہ ڈائریکٹر ہیں۔
گذشتہ تین سالوں کیلئے فی شیئر آمدنی	سال — آمدنی فی شیئر 2023 — 2.71 روپے 2022 — (0.013) روپے 2021 — (0.07) روپے
تازہ ترین آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر فی شیئر بریک اپ ویلیو	30 جون 2023 کو 15.79 روپے فی شیئر
مالی حیثیت، بشمول مالی حیثیت کے بیان کی اہم امور اور اس کے تازہ ترین مالی بیانات کی بنیاد پر نفع ونقصان کا اکاؤنٹ	تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ 30 جون 2023 تک — رقم 000' میں کل اثاثہ جات — 139,451,791 ایکوئٹی — 27,878,829 طویل مدتی قرضہ جات — 72,911,740 موجودہ قرضہ جات — 38,661,222 ٹرن اوور — 22,522,972 سال کیلئے منافع — 4,793,581

کے ذریعے بھی فراہم کرسکتی ہے جو کہ سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہوگا۔ جہاں شیئر ہولڈر کی طرف سے ای میل ایڈریس فراہم کیا گیا ہو وہاں کمپنی ای میل کے ذریعے ممبر کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل کرے گی۔ ایک شیئر ہولڈر کمپنی سے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپی فراہم کرنے کی درخواست کرسکتا ہے، اور اسے شیئر ہولڈر کے رجسٹرڈ ایڈریس پر باضابطہ طور پر مکمل درخواست فارم کی وصولی پر مفت فراہم کیا جائے گا،، جیسا کہ کمپنی کی ویب سائٹ www.thallimited.com پر دستیاب ہے۔

نوٹس کا ایجنڈا نمبر 5:

پس منظر:

تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ (تھل نووا) تھل پاور پرائیویٹ لمیٹڈ، نووا پاور جن لمیٹڈ (نووا ٹیکس لمیٹڈ کے ذیلی ادارے) اور حب پاور کمپنی لمیٹڈ کا ایک مشترکہ منصوبہ ہے جو تھر سندھ میں واقع 330 میگواٹ مائن ماؤتھ کول فائرڈ پاور جنریشن پلانٹ قائم کرنے کیلئے ہے۔ تھل پاور (پرائیویٹ) لمیٹڈ TN کے کل شیئر ہولڈنگ کی 26.0 فیصد کی حامل ہے، باقی شیئر ہولڈنگز حب پاور ہولڈنگز لمیٹڈ 38.3 فیصد، نووا پاور جن لمیٹڈ 24.70 فیصد، ڈیسکون 1 فیصد، اور سی ایم ای سی میں 10 فیصد ہے۔

TN اور سینٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ("CPPA-G") کے درمیان 21 جولائی 2017 کو طے پانے والے پاور پرچیز اگریمنٹ کی شرائط کے تحت، جس میں وقتاً فوقتاً ترمیم کی جاتی ہے، TN نے CPPA-G کے حق میں بعض فرائض وذمہ داریوں کو محفوظ کرنے کیلئے ایک لیٹر آف کریڈٹ فراہم کیا ہے۔

چونکہ TN کے پاس اس طرح کے لیٹر آف کریڈٹ کے تحت اپنی ذمہ داریوں کو مکمل طور پر محفوظ کرنے کے لیے کافی سیکیورٹی نہیں ہے، کمپنی، TN کو دیگر اسپانسرز کے ساتھ، سیکیورٹی فراہم کرنے کی ضرورت ہے۔ یہ کمپنی کے مقررہ اثاثوں پر چارج بنا کر حاصل کیا جائے گا، یا بینکوں/ مالیاتی اداروں کو اس طرح کی سیکیورٹی فراہم کرنے کی ضرورت ہوگی جس کی رقم PKR کے مساوی 2,800,000 امریکی ڈالر (امریکی ڈالر دو ملین آٹھ سو ہزار صرف سے زیادہ نہ ہو) جیسا کہ متعلقہ بینکوں/ مالیاتی اداروں کو ضرورت ہوسکتی ہے۔

معلومات کی نوعیت جس کا انکشاف کمپنیز (ملحقہ کمپنیوں یا ایسوسی ایٹڈ انڈرٹیکنگز میں سرمایہ کاری) ریگولیشنز 2017 (ریگولیشنز) کے مطابق کیا جانا ضروری ہے۔

اے) ہر قسم کی سرمایہ کاری کے لیے ریگولیشنز 3(a) کے تحت ضروری انکشافات:

درکار معلومات	فراہم کردہ معلومات
''ملحقہ کمپنی'' کا نام	تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ (ٹی این)

Downloaded from: https://OpenDoors.Pk

موجود شیئر ہولڈنگ کے تناسب کی تفصیل بطور پر پرنسپل شیئر ہولڈرز ان کے مشترکہ ہولڈرز کمپنی کے شیئر رجسٹرار کو فراہم کردیں تاکہ کمپنی اس کے مطابق ہر ایک شیئر ہولڈر کے ود ہولڈنگ ٹیکس کا تعین کر سکے۔ مطلوبہ معلومات لازماً کمپنی کے شیئر رجسٹرار کو 16 اکتوبر 2023 تک موصول ہو جائیں بصورت دیگر ہر ایک شیئر ہولڈر کو شیئر کے مساوی تعداد کا حامل تصور کیا جائے گا اور اس کے مطابق ٹیکس کی کٹوتی کی جائے گی۔

۹۔ نقد منافع منقسمہ کی الیکٹرانیکلی ادائیگی (ای۔مینڈیٹ):

کمپنیز ایکٹ 2017 کے سیکشن 242 کی شقوں اور کمپنیز (منافع منقسمہ کی تقسیم) ریگولیشنز 2017 کے مطابق یہ لازم ہے کہ نقد کی صورت میں قابل ادائی منافع منقسمہ صرف بذریعہ الیکٹرونک طریقہ کار براہ راست استحقاق کے حامل شیئر ہولڈر کی جانب سے نامزد کردہ بینک اکاؤنٹ میں جمع کرایا جائے۔ اس سلسلے میں ضوابط کے تحت اخبارات میں نوٹسز پہلے ہی شائع کرائے جا چکے ہیں۔ تمام شیئر ہولڈرز کو ایک بار پھر مطلع کیا جاتا ہے کہ وہ اپنے بینک مینڈیٹ کی تفصیلات جس میں (۱) اکاؤنٹ کا ٹائٹل (۲) اکاؤنٹ نمبر (۳) آئی بی اے این (۴) بینک کا نام (۵) برانچ کا نام، کوڈ اور پتہ شامل ہو، کمپنی کے شیئر رجسٹرار کو فراہم کردیں۔ ایسے شیئر ہولڈرز جو پارٹیسپیٹس سینٹرل ڈپازٹری کمپنی آف پاکستان (سی ڈی سی) کے پاس شیئرز کے حامل ہوں، ان کو آگاہ کیا جاتا ہے کہ وہ اپنا مینڈیٹ متعلقہ بروکر/سی ڈی سی کو فراہم کردیں۔

۱۰۔ سالانہ رپورٹ کی بذریعہ ای میل تقسیم (اختیاری):

کمپنیز ایکٹ 2017 کے سیکشن 223(6) 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 شیئر ہولڈرز کو بذریعہ ای میل ارسال کر سکتے ہیں۔ کمپنی کے ایسے شیئر 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 کمیونیکیشن کنسینٹ فارم کو پُر کر کے کمپنی کے شیئر رجسٹرار کو ارسال کردیں۔

30 جون 2023 کو 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۔

۱۱۔ فزیکل شیئرز کی بک انٹری فارم کی صورت میں منتقلی:

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق یہ لازم ہے کہ تمام لسٹڈ کمپنیاں فزیکل صورت میں موجود شیئرز کو کمپنیز ایکٹ 2017 کے نفاذ کی تاریخ سے 4 سالوں کے اندر بک اینٹری کی صورت میں جاری کردہ شیئرز سے تبدیل کر دیں۔ ایس ای سی پی کے لیٹر نمبر CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ 2021 کے مطابق کمپنی فزیکل صورت میں شیئرز کے حامل تمام شیئر ہولڈرز سے رابطہ کر کے ان سے درخواست کریں کہ وہ کمپنیز ایکٹ 2017 کی شقوں پر عملدرآمد کرتے ہوئے اپنے شیئرز کو بک انٹری کی صورت میں تبدیل کرالیں۔ شیئر ہولڈرز فزیکل صورت میں موجود شیئرز کو بک انٹری کی شکل میں تبدیل کرانے کے عمل اور اس کے فوائد کو سمجھنے کیلئے کمپنی کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

۱۲۔ ای ووٹنگ اور پوسٹل بیلٹ کیلئے طریقہ کار:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 اور اس کی ترامیم 2022/SRO2192(I) مورخہ 5 دسمبر 2022 کے تحت مطلع کیا گیا ہے، کہ ممبران کو مذکورہ ریگولیشنز میں بیان کردہ شرائط کے تحت سالانہ اجلاس عام میں خصوصی کاروبار کے لیے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔ کمپنی اپنے ممبران کو ووٹنگ کے لیے درج ذیل اختیارات فراہم کرے گی۔

۱۳۔ ای ووٹنگ کا طریقہ کار:

(۱) ای ووٹنگ کے ذریعے اپنے ووٹ کا حق استعمال کرنے کے خواہشمند ممبران tl@hoh.net پر "ای ووٹنگ کی درخواست" کے موضوع کے ساتھ ای میل بھیجیں اور اپنے درست شناختی کارڈ نمبرز، سیل نمبرز اور ای میل ایڈریس 13 اکتوبر 2023 کو یا اس سے قبل فراہم کریں۔ ای ووٹنگ کی سہولت کی تفصیلات ممبران کے ساتھ ای میل کے ذریعے شیئر کی جائیں گی۔

(۲) ممبران کو ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ سے بذریعہ ای میل مطلع کیا جائے گا۔ ممبران کو سیکورٹی کوڈز میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے کے ویب پورٹل سے بذریعہ ایس ایم ایس فراہم کئے جائیں گے۔

(۳) ای ووٹنگ کے ذریعے ووٹ ڈالنے کے خواہشمند ممبران کی شناخت الیکٹرانک دستخط یا لاگ ان کی تصدیق کے ذریعے کی جائے گی۔

(۴) ای ووٹنگ لائنز 16 اکتوبر 2023، صبح 09:00 بجے سے شروع ہوں گی اور 20 اکتوبر 2023 کو شام 05:00 بجے بند ہوں گی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی ممبر کی طرف سے قرارداد پر ووٹ ڈالنے کے بعد، اسے بعد میں اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

۱۴۔ پوسٹل بیلٹ:

ممبران متبادل طور پر پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا انتخاب کر سکتے ہیں۔ ممبران اس بات کو یقینی بنائیں کہ بیلٹ پیپر مکمل طور پر پُر کئے گئے اور دستخط شدہ ہوں اور کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی کے ساتھ کمپنی کے رجسٹرڈ ایڈریس تھل لمیٹڈ، چوتھی منزل، ہاؤس آف حبیب، 3 جناح کوآپریٹو ہاؤسنگ سوسائٹی، بلاک 7/8، شاہراہ فیصل کراچی یا ''پوسٹل بیلٹ کے ذریعے ووٹنگ'' کے موضوع کے ساتھ ای میل tl@hoh.net پر 20 اکتوبر 2023 سے قبل دوران اوقات کار بذریعہ ڈاک اجلاس کے چیئرمین کو موصول ہونے چاہئیں۔ بیلٹ پیپر پر دستخطی این آئی سی کے دستخط سے مماثل ہونے چاہئیں۔ پوسٹل بیلٹ پیپر اجلاس سے کم از کم سات (7) دن قبل کمپنی کی ویب سائٹ www.thallimited.com پر رکھے جائیں گے۔

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت خصوصی کاروبار سے متعلق مادی حقائق کا بیان:

یہ بیان خصوصی کاروبار سے متعلق مادی حقائق کا تعین کرتا ہے، جو نوٹس کے ایجنڈا نمبر 4 اور 5 میں دیا گیا ہے، جس کا مقصد سالانہ اجلاس عام میں اس کے امور کو زیر بحث لانا ہے۔

نوٹس کا ایجنڈا نمبر 4:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے اپنے S.R.O.389(I)/2023 مورخہ 21 مارچ 2023 کے تحت لسٹڈ کمپنیوں کو اجازت دی ہے کہ وہ اپنے سالانہ آڈٹ شدہ مالیاتی گوشوارے کمپنی کے ممبران کو (سی ڈی/ڈی وی ڈی/یو ایس بی کے بجائے) QR کوڈ اور ویب لنک

Downloaded from: https://OpenDoors.Pk

نوٹس:

سالانہ اجلاس عام کی کارروائیوں میں بذریعہ وڈیو کانفرنس شرکت کی سہولت:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے وقتاً فوقتاً جاری کردہ اپنے سرکلرز کے تحت اس کمپنیز کو ہدایت کی ہے کہ فزیکل اجلاسوں کے انعقاد کی شرائط کے لئے اجلاس عام اور عملی 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 اور فزیکل اجلاس بذریعہ وڈیو لنک فیسیلیٹی کے بھی انتظامات کرتی ہے۔

سالانہ اجلاس عام میں شرکت کے خواہشمند شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے ضروری کوائف نامزد کردہ ای میل ایڈریس tl@hoh.net پر ارسال کر کے اپنی تقرری اور پراکسی کی تصدیق کے لئے خود کو رجسٹرڈ کرالیں۔ ویڈیو لنک اور لاگ ان کی تفصیل صرف ان ممبران کے ساتھ شیئر کی جائیں گی، جن کی ای میلز، جن میں درج ذیل تمام تفصیلات شامل ہونگی، اور سالانہ اجلاس عام سے کم از کم 48 گھنٹے پہلے موصول ہونگی۔

شیئر ہولڈر کا نام	فولیو/سی ڈی سی نمبر	سی این آئی سی نمبر	سیل نمبر	رجسٹرڈ ای میل پتہ

شیئر ہولڈرز رجسٹریشن کے لیے اپنے تبصرے اور استفسارات برائے سالانہ اجلاس عام کے ایجنڈا آئٹمز بھی ارسال کر سکتے ہیں۔

شیئر ٹرانسفر بکس کی بندش:

کمپنی کی شیئر ٹرانسفر بکس 17 اکتوبر 2023 تا 23 اکتوبر 2023 تک (بشمول دونوں ایام) سالانہ اجلاس عام اور حتمی منافع منقسمہ کی ادائیگی کے مقاصد کے لئے بند رہیں گی۔ یہ ٹرانسفرز ہمارے شیئر رجسٹرار میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے دفتر F-8، ہوٹل فاران سے آگے، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل کراچی، فون نمبر (Ext-103) 3-34384621-21-009، فیکس 0092-21-34380106 پر 16 اکتوبر 2023 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۔

سالانہ جائزہ اجلاس میں شرکت:

انفرادی صورت میں، اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور/ یا وہ افراد جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کے وقت اصل شناختی کارڈ یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرائیں گے۔

کارپوریٹ ادارے کی صورت میں، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی جس میں نامزد شخص کے دستخط کے نمونے ہوں گے (اگر اس سے قبل فراہم نہیں کئے گئے ہوں) پیش کیا جائے گا۔

۴۔ پراکسی

اجلاس عام میں شرکت کرنے اور ووٹ دینے کا استحقاق رکھنے والا کوئی بھی مہر اجلاس میں اپنی جگہ شرکت کرنے، بولنے اور ووٹ دینے کیلئے پراکسی کا تقرر کرسکتا سکتی ہے۔ پراکسی کے تقرر کی دستاویز لازماً اجلاس کے وقت سے کم از کم 8 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 48 گھنٹے قبل فراہم کردی 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۔

۵۔ 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۔

۶۔ ابھی تک فراہم نہ کئے جانے والے سی این آئی سی کی نقول کا جمع کرانا:

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 فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو جمع نہیں کرائیں تو فوری جمع کرادیں، شیئر ہولڈرز کی کارآمد کاپی کی کمپنی کے ریکارڈ میں عدم دستیابی کی صورت میں کمپنی سیکشن 243 بابت کمپنیز ایکٹ 2017 کی شقوں کے تحت منافع منقسمہ روک لے گی۔

۷۔ منافع منقسمہ پر ودہولڈنگ ٹیکس:

موجودہ طور پر کمپنیز کی جانب سے ادا کئے جانے والے منافع منقسمہ کی رقم پر ودہولڈنگ ٹیکس کی کٹوتی اہم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت کی جارہی ہے جو درج ذیل کے مطابق ہے:

(اے) ایکٹو ٹیکس پیئرلسٹ (اے ٹی ایل) پر موجود افراد کے لئے	15 فیصد
(بی) ایکٹو ٹیکس پیئرلسٹ (اے ٹی ایل) پر موجود نہ ہونے والے افراد کے لئے	30 فیصد

وہ شیئر ہولڈرز جو اپنے گوشوارے جمع کر چکے ہوں انہیں ہدایت کی جاتی ہے کہ وہ اپنے ناموں کی ایف بی آر کی ویب سائٹ پر فراہم کردہ تازہ ترین ٹیکس پیئر زلسٹ (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 رد تصور کیا جائے گا اور ان کے نقد منافع منقسمہ پر 15 فیصد کے بجائے 30 فیصد کی شرح سے کٹوتی کی جائے گی۔

۸۔ جوائنٹ اکاؤنٹ ہولڈرز کی صورت میں منافع منقسمہ پر ودہولڈنگ ٹیکس:

کمپنی کو ریگولیٹرز کی ہدایات پر عمل کرتے ہوئے جوائنٹ اکاؤنٹ ہولڈر (ہولڈرز) کے شیئر ہولڈنگ کے تناسب کا تعین (جہاں پر نسپل شیئر ہولڈر کی جانب سے شیئر ہولڈنگ کا تعین نہ کیا گیا ہو) برائے کمپنی کے منافع منقسمہ پر ودہولڈنگ ٹیکس کی کٹوتی کے سلسلے میں شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے پاس

Downloaded from: https://OpenDoors.Pk

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ کمپنی کے ممبران کا 57واں سالانہ اجلاس عام بروز پیر مورخہ 23 اکتوبر 2023 کو صبح 9:30 بجے بمقام دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان (آئی سی اے پی) آڈیٹوریم، چارٹرڈ اکاؤنٹینٹس ایونیو کلفٹن، کراچی میں منعقد کیا جائے گا جس میں الیکٹرانک ویڈیو لنک سہولت کے ذریعے بھی درج ذیل امور کی انجام دہی کیلئے غور کیا جائے گا:

عمومی کارروائی

۱۔ 30 جون 2023 کو ختم ہونے والے سال کیلئے کمپنی کے سالانہ آڈٹ شدہ مالیاتی حسابات مع ان پر چیئرمین کا جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور وخوض اور منظوری۔

۲۔ 2022-23 کے لئے حتمی نقد منافع منقسمہ بشرح 130 فیصد (یعنی 6.50 روپے فی شیئر) کی منظوری، جیسا کہ بورڈ آف ڈائریکٹرز نے سفارش کی ہے۔ یہ پہلے ہی سے ادا کئے جانے والے 30 فیصد عبوری منافع منقسمہ یعنی 1.50 روپے فی شیئر کے علاوہ ہے۔ 2022-23 کیلئے مجموعی منافع منقسمہ کی رقم 160 فیصد یعنی 8.00 روپے فی شیئر ہو جائے گی۔

۳۔ 30 جون 2023 کو ختم ہونے والے سال کے لئے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔ بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے سالانہ اجلاس عام میں ریٹائر ہونے والے آڈیٹرز میسرز اے وائی فورڈ رھوڈز، چارٹرڈ اکاؤنٹینٹس کی جگہ میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کی بطور آڈیٹرز تقرری کی سفارش کی ہے۔

۴۔ کمپنی کو اپنے سالانہ آڈٹ شدہ مالیاتی گوشوارے اپنے ممبران کو QR کوڈ اور ویب لنک کا استعمال کرتے ہوئے فراہم کرنے کی اجازت دینا جیسا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے S.R.O.389(I)/2023 مورخہ 21 مارچ 2023 کے تحت اجازت دی ہے، غور کرنا اور اگر مناسب سمجھا جائے تو ترمیم یا بغیر ترمیم درج ذیل قراردادوں کے طور پر منظور کرنا۔

''طے پایا ہے کہ کمپنی کو یہ اختیار حاصل ہے کہ وہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے S.R.O.389(I)/2023 مورخہ 21 مارچ 2023 کے تحت کمپنی کے ممبران کو بذریعہ QR فعال کوڈ اور ویب لنک اپنے سالانہ مالیاتی گوشوارے فراہم کر سکتی ہے۔''

''مزید طے پایا کہ کمپنی کے چیف ایگزیکٹو، چیف فنانشل آفیسر، یا کمپنی سیکرٹری انفرادی طور پر تمام ضروری اقدامات، اعمال اور امور کو انجام دینے، اور تمام قانونی تقاضوں کی تعمیل کے لیے اور اس قرارداد کو عملی جامہ پہنانے کے مقصد کے لیے ضروری دستاویزات، جیسا کہ ضروری یا اتفاقی ہو، فائل کرنا تمام مطلوبہ اقدامات اٹھانے یا شروع کرنے کے لیے مجاز ہیں''

۵۔ کمپنیز ایکٹ 2017 کے سیکشن 199 کے تحت درج ذیل خصوصی قراردادوں پر غور کرنا اور، اگر مناسب سمجھا جائے تو، ترمیم، اضافہ یا حذف کے ساتھ یا اس کے بغیر پاس کرنا:

طے پایا کہ کمپنی کمپنیز ایکٹ 2017 کے سیکشن 199 اور اس کے تحت بنائے گئے ضوابط کے تحت کمپنی کے ممبران کو سینٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ کے حق میں TN کی جانب سے جاری کردہ لیٹر آف کریڈٹ کے تحت تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ ("TN") کی

ذمہ داریوں کو محفوظ بنانے کے مقصد کیلئے کمپنی کے اثاثوں پر چارج بنانے، ایک رقم تک جو PKR کے مساوی 2,800,000 امریکی ڈالر (امریکی ڈالر دو ملین آٹھ سو ہزار صرف) سے زیادہ نہ ہو، یا ایسی سیکیورٹی فراہم کرنے کے لیے جو بینکوں/ مالیاتی اداروں کو درکار ہو، TN کے ساتھ اس کے پاور پرچیز ایگریمنٹ کے مطابق مذکورہ بالا رقم سے تجاوز کرنے کی منظوری دی گئی ہے۔ اس طرح کی ذمہ داری 10 (دس) سال کی مدت کے لیے، یا ایسی مدت کے لیے درست ہوگی جب تک کہ اسپانسرز کی ذمہ داریاں/ فرائض، جو بھی بعد میں ہو، غیر منقطع رہیں۔

مزید طے پایا کہ چیف ایگزیکٹو اور چیف فنانشل آفیسر، مشترکہ طور پر یا انفرادی طور پر مطلوبہ معاہدوں کی شرائط پر گفت وشنید اور حتمی شکل دینے اور مطلوبہ معاہدوں، حفاظتی دستاویزات اور دیگر متعلقہ فائلنگ اور دستاویزات کی تخلیق اور فائلنگ کے سلسلے میں تمام ضروری دستاویزات پر عمل درآمد کرنے؛ اور تمام معاملات اور تقاضوں کو متعلقہ اور/ یا اس سے منسلک کرنے کے مجاز ہیں۔ وہ مذکورہ قراردادوں کے مقاصد کو مکمل طور پر حاصل کرنے کے لیے دستاویزات میں کوئی ترامیم، دوبارہ بیان، ایجنڈ ایا ضمیمہ بھی شامل کر سکتے ہیں جو کہ ان تک محدود نہیں، جیسا کہ وقتاً فوقتاً ضرورت ہو سکتی ہے۔

کمپنیز ایکٹ 2017 کے سیکشن (3)134 کے تحت خصوصی قرارداد سے متعلق بیان کمپنی کے ممبران کو ارسال کئے گئے نوٹس کے ساتھ منسلک ہے۔

بحکم بورڈ
سمیرا ملانی
کمپنی سیکریٹری

کراچی؛
مورخہ: 11 ستمبر 2023

Downloaded from: https://OpenDoors.Pk

Statement of Compliance with Listed Companies

(Code of Corporate Governance) Regulations, 2019

Name of Company : Thal Limited (the Company)
Year ended : June 30, 2023

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

1. Total number of Directors are 7 (seven) consisting of 6 (six) male Directors and 1 (one) female Director.

2. The composition of Board is as follows:

Independent
Ms. Aliya Saeeda Khan
Mr. Khayam Husain
Non-Executive Directors
Mr. Rafiq M. Habib
Mr. Mohamedali R. Habib
Mr. Imran Ali Habib
Mr. Salman Burney
Executive Directors
Mr. Tayyab 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, Mr. Khayam Husain and Mr. Muhammad Tayyab Ahmad Tareen are certified by Pakistan Institute of Corporate Governance.

10. The Board has approved the remuneration of the Chief Executive Officer, Chief Financial Officer and Company Secretary.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a. Audit Committee

Mr. Khayam Husain	Chairman
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. Tayyab 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

Tayyab Tareen
Chief Executive Officer

Karachi
September 11, 2023

EY
Building a better working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

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 2023** in accordance with the requirements of Regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulation as applicable to the Company for the year ended 30 June 2023.

Chartered Accountants

Place: Karachi

UDIN Number: CR202310120ijp0BHqCb

Date: 25 September 2023

A member firm of Ernst & Young Global Limited

Downloaded from: https://OpenDoors.Pk

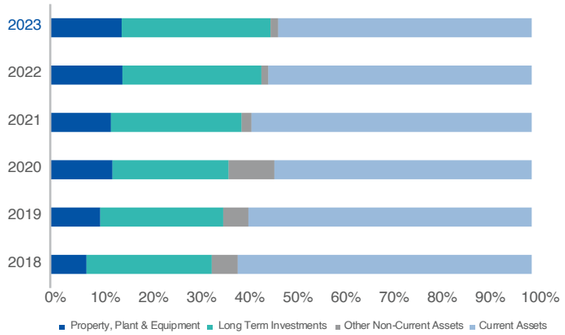
Key Figures

-15%	-35%	
Sales Revenue Rs. in million	**Profit after tax** Rs. in million	
2022-23: **31,925**	2022-23: **2,751**	
2021-22: **37,351**	2021-22: **4,257**	
-35%	+8.72%	+10.63%
Earnings per Share Rupees	**Total Equity** Rs. in million	**Total Assets** Rs. in million
2022-23: **33.95**	2022-23: **29,605**	2022-23: **41,605**
2021-22: **52.54**	2021-22: **27,230**	2021-22: **37,606**
-40.57%	-39.92%	+5.43%
Return on Equity (%)	**Market Price per Share** Rupees	**Contribution to National Exchequer** Rs. in million
2022-23: **9.29**	2022-23: **162.00**	2022-23: **8,519**
2021-22: **15.63**	2021-23: **269.62**	2021-22: **8,080**
+6.67%	-39.92%	
Divdend per Share Rupees	**Market Capitalization** Rs. in million	
2022-23: **8.00**	2022-23: **13,127**	
2021-22: **7.50**	2021-22: **21,847**	

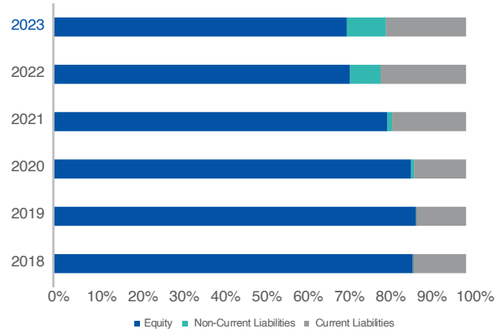
Downloaded from: https://OpenDoors.Pk

Graphical Presentation Six Years at a Glance

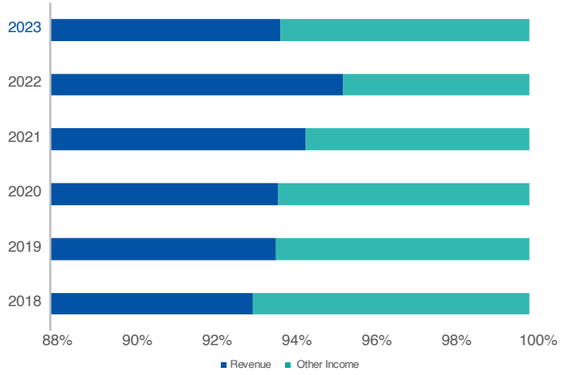
Balance Sheet Analysis
Assets (%)



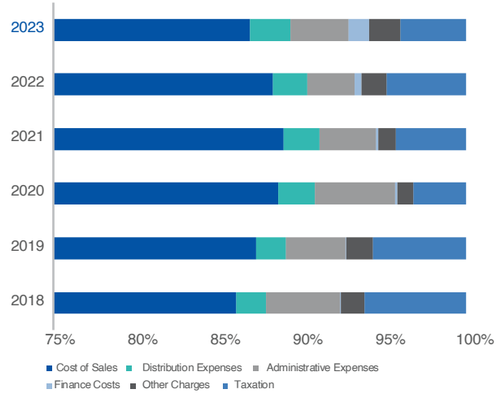
Equity & Liabilites (%)



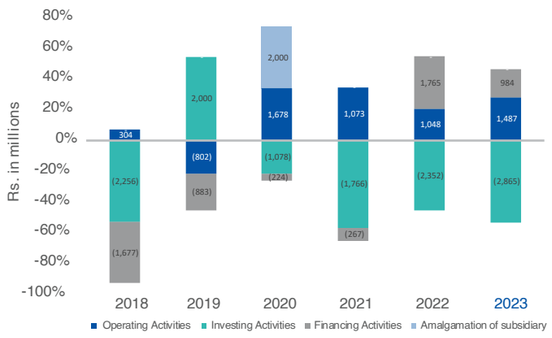
Profit & Loss Analysis
Income (%)



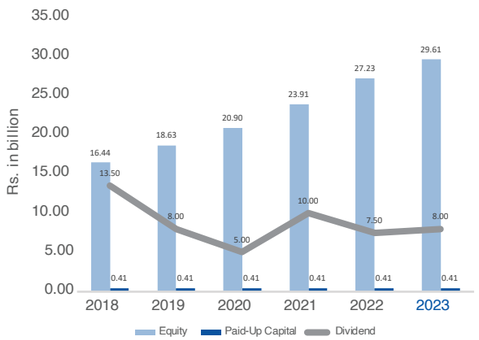
Expenses (%)



Cash Flow Analysis

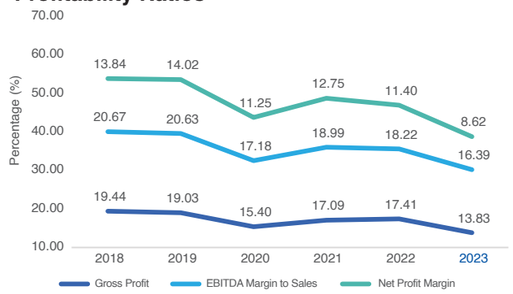


Equity, Paid-Up Capital & Dividend

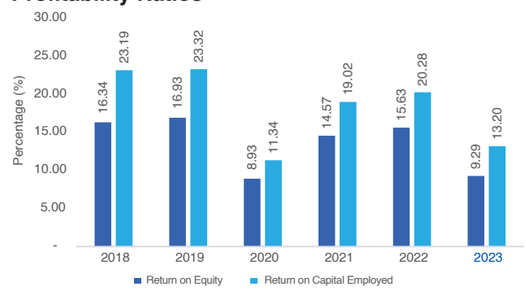


Graphical Presentation of Ratios

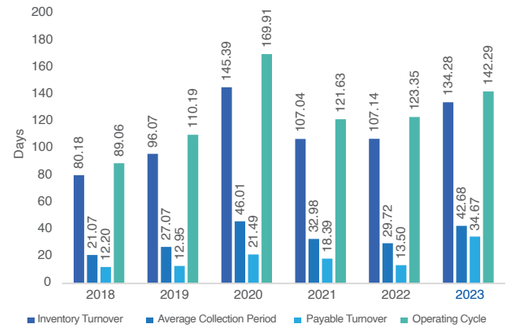
Profitability Ratios



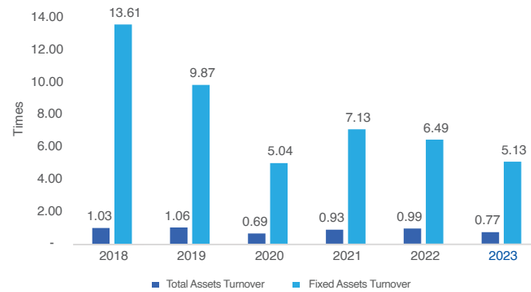
Profitability Ratios



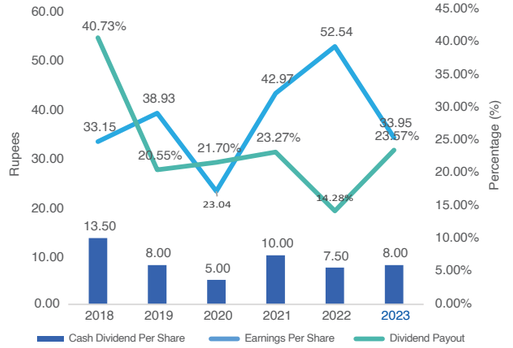
Activity/Turnover Ratios



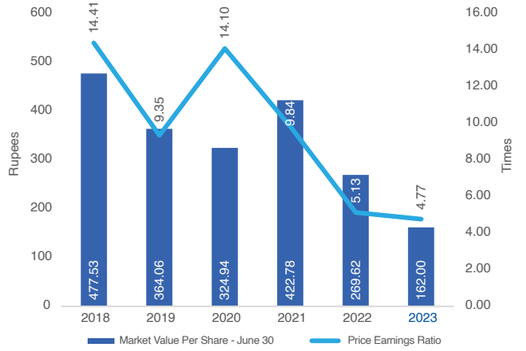
Activity/Turnover Ratios



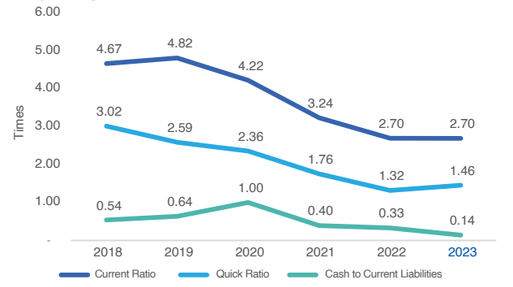
Investment/Market Ratios



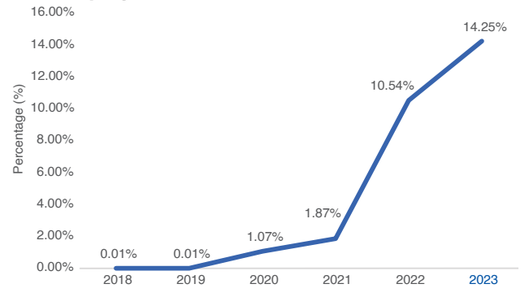
Investment/Market Ratios



Liquidity Ratios



Debt Equity Ratio



Downloaded from: https://OpenDoors.Pk

Financial Performance Six Years at a Glance

	2023	2022	2021	2020	2019	2018
	----------(Rs. in million)----------					
Summary of balance sheet						
Property, plant and equipment	6,136	5,678	3,711	3,118	2,188	1,410
Intangible assets	89	75	121	173	91	15
Investment property	1	1	1	1	1	1
Long-term investments	12,882	10,909	8,007	5,796	5,432	4,938
Long-term loans	245	-	275	1,927	861	788
Long-term deposits	36	31	20	16	15	13
Deferred tax asset	292	193	219	205	165	191
Net current assets	13,791	13,039	11,871	9,831	9,881	9,084
	33,470	29,926	24,226	21,067	18,633	16,440
Non-current liabilities						
Long-term deposits	11	11	12	17	1	2
Long-term loan	3,533	2,273	185	149	-	-
Lease liabilities	55	80	101	-	-	-
Deferred income	266	333	22	-	-	-
	3,864	2,696	320	166	1	2
Net assets employed	29,605	27,230	23,906	20,901	18,631	16,438
Financed by						
Issued, subscribed and paid-up capital	405	405	405	405	405	405
Reserves	29,200	26,825	23,500	20,496	18,226	16,033
Shareholders' equity	29,605	27,230	23,906	20,901	18,631	16,438
Summary of profit & loss						
Sales	31,925	37,351	27,317	16,600	22,499	19,404
Gross profit	4,415	6,504	4,669	2,556	4,281	3,773
Profit before taxation	4,013	5,925	4,572	2,372	4,334	3,804
Profit after taxation	2,751	4,257	3,482	1,867	3,154	2,686
Summary of cash flows						
Cash flows from operating activities	1,487	1,048	1,073	1,678	(802)	305
Cash flows from investing activities	(2,866)	(2,352)	(1,766)	(1,078)	2,000	(2,256)
Cash flows from financing activities	984	1,765	(267)	(224)	(883)	(1,677)
Cash and cash equivalents acquired on amalgamation of subsidiary	-	-	-	2,000	-	-
Cash and cash equivalents at year end	2,163	2,558	2,096	3,055	1,657	1,342

Six Years' Ratio Analysis

		2023	2022	2021	2020	2019	2018
Profitability ratios							
Gross profit	%	13.83	17.41	17.09	15.40	19.03	19.44
EBITDA margin to sales	%	16.39	18.22	18.99	17.18	20.63	20.67
Net profit margin	%	8.62	11.40	12.75	11.25	14.02	13.84
Return on equity	%	9.29	15.63	14.57	8.93	16.93	16.34
Return on capital employed	%	13.20	20.28	19.02	11.34	23.32	23.19
Liquidity ratios							
Current ratio	times	2.70	2.70	3.24	4.22	4.82	4.67
Quick ratio	times	1.46	1.32	1.76	2.36	2.59	3.02
Cash to current liabilities	times	0.14	0.33	0.40	1.00	0.64	0.54
Cash flow from operations to sales	times	0.05	0.06	0.07	0.13	0.02	0.07
Activity/turnover ratios							
Inventory turnover	times	2.72	3.41	3.41	2.51	3.80	4.55
Inventory turnover	days	134.28	107.14	107.04	145.39	96.07	80.18
Inventory turnover - finished goods	times	20.07	34.00	35.98	21.61	31.71	31.10
Inventory turnover - finished goods	days	18.19	10.73	10.14	16.89	11.51	11.74
Inventory turnover - raw material	times	2.65	3.56	3.40	2.37	3.87	4.85
Inventory turnover - raw material	days	137.92	102.41	107.43	154.25	94.35	75.21
Debtors turnover	times	8.55	12.28	11.07	7.93	13.48	17.32
Average collection period	days	42.68	29.72	32.98	46.01	27.07	21.07
Creditors turnover	times	10.53	27.03	19.85	16.98	28.19	29.93
Payable turnover	days	34.67	13.50	18.39	21.49	12.95	12.20
Operating cycle	days	142.29	123.35	121.63	169.91	110.19	89.06
Total assets turnover	times	0.77	0.99	0.93	0.69	1.06	1.03
Fixed assets turnover	times	5.13	6.49	7.13	5.04	9.87	13.61
Investment/market ratios							
Earnings per share	Rs.	33.95	52.54	42.97	23.04	38.93	33.15
Price earnings ratio	times	4.77	5.13	9.84	14.10	9.35	14.41
Cash dividend per share	Rs.	8.00	7.50	10.00	5.00	8.00	13.50
Dividend yield	%	4.94	2.78	2.37	1.54	2.20	2.83
Dividend payout	%	23.57	14.28	23.27	21.70	20.55	40.73
Dividend cover	times	4.24	7.01	4.30	4.61	4.87	2.46
Market value per share - June 30	Rs.	162.00	269.62	422.78	324.94	364.06	477.53
Market value per share - high	Rs.	164.00	424.37	487.36	395.09	471.98	642.18
Market value per share - low	Rs.	162.00	253.46	321.92	228.37	347.85	434.11
Market capitalization	Rs. in million	13,127	21,847	34,258	26,330	29,500	38,694
Breakup value - net assets per share	Rs.	365.36	336.05	295.02	257.94	229.93	202.86
Capital structure ratios							
Financial leverage	%	40.53	38.10	23.54	15.38	13.91	13.91
Debt equity ratio	%	14.25	10.54	1.87	1.07	0.01	0.01
Interest cover	times	10.90	41.87	132.31	141.27	443.08	429.85

Horizontal Analysis

	2023		2022		2021		2020		2019		2018	
	23 Vs. 22		22 Vs. 21		21 Vs. 20		20 Vs.19		19 Vs. 18		18 Vs. 17	
	(Rs. in million)											
Balance sheet												
Equity and liabilities												
Equity	29,605	8.7%	27,230	13.9%	23,906	14.4%	20,901	12.2%	18,631	13.3%	16,438	6.5%
Non-current liabilities	3,865	43.4%	2,696	742.5%	320	92.8%	166	16500.0%	1	-50.0%	2	0.0%
Current liabilities	8,135	5.9%	7,679	44.7%	5,306	74.0%	3,049	17.7%	2,590	4.6%	2,477	24.35%
Total equity & liabilities	41,605	10.6%	37,605	27.3%	29,532	22.5%	24,116	13.6%	21,222	12.2%	18,917	8.5%
										-		
Assets												
Non-current assets	19,679	16.5%	16,886	36.7%	12,354	10.0%	11,236	28.4%	8,752	18.9%	7,358	27.2%
Current assets	21,926	5.8%	20,719	20.6%	17,173	33.3%	12,880	3.3%	12,470	7.9%	11,559	-0.7%
Assets classified as held for sale	-	0.0%	-	-100.0%	5	0.0%	-	0.0%				
Total assets	41,605	10.6%	37,605	27.3%	29,532	22.5%	24,116	13.6%	21,222	12.2%	18,917	8.5%
Profit or loss account												
Turnover - net	31,925	-14.5%	37,351	36.7%	27,317	64.6%	16,600	-26.2%	22,499	15.9%	19,404	12.8%
Cost of sales	(27,510)	-10.8%	(30,847)	36.2%	(22,648)	61.3%	(14,045)	-22.9%	(18,217)	16.5%	(15,632)	15.9%
Gross profit	4,415	-32.1%	6,504	39.3%	4,669	82.7%	2,556	-40.3%	4,281	13.5%	3,772	1.7%
Distribution costs	(781)	6.4%	(734)	34.8%	(545)	56.0%	(349)	-7.4%	(377)	15.1%	(327)	25.3%
Administrative expenses	(1,107)	12.3%	(985)	12.3%	(878)	13.5%	(773)	2.6%	(754)	-7.4%	(814)	9.7%
Other income	2,488	35.8%	1,832	10.9%	1,652	48.3%	1,114	-27.1%	1,528	5.7%	1,446	-53.3%
Other charges	(596)	9.1%	(547)	87.5%	(292)	84.1%	(158)	-52.7%	(335)	26.8%	(264)	-23.8%
Operating profit	4,418	-27.2%	6,070	31.8%	4,607	92.9%	2,389	-45.0%	4,344	13.9%	3,813	-30.1%
Finance costs	(405)	179.7%	(145)	316.4%	(35)	105.9%	(17)	72.4%	(10)	8.9%	(9)	5.7%
Profit before taxation	4,013	-32.3%	5,925	29.6%	4,572	92.8%	2,372	-45.3%	4,334	13.9%	3,804	-30.2%
Taxation	(1,262)	-24.3%	(1,668)	53.0%	(1,090)	116.0%	(504)	-57.2%	(1,180)	5.5%	(1,118)	-24.5%
Profit after taxation	2,751	-35.4%	4,257	22.3%	3,482	86.5%	1,867	-40.8%	3,154	17.4%	2,686	-32.3%

Vertical Analysis

	2023		2022		2021		2020		2019		2018	
Balance sheet	(Rs. in million)											
Equity and liabilities												
Equity	29,605	71.2%	27,230	72.4%	23,906	80.9%	20,901	86.7%	18,631	87.8%	16,438	86.9%
Non-current liabilities	3,865	9.3%	2,696	7.2%	320	1.1%	166	0.7%	1	0.0%	2	0.0%
Current liabilities	8,135	19.6%	7,679	20.4%	5,306	18.0%	3,049	12.6%	2,590	12.2%	2,477	13.1%
Total equity & liabilities	41,605	100.0%	37,605	100.0%	29,532	100.0%	24,116	100.0%	21,222	100.0%	18,917	100.0%
Assets												
Non-current assets	19,679	47.3%	16,886	44.9%	12,354	41.8%	11,236	46.6%	8,752	41.2%	7,357	38.9%
Current assets	21,926	52.7%	20,719	55.1%	17,173	58.2%	12,880	53.4%	12,470	58.8%	11,560	61.1%
Assets classified as held for sale	-	0.0%	-	0.0%	5	0.0%	-	0.0%				
Total assets	41,605	100.0%	37,605	100.0%	29,532	100.0%	24,116	100.0%	21,222	100.0%	18,917	100.0%
Profit or loss account												
Turnover - net	31,925	100.0%	37,351	100.0%	27,317	100.0%	16,600	100.0%	22,499	100.0%	19,404	100.0%
Cost of sales	(27,510)	86.2%	(30,847)	82.6%	(22,648)	82.9%	(14,045)	84.6%	(18,217)	81.0%	(15,632)	80.6%
Gross profit	4,415	13.8%	6,504	17.4%	4,669	17.1%	2,556	15.4%	4,281	19.0%	3,772	19.4%
Distribution costs	(781)	2.4%	(734)	2.0%	(545)	2.0%	(349)	2.1%	(377)	1.7%	(327)	1.7%
Administrative expenses	(1,107)	3.5%	(985)	2.6%	(878)	3.2%	(773)	4.7%	(754)	3.3%	(814)	4.2%
Other income	2,488	7.8%	1,832	4.9%	1,652	6.0%	1,114	6.7%	1,528	6.8%	1,446	7.5%
Other charges	(596)	1.9%	(547)	1.5%	(292)	1.1%	(158)	1.0%	(335)	1.5%	(264)	1.4%
Operating profit	4,418	13.8%	6,070	16.3%	4,607	16.9%	2,389	14.4%	4,344	19.3%	3,813	19.6%
Finance costs	(405)	1.3%	(145)	0.4%	(35)	0.1%	(17)	0.1%	(10)	0.04%	(9)	0.05%
Profit before taxation	4,012	12.6%	5,925	15.9%	4,572	16.7%	2,372	14.3%	4,335	19.3%	3,804	19.6%
Taxation	(1,262)	4.0%	(1,668)	4.5%	(1,090)	4.0%	(504)	3.0%	(1,180)	5.2%	(1,118)	5.8%
Profit after taxation	2,751	8.6%	4,257	11.4%	3,482	12.7%	1,867	11.2%	3,155	14.0%	2,686	13.8%

Downloaded from: https://OpenDoors.Pk

Downloaded from: https://OpenDoors.Pk

Statement of Value Addition

Wealth Generated	2023 Rs. 000	2023 %	2022 Rs. 000	2022 %
Gross revenue	37,040,646	93.71%	43,331,100	95.94%
Other income	2,487,555	6.29%	1,831,791	4.06%
	39,528,201	100.00%	45,162,891	100.00%
Bought in material, services and other expenses	23,335,016	59.03%	28,584,530	63.29%
	16,193,185	40.97%	16,578,361	36.71%
Wealth distributed				
Employees				
Salaries, wages & other benefits and WPPF	3,642,165	22.49%	3,302,264	19.92%
Society				
Donations towards education, health and environment	59,455	0.37%	59,249	0.36%
Providers of finance				
Finance costs	405,451	2.50%	144,964	0.87%
Government				
Contribution to National Exchequer	8,519,229	52.61%	8,079,914	48.74%
Shareholders				
Dividend	648,240	4.00%	607,726	3.67%
Retained within the business for future growth	2,918,645	18.02%	4,384,244	26.44%
	16,193,185		16,578,361	

Unconsolidated Financial Statements

Downloaded from: https://OpenDoors.Pk

EY
Building a better working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

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 2023, 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 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

A member firm of Ernst & Young Global Limited

EY
Building a better working world

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition	
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. 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 the relevant facts and circumstances when applying the model to contracts with customers. We identified revenue recognition as a key audit matter primarily due to it being a key performance indicator, significant volume of transactions and the amount of audit efforts in relation to this area. Hence, revenue may not be appropriately recognized. Please refer notes 5.25 and 31 to the accompanying unconsolidated financial statements.	We performed a range of audit procedures in relation to revenue including the following: • 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 in accordance with applicable laws, accounting, and reporting standards. • We obtained an understanding of management's internal controls over the revenue process and tested the effectiveness of those controls for the purposes of our audit, specifically in relation to recognition of revenue and completeness thereof. • 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.
2. Capital expenditure	
The Company incurred significant amount of capital expenditure during the year amounting to Rs. 1,228.116 million. 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. Please refer note 7 to the accompanying unconsolidated financial statements.	We performed a range of audit procedures in relation to capital expenditure including the following: • 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.

A member firm of Ernst & Young Global Limited

Downloaded from: https://OpenDoors.Pk

Building a better working world

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A member firm of Ernst & Young Global Limited

Building a better working world

- 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

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Chartered Accountants
Place: Karachi
UDIN Number: AR2023101204Q7DXUsyn
Date: 25 September 2023

A member firm of Ernst & Young Global Limited

Downloaded from: https://OpenDoors.Pk

Unconsolidated Statement of Financial Position

	Note	As at June 30 2023	2022
		--------(Rupees in '000)--------	
Assets			
Non-current assets			
Property, plant and equipment	7	6,135,696	5,678,486
Intangible assets	8	88,591	74,765
Investment property	9	976	980
Long-term investments	10	12,881,576	10,908,740
Long-term deposits and advances	11	280,637	30,730
Deferred tax asset	12	291,500	192,734
		19,678,976	16,886,435
Current assets			
Stores, spares and loose tools	13	196,753	199,880
Stock-in-trade	14	9,862,917	10,379,101
Trade debts	15	3,635,820	3,829,852
Loans and advances	16	313,067	546,592
Trade deposits and short-term prepayments	17	1,468,741	1,042,163
Interest accrued		23,352	33,669
Other receivables	18	817,879	867,030
Short-term investments	19	4,202,547	1,263,318
Sales tax refundable		252,699	-
Cash and bank balances	20	1,151,888	2,557,628
		21,925,663	20,719,233
Total assets		41,604,639	37,605,668
Equity and liabilities			
Share capital and reserves			
Authorised capital			
200,000,000 (2022: 200,000,000) ordinary shares of Rs.5/- each	21	1,000,000	1,000,000
Issued, subscribed and paid-up capital	21	405,150	405,150
Reserves	22	29,200,280	26,824,677
		29,605,430	27,229,827
Non-current liabilities			
Long-term deposits and payables	23	10,513	10,513
Long-term borrowings	24	3,533,138	2,272,565
Lease liabilities	25	54,652	80,088
Deferred income	26	266,151	332,745
		3,864,454	2,695,911
Current liabilities			
Trade and other payables	27	6,289,351	5,843,706
Accrued mark-up		75,661	24,281
Unclaimed dividend		103,451	97,740
Unpaid dividend		23,531	28,150
Current portion of long-term borrowing	24	256,582	81,898
Current portion of lease liabilities	25	25,158	20,496
Current portion of deferred income	26	72,119	70,910
Short-term borrowings	28	555,000	597,080
Income tax - net	29	733,902	876,738
Sales tax payable		-	38,931
		8,134,755	7,679,930
Contingencies and commitments	30		
Total equity and liabilities		41,604,639	37,605,668

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive | Director | Chief Financial Officer

Unconsolidated Statement of Profit or Loss

	Note	For the years ended June 30 2023	2022
		--------(Rupees in '000)--------	
Revenue - net	31	31,925,003	37,351,493
Cost of sales	32	(27,510,072)	(30,847,355)
Gross profit		4,414,931	6,504,138
Distribution and selling expenses	33	(781,425)	(734,179)
Administrative expenses	34	(1,107,018)	(985,384)
Other charges	35	(596,161)	(546,508)
		(2,484,604)	(2,266,071)
Other income	36	2,487,555	1,831,791
Operating profit		4,417,882	6,069,858
Finance costs	37	(405,451)	(144,964)
Profit before taxation		4,012,431	5,924,894
Taxation	38	(1,261,672)	(1,667,646)
Net profit for the year		2,750,759	4,257,248
		----------(Rupees)----------	
Basic and diluted earnings per share	39	33.95	52.54

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive | Director | Chief Financial Officer

Downloaded from: https://OpenDoors.Pk

Unconsolidated Statement of Comprehensive Income

	Note	For the years ended June 30 2023	2022
		--------(Rupees in '000)--------	
Net profit for the year		2,750,759	4,257,248
Other comprehensive income			
Item that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods			
Loss on long-term equity investments classified at fair value through other comprehensive income (FVOCI)	10.4	(51,034)	(41,725)
Total comprehensive income for the year		2,699,725	4,215,523

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive | Director | Chief Financial Officer

Unconsolidated Statement of Changes in Equity

	Issued, subscribed and paid-up capital	Reserves: Capital reserves	Reserves: General reserves	Reserves: Unappropr-iated profit	Reserves: Gain/(loss) on revaluation of investment at fair value through other comprehensive income	Total equity
	----------(Rupees in '000)----------					
Balance as at July 1, 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/- per share for the year ended June 30, 2021	-	-	-	(486,179)	-	(486,179)
Interim dividend @ Rs 5/- per share for the year ended June 30, 2022	-	-	-	(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
Transfer to general reserve	-	-	3,649,500	(3,649,500)	-	-
Final dividend @ Rs 2.5/- per share for the year ended June 30, 2022	-	-	-	(202,576)	-	(202,576)
Interim dividend @ Rs 1.5/- per share for the year ended June 30, 2023	-	-	-	(121,546)	-	(121,546)
	-	-	-	(324,122)	-	(324,122)
Net profit for the year	-	-	-	2,750,759	-	2,750,759
Other comprehensive loss	-	-	-	-	(51,034)	(51,034)
Total comprehensive income for the year	-	-	-	2,750,759	(51,034)	2,699,725
Balance as at June 30, 2023	405,150	1,006,915	25,388,500	2,652,214	152,651	29,605,430

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive | Director | Chief Financial Officer

Unconsolidated Statement of Cash Flows

	Note	For the years ended June 30 2023	2022
		--------(Rupees in '000)--------	
Cash flows from operating activities			
Cash generated from operations	40	3,310,060	2,220,169
Finance costs paid		(354,072)	(124,334)
Retirement benefits paid		(8,795)	(6,233)
Income tax paid		(1,454,915)	(1,029,477)
Long-term deposits - net		(5,069)	(11,726)
Net cash generated from operating activities		1,487,209	1,048,399
Cash flows from investing activities			
Addition to property, plant and equipment		(1,228,116)	(2,660,094)
Addition to intangible assets		(62,657)	(12,907)
Proceeds from disposal of operating fixed assets		80,163	30,618
Long-term advance		(244,837)	-
Long-term investments		(2,023,870)	(2,943,068)
Short-term investments - net		(1,785,152)	1,624,887
Long-term loans repaid by subsidiaries		314,432	37,634
Dividend income		1,912,060	1,453,623
Interest income		172,647	117,117
Net cash used in investing activities		(2,865,330)	(2,352,190)
Cash flows from financing activities			
Principal portion of lease rentals		(20,774)	(17,106)
Short-term borrowings (repaid) / obtained		(42,080)	236,080
SBP's Refinance Facility for Salaries and Wages repaid		(74,678)	(99,571)
SBP's Temporary Economic Refinance Facility obtained		-	1,368,393
SBP's Financing Scheme for Renewable Energy (repaid)/obtained - net		(7,220)	249,279
Long-term loans obtained		1,451,770	918,908
Dividends		(323,030)	(890,937)
Net cash generated from financing activities		983,988	1,765,046
Net (decrease) / increase in cash and cash equivalents		(394,133)	461,255
Cash and cash equivalents at the beginning of the year		2,557,628	2,096,373
Cash and cash equivalents at the end of the year	41	2,163,495	2,557,628

The annexed notes 1 to 54 form an integral part of these unconsolidated financial statements.

Chief Executive | Director | Chief Financial Officer

Downloaded from: https://OpenDoors.Pk

Notes to the Unconsolidated Financial Statements

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, packaging 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.
- Packaging 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 mentioned in note 5 to these unconsolidated financial statements.

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

Downloaded from: https://OpenDoors.Pk

4. Significant accounting judgements, estimates and assumptions

The preparation of these unconsolidated 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)	impairment of financial and non-financial assets	5.23
(d)	net realizable value estimation for inventories	5.6, 5.7, 13 & 14
(e)	allowance for expected credit losses (ECL)	5.8, 5.23 & 15
(f)	provision and warranty obligation	5.13 & 27.3
(g)	contingencies	5.20 & 30
(h)	compensated absences of employees	5.14 & 27
(i)	determining the lease term of contracts with renewal and termination options	5.19.3 & 25
(j)	leases - estimating the incremental borrowing rate	5.19.4 & 25

5. Summary of significant accounting policies

5.1 Amendments and improvements to approved accounting standards

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year, except as described below:

Amendments to approved accounting standards

IFRS 3 Reference to the Conceptual Framework (Amendments)
IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

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
IAS 41 Agriculture – Taxation in Fair Value Measurements
IFRS 16 Leases: Lease Incentives

The adoption of the above amendments and improvements 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 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 shorter of lease term and the estimated useful lives of the assets.

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 unconsolidated 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 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% of turnover or 17% alternate corporate tax, whichever is higher.

Downloaded from: https://OpenDoors.Pk

(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 unconsolidated statement of comprehensive income or equity.

5.6 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.

5.7 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 & 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.

5.8 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.

5.9 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.

5.10 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.

5.11 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.

5.12 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.

5.13 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.

5.14 Compensated absences

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

Downloaded from: https://OpenDoors.Pk

5.15 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.

5.16 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.

5.17 Unclaimed dividend

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

5.18 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.

5.19 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.

5.19.1 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.

5.19.2 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.

5.19.3 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).

5.19.4 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.

5.20 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.

Downloaded from: https://OpenDoors.Pk

5.21 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 FVPL, 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 substan tially 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.

5.22 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 unconsolidated 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.

Downloaded from: https://OpenDoors.Pk

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 unconsolidated 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 unconsolidated statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated 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.

5.23 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 unconsolidated 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 unconsolidated statement of comprehensive income.

5.24 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).

5.25 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.

5.26 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 and Treasury Bills 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;
- 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.

5.27 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.

Downloaded from: https://OpenDoors.Pk

5.28 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.

5.29 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 Company.

5.30 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.

5.31 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.

5.32 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 standards and amendments to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards and amendments:

Amendments		Effective date (annual periods beginning on or after)
IAS1and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 12	International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

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

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

The Company expects that above standards and amendments to approved accounting standards will not have any material impact on the Company's unconsolidated financial statements in the period of initial application.

	Note	As at June 30 2023	2022
		--------(Rupees in '000)--------	
7. Property, plant and equipment			
Operating fixed assets	7.1	5,465,346	4,764,206
Capital work-in-progress	7.3	670,350	914,280
		6,135,696	5,678,486

7.1 Operating fixed assets

	Cost				Accumulated depreciation				Written down value
	As at July 01, 2022	Additions/ Transfers (7.1.1)	Disposals	As at June 30, 2023	As at July 01, 2022	Charge for the year	On disposals	As at June 30, 2023	As at June 30, 2023
	----------(Rupees in '000)----------								
Freehold land	4,362	-	-	4,362	-	-	-	-	4,362
Right of use asset - lands	15,661	-	-	15,661	1,482	515	-	1,997	13,664
Right of use asset - office premises	132,145	-	-	132,145	44,918	21,255	-	66,173	65,972
Factory building	1,125,991	523,101	-	1,649,092	353,833	59,569	-	413,402	1,235,690
Non factory building	127,691	14,355	(350)	141,696	51,020	5,476	(350)	56,146	85,550
Railway sliding	4,216	-	-	4,216	1,322	162	-	1,484	2,732
Plant and machinery	4,981,007	391,369	(153)	5,372,223	2,024,749	394,629	(151)	2,419,227	2,952,996
Furniture and fittings	38,862	7,876	(560)	46,178	32,664	3,955	(560)	36,059	10,119
Vehicles	247,202	102,786	(5,940)	344,048	67,244	27,640	(2,341)	92,543	251,505
Office and mills equipment	502,350	181,112	(2,587)	680,875	168,605	86,493	(2,574)	252,524	428,351
Computer equipment	216,736	23,841	(8,001)	232,576	140,674	39,629	(8,001)	172,302	60,274
Jigs and fixtures	702,347	202,920	-	905,267	484,096	121,823	-	605,919	299,348
Capital stores and spares	41,288	24,686	-	65,974	5,045	6,146	-	11,191	54,783
	8,139,858	1,472,046	(17,591)	9,594,313	3,375,652	767,292	(13,977)	4,128,967	5,465,346

	Cost				Accumulated depreciation/Impairment				Written down value
	As at July 01, 2021	Additions/ Transfers (7.1.1)	Disposals	As at June 30, 2022	As at July 01, 2021	Charge for the year/ Impairment* (7.1.2)	On disposals	As at June 30, 2022	As at June 30, 2022
	----------(Rupees in '000)----------								
Freehold land	4,362	-	-	4,362	-	-	-	-	4,362
Right of use asset - lands	15,661	-	-	15,661	987	495	-	1,482	14,179
Right of use asset - office premises	132,145	-	-	132,145	21,226	23,692	-	44,918	87,227
Factory building	844,040	281,951	-	1,125,991	307,956	45,877	-	353,833	772,158
Non factory building	124,471	3,220	-	127,691	45,224	5,796	-	51,020	76,671
Railway sliding	4,216	-	-	4,216	1,104	218	-	1,322	2,894
Plant and machinery	3,540,320	1,458,722	(18,035)	4,981,007	1,688,416	355,369	(17,972)	2,024,749	2,956,258
						(1,064)*			
Furniture and fittings	35,755	3,938	(831)	38,862	23,202	10,293	(831)	32,664	6,198
Vehicles	144,497	122,620	(19,915)	247,202	37,885	31,982	(2,623)	67,244	179,958
Office and mills equipment	257,811	248,260	(3,721)	502,350	107,641	64,651	(3,687)	168,605	333,745
Computer equipment	182,346	39,755	(5,365)	216,736	116,171	29,564	(5,061)	140,674	76,062
Jigs and fixtures	528,842	183,230	(9,725)	702,347	390,658	103,163	(9,725)	484,096	218,251
Capital stores and spares	20,748	20,540	-	41,288	346	4,699	-	5,045	36,243
	5,835,214	2,362,236	(57,592)	8,139,858	2,740,816	675,799	(39,899)	3,375,652	4,764,206
						(1,064)*			

Downloaded from: https://OpenDoors.Pk

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 nil (2022: Rs. 14.686 million). In 2022, 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 nil (2022: Rs. 13.621 million).

7.1.3 Jigs and fixtures include moulds having written down value of Rs. 3.007 million (2022: Rs. 201.073 million) 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. 952.281 million (2022: Rs. 576.913 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 10.1 & 10.3). The amount of charge over these fixed assets is Rs. 11,704.246 million (2022: Rs. 11,704.246 million).

	2023 Written down value	2022 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);	118,349	63,590
2) Plot numbers 35 - 42, 69 and 70 of survey 749 and 749/1, Mauza Pathra, Tehsil Hub, District Lasbella, (Packaging and Balochistan Laminates Division); and	402,782	290,152
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.	83,444	91,837
	604,575	445,579
Plant, machinery, jigs and fixtures of the Company present at the following locations:		
1) Plot number 1, 2, 25 and 26, Sector 22 Korangi Industrial Area (Thal Engineering Division);	400,516	222,108
2) Plot numbers 35 - 42, 69 and 70 of survey 749 and 749/1, Mauza Pathra, Tehsil Hub, District Lasbella, (Packaging and Balochistan Laminates Division);	1,079,169	1,357,941
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	358,925	328,886
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.	131,566	183,941
	1,970,176	2,092,876

7.1.6 There were no disposals of operating fixed assets with an aggregate book value exceeding amount of Rs. 5 million.

Downloaded from: https://OpenDoors.Pk

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

	Note	2023	2022
		--------(Rupees in '000)--------	
Cost of sales	32	701,968	604,869
Distribution and selling expenses	33	5,717	5,959
Administrative expenses	34	59,607	64,971
		767,292	675,799

7.3 Capital work-in-progress

	Opening balance	Additions during the year	Transfers to operating fixed assets	Closing balance
	----------(Rupees in '000)----------			
Civil works	459,123	114,446	(561,746)	11,823
Plant and machinery	373,345	107,766	(382,199)	98,912
Furniture and fittings	-	7,944	(6,087)	1,857
Vehicles	16,497	63,606	(79,103)	1,000
Office and mills equipment	3,698	121,057	(123,538)	1,217
Computer equipment	8,796	12,591	(21,387)	-
Jigs and fixtures	52,821	609,277	(106,557)	555,541
2023	914,280	1,036,687	(1,280,617)	670,350
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	616,422	2,331,083	(2,033,225)	914,280

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

Locations	2023 Land Area (square yards)	2023 Building Covered Area (square feet)	2022 Land Area (square yards)	2022 Building Covered Area (square feet)
	----------(in '000)----------			
1) Thal Limited (Jute Division), D.G. Khan Road, Muzaffargarh, Punjab.	862	697	862	697
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) Plot # 35, 36, 37, 38, 39, 39A, 40, 40A, 41, 42, 69, 69A, 70 and 71, Zila Moza Pathra, Hub, Balochistan.	92	329	92	329
6) Plot C-49-58, Sector C, Hub Industrial Area, Hub, Balochistan.	6	12	6	12
7) Plot # 38, Road # 3, Industrial Estate, Gadoon Amazai, Swabi, Khyber Pakhtunkhwa.	19	40	19	40

8. Intangible assets

	Note	Cost: Opening balance	Cost: Additions	Cost: Transfers/ Disposals	Cost: Closing balance	Accumulated amortisation: Amortisation rate	Accumulated amortisation: Opening balance	Accumulated amortisation: Charge for the year	Accumulated amortisation: Transfers/ Disposals	Accumulated amortisation: Closing balance	Written down value: As at June 30
		---------- (Rupees in '000) ----------				%	---------- (Rupees in '000) ----------				
Softwares		15,761	493	-	16,254	33	14,670	991	-	15,661	593
Licenses - Software		73,985	5,758	-	79,743	33	56,533	8,084	-	64,617	15,126
- Product	8.2	175,385	56,406	-	231,791	20-33	119,163	39,756	-	158,919	72,872
2023		265,131	62,657	-	327,788		190,366	48,831	-	239,197	88,591
2022		252,224	12,907	-	265,131		131,448	58,918	-	190,366	74,765

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

	Note	2023	2022
		------(Rupees in '000)------	
Cost of sales	32	43,995	53,212
Distribution and selling expenses	33	216	225
Administrative expenses	34	4,620	5,481
		48,831	58,918

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. 114 million (2022: Rs. 44.952 million) which are fully amortised and still in use of the Company.

Downloaded from: https://OpenDoors.Pk

9. Investment property

	Cost			Accumulated amortisation			Written down value	
	Opening balance	Additions / Subsequent expenditures	Closing balance	Opening balance	Charge for the year (Note 34)	Closing balance	As at June 30	Depreciation rate
	(Rupees in '000)							%
Freehold land	891	-	891	-	-	-	891	-
Building on freehold land	694	-	694	605	4	609	85	5
2023	1,585	-	1,585	605	4	609	976	
2022	1,585	-	1,585	600	5	605	980	

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, 2023 which amounts to Rs.139.774 million (2022: Rs. 136.005 million) and forced sale value of Rs. 111.819 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 7 months, with escalation clause upon renewal of contract based on mutual agreement. The rental income from investment property is disclosed in note 36 to these unconsolidated financial statements.

9.2 The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. Further, there is no material direct operating cost in relation to the said property.

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

Location	Land Area (square yards) 2023	Building Covered Area (square feet) 2023
	(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

10. Long-term investments

	Note	2023 Holding %	2023 Rupees in '000	2022 Holding %	2022 Rupees in '000
Investments in related parties					
Subsidiaries, unquoted – at cost					
Noble Computer Services (Private) Limited		100	1,086	100	1,086
Pakistan Industrial Aids (Private) Limited		100	10,000	100	10,000
Habib METRO Pakistan (Private) Limited		60	2,789,223	60	2,789,223
Thal Power (Private) Limited	10.1	100	6,023,970	100	4,550,100
Thal Electrical (Private) Limited		100	100	100	100
Thal Boshoku Pakistan (Private) Limited		55	929,500	55	379,500
Makro-Habib Pakistan Limited		100	223,885	100	223,885
Less: Provision for impairment			(223,885)		(223,885)
			-		-
			9,753,879		7,730,009
Associates – at cost	10.2				
Quoted					
Indus Motor Company Limited		6.22	48,900	6.22	48,900
Habib Insurance Company Limited		4.63	561	4.63	561
Agriauto Industries Limited		7.35	9,473	7.35	9,473
Shabbir Tiles & Ceramics Limited		1.30	21,314	1.30	21,314
			80,248		80,248
Unquoted					
Sindh Engro Coal Mining Company Limited	10.3	11.90	2,840,150	11.90	2,840,150
			2,920,398		2,920,398
Other investments					
Listed Shares - at FVOCI					
Habib Sugar Mills Limited			61,608		59,741
GlaxoSmithKline (Pakistan) Limited			127		210
Haleon Pakistan Limited			71		120
Dynea Pakistan Limited			102,949		142,123
Allied Bank Limited			12,182		12,546
Habib Bank Limited			4,769		5,948
TPL Properties Limited			25,593		37,645
	10.4		207,299		258,333
			12,881,576		10,908,740

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. 6,031.740 million in TNTPL acquiring 459,076,773 ordinary shares having face value of Rs. 10 each out of which Rs. 1,440.972 million is advance against issue of 144,097,200 shares. TNTPL achieved its financial close and commercial operations on September 30, 2020 and February 17, 2023, respectively.

To secure the Company's commitment as above, a commercial bank has issued a guarantee in favour of the TPL amounting to Rs. 177.284 million (2022: Rs. 1,905.147 million).

Downloaded from: https://OpenDoors.Pk

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 the 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 invested a total of USD 23.1 million in PKR equivalent to develop a cumulative mine capacity of 7.6 million tons per annum. Phase I of the Project achieved commercial operations in July 2019 and Phase II achieved commercial operation in September 2022. As of 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.

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 (2022: Rs. 1,544.277 million).

10.4 The cost of these investments is Rs. 54.648 million (2022: Rs. 54.648 million). The Company recognised loss of Rs. 51.034 million (2022: loss of Rs. 41.725 million) on revaluation of these equity instruments in other comprehensive income.

	Note	2023	2022
		--------(Rupees in '000)--------	
11. Long-term deposits and advances			
Capital advance		244,837	-
Utilities		22,322	22,094
Security deposits	11.1	7,470	7,470
Others		6,008	1,166
		280,637	30,730

11.1 These are not discounted to present value since the impact is not considered to be material to these unconsolidated financial statements.

	Note	2023	2022
		--------(Rupees in '000)--------	
12. Deferred tax asset			
Deductible temporary differences arising on:			
Provisions		723,299	511,209
Lease liabilities		31,125	33,193
Unrealized loss on investments classified as FVPL		12,357	9,904
		766,781	554,306
Taxable temporary differences arising on:			
Accelerated depreciation		(475,281)	(361,572)
		291,500	192,734

	Note	2023	2022
		--------(Rupees in '000)--------	
13. Stores, spares and loose tools			
Stores in hand		70,742	63,763
Spares in hand		228,838	213,607
Loose tools		180	124
Less: Provision for obsolescence	13.1 & 13.2	(103,007)	(71,955)
		196,753	199,880

	2023	2022
	--------(Rupees in '000)--------	
13.1 Movement - provision for obsolescence		
Opening balance	71,955	63,763
Charge for the year - net	31,052	8,192
Closing balance	103,007	71,955

13.2 Aggregate cost of stores, spares and loose tools which have been provided for based on obsolescence amount to Rs. 185.447 million (2022: Rs. 110.049 million). Accordingly, net realisable value of such inventory amounts to Rs. 88.339 million (2022: Rs. 38.094 million).

	Note	2023	2022
		--------(Rupees in '000)--------	
14. Stock-in-trade			
Raw material			
In hand	14.1	6,496,867	5,459,808
In transit		1,901,911	3,131,505
		8,398,778	8,591,313
Work-in-process		513,289	809,655
Finished goods		1,533,857	1,207,479
Less: provision for obsolescence	14.2 & 14.3	(583,007)	(229,346)
		9,862,917	10,379,101

14.1 Raw materials amounting to Rs. 14.452 million (2022: Rs 11.432 million) are held with the sub-contractors.

	2023	2022
	--------(Rupees in '000)--------	
14.2 Movement - provision for obsolescence		
Opening balance	229,346	212,137
Charge for the year - net	353,661	17,209
Closing balance	583,007	229,346

14.3 Aggregate of raw material, work-in-process and finished goods which have been provided for based on obsolescence amount to Rs. 1,894.411 million (2022: Rs. 411.531 million), Rs. 63.236 million (2022: Rs. 15.503 million) and Rs. 93.800 million (2022: Rs. 24.499 million), respectively. Accordingly, net realisable value of such stock-in-trade amounts to Rs. 1,421.811 million (2022: Rs. 222.187 million).

	Note	2023	2022
		--------(Rupees in '000)--------	
15. Trade debts			
Considered good	15.1 & 15.2	3,717,282	3,908,687
Allowance for expected credit losses	15.3	(81,462)	(78,835)
		3,635,820	3,829,852

15.1 This includes amount due from the following related parties:

	2023	2022
Indus Motor Company Limited	624,094	1,076,856
Shabbir Tiles and Ceramics Limited	54,962	33,409
	679,056	1,110,265

Downloaded from: https://OpenDoors.Pk

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

	Note	2023	2022
		--------(Rupees in '000)--------	
Indus Motor Company Limited		947,735	1,704,544
Shabbir Tiles and Ceramics Limited		54,962	33,509

15.3 Movement - allowance for expected credit losses

Opening balance		78,835	82,120
Charge/(reversal) for the year - net		2,627	(1,266)
Bad debts written off during the year		-	(2,019)
Closing balance		81,462	78,835

16. Loans and advances

Loans - secured			
Makro Habib Pakistan Limited (MHPL) - secured	16.1	190,637	230,069
Allowance for expected credit losses	16.2	(190,637)	(230,069)
		-	-
Thal Boshoku Pakistan (Private) Limited (TBPK) current portion	16.1	-	275,000
Advances - considered good			
Suppliers - secured		310,578	267,832
Employees		2,489	3,760
		313,067	271,592
		313,067	546,592

16.1 The maximum aggregate amount due from MHPL and TBPK at the end of any month during the year was Rs. 230.069 million (2022: Rs. 267.703 million) and nil (2022: Rs. 275 million), respectively.

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

	Note	2023	2022
		--------(Rupees in '000)--------	
Opening balance		230,069	267,703
Provision (reversal)/charge during the year	16.2.1	(39,432)	(37,634)
Closing balance		190,637	230,069

16.2.1 During the year, MHPL repaid the Company an amount of Rs. 39.432 million (2022: Rs. 37.634 million).

17. Trade deposits and short-term prepayments

	Note	2023	2022
		--------(Rupees in '000)--------	
Trade deposits			
Tender		90,237	153,791
Margin against letter of credit		1,290,560	811,881
Deposit against custom duty		7,182	7,182
Container deposits		24,608	34,567
Other		912	-
	17.1	1,413,499	1,007,421
Short-term prepayments			
Insurance	17.2	32,565	15,777
Others		22,677	18,965
		55,242	34,742
		1,468,741	1,042,163

17.1 These deposits are interest free.

17.2 This includes prepaid insurance amounting to Rs. 20.196 million (2022: Rs. 5.349 million) paid to Habib Insurance Company Limited, a related party.

18. Other receivables

	Note	2023	2022
		--------(Rupees in '000)--------	
Tooling income receivable		18,370	30,852
Duty drawback		11,690	17,326
Custom duty reimbursable	18.1 & 27.2	786,558	786,558
Receivable from Workers' Profit Participation Fund	27.7	-	5,061
Receivable under group taxation from MHPL		-	15,568
Others	18.2	1,261	11,665
		817,879	867,030

18.1 Includes additional custom duty receivable from Indus Motor Company Limited amounting to Rs. 709.248 million. The maximum aggregate amount at the end of any month during the year is Rs. 709.248 million.

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

	2023	2022
	--------(Rupees in '000)--------	
Indus Motor Company Limited	107	-
Agriautos Industries Limited	29	-
Noble Computer Services (Private) Limited	-	1,813
Thal Boshoku Pakistan (Private) Limited	-	8,100
	136	9,913

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

	Note	2023	2022
		--------(Rupees in '000)--------	
Indus Motor Company Limited		107	-
Agriautos Industries Limited		29	-
Noble Computer Services (Private) Limited		-	1,813
Thal Boshoku Pakistan (Private) Limited		-	8,100

19. Short-term investments

Amortised cost			
Treasury Bills (T-bills)	19.1	1,655,405	-
Fair value through statement of profit or loss			
Atlas Money Market Fund		298,493	102,266
UBL Liquidity Plus Fund		313,028	100,000
Alfalah GHP Money Market Fund		303,935	100,000
NBP Money Market Fund		309,833	296,698
MCB Cash Management Optimizer Fund		295,691	100,091
HBL Cash Fund	19.2	516,636	166,374
ABL Cash Fund		307,918	100,135
Meezan Rozana Amdani Fund		201,608	297,754
		2,547,142	1,263,318
		4,202,547	1,263,318

Downloaded from: https://OpenDoors.Pk

19.1 These carry profit yield ranging from 21.5% to 21.99% (2022: nil) per annum and will mature latest by June 27, 2024.

19.2 Mutual fund units amounting to Rs. 384.073 million (2022: Rs. 166.374 million) are under lien as margin for security against SBP Temporary Economic Refinance Facility and SBP Refinance Facility for Renewable Energy from various commercial bank.

	Note	2023	2022
20. Cash and bank balances		--------(Rupees in '000)--------	
Cash in hand		1,838	2,134
Bank balances			
Current accounts		480,697	430,116
Term deposit receipts (TDRs)	20.1	-	1,109,370
Deposit accounts	20.2 & 20.3	669,353	1,016,008
		1,150,050	2,555,494
		1,151,888	2,557,628

20.1 These carry interest at nil (2022: 12.5% to 20%) per annum.

20.2 These carry interest at rates ranging from 12.75% to 19.5% (2022: 12.25% to 12.7%) per annum.

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

21. Share capital

21.1 Authorized capital

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

21.2 Issued, subscribed and paid-up capital

2023	2022		2023	2022
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

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

	Note	2023	2022
22. Reserves		--------(Rupees in '000)--------	
Capital reserves			
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		25,388,500	21,739,000
Unappropriated profit		2,652,214	3,875,077
		28,040,714	25,614,077
Gain on revaluation of investments held at fair value through OCI		152,651	203,685
		29,200,280	26,824,677

23. Long-term deposits and payables

Deposits with: - Related party	23.1	708	708
- Others		755	755
Payable in respect of Gas Infrastructure Development Cess		14,545	14,545
Less: Current portion		(5,495)	(5,495)
		9,050	9,050
		10,513	10,513

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

	Note	2023	2022
24. Long-term borrowings - secured		--------(Rupees in '000)--------	
SBP's Refinance Facility for Payment of Salaries and Wages		-	74,678
Less: Current portion		-	(74,678)
		-	-
SBP's Temporary Economic Refinance Facility	24.1	1,467,674	1,467,674
Less: Deferred income	26	(286,982)	(345,189)
Less: Current portion		(136,780)	-
		1,043,912	1,122,485
SBP's Financing Scheme for Renewable Energy	24.2	289,638	296,858
Less: Deferred income	26	(51,288)	(58,466)
Less: Current portion		(27,911)	(7,220)
		210,439	231,172
Long-term loan	24.3	2,370,678	918,908
Less: Current portion		(91,891)	-
		2,278,787	918,908
		3,533,138	2,272,565

24.1 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, 2023. The facilities carry interest at rates ranging from of 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 and pledge over mutual fund units.

Downloaded from: https://OpenDoors.Pk

24.2 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. 290 million as at June 30, 2023 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.

24.3 During the year, the Company obtained further 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 March 2024. The facilities are secured against charge against fixed assets of the Company.

	Note	2023	2022
25. Lease liabilities		--------(Rupees in '000)--------	
Opening balance		100,584	117,690
Accretion of interest during the year	37	8,214	9,498
Less: Lease rentals paid during the year		(28,988)	(26,604)
Closing balance		79,810	100,584
Less: Current portion		(25,158)	(20,496)
		54,652	80,088

	Note	2023	2022
26. Deferred income			
Deferred income	26.1 & 26.2	338,270	403,655
Less: Current portion of deferred income		(72,119)	(70,910)
		266,151	332,745

26.1 Movement - deferred income

Opening balance		403,655	26,703
Recognition of deferred income		-	428,799
Amortisation during the year	37	(65,385)	(51,847)
Closing balance		338,270	403,655

26.2 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 unconsolidated 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	2023	2022
27. Trade and other payables		--------(Rupees in '000)--------	
Creditors	27.1	2,313,560	2,153,913
Accrued liabilities and levies	27.1	1,901,102	1,633,529
Additional custom duty	27.2	779,756	777,098
Payable to TBPK under group relief		48,359	-
Payable to TPL under group taxation	29.1	-	658
Salaries payable		19,117	22,150
Warranty obligations	27.3	857,171	776,020
Advances from customers (Contract liabilities)	27.4	43,126	141,092
Royalty payable	27.5	131,752	130,896
Security deposits		1,617	1,266
Payable to retirement benefit fund		14,374	11,843
Other liabilities	27.6	179,417	195,241
		6,289,351	5,843,706

	Note	2023	2022
		--------(Rupees in '000)--------	

27.1 This includes amounts due to the following related parties:

Habib Insurance Company Limited	3,177	2,510
Noble Computer Services (Private) Limited	943	1,444
Habib METRO Pakistan (Private) Limited	3,918	4,639
Pakistan Industrial Aids (Private) Limited	95	-
METRO Pakistan (Private) Limited	882	-
	9,015	8,593

27.2 In 2021, 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. 74.660 million (2022: Rs. 92.397 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 18 to these unconsolidated financial statements.

	Note	2023	2022
27.3 Warranty obligations		-------(Rupees in '000)-------	
Opening balance		776,020	633,701
Charge for the year	33	95,490	161,198
Claims paid during the year		(14,339)	(18,879)
Closing balance		857,171	776,020

27.4 Revenue recognised during the year that was included in contract liabilities balance at the beginning of the year amounts to Rs. 141.092 million (2022: Rs. 26.989 million).

	Note	2023	2022
27.5 Royalty payable		-------(Rupees in '000)-------	
Opening balance		130,896	91,581
Charge for the year	32.2	146,907	241,895
Paid during the year		(146,051)	(202,580)
Closing balance		131,752	130,896

27.6 Other liabilities

Withholding tax payable		9,243	17,237
Employees Old-Age Benefits Institution		82,968	62,728
Workers' welfare fund		49,524	87,596
Workers' profit participation fund	27.7	3,079	-
Others		34,603	27,680
		179,417	195,241

27.7 Workers' profit participation fund (WPPF)

Opening balance		(5,061)	(376)
Allocation for the current year	35	98,079	229,939
		93,018	229,563
Paid during the year		(89,939)	(234,624)
Closing balance		3,079	(5,061)

Downloaded from: https://OpenDoors.Pk

	Note	2023	2022
		--------(Rupees in '000)--------	
28. Short term borrowing - secured			
Export Refinance Facility	28.1	555,000	555,000
Export Finance Scheme		-	42,080
		555,000	597,080

28.1 This represents Export Refinance Facility obtained by the Company from various commercial banks. The total amount of the facility is Rs. 555 million. It carries markup at rates ranging from 16.7% to 17% per annum (2022: 2.35% to 3% per annum) and is payable within 180 days on rollover basis. The facility is secured against a joint Pari Passu hypothecation charge on all present and future stocks and book debts of the Company.

	Note	2023	2022
		--------(Rupees in '000)--------	
29 Income tax - net			
Group tax relief adjustments	29.1	(684,120)	(684,120)
Group taxation adjustments		58,266	58,266
Income tax provision less tax payments – net		1,359,756	1,502,592
		733,902	876,738

29.1 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 June 10, 2011 and July 11, 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.

In addition to the above, the Company has decided to acquire tax losses incurred by Thal Boshoku Pakistan (Private) Limited (TBPK) during the year amounting to Rs. 48.359 million (2022: Nil) for set off against its tax liability. The amount of tax losses acquired are yet to be paid to the subsidiary.

30. Contingencies and commitments

30.1 Contingencies

30.1.1 As of June 30, 2023, the Company has no contingencies other than those disclosed in note 29.1 to these unconsolidated financial statements.

	Note	2023	2022
		--------(Rupees in '000)--------	
30.2 Commitments			
30.2.1 Post dated cheques issued to Collector of Custom and a customer against advance export proceeds		17,071	180,686
30.2.2 Outstanding letters of credit		3,884,823	5,515,484

	Note	2023	2022
		--------(Rupees in '000)--------	
30.2.3 Letter of guarantees issued by banks on behalf of the Company in respect of financial commitments of the Company.	30.2.8	5,725,517	4,621,237
30.2.4 Commitments in respect of raw material		340,085	1,541,047
30.2.5 Commitments in respect of capital expenditure		-	108,492
30.2.6 Commitments for rentals under Ijarah (lease) agreements			
Within one year		-	8,540
After one year but not later than five years		-	556
		-	9,096

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

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

		2023	2022
		--------(Rupees in '000)--------	
31. Revenue - net			
Export sales		2,911,469	2,232,429
Local sales		34,129,177	41,098,671
		37,040,646	43,331,100
Less: Sales tax		(5,122,793)	(6,007,924)
Sales discount		(3,196)	(22,962)
		(5,125,989)	(6,030,886)
Add: Duty drawback		10,346	51,279
		31,925,003	37,351,493

Downloaded from: https://OpenDoors.Pk

32. Cost of sales

	Note	2023	2022
		--------(Rupees in '000)--------	
Raw material consumed	32.1	22,481,444	27,384,187
Salaries, wages and benefits	32.3	2,836,147	2,433,167
Stores and spares consumed		368,514	333,100
Repairs and maintenance		179,194	151,285
Power and fuel		622,408	370,517
Rent, rates and taxes		5,972	6,260
Vehicle running and maintenance		39,065	22,672
Insurance		14,155	16,688
Communication		13,646	10,575
Travelling and conveyance		26,001	12,018
Entertainment		961	1,018
Printing and stationery		12,251	13,174
Legal and professional expenses		18,345	13,233
Computer accessories and software maintenance fee		18,079	15,184
Royalty	32.2	146,907	241,895
Depreciation on operating fixed assets	7.2	701,968	604,869
Amortisation on intangible assets	8.1	43,995	53,212
Research		5,223	3,170
Ijarah rentals		979	4,899
Technical assistance fee		347	422
Others		4,483	5,482
		27,540,084	31,697,027
Work-in-process			
Opening		809,655	560,647
Closing		(513,289)	(809,655)
		296,366	(249,008)
Cost of goods manufactured		27,836,450	31,448,019
Finished goods			
Opening		1,207,479	606,815
Closing		(1,533,857)	(1,207,479)
		(326,378)	(600,664)
		27,510,072	30,847,355

32.1 Raw material consumed

Opening stock	5,459,808	4,755,273
Purchases	23,518,503	28,088,722
Closing stock	(6,496,867)	(5,459,808)
	22,481,444	27,384,187

32.2 Royalty

Party name	Registered address	Relationship with Company or its directors		
Denso Corporation	448-8661 1-1, Showa-Cho, Kariya-city, Aichi-Pref., Japan	None	66,992	110,103
Furukawa Electric Company Limited	1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan	None	69,749	116,880
Yazaki Corporation	4-28 1-Chome, Mita, Minato-ku Tokyo Japan	None	6,028	14,015
THN	43, Seongseo-ro 71-gil Dalseo-gu, Daegu, The Republic of Korea	None	3,631	-
Kyungshin Corporation	98, Gaetbeoi-Ro, Yeonsu-Gu, Incheon, Republic of Korea	None	507	897
			146,907	241,895

32.3 This includes charge of Rs. 54.96 million (2022: Rs. 42.56 million) in respect of defined contribution plan.

33. Distribution and selling expenses

	Note	2023	2022
		--------(Rupees in '000)--------	
Salaries and benefits	33.1	133,211	120,214
Vehicle running expense		19,592	10,338
Utilities		960	836
Insurance		6,134	1,613
Rent, rates and taxes		5,094	1,910
Communication		3,178	2,772
Advertisement and publicity		7,457	9,683
Travelling and conveyance		25,720	10,991
Entertainment		1,328	1,139
Printing and stationery		559	524
Computer accessories		608	1,094
Research and development		184	47
Depreciation on operating fixed assets	7.2	5,717	5,959
Amortisation on intangible assets	8.1	216	225
Repairs and maintenance		1,252	377
Export expenses		40,698	51,071
Freight expenses		429,346	349,090
Provision for warranty obligations	27.3	95,490	161,198
Ijarah rentals		1,615	3,389
Others		3,066	1,709
		781,425	734,179

33.1 This includes charge of Rs. 5.74 million (2022: Rs. 4.44 million) in respect of defined contribution plan.

34. Administrative expenses

	Note	2023	2022
		--------(Rupees in '000)--------	
Salaries and benefits	34.1	574,728	518,944
Vehicle running expense		32,934	20,420
Printing and stationery		3,719	4,543
Rent, rates and taxes		5,682	5,941
Utilities		10,684	8,667
Insurance		5,952	2,678
Entertainment		3,445	1,058
Subscription		3,322	1,834
Communication		6,946	4,925
Advertisement and publicity		1,212	3,146
Repairs and maintenance		15,041	8,989
Travelling and conveyance		14,847	11,315
Legal and professional advisory services		276,371	231,657
Computer accessories		13,148	9,600
Auditors' remuneration	34.2	8,895	6,180
Depreciation on operating fixed assets	7.2	59,607	64,971
Amortisation on intangible assets	8.1	4,620	5,481
Depreciation on investment property	9	4	5
Ijarah rentals		2,393	9,890
Charity and donations	34.3 & 34.4	59,455	59,249
Directors' fee and meeting expenses		2,560	2,090
Others		1,453	3,801
		1,107,018	985,384

34.1 This includes charge of Rs. 19.99 million (2022: Rs. 19.57 million) in respect of defined contribution plan.

Downloaded from: https://OpenDoors.Pk

		2023	2022
34.2	Auditors' remuneration	--------(Rupees in '000)--------	
	Audit fee	2,826	2,750
	Half-yearly review	484	404
	Taxation services	2,978	1,236
	Other certification	1,765	1,111
	Out of pocket expenses	842	679
		8,895	6,180

34.3 Charity and donations

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

Name of donee	Address of donee	Name of directors/ spouse	2023	2022
			--------(Rupees in '000)--------	
Mohamedali Habib Welfare Trust	2nd Floor, House of Habib, 3 Jinnah Co-operative Housing Society, Block 7/8, Shahrah-e-Faisal, Karachi	Mr. Rafiq M. Habib - Trustee	7,545	14,090
Habib Education Trust	4th floor, United Bank building I.I. Chundrigar Road, Karachi	Mr. Mohamedali R. Habib - Trustee	7,000	4,000
Habib University Foundation	147, Block 7&8, Bangalore Cooperative Housing Society, Tipu Sultan Road, Karachi	Mr. Rafiq M. Habib - Trustee Mr. Mohamedali R. Habib - Trustee	5,000	10,000
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 Haemotology & 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
Karachi Relief Trust	1D 27 Korangi Industrial Area, Sector 16 Korangi, Karachi.	Mr. Khayam Hussain - Trustee	825	-

34.4 There are no donees except donation to Indus Hospital amounting to Rs. 11 million, other than already disclosed in note 34.3 to these unconsolidated financial statements, to whom donations exceed 10% of total donation or Rs. 1 million, whichever is higher.

		Note	2023	2022
35.	**Other charges**		--------(Rupees in '000)--------	
	Workers' profits participation fund	27.7	98,079	229,939
	Workers' welfare fund		42,452	83,064
	Exchange loss		436,648	227,141
	Loss on revaluation of investments classified as FVPL		16,355	6,407
	Allowance for expected credit losses		2,627	-
	Reversal of provision for impairment of property		-	(1,064)
	Charge of provision for impairment of assets classified as held for sale		-	1,021
			596,161	546,508

		Note	2023	2022
36.	**Other income**		-------(Rupees in '000)-------	
	Income from financial assets			
	Dividend income from:			
	Related parties			
	Indus Motor Company Limited		225,185	621,030
	Agriauto Industries Limited		-	12,694
	Habib Insurance Company Limited		3,585	3,585
	Shabbir Tiles and Ceramics Limited		2,341	3,902
	Sindh Engro Coal Mining Company Limited		677,288	-
	Habib Metro Pakistan (Private) Limited		790,829	639,159
			1,699,228	1,280,370
	Others			
	Dynea Pakistan Limited		6,127	4,085
	Habib Sugar Mills Limited		6,534	5,601
	TPL Properties Limited		4,108	-
	Allied Bank Limited		1,636	1,455
	Habib Bank Limited		391	521
	GlaxoSmithKline Pakistan Limited		-	12
	Mutual Funds		194,024	161,591
			212,820	173,265
	Interest on:			
	Loan to subsidiary - TBPK		25,471	30,657
	Deposit accounts		127,837	64,111
	Term deposit receipts		17,492	34,572
	Government treasury bills		28,885	-
			199,685	129,340
	Gain on sale of Government treasury bills		91,642	72,004
	Gain on disposal of investment in mutual funds		29,827	21,207
	Reversal of allowance for expected credit loss		-	1,266
	Reversal of provision for impairment of loan - MHPL	16.2	39,432	37,634
			2,272,634	1,715,086
	Income from non financial assets			
	Gain on disposal of operating fixed assets		76,549	12,925
	Rental income	36.1	3,359	3,189
	Service income	36.2	34,220	32,400
	Scrap sales		68,413	30,526
	Claim from customers		25,496	30,614
	Insurance claim		6,884	7,051
			214,921	116,705
			2,487,555	1,831,791

36.1 Maturity analysis of operating lease payments

	2023	2022
The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:		
Within one year	3,359	3,189

36.2 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.

Downloaded from: https://OpenDoors.Pk

37. Finance costs

	Note	2023	2022
		--------(Rupees in '000)--------	
Interest on:			
Export Refinance Scheme		59,255	15,436
SBP's Refinance Scheme for payment of salaries and wages		523	5,705
SBP's Refinance Scheme for Temporary Economic Relief		104,156	75,383
SBP's Financing Scheme for Renewable Energy		7,016	7,150
Long-term loan		269,075	58,741
Running finance facilities		2,556	5,192
Lease liabilities	25	8,214	9,498
Amortisation of deferred income	26.1	(65,385)	(51,847)
		385,410	125,258
Bank charges and commission		20,041	19,706
		405,451	144,964

38. Taxation

Current	38.1	1,477,942	1,718,593
Prior		(117,504)	(77,006)
		1,360,438	1,641,587
Deferred		(98,766)	26,059
	38.2	1,261,672	1,667,646

38.1 This includes Super Tax on high earning persons, which was levied on the Company vide finance Act 2022 for tax year 2022 and onwards, in addition to corporate tax rate of 29%. The Company together with other parties challenged it for tax year 2022 before the Sindh High Court. Initially, vide interim order, SCP granted stay against super tax chargeability subject to submission of bank guarantee before Nazir. Later SHC vide order dated December 22, 2022, decided the matter in favor of the petitioners being ultra vires to the Constitution of Pakistan.

The FBR challenged the said decision before the SCP who, vide interim order dated February 16, 2023, directed to deposit the super tax at the rate of 4%. Accordingly, complying with the directions of SCP, security of 4% super tax deposited before Nazir of High Court was encashed by FBR.

The case is still pending before the Supreme Court of Pakistan.

38.2 Relationship between income tax expense and accounting profit

	2023	2022
	--------(Rupees in '000)--------	
Profit before taxation	4,012,431	5,924,894
Tax at the rate of 29% (2022: 29%)	1,163,605	1,718,219
Super tax at the rate of 10% (2022: 4%)	401,243	236,996
	1,564,848	1,955,215
Tax effects of:		
Income taxed at reduced rates on dividend and gain on disposal of investments	(281,714)	(213,589)
Income taxed under final tax regime on export sales	(4,593)	(35,156)
Tax effect of inadmissible items	65,236	2,124
Tax credits	(15,147)	(14,488)
Others	(66,958)	(26,460)
	1,261,672	1,667,646
Average effective tax rate	31%	28%

39. Basic and diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2023	2022
	-------(Rupees in '000)-------	
Net profit for the year	2,750,759	4,257,248
	Number of shares in thousands	
Weighted average number of ordinary shares of Rs. 5 each.	81,030	81,030
	----------(Rupees)----------	
Basic and diluted earnings per share	33.95	52.54

40. Cash generated from operations

	Note	2023	2022
		-------(Rupees in '000)-------	
Profit before taxation		4,012,431	5,924,894
Adjustments for non-cash charges and other items:			
Depreciation:			
Right of use assets		21,771	24,187
Others		745,525	651,617
Amortisation		48,830	58,918
Finance costs on:			
Lease liabilities		8,214	9,498
Others		397,237	135,466
Interest income		(191,133)	(129,340)
Gain on revaluation / redemption of investments classified at FVPL		(113,666)	(86,804)
Dividend income		(1,912,048)	(1,453,635)
Charge/(reversal) of allowance for expected credit losses		2,627	(1,266)
Charge for impairment of stock-in-trade and stores and spares		384,713	25,401
Provision for retirement benefits		11,326	7,922
Reversal of provision for impairment of property, plant and equipment		-	(1,064)
Reversal of provision for impairment on loan to MHPL		(39,432)	(37,634)
Charge of provision against non-current assets held for sale		-	1,021
Gain on disposal of operating fixed assets		(76,549)	(12,925)
		(712,585)	(808,638)
		3,299,846	5,116,256
(Increase)/decrease in current assets			
Stores, spares and loose tools		(27,925)	(90,245)
Stock-in-trade		162,523	(2,666,261)
Trade debts		191,405	(593,433)
Loans and advances		(41,475)	(168,432)
Trade deposits and short-term prepayments		(426,578)	(589,452)
Other receivables		49,139	(247,867)
Sales tax refundable		(291,631)	(47,185)
		(384,542)	(4,402,875)
Increase in current liabilities			
Trade and other payables		394,756	1,506,788
		3,310,060	2,220,169

41. Cash and cash equivalents

Cash and bank balances	20	1,151,888	2,557,628
Short term invesments - T-bills	19	1,011,607	-
		2,163,495	2,557,628

Downloaded from: https://OpenDoors.Pk

42. Transactions and balances with related parties

Related parties of the Company comprise of subsidiaries, associates, retirement funds, directors and key management personnel. Related party transactions are placed before the Audit Committee. These transactions are reviewed / recommended by the Audit Committee and approved by the Board on quarterly basis. Details of transactions with related parties, duly approved by the Board, during the year are as under:

		2023	2022
		--------(Rupees in '000)--------	
Relationship	Nature of transactions		
Subsidiaries	Professional services acquired	185,484	168,560
	Purchase of goods	452	-
	Supplies purchased	-	497
	Service fee	32,400	32,400
Associates*	Sale of goods	9,877,011	16,596,215
	Insurance premium	68,301	41,262
	Purchase of assets	20,570	29,609
	Insurance claim received	24,639	12,143
	Rent received	3,359	3,189
	Purchase of goods	3,344	-
Employee benefit plans	Contribution to provident fund	69,370	57,234
	Contribution to retirement benefit fund	11,326	9,352

*During the year, 12,500 number of bonus shares were received from Agriauto Industries Limited.

42.1 Transactions with key management personnel are disclosed in note 43 to the unconsolidated financial statements.

42.2 Receivable from and payable to related parties as at June 30, 2023 are disclosed in the respective notes to the unconsolidated financial statements.

42.3 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 42.3.1)	100%	Professional services acquired
2)	Pakistan Industrial Aids (Private) Limited	Subsidiary (note 42.3.1)	100%	Purchase of goods
3)	Habib Metro Pakistan (Private) Limited	Subsidiary (note 42.3.1)	60%	Dividend received
4)	Makro-Habib Pakistan Limited	Subsidiary (note 42.3.1)	100%	Loan repayment received
5)	Thal Boshoku Pakistan (Private) Limited	Subsidiary (note 42.3.1)	55%	Equity investment/ service fees / mark-up on loan
6)	Thal Power (Private)	Subsidiary (note 42.3.1)	100%	Equity investment
7)	Sindh Engro Coal Mining Company Limited	Associate (note 42.3.1)	11.90%	Dividend received
8)	Indus Motor Company Limited	Associate (note 42.3.1)	6.22%	Sales of goods/ purchase of assets
9)	Shabbir Tiles and Ceramics Limited	Associate (note 42.3.1)	1.30%	Sales and purchases of goods and rent received
10)	Habib Insurance Company Limited	Associate (note 42.3.1)	4.63%	Insurance premium paid and insurance claim received
11)	Agriauto Industries Limited	Associate (note 42.3.1)	7.35%	Bonus shares received
12)	Habib Metropolitan Bank Limited	Common directorship (note 42.3.1)	-	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

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

Downloaded from: https://OpenDoors.Pk

43. Remuneration of Chief Executive, directors and executives

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees in '000)					
Managerial remuneration	79,029	-	377,027	59,495	-	355,910
Bonus	3,470	-	77,686	32,869	-	74,850
Company's contribution to provident fund	3,748	-	30,798	2,818	-	15,374
Company's contribution to retirement benefit fund	-	-	11,387	-	-	7,090
Other perquisites	-	-	7,632	-	-	9,492
	86,247	-	504,530	95,182	-	462,716
Number of persons	1	6	69	1	6	67

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

43.2 During the year, an amount of Rs. 2,560,000 (2022: Rs. 2,090,000) has been paid to non-executive directors, as fee for attending board and other meetings.

44. Plant capacity and actual production

	2023	2022
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	90,000
Alternator (units)	90,000	90,000
Starter (units)	90,000	90,000
Actual production		
Jute (metric tons)	28,149	26,009
Auto air conditioners (units)	32,052	74,106
Wire harness (units)	102,351	224,436
Paper bags (nos. 000s)	188,450	193,408
Woven polypropylene bags (nos. 000s)	70,878	13,402
Alternator (units)	17,221	57,677
Starter (units)	18,198	55,951
Reason for shortfall	Low demand	Low demand

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

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

45. 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.

46. Financial instruments by category

2023	Interest/Mark-up bearing			Non-Interest/Mark-up bearing			Total
	No maturity /on demand	Maturity upto one year	Maturity after one year	No maturity /on demand	Maturity upto one year	Maturity after one year	Subtotal
	(Rupees '000)						
Financial assets							
Fair value through OCI							
Long-term investments	-	-	-	207,299	-	-	207,299
Fair value through profit or loss							
Short-term investments	-	1,655,405	-	2,547,142	-	-	4,202,547
Amortized cost							
Long-term deposits	-	-	-	-	-	35,800	35,800
Trade debts	-	-	-	-	3,635,820	-	3,635,820
Loans and advances	-	-	-	-	2,489	-	2,489
Trade deposits	-	-	-	-	32,702	-	32,702
Interest accrued	-	-	-	-	23,352	-	23,352
Other receivables	-	-	-	-	817,879	-	817,879
Cash and bank balances	669,353	-	-	482,535	-	-	1,151,888
	669,353	1,655,405	-	3,236,976	4,512,242	35,800	10,109,776
Financial liabilities							
Amortized cost							
Long-term deposits and payables	-	-	-	-	-	10,513	10,513
Long-term borrowings	-	256,582	3,533,138	-	-	-	3,789,720
Trade and other payables	-	-	-	-	6,244,608	-	6,244,608
Accrued mark-up	-	-	-	-	75,661	-	75,661
Unclaimed dividend	-	-	-	103,451	-	-	103,451
Unpaid dividend	-	-	-	23,531	-	-	23,531
Lease liabilities	-	25,158	54,652	-	-	-	79,810
Short-term borrowings	-	555,000	-	-	-	-	555,000
	-	836,740	3,587,790	126,982	6,320,269	10,513	6,457,764
	-	-	-	-	-	-	-
	-	836,740	3,587,790	126,982	6,320,269	10,513	6,457,764
Off balance sheet items	-	-	-	-	-	-	-
	-	836,740	3,587,790	126,982	6,320,269	10,513	10,882,294

2022

	Interest/Mark-up bearing			Non-Interest/Mark-up bearing			Total
	No maturity /on demand	Maturity upto one year	Maturity after one year	No maturity /on demand	Maturity upto one year	Maturity after one year	Subtotal	
	---------- (Rupees '000) ----------							
Financial assets								
Fair value through OCI								
Long-term investments	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Fair value through profit or loss								
Short-term investments	-	-	-	1,263,318	-	-	1,263,318	1,263,318
	-	-	-	1,263,318	-	-	1,263,318	1,263,318
Amortized cost								
Long-term loans	-	-	-	-	-	30,730	30,730	30,730
Long-term deposits	-	-	-	-	3,829,852	-	3,829,852	3,829,852
Trade debts	-	275,000	-	-	3,760	-	3,760	3,760
Loans and advances	-	-	-	-	41,749	-	41,749	41,749
Trade deposits	-	-	-	-	33,669	-	33,669	33,669
Interest accrued	-	-	-	-	867,030	-	867,030	867,030
Other receivables	-	-	-	432,250	-	-	432,250	2,557,628
Cash and bank balances	1,016,008	1,109,370	-	1,953,901	4,776,060	30,730	6,760,691	9,161,069
	1,016,008	1,384,370	-	2,400,378	4,776,060	30,730	6,760,691	9,161,069
Financial liabilities								
Amortized cost								
Long-term deposits and payables	-	-	-	-	-	10,513	10,513	10,513
Long-term borrowings	-	81,898	2,272,565	2,354,463	-	-	-	2,354,463
Trade and other payables	-	-	-	-	5,701,348	-	5,701,348	5,701,348
Accrued mark-up	-	-	-	-	24,281	-	24,281	24,281
Unclaimed dividend	-	-	-	97,740	-	-	97,740	97,740
Unpaid dividend	-	-	-	28,150	-	-	28,150	28,150
Lease liabilities	-	20,496	80,088	100,584	-	-	-	100,584
Short-term borrowings	-	597,080	-	597,080	-	-	-	597,080
	-	699,474	2,352,653	3,052,127	125,890	5,725,629	10,513	5,862,032	8,914,159

Downloaded from: https://OpenDoors.Pk

47. 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.

47.1 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:

	2023	2022
	--------(Rupees in '000)--------	
Long-term deposits	35,800	30,730
Trade debts	3,635,820	3,829,852
Loans and advances	2,489	278,760
Trade deposits	1,413,499	1,007,421
Interest accrued	23,352	33,669
Other receivables	806,189	849,704
Short-term investments	4,202,547	1,263,318
Bank balances	1,150,050	2,555,494
	11,269,746	9,848,948

Set out below is the information about the ageing of trade debts and relate credits risk exposure as at the reporting date:

		Past due but not impairment					
	Not overdue	01 to 30 days	31 to 60 days	61 to 90 days	over 90 days	2023 Total	2022 Total
	---------- (Rupees in '000) ----------						
Due from related parties	630,473	-	46,393	-	2,190	679,056	1,110,265
Other parties	2,251,832	325,260	152,414	142,544	166,176	3,038,226	2,798,422
Total	2,882,305	325,260	198,807	142,544	168,366	3,717,282	3,908,687
Expected credit loss	21,435	10,905	8,284	11,727	29,112	81,462	78,835
Expected credit loss effective rate	1%	3%	4%	8%	17%	2%	2%

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

Downloaded from: https://OpenDoors.Pk

The credit quality of Company's bank balances and short term investments in T-Bills 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+
Bank of Punjab	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA

47.2 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.

47.2.1 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.

	2023	2022
	----------(FCY in '000)----------	
USD		
Bank balances	1,197	1,186
Trade receivables	883	1,114
Trade and other payables	(2,559)	(5,154)
	(479)	(2,854)
EUR		
Trade receivables	45	-
Trade payables	-	(391)
JPY		
Trade and other payables	(98,282)	(4,293)
CNY		
Trade and other payables	(1,191)	(84)
AED		
Trade and other payables	(184)	-
GBP		
Trade receviables	32	-
Trade and other payables	(8)	-

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

	2023	2022
	--------- Rs. / FCY ---------	
USD	287.10	206.00
EUR	314.27	215.75
JPY	2.00	1.51
CNY	39.98	30.93
AED	78.72	56.48
GBP	365.40	249.92

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	Effect on equity
	%	----(Rupees in '000) ----	
2023			
	+ 10	(37,328)	(27,490)
	- 10	37,328	27,490
2022			
	+ 10	(68,136)	(49,574)
	- 10	68,136	49,574

47.2.2 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 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 (KIBOR)	Effect on profit before tax
2023		
	+ 100	1,144
	- 100	1,144
2022		
	+ 100	6,939
	- 100	6,939

Downloaded from: https://OpenDoors.Pk

47.2.3 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. 207.299 million. A decrease of 10% in the fair value of these securities would have a negative impact of approximately Rs. 20.729 million on equity. An increase of 10% in the prices of these securities would positively impact equity with the similar amount.

47.2.4 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 46 to these unconsolidated financial statements.

48. 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.

	2023	2022
	--------(Rupees in '000)--------	
The proportion of borrowings to equity at year end was:		
Total borrowings	4,762,800	3,455,782
Total equity	29,605,430	27,229,827
Gearing ratio	16%	13%

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.

49. Changes in liabilities to cash flows arising from financing activities

	2023			
	Dividends	Lease liabilities	Long-term borrowing (including deferred income)	Short-term borrowings
	---------- (Rupees in '000) ----------			
Balance at beginning of the year	125,890	100,584	2,758,118	597,080
Changes from financing cash flows				
Dividend paid during the year	(323,030)	-	-	-
Payments made during the year	-	(28,988)	-	(103,891)
Financing obtained during the year - net	-	-	1,054,487	-
	(323,030)	(28,988)	1,054,487	(103,891)
Other changes				
Dividend declared during the year	324,122	-	-	-
Finance cost during the year	-	8,214	380,770	61,811
Amortization of deferred income	-	-	(65,385)	-
	324,122	8,214	315,385	61,811
Balance at end of the year	126,982	79,810	4,127,990	555,000

	2022			
	Dividends	Lease liabilities	Long-term borrowing (including deferred income)	Short-term borrowings
	---------- (Rupees in '000) ----------			
Balance at beginning of the year	125,498	117,690	321,109	361,000
Changes from financing cash flows				
Dividend paid during the year	(890,937)	-	-	-
Payments made during the year	-	(26,604)	-	-
Financing obtained during the year - net	-	-	2,341,877	215,452
	(890,937)	(26,604)	2,341,877	215,452
Other changes				
Dividend declared during the year	891,329	-	-	-
Finance cost during the year	-	9,498	146,979	20,628
Amortization of deferred income	-	-	(51,847)	-
	891,329	9,498	95,132	20,628
Balance at end of the year	125,890	100,584	2,758,118	597,080

Downloaded from: https://OpenDoors.Pk

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

		2023			
	Note	Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Assets					
Investments carried at fair value through OCI	10	207,299	-	-	207,299
Investments carried at fair value through profit or loss	19	2,547,142	-	-	2,547,142

		2022			
	Note	Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Assets					
Investments carried at fair value through OCI	10	258,333	-	-	258,333
Investments carried at fair value through profit or loss	19	1,263,318	-	-	1,263,318

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.

51. Non-adjusting event after the balance sheet date

The Board of Directors in its meeting held on September 11, 2023 has approved the following:

(i) transfer of Rs. 2,000 million from unappropriated profit to general reserve; and

(ii) payment of cash dividend of Rs. 6.50 per share for the year ended June 30, 2023 for approval of the members at the Annual General Meeting to be held on October 23, 2023.

52. Number of employees

Total number of employees	2023	2022
Total number of Company's employees as at June 30	4,012	5,194
Average number of Company's employees during the year	4,603	4,781

53. General

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

53.2 Figures have been rounded off to the nearest thousands.

54. Date of authorisation for issue

These unconsolidated financial statements were authorized for issue on September 11, 2023 by the Board of Directors of the Company.

Chief Executive | Director | Chief Financial Officer

Downloaded from: https://OpenDoors.Pk

This page was intentionally left blank

Consolidated Financial Statements

Downloaded from: https://OpenDoors.Pk

EY
Building a better working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

Independent Auditors' Report

To the members of Thal Limited

Report on the Audit of Consolidated Financial Statements

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 2023, 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 2023, 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
1. Revenue recognition	
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.	We performed a range of audit procedures in relation to revenue including the following: • 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 in accordance with applicable laws, accounting, and reporting standards. • We obtained an understanding of management's internal controls over the revenue process and tested the effectiveness of those controls for the purposes of our audit, specifically in relation to recognition of revenue and completeness thereof. • 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.
2. Capital expenditure	
The Group incurred significant amount of capital expenditure during the year amounting to Rs. 1,884.94 million. 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. Please refer note 8 to the accompanying consolidated financial statements.	We performed a range of audit procedures in relation to capital expenditure including the following: • 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. • 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.

A member firm of Ernst & Young Global Limited

EY
Building a better working world

A member firm of Ernst & Young Global Limited

Downloaded from: https://OpenDoors.Pk

Building a better working world

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.

A member firm of Ernst & Young Global Limited

Building a better working world

- 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 **Omer Chughtai**.

Chartered Accountants
Place: Karachi
UDIN No.: AR202310120iymKX93kl
Date: 25 September 2023

A member firm of Ernst & Young Global Limited

Downloaded from: https://OpenDoors.Pk

Consolidated Statement of Financial Position

	Note	As at June 30 2023	2022
		--------(Rupees in '000)--------	
Assets			
Non-current assets			
Property, plant and equipment	8	7,638,719	6,659,119
Intangible assets	9	89,689	77,191
Investment properties	10	5,844,542	6,227,839
Long-term investments	11	18,896,467	14,931,971
Long-term deposits and advances	12	285,612	35,455
Long-term prepayments	13	22,501	22,501
		32,777,530	27,954,076
Current assets			
Stores, spares and loose tools	14	236,760	244,143
Stock-in-trade	15	10,159,070	10,808,718
Trade debts	16	3,731,568	3,962,577
Loans and advances	17	337,573	709,261
Trade deposits and short-term prepayments	18	1,496,663	1,147,995
Interest accrued		39,415	23,106
Other receivables	19	925,636	961,858
Short-term investments	20	9,627,973	6,142,676
Sales tax refundable		359,228	-
Cash and bank balances	21	1,900,408	3,057,253
		28,814,294	27,057,587
Total assets		61,591,824	55,011,663
Equity and liabilities			
Share capital and reserves			
Authorised capital			
200,000,000 (2022: 200,000,000) ordinary shares of Rs. 5/- each	22	1,000,000	1,000,000
Issued, subscribed and paid-up capital	22	405,150	405,150
Share deposit money		12	12
Reserves	23	38,559,057	34,532,216
Equity attributable to shareholders of the Holding Company		38,964,219	34,937,378
Non-controlling interest	24	7,031,653	6,656,553
Total equity		45,995,872	41,593,931
Non-current liabilities			
Long-term deposits and payables	25	341,861	339,688
Long-term borrowings	26	3,539,882	2,277,816
Lease liabilities	27	890,300	893,947
Deferred income	28	257,599	332,745
Deferred tax liability	29	664,698	477,952
		5,694,340	4,322,148
Current liabilities			
Trade and other payables	30	6,964,718	6,476,553
Accrued markup	31	99,982	28,046
Unclaimed dividend		103,451	97,740
Unpaid dividend		23,532	28,150
Current portion of long-term borrowings	26	259,030	383,056
Current portion of lease liabilities	27	131,231	122,778
Current portion of deferred income	28	80,671	70,910
Short-term borrowings	32	1,028,815	701,816
Income tax - net	33	1,210,182	1,152,423
Sales tax payable		-	34,112
		9,901,612	9,095,584
Contingencies and commitments	34		
Total equity and liabilities		61,591,824	55,011,663

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

Chief Executive | Director | Chief Financial Officer

Consolidated Statement of Profit or Loss

	Note	For the years ended June 30 2023	2022
		--------(Rupees in '000)--------	
Revenue - net	35	33,132,564	39,816,991
Cost of sales	36	(29,086,535)	(33,338,018)
Gross profit		4,046,029	6,478,973
Distribution and selling expenses	37	(793,225)	(755,647)
Administrative expenses	38	(1,811,271)	(1,609,559)
Other charges	39	(801,778)	(626,741)
		(3,406,274)	(2,991,947)
Other income	40	4,204,458	3,242,805
Operating profit		4,844,213	6,729,831
Finance costs	41	(604,034)	(285,902)
		4,240,179	6,443,929
Share of profit after tax of associates and joint venture	11.1	3,046,668	2,408,372
Profit before taxation		7,286,847	8,852,301
Taxation	42	(2,426,820)	(2,523,872)
Net profit for the year		4,860,027	6,328,429
Attributable to			
Equity holders of the Holding Company		4,407,708	5,810,776
Non-controlling interest		452,319	517,653
		4,860,027	6,328,429
		----------(Rupees)----------	
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	43	54.40	71.71

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

Chief Executive | Director | Chief Financial Officer

Consolidated Statement of Comprehensive Income

	Note	For the years ended June 30 2023	2022
		--------(Rupees in '000)--------	
Net profit for the year		4,860,027	6,328,429
Other comprehensive income			
Item that will not be reclassified to statement of profit or loss in subsequent periods;			
Share of actuarial loss on remeasurement of defined benefit plans of associates - net of tax		(5,711)	(363)
Loss on revaluation on equity investments at fair value through other comprehensive income	11.9	(51,034)	(46,697)
		(56,745)	(47,060)
Total comprehensive income for the year		4,803,282	6,281,369
Attributable to			
Equity holders of the Holding Company		4,350,963	5,763,716
Non-controlling interest		452,319	517,653
		4,803,282	6,281,369

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

Chief Executive | Director | Chief Financial Officer

Downloaded from: https://OpenDoors.Pk

Consolidated Statement of Changes in Equity

	Issued, subscribed and paid-up capital	Share deposit money	Reserves				Non controlling intrest	Total equity
			Capital reserves	General reserves	Unappropr-lated profit	Gain/(loss) on revalua-tion of investment at fair value through other comprehen-sive income		
			--------(Rupees in '000)--------					
Balance as at July 1, 2021	405,150	12	67,929	19,131,874	10,214,613	245,413	6,565,006	36,629,997
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 ended 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	-	-	-	-	5,810,776	-	517,653	6,328,429
Other comprehensive loss	-	-	-	-	(363)	(46,697)	-	(47,060)
Total comprehensive income for the year	-	-	-	-	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

Chief Executive | Director | Chief Financial Officer

Consolidated Statement of Changes in Equity

	Issued, subscribed and paid-up capital	Share deposit money	Reserves				Non-controlling intrest	Total equity
			Capital reserves	General reserves	Unappropr-lated profit	Gain/(loss) on revalua-tion of investment at fair value through other comprehen-sive income		
	----------(Rupees in '000)----------							
Transfer to general reserve	-	-	-	3,649,500	(3,649,500)	-	-	-
Final dividend @ Rs. 2.50/- per share for the year ended June 30, 2022	-	-	-	-	(202,576)	-	-	(202,576)
Interim dividend @ Rs. 1.50/- per share for the year ending June 30, 2023	-	-	-	-	(121,546)	-	-	(121,546)
Subsidiary company								
Final dividend @ Rs. 0.723/- per share for the year ended June 30, 2022	-	-	-	-	-	-	(98,408)	(98,408)
1st Interim dividend @ Rs. 1.044/- per share for the year ending June 30, 2023	-	-	-	-	-	-	(141,969)	(141,969)
2nd Interim dividend @ Rs. 1.062/- per share for the year ending June 30, 2023	-	-	-	-	-	-	(144,535)	(144,535)
3rd Interim dividend @ Rs. 1.046/- per share for the year ended June 30, 2023	-	-	-	-	-	-	(142,307)	(142,307)
	-	-	-	-	(324,122)	-	(527,219)	(851,341)
Net profit for the year	-	-	-	-	4,407,708	-	452,319	4,860,027
Other comprehensive loss	-	-	-	-	(5,711)	(51,034)	-	(56,745)
Total comprehensive income for the year	-	-	-	-	4,401,997	(51,034)	452,319	4,803,282
Issue of share capital	-	-	-	-	-	-	450,000	450,000
Balance as at June 30, 2023	405,150	12	67,929	25,430,375	12,913,071	147,682	7,031,653	45,995,872

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

Chief Executive

Director

Chief Financial Officer

Downloaded from: https://OpenDoors.Pk

Consolidated Statement of Cash Flows

	Note	For the years ended June 30 2023	2022
		--------(Rupees in '000)--------	
Cash flows from operating activities			
Cash generated from operations	44	4,357,263	3,954,159
Finance costs paid		(518,288)	(251,471)
Retirement benefits paid		(8,125)	(5,451)
Income tax paid		(2,131,991)	(1,549,471)
Long-term deposits - net		(3,147)	(10,551)
Net cash generated from operating activities		1,695,712	2,137,215
Cash flows from investing activities			
Addition to property, plant and equipment		(1,884,940)	(2,722,039)
Addition to intangible assets		(62,767)	(13,291)
Addition to investment property		(57,146)	(123,032)
Proceeds from disposal of operating fixed assets		85,284	44,071
Proceeds from disposal of investment property		1,633	-
Long-term advance		(244,837)	-
Long-term investment made during the year		(442,000)	(2,694,046)
Short-term investments during the year - net		(1,732,170)	1,100,022
Dividend income received during the year		1,122,846	1,187,173
Interest income received during the year		506,913	177,668
Net cash used in investing activities		(2,707,184)	(3,043,474)
Cash flows from financing activities			
Principal portion of lease rentals received/(paid)		2,850	(18,307)
Issue of ordinary shares		450,000	-
Short-term borrowings (repaid)/obtained		(42,080)	236,080
SBP's Refinance Facility for Salaries and Wages repaid		(74,678)	(99,571)
SBP's Temporary Economic Refinance Facility obtained		-	1,368,393
SBP's Financing Scheme for Renewable Energy obtained - net		(7,220)	249,279
Long-term loan obtained		1,018,532	926,335
Dividends paid		(850,249)	(1,317,043)
Net cash generated from financing activities		497,155	1,345,166
Net (decrease)/increase in cash and cash equivalents		(514,317)	438,907
Cash and cash equivalents at the beginning of the year		2,952,517	2,513,610
Cash and cash equivalents at the end of the year	45	2,438,200	2,952,517

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

Chief Executive

Director

Chief Financial Officer

Downloaded from: https://OpenDoors.Pk

Notes to the Consolidated Financial Statements

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
			2023 %	2022 %	2023		2022	
					(Rupees in '000)			
Noble Computer Services (Private) Limited	1.2.1	01-07-2005	100	100	185,450	83,521	157,931	32,480
Pakistan Industrial Aids (Private) Limited	1.2.2	27-03-2006	100	100	44,019	432	41,693	1,740
Makro-Habib Pakistan Limited	1.2.3	01-05-2008	100	100	40,518	267,682	78,397	366,854
Habib METRO Pakistan (Private) Limited	1.2.4	16-12-2011	60	60	11,905,426	1,971,688	11,472,016	1,703,875
Thal Boshoku Pakistan (Private) Limited	1.2.5	03-09-2013	55	55	2,284,490	937,997	1,825,182	1,080,758
Thal Power (Private) Limited	1.2.6	03-07-2014	100	100	7,293,750	3,020	4,546,282	1,707
Thal Electrical (Private) Limited	1.2.7	10-04-2019	100	100	76	81	76	81

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 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 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 Supreme Court judgment, the MHPL has dismantled the Store built on the premises and is in the process of removing debris and levelling the ground to bring it in the position in which it was at the time of signing of the sub lease, as per the court order. Once the process of removing the debris and levelling the plot is complete, the premises will be handed over to KDA, the successor of CDGK, in accordance with the directions of the Honorable Supreme Court in consultation with the Board.

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 (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.
- Packaging 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, Sharah-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.

Downloaded from: https://OpenDoors.Pk

- 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)	impairment of financial and non-financial assets	6.25
(d)	net realizable value estimation for inventories	6.8, 6.9, 14 & 15
(e)	allowance for expected credit losses (ECL)	6.25 & 16
(f)	provision for tax and deferred tax	6.7, 29, 33 & 42
(g)	provisions and warranty obligation	6.15 & 30.4
(h)	contingencies	6.22 & 34
(i)	compensated absences of employees	6.16 & 30
(j)	determining the lease term of contracts with extension and termination options;	6.21.3 & 27
(k)	leases - estimating the incremental borrowing rate	6.21.4 & 27

6. Summary of significant accounting policies

6.1 Amendments and improvements to approved accounting standards

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year, except as described below:

Amendments to approved accounting standards
IFRS 3 Reference to the Conceptual Framework (Amendments)
IAS 16 Property, Plant and Equipment: Proceeds Before Intended Use (Amendments)
IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

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
IAS 41 Agriculture – Taxation in Fair value Measurements
IFRS 16 Leases: Lease Incentives

The adoption of the above amendments and improvements 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 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.

Downloaded from: https://OpenDoors.Pk

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 shorter of lease term and the estimated useful lives of the assets.

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 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.

6.6 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:

6.6.1 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 of loss and the Group's other comprehensive income includes its share of the joint venture's other comprehensive income.

6.6.2 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.

6.7 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% of turnover or 17% alternate corporate tax, whichever is higher. The Group had also availed Group tax relief under the provisions of Section 59A and 59B of the Income Tax Ordinance, 2001.

(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.

Downloaded from: https://OpenDoors.Pk

6.8 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 obselete 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.

6.9 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 & 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.

6.10 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.

6.11 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.

6.12 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.

6.13 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.

6.14 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.

6.15 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.

6.16 Compensated absences

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

6.17 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.

6.18 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.

6.19 Unclaimed dividend

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

6.20 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.

Downloaded from: https://OpenDoors.Pk

6.21 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.

6.21.1 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.

6.21.2 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.

6.21.3 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).

6.21.4 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.

6.22 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.

6.23 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 FVPL, 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 Group 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

Downloaded from: https://OpenDoors.Pk

(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 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 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.

6.24 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.

6.25 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 comprehensive income.

Downloaded from: https://OpenDoors.Pk

6.26 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).

6.27 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Group 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.

6.28 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.

6.29 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.

6.30 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.

6.31 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.

6.32 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.

6.33 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.

6.34 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, amendments and improvements to approved accounting standards that are not yet effective

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

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 12	International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalised

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.

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

The Group expects that above standards and amendments to approved accounting standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

8. Property, plant and equipment

	Note	2023	2022
		(Rupees in '000)	
Operating fixed assets	8.1	6,344,228	5,733,689
Capital work-in-progress	8.3	1,294,491	925,430
		7,638,719	6,659,119

8.1 Operating fixed assets

	Cost					Accumulated depreciation				Written down value
	As at July 01, 2022	Additions/ Transfers (8.1.1)	Disposals	As at June 30, 2023	Depreciation rate	As at July 01, 2022	Charge for the year	On disposals	As at June 30, 2023	As at June 30, 2023
	(Rupees in '000)				%	(Rupees in '000)				
Freehold land	22,991	-	-	22,991	-	-	-	-	-	22,991
Right of use asset - lands	194,490	-	-	194,490	1-5	22,132	7,415	-	29,547	164,943
Right of use asset - office premises	159,988	14,502	-	174,490	5-33	61,686	29,270	-	90,956	83,534
Factory building	1,515,761	523,101	-	2,038,862	4-20	402,669	75,034	-	477,703	1,561,159
Non factory building	544,613	14,355	(350)	558,618	5-25	474,967	5,726	(350)	480,343	78,275
Railway sliding	4,216	-	-	4,216	5	1,322	162	-	1,484	2,732
Plant and machinery	5,626,593	391,369	(153)	6,017,809	5-25	2,362,874	443,902	(151)	2,806,625	3,211,184
Furniture and fittings	73,355	8,505	(560)	81,300	10-33	56,335	9,833	(560)	65,608	15,692
Vehicles	339,864	124,457	(16,383)	447,938	20-35	97,581	43,520	(9,352)	131,749	316,189
Office and mills equipment	564,128	183,371	(2,587)	744,912	10-33	214,850	95,837	(2,574)	308,113	436,799
Computer equipment	271,334	28,613	(9,690)	290,257	20-33	178,966	47,886	(9,406)	217,446	72,811
Jigs and fixtures (note 8.1.3)	853,157	202,920	-	1,056,077	10-33	599,662	133,278	-	732,940	323,137
Capital stores and spares	41,288	24,686	-	65,974	20	5,045	6,147	-	11,192	54,782
	10,211,778	1,515,879	(29,723)	11,697,934		4,478,089	898,010	(22,393)	5,353,706	6,344,228

	Cost					Accumulated depreciation/Impairment				Written down value
	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	As at June 30, 2022
	(Rupees in '000)				%	(Rupees in '000)				
Freehold land	22,991	-	-	22,991	-	-	-	-	-	22,991
Right of use asset - lands	194,490	-	-	194,490	1-5	14,737	7,395	-	22,132	172,358
Right of use asset - office premises	155,096	4,892	-	159,988	5-20	28,979	32,707	-	61,686	98,302
Factory building	1,226,204	289,557	-	1,515,761	5-20	341,428	61,241	-	402,669	1,113,092
Non factory building	541,393	3,220	-	544,613	5-20	468,825	6,142	-	474,967	69,646
Railway sliding	4,216	-	-	4,216	5	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	10-33	41,087	16,095	(847)	56,335	17,020
Vehicles	229,222	149,403	(38,761)	339,864	20	60,981	48,174	(11,574)	97,581	242,283
Office and mills equipment	310,387	258,140	(4,399)	564,128	10-33	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	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	20	346	4,699	-	5,045	36,243
	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

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 nil (2022: Rs. 14.686 million). In 2022, 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 nil (2022: Rs. 13.621 million).

8.1.3 Jigs and fixtures include moulds having written down value of Rs. 3.007 million (2022: Rs. 201.073 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. 983.29 million (2022: Rs. 1,170.183 million) which have been fully depreciated. Out of these, fixed assets having an aggregate cost of Rs. 529.946 million (2022: Rs. 529.946 million) are retired from active use and are not classified as held for sale.

Downloaded from: https://OpenDoors.Pk

Downloaded from: https://OpenDoors.Pk

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 & 11.8). The amount of charge over these fixed assets is Rs. 11,704.246 million (2022: Rs. 11,704.246 million).

	2023 Written down value	2022 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);	118,349	63,590
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	402,782	290,152
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.	83,444	91,837
	604,575	445,579
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);	400,516	222,108
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);	1,079,169	1,357,941
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	358,925	328,886
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.	131,566	183,941
	1,970,176	2,092,87

8.1.6 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:

	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain/ (loss) on disposal	Mode of disposal	Particulars of buyers
	---------- (Rupees in '000) ----------						
Non factory building							
Items having book value upto Rs. 500,000	350	350	-	74,000	74,000		
Plant & machinery							
Items having book value upto Rs. 500,000	153	151	2	110	108		
Furniture and fittings							
Items having book value upto Rs. 500,000	560	560	-	91	91		
Vehicles							
Toyota Corolla X Grande 1.8	4,005	1,202	2,803	3,239	436	Employee's car scheme	Mr. Shahid Saleem - Employee
Toyota Camry	4,834	3,406	1,428	1,692	264	Employee's car scheme	Mr.Parvez Ghias -Employee
Toyota Corolla Altis 1.8	2,394	1,699	695	838	143	Employee's car scheme	Mr.Salman Burney -Employee
Toyota Corolla Altis 1.6	2,579	1,589	990	1,266	276	Employee's car scheme	Ms.Roshan B. Mehri -Employee
Items having book value upto Rs. 500,000	2,571	1,456	1,115	2,087	972		
	16,383	9,352	7,031	9,122	2,091		
Office and mills equipment							
Items having book value upto Rs. 500,000	2,587	2,574	13	572	559		
Computer equipment							
Items having book value upto Rs. 500,000	9,690	9,406	284	1,389	1,105		
Jigs and fixtures							
Items having book value upto Rs. 500,000	-	-	-	-	-		
2023	29,723	22,393	7,330	85,284	77,954		
2022	78,274	50,633	27,641	44,071	16,430		

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

	Note	2023	2022
		--------(Rupees in '000)--------	
Cost of sales	36	822,678	723,964
Distribution and selling expenses	37	5,720	5,965
Administrative expenses	38	69,612	76,842
		898,010	806,771

Downloaded from: https://OpenDoors.Pk

8.3 Capital work-in-progress

	Opening balance	Additions during the year	Transfers to operating fixed assets	Closing balance
	(Rupees in '000)			
Civil works	459,123	73,446	(520,746)	11,823
Plant and machinery	373,345	731,907	(382,199)	723,053
Furniture and fittings	-	7,944	(6,087)	1,857
Vehicles	27,647	66,058	(92,705)	1,000
Office and mills equipment	3,698	121,057	(123,538)	1,217
Computer equipment	8,796	12,591	(21,387)	-
Jigs and fixtures	52,821	609,277	(106,557)	555,541
2023	925,430	1,622,280	(1,253,219)	1,294,491
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	631,767	2,383,907	(2,090,244)	925,430

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

Locations	2023 Land Area (square yards)	2023 Building Covered Area (square feet)	2022 Land Area (square yards)	2022 Building Covered Area (square feet)
	(in '000)			
1) Thal Limited (Jute Division), D.G. Khan Road,Muzaffargarh, Punjab	862	697	862	697
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) Plot # SP-6, N.W.I.Z/I/P-133 C, North Western Industrial Zone, Port Qasim Authority, Karachi.	22	193	22	193
6) Survey No. 148/1, Abyssinia Lines, Mubarak Shaheed Rd. Saddar , Karachi, Sindh.	24	216	24	216
7) Plot # 35, 36, 37, 38, 39, 39A, 40, 40A, 41, 42, 69, 69A, 70 and 71, Zila Moza Pathra, Hub, Balochistan	92	329	92	329
8) Plot C-49-58, Sector C, Hub Industrial Area, Hub, Balochistan	6	12	6	12
9) Plot # 38, Road # 3, Industrial Estate, Gadoon Amazai, Swabi, Khyber Pakhtunkhwa.	19	40	19	40

9. Intangible asests

	Note	Cost: Opening balance	Cost: Additions	Cost: Transfers/ Disposals	Cost: Closing balance	Amortisation rate	Accumulated amortisation: Opening balance	Accumulated amortisation: Charge for the year	Accumulated amortisation: Transfers/ Disposals	Accumulated amortisation: Closing balance	Written down value: As at June 30
		(Rupees in '000)				%	(Rupees in '000)				
Softwares		25,324	493	-	25,817	33	23,895	1,071	-	24,966	851
Licenses											
- Software		85,935	5,857	-	91,792	33	66,395	9,431	-	75,826	15,966
- Product	9.2	175,385	56,406	-	231,791	20-33	119,163	39,757	-	158,920	72,871
2023		286,644	62,756	-	349,400		209,453	50,258	-	259,711	89,689
2022		273,389	13,295	(40)	286,644		147,231	62,258	(36)	209,453	77,191

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

	Note	2023	2022
		(Rupees in '000)	
Cost of sales	36	45,326	56,124
Distribution and selling expenses	37	217	225
Administrative expenses	38	4,715	5,909
		50,258	62,258

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. 122.787 million (2022: Rs. 54.052 million) which are fully amortised and still in use of the Group.

10. Invesment properties

	Note	2023	2022
		(Rupees in '000)	
Land and building	10.1	5,843,569	6,122,045
Capital work-in-progress	10.2	973	105,794
		5,844,542	6,227,839

10.1 Land and building

	Cost					Accumulated amortisation				Written down value
	Opening balance	Additions/ subsequent expenditure	Disposals	Closing balance	Depreciation rate	Opening balance	Charge for the year	Disposals	Closing balance	As at June 30
	(Rupees in '000)				%	(Rupees in '000)				
Freehold										
Land	974,504	-	-	974,504	-	-	-	-	-	974,504
Building and related improvements	1,697,302	262	-	1,697,564	2.5 - 16	604,664	57,557	-	662,221	1,035,343
Equipment	216,899	563	-	217,462	6.6 - 20	125,802	11,986	-	137,788	79,674
Leasehold										
Land	1,657,588	-	-	1,657,588	2.17 - 3.33	586,960	48,498	-	635,458	1,022,130
Right of ase assets - land	510,357	-	-	510,357	2 - 10	84,425	29,208	-	113,633	396,724
Building and related improvements	3,821,958	82,686	-	3,904,644	2.5 - 16	1,560,176	194,462	-	1,754,638	2,150,006
Equipment	590,146	7,293	(29,876)	567,563	6.6 - 20	384,682	25,936	(28,243)	382,375	185,188
2023	9,468,754	90,804	(29,876)	9,529,682		3,346,709	367,647	(28,243)	3,686,113	5,843,569
2022	9,225,858	242,896	-	9,468,754		2,978,363	368,346	-	3,346,709	6,122,045

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, 2023 which amounts to Rs. 0.140 billion (2022: Rs. 0.136 billion) and Rs. 21.015 billion (2022: Rs. 21.015 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. Latest valuation was carried out by the Group on June 30, 2023.

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 7 months, with escalation clause upon renewal of contract based on mutual agreement. The rental income from investment property is disclosed in note 40 to these consolidated financial statements.

10.1.3 The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. Further, there is no material direct operating cost in relation to the said property.

10.1.4 Investment property include items having an aggregate cost of Rs. 166.68 million (2022: Rs. 26.081 million) which have been fully depreciated and are still in use of the Group.

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

	Location	2023 Land Area (square yards)	2023 Building Covered Area (square feet)	2022 Land Area (square yards)	2022 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, Sharah-e-Faisal, Karachi, Sindh.	40	384	40	384
10)	D-22, Manghopir Road, S.I.T.E, Karachi, Sindh.	36	158	36	158

10.1.6 The depreciation charge for the year on investment properties are attributable entirely to administrative expenses. (note 38).

10.2 Capital work-in-progress

	Note	2023	2022
		(Rupees in '000)	
Opening balance		105,794	225,658
Capital expenditure during the year		62,799	158,238
Transfers to investment property		(90,804)	(242,896)
Impairment	39	(71,163)	-
Advances against capital assets		(5,653)	(35,206)
		973	105,794

10.2.1 Commitments in respect of capital work-in-progress amounts to Rs. 0.396 million (2022: Rs. 31.250 million).

Downloaded from: https://OpenDoors.Pk

Downloaded from: https://OpenDoors.Pk

11. Long-term investments

	Note	2023 Holding %	2023 Rupees in '000	2022 Holding %	2022 Rupees in '000
Investment in associates - stated as per equity method					
Quoted associates	11.2				
Indus Motor Company Limited					
Opening balance			3,102,208		2,740,771
Share of profit after tax			601,260		983,091
Share of other comprehensive (loss)/income			-		(624)
Dividend received during the year			(225,185)		(621,030)
Closing balance		6.22	3,478,283	6.22	3,102,208
[Market value Rs. 4,612.444 million (2022: Rs. 5,596.165 million)]					
Habib Insurance Company Limited					
Opening balance			54,871		60,045
Share of profit after tax			6,374		3,122
Share of other comprehensive loss			(5,711)		(4,711)
Dividend received during the year			(3,585)		(3,585)
Closing balance		4.63	51,949	4.63	54,871
[Market value Rs. 27.989 million (2022: Rs. 36.993 million)]					
Agriauto Industries Limited					
Opening balance			446,841		405,409
Share of (loss)/profit after tax			(12,729)		54,126
Dividend received during the year			-		(12,694)
Closing balance		7.35	434,112	7.35	446,841
[Market value Rs. 164.091 million (2022: Rs. 283.490 million)]					
Shabbir Tiles & Ceramics Limited					
Opening balance			42,451		31,397
Share of (loss)/profit after tax			(280)		14,956
Dividend received during the year			(2,341)		(3,902)
Closing balance	11.3	1.30	39,830	1.30	42,451
[Market value Rs. 25.971 million (2022: Rs. 45.668 million)]					
			4,004,174		3,646,371
Un-quoted associates					
Sindh Engro Coal Mining Company Limited (SECMC)	11.6				
Opening balance			6,920,828		5,271,269
Investment made during the year			-		293,068
Share of profit after tax			1,205,711		1,356,491
Dividend received during the year			(677,288)		-
Closing balance		11.90	7,449,251	11.90	6,920,828
[Adjusted net assets Rs. 7,155.673 million (2022: Rs. 6,901.946 million)]			11,453,425		10,567,199

Joint ventures	Note	2023 Holding %	2023 Rupees in '000	2022 Holding %	2022 Rupees in '000
ThalNova Power Thar (Private) Limited	11.7 & 11.8				
Opening balance			4,106,439		1,708,875
Investment made during the year			442,000		918,908
Advance against issue of shares			1,440,972		1,482,070
Share of profit/(loss) after tax			1,246,332		(3,414)
Closing balance		26	7,235,743	26	4,106,439
[Adjusted net assets Rs. 7,241.147 million (2022: Rs. 4,116.382 million)]					
Total of associates and joint venture			18,689,168		14,673,638
Listed shares - at fair value through other comprehensive income					
Habib Sugar Mills Limited			61,608		59,741
GlaxoSmithKline (Pakistan) Limited			127		210
GlaxoSmithKline Healthcare (Pakistan) Limited			71		120
Dynea Pakistan Limited			102,949		142,123
Allied Bank Limited			12,182		12,546
Habib Bank Limited			4,769		5,948
TPL Properties Limited			25,593		37,645
	11.9		207,299		258,333
Total			18,896,467		14,931,971

11.1 Share of profit after tax of associates and joint venture

	Note	2023	2022
		--------(Rupees in '000)--------	
Associates			
Indus Motor Company Limited		601,260	983,091
Habib Insurance Company Limited		6,374	3,122
Agriauto Industries Limited		(12,729)	54,126
Shabbir Tiles and Ceramics Limited	11.3	(280)	14,956
Sindh Engro Coal Mining Company Limited	11.6	1,205,711	1,356,491
		1,800,336	2,411,786
Joint venture			
ThalNova Power Thar (Private) Limited	11.7 & 11.8	1,246,332	(3,414)
		3,046,668	2,408,372

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, 2023

Downloaded from: https://OpenDoors.Pk

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

	Agriauto Industries Limited		Shabbir Tiles and Ceramics Limited		Sindh Engro Coal Mining Company Limited		ThalNova Power Thar (Private) Limited	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in '000)							
Revenue	8,314,517	15,397,684	10,497,831	11,192,543	82,569,925	47,072,709	22,522,972	-
Profit/(loss) after taxation	(173,280)	736,821	2,123,938	1,146,722	10,132,028	11,399,078	4,793,581	(13,127)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	(173,280)	736,821	2,123,938	1,146,722	10,132,028	11,399,078	4,793,581	(13,127)
Cash and cash equivalents	42,145	(859,041)	522,834	553,224	44,511,836	41,761,032	2,944,290	1,657,560
Non-current assets	4,362,168	2,936,929	3,948,343	3,642,686	94,630,990	94,849,966	108,811,338	66,702,132
Current assets	4,767,337	6,589,176	4,148,065	3,776,095	130,397,398	84,904,414	30,640,453	4,589,606
Total assets	9,129,505	9,526,105	8,096,408	7,418,781	225,028,388	179,754,380	139,451,791	71,291,738
Less:								
Non-current liabilities	(658,221)	(167,441)	(997,588)	(726,866)	(78,269,333)	(66,979,183)	(72,911,740)	(51,951,133)
Current liabilities	(2,309,539)	(3,023,639)	(4,489,448)	(3,881,604)	(85,380,991)	(53,529,295)	(38,661,222)	(4,035,563)
Total liabilities	(2,967,760)	(3,191,080)	(5,487,036)	(4,608,470)	(163,650,324)	(120,508,478)	(111,572,962)	(55,986,696)
Net assets	6,161,745	6,335,025	2,609,372	2,810,311	61,378,064	59,245,902	27,878,829	15,305,042
Less: Preference shares	-	-	-	-	(1,246,356)	(1,246,356)	-	-
Add/Less: Advance against shares not in proportion to shareholding	-	-	-	-	-	-	(28,264)	527,198
Adjusted net assets	6,161,745	6,335,025	2,609,372	2,810,311	60,131,708	57,999,546	27,850,565	15,832,240
Group's share in net assets (%)	7.35%	7.35%	1.30%	1.30%	11.90%	11.90%	26.00%	26.00%
Share in net assets	452,888	465,624	33,922	36,534	7,155,673	6,901,946	7,241,147	4,116,382
Others	(18,776)	(18,783)	5,908	5,917	293,578	18,882	(5,404)	(9,943)
Carrying amount	434,112	446,841	39,830	42,451	7,449,251	6,920,828	7,235,743	4,106,439

	Indus Motor Company Limited		Habib Insurance Company Limited	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in '000)			
Revenue	177,710,637	275,505,778	1,435,752	986,144
Profit/(loss) after taxation	9,664,429	15,801,848	37,659	67,435
Other comprehensive income/(loss)	-	(10,037)	(123,355)	(101,740)
Total comprehensive income/(loss)	9,664,429	15,791,811	(85,696)	(34,305)
Cash and cash equivalents	24,806,124	92,396,887	(80,728)	71,585
Non-current assets	24,584,162	23,833,764		
Current assets	98,180,149	190,131,590	4,145,830	3,992,085
Total assets	122,764,311	213,965,354	4,145,830	3,992,085
Less:				
Non-current liabilities	(553,698)	(280,837)		
Current liabilities	(62,140,701)	(159,673,441)		
Total liabilities	(62,694,399)	(159,954,278)	(3,044,194)	(2,632,523)
Net assets	60,069,912	54,011,076	1,101,636	1,359,562
Less: Preference shares	-	-	-	-
Add/Less: Advance against shares not in proportion to shareholding	-	-	-	-
Adjusted net assets	60,069,912	54,011,076	1,101,636	1,359,562
Group's share in net assets (%)	6.22%	6.22%	4.63%	4.63%
Share in net assets	3,736,349	3,359,489	51,006	62,948
Others	(258,066)	(257,281)	943	(8,077)
Carrying amount	3,478,283	3,102,208	51,949	54,871

		Note	2023	2022
			(Rupees in '000)	
11.5	Share in contingent liabilities of associated companies		929,859	904,251
	Share in commitments of associated companies		3,552,810	7,159,938

11.6 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 Group invested a total of USD 23.1 million in PKR equivalent to develop a cumulative mine capacity of 7.6 million tons per annum. Phase I of the Project achieved commercial operations in July 2019 and Phase II achieved commercial operation in September 2022. As of the statement of financial position 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.

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 (2022: 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% (2022: 26%) equity interest in TNTPL comprising 459,076,773 shares (2022: 266,669,867 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. 6,031.740 million in TNTPL acquiring 459,076,773 ordinary shares having face value of Rs. 10 each out of which Rs. 1,440.972 million is advance against issue of 144,097,200 shares. During the year, the Group invested Rs. 1,882.972 million in TNTPL. TNTPL achieved its financial close and commercial operations on September 30, 2020 and February 17, 2023, respectively. The balance commitment of the investment is USD 0.21 million in PKR equivalent.

In 2021, China Machinery Engineering Corporation (CMEC) was 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.

To secure the Group's commitment as above, a commercial bank has issued a guarantee in favour of the Group amounting to Rs. 177.284 million (2022: Rs. 1,905.147 million).

11.9 The cost of these investments is Rs. 54.648 million (2022: Rs. 54.648 million). The Group recognised loss of Rs. 51.034 million (2022: loss of Rs. 46.697 million) on revaluation of these equity instruments in other comprehensive income.

		Note	2023	2022
12.	**Long-term deposits and advances**		(Rupees in '000)	
	Capital advance		244,837	-
	Security deposits	12.1	24,482	24,004
	Utilities		9,870	9,870
	Others		6,423	1,581
			285,612	35,455

12.1 These are not discounted to present value since the impact is not considered to be material to these consolidated financial statements

Downloaded from: https://OpenDoors.Pk

13. Long-term prepayment

	Note	2023	2022
		--------(Rupees in '000)--------	
Advance rent	13.1	50,671	50,671
Provision against advance rent		(28,170)	(28,170)
		22,501	22,501

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 (2022: Rs. 22.501 million).

14. Stores, spares and loose tools

	Note	2023	2022
		--------(Rupees in '000)--------	
Stores in hand		76,688	65,047
Spares in hand		287,558	266,606
Loose tools		180	124
Less: Provision for obsolescence	14.1 & 14.2	(127,666)	(87,634)
		236,760	244,143

14.1 Movement - provision for obsolescence

Opening balance	87,634	72,601
Charge for the year - net	40,032	15,033
Closing balance	127,666	87,634

14.2 Aggregate cost of stores, spares and loose tools which have been provided for based on obsolescence amount to Rs. 231.157 million (2022: Rs. 144.480 million). Accordingly, net realisable value of such inventory amounts to Rs. 103.49 million (2022: Rs. 56.846 million).

15. Stock-in-trade

	Note	2023	2022
		--------(Rupees in '000)--------	
Raw material			
In hand	15.1	6,818,804	5,819,908
In transit		1,916,341	3,163,083
		8,735,145	8,982,991
Work-in-process		513,289	809,655
Finished goods			
In hand		1,577,501	1,255,532
In transit		-	7
Less: Provision for obsolescence	15.2 & 15.3	(666,865)	(239,467)
		10,159,070	10,808,718

15.1 Raw materials amounting to Rs. 14.452 million (2022: Rs. 11.432 million) are held with the sub-contractors.

15.2 Movement - provision for obsolescence

	2023	2022
	--------(Rupees in '000)--------	
Opening balance	239,467	220,910
Charge for the year - net	427,398	18,557
Closing balance	666,865	239,467

15.3 Aggregate of raw material, work-in-process and finished goods which have been provided for based on obsolescence amount to Rs. 2,119.411 million (2022: Rs. 426.427 million), Rs. 63.236 million (2022: Rs. 15.503 million) and Rs. 96 million (2022: Rs.41.554 million), respectively. Accordingly, net realisable value of such stock-in-trade amounts to Rs. 1,702.981 million (2022: Rs. 248.287 million).

16. Trade debts

	Note	2023	2022
		--------(Rupees in '000)--------	
Considered good	16.1 & 16.2	3,813,095	4,042,882
Allowance for expected credit losses	16.3	(81,527)	(80,305)
		3,731,568	3,962,577

16.1 This includes amount due from the following related parties:

Indus Motor Company Limited	662,950	1,143,381
Agriauto Industries Limited	-	226
Shabbir Tiles and Ceramics Limited	54,962	33,409
	717,912	1,177,016

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

	Note	2023	2022
		--------(Rupees in '000)--------	
Indus Motor Company Limited		1,054,736	1,143,381
Agriauto Industries Limited		111	226
Shabbir Tiles and Ceramics Limited		54,962	33,409

16.3 Movement - allowances for expected credit losses

Opening balance		80,305	83,633
Provision / (reversal) for the year	39	2,692	(1,309)
Bad debts written off during the year		(1,470)	(2,019)
Closing balance		81,527	80,305

17. Loans and advances

Advances - considered good - unsecured		
Suppliers	331,316	295,047
Employees	5,257	8,484
Others	1,000	405,730
	337,573	709,261

18. Trade deposits and short-term prepayments

Trade deposits			
Tender		91,117	154,671
Margin against letter of credit		1,306,336	905,353
Deposit against custom duty		7,182	7,182
Container deposits		24,608	34,567
Others		912	-
	18.1	1,430,155	1,101,773
Short-term prepayments			
Rent		678	2,640
Insurance	18.2	36,557	20,636
Others		29,273	22,946
		66,508	46,222
		1,496,663	1,147,995

18.1 These deposits are interest free.

18.2 This includes prepayments amounting to Rs. 20.585 million (2022: Rs. 7.079 million) paid to Habib Insurance Company Limited, a related party.

Downloaded from: https://OpenDoors.Pk

19. Other receivables

	Note	2023	2022
		--------(Rupees in '000)--------	
Tooling income receivable		18,370	30,852
Duty drawback		11,690	17,326
Receivable against WPPF	30.8	-	5,061
Custom duty reimbursable	19.1 & 30.3	892,813	892,813
Others	19.2 & 19.3	2,763	15,806
		925,636	961,858

19.1 Includes additional custom duty receivable from Indus Motor Company Limited amounting to Rs. 815.508 million. The maximum aggregate amount at the end of any month during the year is Rs. 815.508 million.

19.2 This includes receivable from the following related parties:

	2023	2022
	--------(Rupees in '000)--------	
Indus Motor Company Limited	106,454	5,310
Agriautos Industries Limited	29	2,058
Shabbir Tiles and Ceramics Limited	435	435
Habib Metropolitan Bank Limited	651	-
	107,569	7,803

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

Indus Motor Company Limited	108,665	5,310
Agriautos Industries Limited	665	2,058
Shabbir Tiles and Ceramics Limited	799	435
Habib Metropolitan Bank Limited	1,980	-

20. Short-term investments

	Note	2023	2022
		--------(Rupees in '000)--------	
Amortised cost			
Treasury Bills (T-bills)	20.1	3,011,491	741,340
At fair value through profit or loss			
Term Finance Certificates (TFCs)	20.2	238,325	237,500
Mutual funds			
ABL Cash Fund		769,572	118,406
Alfalah GHP Income Fund		4,888	4,306
Alfalah GHP Money Market Fund		761,364	641,597
Meezan Rozana Amdani Fund		379,012	297,754
Atlas Money Market Fund		619,039	293,992
Faysal Money Market Fund		48,884	69,367
HBL Cash Fund	20.3	988,837	884,575
MCB Cash Management Optimizer Fund		768,280	1,086,239
NBP Money Market Fund		778,080	1,062,474
NIT Money Market Fund		483,313	94,461
UBL Liquidity Plus Fund		776,888	610,665
		6,378,157	5,163,836
		9,627,973	6,142,676

20.1 These carry profit yield ranging from 13.25% to 21.99% (2022: 8% to 14.25%) per annum and will mature latest by June 27, 2024.

20.2 This represents participation in private placement of TFCs carrying interest at the rate of 3-months 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. 384.073 million (2022: Rs. 166.374 million) are under lien as margin for security against State Bank of Pakistan's (SBP) Temporary Economic Refinance Facility and SBP's Refinance Facility for Renewable Energy from various commercial bank.

21. Cash and bank balances

	Note	2023	2022
		--------(Rupees in '000)--------	
Cash in hand		2,475	2,184
Bank balances in:			
Current accounts		484,384	481,023
Term deposit receipts (TDRs)	21.1	77,227	1,146,597
Savings accounts	21.2 & 21.3	1,336,322	1,427,449
		1,897,933	3,055,069
		1,900,408	3,057,253

21.1 These carry interest at rates ranging from 14.75% to 18.75% (2022: 5.75% to 20%) per annum having maturity latest by July 27, 2023. This includes amount of Rs. 2.227 miliion (2022: Rs. 2.227 million) provided as security against guarantee in favour of Sui Southern Gas Company Limited.

21.2 These carry interest at rates ranging from 11.25% to 19.5% (2022: 5.5% to 14.5%) per annum.

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

22. Share capital

22.1 Authorized capital

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

22.2 Issued, subscribed and paid-up capital

2023	2022		2023	2022
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

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

23. Reserves

	2023	2022
Capital reserves		
Reserve on merger of former Pakistan Jute and Synthetics Limited and former Thal Jute Mills Limited	13,240	13,240
Premium on issue of share capital	12,225	12,225
Reserve on merger of former Pakistan Paper Sack Corporation Limited and former Khyber Papers (Private) Limited	42,464	42,464
	67,929	67,929
Revenue reserves		
General reserve	25,430,375	21,780,875
Unappropriated profit	12,913,071	12,484,696
	38,343,446	34,265,571
Gain on revaluation of investments held at fair value through OCI	147,682	198,716
	38,559,057	34,532,216

Downloaded from: https://OpenDoors.Pk

24. Non-controlling interest

	Note	2023	2022
		--------(Rupees in '000)--------	
Habib Metro Pakistan (Private) Limited		6,313,072	6,234,944
Thal Boshoku Pakistan (Private) Limited		718,581	421,609
		7,031,653	6,656,553

25. Long-term deposits and payables

		Note	2023	2022
Deposits with:	- Related party	25.1	291,808	291,807
	- Others		41,003	38,831
		25.2	332,811	330,638
Payable in respect of Gas Infrastructure Development Cess			14,545	14,545
Less: Current maturity			(5,495)	(5,495)
			9,050	9,050
			341,861	339,688

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

	2023	2022
Indus Motor Company Limited	326	326
Shabbir Tiles and Ceramics Limited	1,975	1,974
Metro Pakistan (Private) Limited	289,507	289,507
	291,808	291,807

25.2 These deposits are utilisable as per agreement with customers. During the year, the Group invested an amount of Rs. 59.901 million (2022: Rs. 23.005 million) in T-bills from these deposits.

26. Long-term borrowings

	Note	2023	2022
		--------(Rupees in '000)--------	
Secured			
SBP's Temporary Economic Refinance Facility	26.1	1,467,674	1,467,674
Less: Deferred income	28	(286,982)	(345,189)
Less: Current portion		(136,780)	-
		1,043,912	1,122,485
SBP's Financing Scheme for Renewable Energy	26.2	289,638	296,858
Less: Deferred income	28	(51,288)	(58,466)
Less: Current portion		(27,911)	(7,220)
		210,439	231,172
Long-term loan	26.3	2,370,678	918,908
Less: Current portion		(91,891)	-
		2,278,787	918,908
Islamic mode of financing	26.4	9,192	7,427
Less: Current portion		(2,448)	(2,176)
		6,744	5,251
		3,539,882	2,277,816

26.1 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 Group has utilised Rs. 1,468 million as at June 30, 2023. The facilities carry interest at rates ranging from of 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 and pledge over mutual fund units.

26.2 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. 290 million as at June 30, 2023 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.

26.3 During the period, the Holding Company obtained further 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 March 2024. The facilities are secured against charge against fixed assets of the Holding Company.

26.4 This represents Diminishing Musharaka Arrangement of Rs. 12.728 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 October 2027.

27. Lease liabilities

	2023	2022
	--------(Rupees in '000)-------	
Opening balance	1,016,725	1,026,117
Re-assessment of lease liabilities	14,502	4,892
Accretion of interest	125,226	123,699
Less: Lease rentals paid	(134,922)	(137,983)
Balance at the end of the year	1,021,531	1,016,725
Less: Current portion	(131,231)	(122,778)
Long-term lease liabilities	890,300	893,947

27.1 During the year, the subsidiary company (Noble Computer Services Private Limited) has reassessed the lease term of certain leased properties that includes two office spaces. As a result, the lease liabilities and corresponding right-of-use assets have increased by Rs. 14.502 million.

28. Deferred income

	Note	2023	2022
		--------(Rupees in '000)--------	
Deferred income	28.1 & 28.2	338,270	403,655
Less: Current portion		(80,671)	(70,910)
		257,599	332,745

28.1 Movement-deferred income

		2023	2022
Opening balance		403,655	26,703
Recognition of deferred income during the year		-	428,799
Amortisation during the year	41	(65,385)	(51,847)
Closing balance		338,270	403,655

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 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.

29. Deferred tax liability - net

	Note	2023	2022
		--------(Rupees in '000)--------	
Taxable temporary differences arising:			
Accelerated depreciation		528,705	423,086
Investment in associates and joint venture		1,058,508	735,883
		1,587,213	1,158,969
Deductible temporary differences arising on:			
Provisions		(792,554)	(566,635)
Lease liabilities		(31,125)	(33,193)
Unused tax losses carried forward		(11,486)	(32,323)
Unused tax credit carried forward		-	(38,962)
Unrealized loss on investments classified as FVPL		(87,350)	(9,904)
		(922,515)	(681,017)
		664,698	477,952

Downloaded from: https://OpenDoors.Pk

30. Trade and other payables

	Note	2023	2022
		--------(Rupees in '000)--------	
Creditors	30.1	2,358,567	2,225,827
Accrued liabilities and levies	30.2	2,355,280	1,917,658
Additional custom duty	30.3	866,498	863,840
Salaries payable		19,117	22,150
Warranty obligations	30.4	908,897	823,154
Advance from customer (Contract liabilities)	30.5	43,126	141,092
Royalty payable	30.6	144,731	144,463
Payable to provident fund		935	1,331
Payable to retirement benefit fund		17,382	14,181
Security deposits		1,616	10,715
Other liabilities	30.7	248,569	312,142
		6,964,718	6,476,553

30.1 This includes amounts due to related parties:

	2023	2022
Habib Insurance Company Limited	3,177	2,513
Indus Motor Company Limited	14,413	-
METRO Pakistan (Private) Limited	14,125	9,944
Agriauto Stamping (Private) Limited	1,642	-
Auvitronics Limited	-	3,324
	33,357	15,781

30.2 This includes amounts due to the following related party:

	2023	2022
Habib Insurance Company Limited	1,311	1,204
METRO Pakistan (Private) Limited	-	9,434
	1,311	10,638

30.3 In 2021, 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. 74.660 million (2022: Rs. 92.397 million).

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

30.4 Warranty obligations

	Note	2023	2022
		--------(Rupees in '000)--------	
Opening balance		823,154	670,297
Charge for the year	37	100,082	171,740
Claims paid during the year		(14,339)	(18,883)
Closing balance		908,897	823,154

30.5 Revenue recognised during the year that was included in contract liabilities balance at the beginning of the year amounts to Rs. 141.092 million (2022: Rs. 28.711 million).

30.6 Royalty payable

	Note	2023	2022
		--------(Rupees in '000)--------	
Opening balance		144,463	106,636
Charge for the year	36	159,387	268,155
Paid during the year		(159,119)	(230,328)
Closing balance		144,731	144,463

30.7 Other liabilities

		2023	2022
		--------(Rupees in '000)--------	
Provision against municipal utility charges	30.7.1	32,801	32,801
Advance from contractor	30.7.2	1,722	49,833
Withholding tax payable		12,379	20,188
Employees old-age benefits institution (EOBI)		82,968	65,060
Workers' profit participation fund	30.8	3,079	-
Workers' welfare fund	30.7.3	53,858	92,502
Licence fee received in advance		-	7,928
Others		61,762	43,830
		248,569	312,142

30.7.1 During the year ended June 30, 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.

30.7.2 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.

30.7.3 During the year ended June 30, 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.

30.8 Workers' profit participation fund (WPPF)

	2023	2022
	--------(Rupees in '000)--------	
Receivable/(payable) to WPPF at the beginning of the year	5,061	(2,942)
Allocation for the current year	(98,079)	(229,939)
	(93,018)	(232,881)
Paid during the year	89,939	237,942
(Payable)/receivable against WPPF at the end of the year	(3,079)	5,061

31. Accrued mark-up

This includes interest due to Toyota Boshoku Asia Corporation Limited, a related party amounting to nil (2022: Rs. 6.123 million)

32. Short-term borrowings

	Note	2023	2022
		--------(Rupees in '000)--------	
Export Refinance Scheme	32.1	555,000	555,000
Export Finance Scheme		-	42,080
Running finance facilities	32.2	473,815	104,736
		1,028,815	701,816

32.1 This represents Export Refinance Facility obtained by the Holding Company from various commercial bank. The total amount of the facility is Rs. 555 million. It carries markup at rates ranging from 16.7% to 17% per annum (2022: 2.35% to 3% per annum) and is payable within 180 days on rollover basis. 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 (2022: Rs. 555 million).

Downloaded from: https://OpenDoors.Pk

32.2 Represents short-term running finance facilities obtained from various commercial banks which carry markup at the rates ranging from 3-month KIBOR plus 0.25%-0.4% to 1-month KIBOR plus 1% per annum (2022: 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 the Group and all plant and machinery of the Group located at factory premises. As at June 30, 2013 the unutilized portion of these facilities amounts to Rs. 221 million (2022: Rs. 494 million).

	Note	2023	2022
33. Income tax - net		--------(Rupees in '000)--------	
Group Tax Relief adjustments	33.1	(684,120)	(684,120)
Group Taxation adjustments		58,266	58,266
Income tax provision less tax payments – net		1,836,036	1,778,277
		1,210,182	1,152,423

33.1 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 June 10, 2011 and July 11, 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. Contingencies and commitments

34.1 Contingencies

34.1.1 The Group Relief tax contingency is disclosed in note 33.1 to these consolidated financial statements.

34.1.2 Officer Inland Revenue ("OIR") initiated the proceedings for monitoring of withholding taxes of MHPL vide show cause notice on April 6, 2016. The exparte under Section 161/205/182(1) of the Income Tax Ordinance, 2001 were passed on April 14, 2016 and tax of Rs. 1.81 billion 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 May 23, 2016 for the tax years 2011 to 2014 maintained the decision of OIR.

MHPL being aggreived with order of the Commissioner Inland Revenue (Appeals), filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which by an order dated June 20, 2016 annulled the orders of OIR and Commissioner Inland Revenue (Appeals) and also deleted the consequential default surcharge and penalty.

Futher, 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.

34.2 Commitments

		Note	2023	2022
			--------(Rupees in '000)--------	
34.2.1	Post dated cheques issued to Collector of Custom and a customer against advance export proceeds		17,071	180,686
34.2.2	Outstanding letters of credit		3,960,911	5,731,152
34.2.3	Letter of guarantees issued by banks on behalf of the Group in respect of financial commitments of the Group.	34.2.9	5,962,030	6,568,639
34.2.4	Corporate guarantee issued to collector of customs		26,560	91,615
34.2.5	Commitments in respect of raw-material		419,806	1,541,047
34.2.6	Commitments in respect of capital expenditure		396	139,742
34.2.7	Commitments for rentals under Ijarah (lease) agreements			
	Within one year		842	11,904
	After one year but not later than five years		1,824	3,305
			2,666	15,209

34.2.8 Commitments in respect of investment are disclosed in note 11 to these consolidated financial statements.

34.2.9 This guarantee is secured by assets disclosed in note 8.1.5 to these consolidated financial statements.

	Note	2023	2022
35. Revenue - net		--------(Rupees in '000)--------	
Export sales	.	2,911,469	2,232,429
Local sales		35,243,983	43,661,882
		38,155,452	45,894,311
Less:			
Sales tax		(5,287,069)	(6,380,410)
Sales discount		(3,196)	(22,962)
		(5,290,265)	(6,403,372)
		32,865,187	39,490,939
Add:			
Service income	35.1	257,031	274,773
Duty drawback		10,346	51,279
		33,132,564	39,816,991

35.1 Service income is presented net of sales tax of Rs. 61.124 million (2022: Rs. 60.293 million).

Downloaded from: https://OpenDoors.Pk

36. Cost of sales

	Note	2023	2022
		--------(Rupees in '000)--------	
Raw material consumed	36.1	23,210,185	28,995,229
Salaries, wages and benefits		3,362,701	2,968,812
Stores and spares consumed		393,796	368,436
Repairs and maintenance		194,500	167,670
Power and fuel		642,713	389,788
Rent, rates and taxes		7,604	7,911
Vehicle running and maintenance		56,737	35,294
Insurance		18,493	20,393
Communication		24,596	21,104
Travelling and conveyance		56,136	39,991
Entertainment		9,567	6,435
Printing and stationery		15,277	15,318
Legal and professional expenses		18,345	20,695
Computer accessories		27,977	22,445
Royalty	36.2	159,387	268,155
Depreciation on operating fixed assets	8.2	822,678	723,964
Amortisation on intangible assets	9.1	45,326	56,124
Research and development		6,840	6,988
Ijarah rentals		979	4,899
Technical assistance fee		347	422
Others		10,071	7,169
		29,084,255	34,147,242
Work-in-process			
Opening		809,655	560,647
Closing		(513,289)	(809,655)
		296,366	(249,008)
Cost of goods manufactured		29,380,621	33,898,234
Finished goods			
Opening stock		1,255,532	635,944
Purchases		27,883	59,372
Closing stock		(1,577,501)	(1,255,532)
		(294,086)	(560,216)
		29,086,535	33,338,018

36.1 Raw material consumed

Opening stock	5,819,908	4,977,029
Purchases	24,209,081	29,838,108
Closing stock	(6,818,804)	(5,819,908)
	23,210,185	28,995,229

36.2 Royalty

Party Name	Registered address	Relationship with directors		
Denso Corporation	448-8661 1-1, Showa-Cho, Kariya-city, Aichi-Pref., Japan	None	66,992	110,103
Furukawa Electric Company Limited	1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan	None	69,749	116,880
Yazaki Corporation	4-28 1-Chome, Mita, Minato-ku Tokyo Japan	None	6,028	14,015
THN	43, Seongseo-ro 71-gil Dalseogu, Daegu, The Republic of Korea	None	3,631	-
Kyungshin Corporation	98, Gaetbeoi-Ro, Yeonsu-Gu, Incheon, Republic of Korea	None	507	897t
Toyota Boshoku Japan Corporation	88, Kanayama, kamekubi-cho Toyotam Aichi, 470-0395 Japan.	None	12,480	26,260
			159,387	268,155

37. Distribution and selling expenses

	Note	2023	2022
		--------(Rupees in '000)--------	
Salaries and benefits		136,212	123,281
Vehicle running expense		19,592	10,344
Utilities		960	836
Insurance		6,171	1,642
Rent, rates and taxes		5,094	1,910
Communication		3,178	2,787
Advertisement and publicity		7,474	9,700
Travelling and conveyance		25,815	11,125
Entertainment		1,328	1,139
Printing and stationery		559	524
Legal and professional		-	-
Computer accessories		608	1,094
Research and development		184	47
Depreciation on operating fixed assets	8.2	5,720	5,965
Amortisation on intangible assets	9.1	217	225
Repairs and maintenance		1,529	516
Export expenses		41,030	51,071
Freight expenses		432,790	356,603
Provision for warranty obligations	30.4	100,082	171,740
Ijarah rentals		1,615	3,389
Others		3,067	1,709
		793,225	755,647

38. Administrative expenses

Salaries and benefits		744,377	676,197
Vehicle running expense		33,867	20,870
Printing and stationery		4,391	5,189
Rent, rates and taxes		51,742	38,570
Utilities		163,380	117,930
Insurance		6,643	3,798
Entertainment		4,631	1,685
Subscription		4,205	2,529
Communication		8,386	5,925
Advertisement and publicity		5,117	6,771
Repairs and maintenance		46,094	37,862
Travelling and conveyance		17,596	14,862
Legal and professional advisory services		153,140	105,587
Computer accessories		17,067	12,194
Auditors' remuneration	38.1	11,679	8,615
Depreciation on operating fixed assets	8.2	69,612	76,842
Amortisation on intangible assets	9.1	4,715	5,909
Depreciation on investment property	10.1	367,647	368,346
Ijarah rentals		2,393	9,890
Charity and donations	38.2 & 38.3	83,642	78,295
Directors' fee and meeting expenses		2,560	2,090
General contracted services		2,242	1,549
Others		6,145	8,054
		1,811,271	1,609,559

Downloaded from: https://OpenDoors.Pk

		Note	2023	2022
38.1	Auditors' remuneration		-------(Rupees in '000)-------	
	Audit fee		4,775	4,570
	Half-yearly review		484	404
	Taxation services		2,978	1,266
	Other certifications		2,291	1,279
	Out of pocket expenses		1,151	1,096
			11,679	8,615

38.2 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	2023	2022
			------(Rupees in '000)-------	
Mohamedali Habib Welfare Trust	2nd Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharah-e- Faisal, Karachi.	Mr. Rafiq M. Habib - Trustee	9,045	14,234
Habib Education Trust	4th floor, United Bank building, I.I. Chundrigar Road, Karachi.	Mr. Mohamedali R. Habib - Trustee	7,000	12,500
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	5,000	10,060
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 Haemotology & 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
Karachi Relief Trust	1D 27 Korangi Industrial Area, Sector 16 Korangi, Karachi.	Mr. Khayam Hussain - Trustee	5,825	-

38.3 There are no donees except donation to Indus Hospital amounting to Rs. 15 million, other than already disclosed in note 38.2 to these consolidated financial statements, to whom donations exceed 10% of total donation or Rs. 1 million, whichever is higher.

		Note	2023	2022
39.	**Other charges**		-------(Rupees in '000)-------	
	Workers' profits participation fund	30.8	98,079	229,939
	Workers' welfare fund		42,452	83,557
	Provision for impairment of investment property		71,163	-
	Reversal for impairment - PPE		-	(1,064)
	Loss in revaluation of investments classified at FVPL		16,355	6,407
	Allowance for expected credit losses		2,692	-
	Exchange loss - net		571,037	306,881
	Charge for impairment - non-current assets held for sale		-	1,021
			801,778	626,741

		Note	2023	2022
40.	**Other income**		--------(Rupees in '000)--------	
	Income from financial assets			
	Dividend income from:			
	Dynea Pakistan Limited		6,127	4,085
	Habib Sugar Mills Limited		6,534	5,601
	TPL Properties Limited		4,108	-
	Allied Bank Limited		1,636	1,455
	Habib Bank Limited		391	521
	GlaxoSmithKline Pakistan Limited		-	12
	Mutual funds		199,905	534,300
			218,701	545,974
	Interest on:			
	Interest on deposit accounts		267,225	104,291
	Term deposit receipts		25,409	42,586
	Government treasury bills		219,727	18,395
	Term finance certificates (TFCs)		47,853	27,318
			560,214	192,590
	Gain on sale of Government treasury bills		91,642	119,096
	Gain on disposal of investment in mutual funds		29,827	21,207
	Gain/(loss) on revaluation of investments classified as FVPL		599,412	(3,964)
	Reversal of allowance for expected credit loss	16.3	-	1,309
	Liabilities no longer payable written back		16,505	-
			1,297,600	330,238
	Income from non financial assets			
	Gain on disposal of operating fixed assets		77,954	16,430
	Gain on disposal of investment property		1,968	-
	Gain on termination of lease arrangements		-	7,570
	Rental income	40.1, 40.2	2,333,657	2,130,257
	Scrap sales		122,993	68,817
	Claim from suppliers/customers		25,496	30,614
	Rent from sign boards, utilities and others		114,113	79,259
	Advertising income		1,888	4,472
	Insurance claim		6,884	7,051
	Commission income		85	-
	Others		3,119	22,123
			2,688,157	2,366,593
			4,204,458	3,242,805

40.1 Maturity analysis of operating lease payments

	2023	2022
The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:		
Within one year	2,264,578	2,271,541
After one year but not more than five years	7,926,023	5,615,159
	10,190,601	7,886,700

40.2 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.

Downloaded from: https://OpenDoors.Pk

41. Finance costs

	Note	2023	2022
		--------(Rupees in '000)--------	
Interest on:			
Export Refinance Scheme		71,484	15,436
SBP Refinance Scheme for payment of Salaries and Wages		523	5,705
SBP Refinance Scheme for Temporary Economic Relief		85,998	66,211
SBP Financing Scheme for Renewable Energy		14,194	16,322
Long-term loan		269,075	58,741
Loan from Thal Boshoku Asia Corporation Limited - NCI		20,840	16,465
Running finance facilities		42,225	5,192
Lease liabilities		125,226	123,699
Amortisation of deferred income		(65,385)	(51,847)
		564,180	255,924
Bank charges and commission		39,854	29,978
		604,034	285,902

42. Taxation

	Note	2023	2022
		--------(Rupees in '000)--------	
Current	42.1	2,370,556	2,365,871
Prior		(130,482)	(76,815)
		2,240,074	2,289,056
Deferred		186,746	234,816
	42.2	2,426,820	2,523,872

42.1 This includes Super Tax on high earning persons, which was levied on the Group vide finance Act 2022 for tax year 2022 and onwards, in addition to corporate tax rate of 29%. The Group together with other parties challenged it for tax year 2022 before the Sindh High Court. Initially, vide interim order, SCP granted stay against super tax chargeability subject to submission of bank guarantee before Nazir. Later SHC vide order dated December 22, 2022, decided the matter in favor of the petitioners being ultra vires to the Constitution of Pakistan.

The FBR challenged the said decision before the SCP who, vide interim order dated February 16, 2023, directed to deposit the super tax at the rate of 4%. Accordingly, complying with the directions of SCP, security of 4% super tax deposited before Nazir of High Court was encashed by FBR.

The case is still pending before the Supreme Court of Pakistan.

42.2 Relationship between income tax expense and accounting profit

	2023	2022
	--------(Rupees in '000)--------	
Profit before taxation and share of profit of associates	4,240,179	6,443,929
Tax at the rate of 29% (2022: 29%)	1,229,652	1,868,740
Super tax at the rate of 10% (2022: 4%)	401,243	236,996
	1,630,895	2,105,736
Tax effects of:		
Income taxed at reduced rates on dividend and gain on disposal of investments	527,119	401,770
Income taxed under final tax regime on export sales	(4,229)	(35,771)
Tax effect of inadmissible items	368,118	92,905
Tax credits	(15,147)	(14,488)
Others	(79,936)	(26,280)
	2,426,820	2,523,872
Average effective tax rate	57%	39%

43. 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:

	2023	2022
	-------(Rupees in '000)-------	
Net profit for the year attributable to the equity holders of the Holding Company	4,407,708	5,810,776
	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	54.40	71.71

44. Cash generated from operations

	Note	2023	2022
		--------(Rupees in '000)--------	
Profit before taxation		7,286,847	8,852,301
Adjustments for non-cash charges and other items:			
Depreciation:			
Right of use assets		58,478	61,915
Investment properties		367,647	368,346
Others		839,531	744,856
Amortisation		50,267	62,258
Finance costs on:			
Lease liabilities		125,226	123,699
Others		478,808	162,203
Interest income		(531,329)	(192,590)
Share in profit of associates		(3,046,668)	(2,408,372)
Liabilities no longer payable written back		(31,625)	-
Gain on revaluation/redemption/disposal of investments classified at FVPL		(713,078)	(129,932)
Dividend income		(214,435)	(545,974)
Allowance for expected credit losses		2,627	(1,266)
(Reversal)/charge of provision for impairment of property, plant and equipment		71,163	(1,064)
Charge of provision against assets classified as held for sale		-	1,021
Provision for retirement benefits		11,326	7,922
Unrealised exchange loss on long-term loan		119,753	69,033
Gain on disposal of investment properties		(1,968)	-
Gain on disposal of operating fixed assets		(75,983)	(16,430)
		(2,490,260)	(1,694,375)
		4,796,587	7,157,926
Increase in current assets			
Stores, spares and loose tools		7,383	(85,834)
Stock-in-trade		649,648	(2,690,103)
Trade debts		228,382	(494,295)
Loans and advances		(1,069,284)	(595,931)
Trade deposits and short-term prepayments		(348,668)	(589,024)
Sales tax refundable		(393,340)	(14,596)
Other receivables		36,210	(334,224)
		(889,669)	(4,804,007)
Increase in current liabilities			
Trade and other payables		450,345	1,600,240
		4,357,263	3,954,159

Downloaded from: https://OpenDoors.Pk

45. Cash and cash equivalents

	Note	2023	2022
		--------(Rupees in '000)--------	
Cash and bank balances	21	1,900,408	3,057,253
Short-term investments - T-bills	20	1,011,607	-
Short-term borrowings	32	(473,815)	(104,736)
		2,438,200	2,952,517

46. 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	2023	2022
		-------(Rupees in '000)-------	
Associates*	Sales	10,527,939	18,264,710
	Professional services rendered	174,060	220,801
	Rental income on properties	2,069,193	1,899,262
	Franchising fee	12,979	49,946
	Insurance premium paid	73,566	45,629
	Insurance claim received	24,853	12,357
	Supplies purchased	624,763	1,501,549
	Purchase of assets	31,720	27,039
	Purchase of goods	3,344	-
Retirement benefit funds	Contribution to provident fund	85,265	63,330
	Contribution to retirement benefit fund	11,326	9,352

*During the year, 12,500 number of bonus shares were received from Agriauto Industries Limited

46.1 Transactions with key management personnel are disclosed in note 47 to the consolidated financial statements.

46.2 Receivable from and payable to related parties as at June 30, 2023 are disclosed in the respective notes to the consolidated financial statements.

46.3 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 46.3.1)	6.22%	Sales of goods/Professional services rendered/Rent received
2)	Shabbir Tiles and Ceramics Limited	Associate (note 46.3.1)	1.30%	Sales of goods/Supplies purchased /Professional services rendered/ Rent received
3)	Habib Insurance Company Limited	Associate (note 46.3.1)	4.63%	Insurance premium/Insurance claim received
4)	Agriauto Industries Limited	Associate (note 46.3.1)	7.35%	Professional services rendered/ Rent paid/Bonus shares
5)	Sindh Engro Coal Mining Company Limited	Associate (note 46.3.1)	11.90%	Dividend
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

46.3.1 These entities are associated companies/undertakings of the Group under Companies Act, 2017.

46.4 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:

Downloaded from: https://OpenDoors.Pk

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

47. Remuneration of Chief Executive, directors and executives

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees in '000)					
Managerial remuneration	79,029	-	720,125	59,495	-	628,074
Bonus	3,470	-	111,915	32,869	-	152,767
Group's contribution to provident fund	3,748	-	35,567	2,818	-	29,900
Group's contribution to retirement fund	-	-	17,319	-	-	7,222
Other perquisites	-	-	7,632	-	-	9,492
	86,247	-	892,557	95,182	-	827,455
Number of persons	1	6	111	1	6	96

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

47.2 During the year, and amount of Rs. 2,560,000 (2022: Rs. 2,090,000) has been paid to non-executive directors, as fee for attending board and other meetings.

47.3 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.

48. Plant capacity and actual production

	Note	2023	2022
		(Rupees in '000)	
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	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)		28,149	26,009
Auto air conditioners (units)		32,052	74,106
Wire harness (units)		102,351	224,436
Paper bags (nos. 000s)		188,450	193,408
Woven polypropylene bags (nos. 000s)		70,878	13,402
Alternator (units)		17,221	57,677
Starter (units)		18,198	55,951
Seat tracks (sets)		13,000	46,000
Side frame (sets)		13,000	57,000
Air cleaner (sets)		7,000	23,000
Seats (units)		7,000	23,000
Reason for shortfall		Low demand	Low demand

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

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

49. 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.

50. Financial instruments by category

	2023								
	Interest/Mark-up bearing				Non-Interest/Mark-up bearing				Total
	No maturity /on demand	Maturity upto one year	Maturity after one year	Subtotal	No maturity /on demand	Maturity upto one year	Maturity after one year	Subtotal	
Financial assets	(Rupees in '000)								
Fair value through OCI									
Long-term investments	-	-	-	-	207,299	-	-	207,299	207,299
Fair value through profit or loss									
Short-term investments	238,325	3,011,491	-	3,249,816	6,378,157	-	-	6,378,157	9,627,973
Amortized cost									
Short-term investments - T-bills	1,011,607	1,999,884	-	3,011,491	-	-	-	-	3,011,491
Long-term deposits	-	-	-	-	-	-	40,775	40,775	40,775
Trade debts	-	-	-	-	-	3,731,568	-	3,731,568	3,731,568
Loans and advances	-	-	-	-	-	-	-	-	-
Trade deposits	-	-	-	-	-	32,702	-	32,702	32,702
Interest accrued	-	-	-	-	-	39,415	-	39,415	39,415
Other receivables	-	-	-	-	-	925,636	-	925,636	925,636
Cash and bank balances	1,336,322	77,227	-	1,413,549	486,859	-	-	486,859	1,900,408
	2,586,254	5,088,602	-	7,674,856	7,072,315	4,729,321	40,775	11,842,411	19,517,267
Financial liabilities									
Amortized cost									
Long-term deposits and payables	-	-	-	-	-	-	291,808	291,808	291,808
Long-term borrowings	-	259,030	3,539,882	3,798,912	-	-	-	-	3,798,912
Lease liabilities	-	131,231	890,300	1,021,531	-	-	-	-	1,021,531
Trade and other payables	-	-	-	-	-	6,919,975	-	6,919,975	6,919,975
Accrued mark-up	-	-	-	-	-	99,982	-	99,982	99,982
Unclaimed dividend	-	-	-	-	103,451	-	-	103,451	103,451
Unpaid dividend	-	-	-	-	23,531	-	-	23,531	23,531
Short-term borrowings	-	1,028,815	-	1,028,815	-	-	-	-	1,028,815
	-	1,419,076	4,430,182	5,849,258	126,982	7,019,957	291,808	7,438,747	13,288,005

	2022								
	Interest/Mark-up bearing				Non-Interest/Mark-up bearing				Total
	No maturity /on demand	Maturity upto one year	Maturity after one year	Subtotal	No maturity /on demand	Maturity upto one year	Maturity after one year	Subtotal	
Financial assets	(Rupees in '000)								
Fair value through OCI									
Long-term investments	-	-	-	-	258,333	-	-	258,333	258,333
Fair value through profit or loss									
Short-term investments	237,500	741,340	-	978,840	5,163,836	-	-	5,163,836	6,142,676
Amortized cost									
Short-term investments - T-bills	-	741,340	-	-	-	-	-	-	-
Long-term deposits	-	-	-	-	-	-	35,455	35,455	35,455
Trade debts	-	-	-	-	-	3,962,577	-	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	-	2,574,046	483,207	-	-	483,207	3,057,253
	1,664,949	2,629,277	-	3,552,886	5,905,376	4,989,290	35,455	10,930,121	14,483,007
Financial liabilities									
Amortized cost									
Long-term deposits	-	-	-	-	-	-	291,807	291,807	291,807
Long-term borrowings	-	383,056	2,277,816	2,660,872	-	-	-	-	2,660,872
Lease liabilities	-	122,778	893,947	1,016,725	-	-	-	-	1,016,725
Trade and other payables	-	-	-	-	-	6,324,746	-	6,324,746	6,324,746
Accrued mark-up	-	-	-	-	-	28,046	-	28,046	28,046
Unclaimed dividend	-	-	-	-	97,740	-	-	97,740	97,740
Unpaid dividend	-	-	-	-	28,150	-	-	28,150	28,150
Short-term borrowings	-	701,816	-	701,816	-	-	-	-	701,816
	-	1,207,650	3,171,763	4,379,413	125,890	6,352,792	291,807	6,770,489	11,149,902

Downloaded from: https://OpenDoors.Pk

Downloaded from: https://OpenDoors.Pk

51. 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.

51.1 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:

	2023	2022
	(Rupees in '000)	
Long-term deposits	40,775	35,455
Trade debts	3,731,568	3,962,577
Trade deposits	32,702	41,749
Interest accrued	39,415	23,106
Other receivables	925,636	961,858
Short-term investments	9,627,973	6,142,676
Cash and bank balances	1,900,408	3,057,253
	16,298,477	14,224,674

Ageing analysis of trade debts is as follows:

	Not overdue	Past due but not impaired				2023 Total	2022 Total
		01 to 30 days	31 to 60 days	61 to 90 days	over 90 days		
	(Rupees in '000)						
Due from related parties	668,736	880	46,393	-	1,903	717,912	1,177,016
Other parties	2,304,899	327,867	152,414	143,468	166,535	3,095,183	2,865,866
Total	2,973,635	328,747	198,807	143,468	168,438	3,813,095	4,042,882
Expected credit loss	21,435	10,905	8,284	11,727	29,177	81,527	80,305
Expected credit loss effective rate	1%	3%	4%	8%	17%	2%	2%

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	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	A1+	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+
Bank of Punjab	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
Short term investments			
TFCs	VIS	A-1+	AA

51.2 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 maket risk the Group is exposed to currency risk, price risk and liquidity risk.

51.2.1 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.

	2023	2022
	(FCY in '000)	
USD		
Bank balances	1,197	1,186
Trade receivables	883	1,114
Trade and other payables	(2,559)	(5,156)
Long-term loan	-	(1,453)
	(479)	(4,309)
EUR		
Trade and other payables	45	(391)
JPY		
Trade and other payables	(98,282)	(4,293)
CHF		
Trade and other payables	-	-
CNY		
Trade and other payables	(1,191)	(84)

Downloaded from: https://OpenDoors.Pk

	2023	2022
	---------- (FCY in '000) ---------	
AED		
Trade and other payables	(184)	-
GBP		
Trade receivables	32	-
Trade and other payables	(8)	-

	2023	2022
	----------(Rs./FCY)----------	
The following exchange rates have been applied at the reporting date:		
USD	287.10	206.00
EUR	314.27	215.75
JPY	2.00	1.51
CNY	39.98	24.76
AED	78.72	56.48
GBP	365.40	249.92

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 in exchange rate	Effect on profit before tax	Effect on equity
	%	-----(Rupees in '000)-----	
2023			
	+ 10	(37,328)	(27,491)
	- 10	37,328	27,491
2022			
	+ 10	(98,118)	(28,032)
	- 10	98,118	28,032

51.2.2 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 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 (KIBOR)	Effect on profit before tax
2023		
	+ 100	5,458
	- 100	(5,458)
2022		
	+ 100	9,631
	- 100	(9,631)

51.2.3 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 mututal funds.

As at the reporting date, the exposure to listed equity securities at fair value was Rs. 445.624 million. A decrease of 10% in the fair value of these securities would have a negative impact of approximately Rs. 44.562 million on equity. An increase of 10% in the prices of these securities would positively impact equity with the similar amount.

51.2.4 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.

52. 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.

	2023	2022
The proportion of borrowings to equity at year end was:	--------(Rupees in '000)--------	
Total borrowings	5,158,713	4,081,252
Total equity	45,995,872	41,593,931
Gearing ratio	11%	10%

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

Downloaded from: https://OpenDoors.Pk

53. Changes in liabilities to cash flows arising from financing activities

	2023			
	Dividends	Lease liabilities	Long-term borrowing (including deferred income)	Short-term borrowings
	(Rupees in '000)			
Balance at beginning of the year	125,890	1,016,725	3,064,527	701,816
Changes from financing cash flows				
Dividend paid during the year	(850,249)	-	-	-
Payment made during the year - net	-	(134,922)	-	213,290
Financing obtained during the year - net	-	-	768,633	-
	(850,249)	(134,922)	768,633	213,290
Other changes				
Dividend declared during the year	851,341	-	-	-
Finance cost during the year	-	125,226	369,790	113,709
Reassessment of lease liabilities	-	14,502	-	-
Amortization of deferred income	-	-	(65,385)	-
	851,341	139,728	304,405	113,709
Balance at end of the year	126,982	1,021,531	4,137,565	1,028,815

	2022			
	Dividends	Lease liabilities	Long-term borrowing (including deferred income)	Short-term borrowings
	(Rupees in '000)			
Balance at beginning of the year	125,498	1,026,117	551,058	528,164
Changes from financing cash flows				
Dividend paid during the year	(1,317,043)	-	-	-
Payment made during the year - net	-	(137,983)	-	-
Financing obtained during the year - net	-	-	2,418,337	153,024
	(1,317,043)	(137,983)	2,418,337	153,024
Other changes				
Dividend declared during the year	1,317,435	-	-	-
Finance cost during the year	-	123,699	146,979	20,628
Reassessment of lease liabilities	-	4,892	-	-
Amortization of deferred income	-	-	(51,847)	-
	1,317,435	128,591	95,132	20,628
Balance at end of the year	125,890	1,016,725	3,064,527	701,816

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

	2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Investments carried at fair value through OCI	207,299	-	-	207,299
Investments carried at fair value through profit or loss	-	9,627,973	-	9,627,973

	2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Investments carried at fair value through OCI	258,333	-	-	258,333
Investments carried at fair value through profit or loss	-	6,142,676	-	6,142,676

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.

55. Operating segments

55.1 Segment analysis

	2023					2022				
	Engineering	Building materials and allied products	Real estate management & others	Elimination	Total	Engineering	Building materials and allied products	Real estate management & others	Elimination	Total
	(Rupees in '000)									
Sales revenue - external	14,732,693	18,111,165	288,706	-	33,132,564	25,160,060	14,321,917	335,014	-	39,816,991
- internal	-	-	215,207	(215,207)	-	-	-	190,825	(190,825)	-
Rental income	-	-	2,446,826	-	2,446,826	-	-	2,211,256	-	2,211,256
Total segment revenue	14,732,693	18,111,165	2,950,739	(215,207)	35,579,390	25,160,060	14,321,917	2,737,095	(190,825)	42,028,247
Segment result	1,006,501	2,569,699	1,499,467	-	5,075,667	3,823,622	2,501,500	1,453,357	-	7,778,479
Unallocated (expenses) / income:										
Administrative and distribution costs					(1,294,025)					(1,484,961)
Other charges					(711,633)					(620,377)
Other income					1,774,204					1,056,690
Operating profit					4,844,213					6,729,831
Finance cost					(604,034)					(285,902)
Share of profit after tax of associates and joint venture					3,046,668					2,408,372
Taxation					(2,426,820)					(2,523,872)
					4,860,027					6,328,429
Segment assets	11,109,230	14,164,613	18,218,700	(44,809)	43,447,734	12,409,751	12,425,657	16,322,343	(424,115)	40,733,636
Corporate assets					18,144,092					14,278,027
					61,591,826					55,011,663
Segment liabilities	4,966,133	4,274,246	1,761,661	(243,892)	10,758,148	4,691,277	4,344,506	1,766,257	(553,942)	10,248,098
Corporate liabilities					2,835,944					1,379,257
Unallocated liabilities					2,001,862					1,790,377
					15,595,954					13,417,732

The engineering segment is engaged in the manufacturing of automotive parts.

The building material and allied products segment includes jute, packaging and laminate operations.

The third segment includes the real estate management, trading and management services.

55.2 Geographical information of customers

Revenues from customers (country wise)	2023	2022
	(Rupees in '000)	
Pakistan	30,210,749	37,533,283
Australia	288,034	95,531
Egypt	315,916	518,744
Greece	-	18,645
Italy	177,794	120,180
Jordan	-	7,611
Malaysia		4,286
Spain	1,665	-
New Zealand	7,276	15,533
Oman	21,758	13,176
Qatar	28,931	37,066
Saudi Arabia	32,327	52,031
Switzerland	163,344	206,957
Africa	12,689	-
Turkey	291,578	288,511
Uganda	8,035	-
United Arab Emirates	1,544,798	905,211
United Kingdom	23,119	226
Canada	4,551	-
	33,132,564	39,816,991

The revenue information above is based on the location of customers.

55.3. Revenue from one customer amounted to Rs. 11,329 million (2022: Rs. 18,586 million), arising from sales in the engineering segment.

55.4. All non-current assets of the group as at June 30, 2023 (June 30, 2022) are located in Pakistan.

56. Non-adjusting event after the balance sheet date

The Board of Directors in its meeting held on September 11, 2023 has approved the following:

(i) transfer of Rs. 2,000 million from unappropriated profit to general reserve; and

(ii) payment of cash dividend of Rs. 6.50 per share for the year ended June 30, 2023 for approval of the members at the Annual General Meeting to be held on October 23, 2023.

Downloaded from: https://OpenDoors.Pk

57. Number of employees

Total number of employees	2023	2022
Total number of Group's employees as at June 30	4,262	5,521
Average number of Group's employees during the year	4,892	5,113

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 11, 2023 by the Board of Directors of the Holding Company.

Chief Executive | Director | Chief Financial Officer

Downloaded from: https://OpenDoors.Pk

Combined Pattern of Shareholding

As at June 30

No. of Shareholders	Size of Holding		Total Shares Held
	Form	To	
1,421	1	100	49,633
1,252	101	500	321,063
529	501	1000	375,332
788	1001	5000	1,659,446
154	5001	10000	1,132,881
52	10001	15000	658,182
28	15001	20000	488,358
16	20001	25000	366,397
16	25001	30000	453,346
8	30001	35000	260,988
11	35001	40000	417,879
4	40001	45000	170,356
10	45001	50000	484,512
10	50001	55000	531,726
6	55001	60000	347,513
3	60001	65000	191,121
2	65001	70000	135,251
3	70001	75000	221,471
1	85001	90000	88,000
2	90001	95000	185,532
2	95001	100000	198,900
1	100001	105000	101,741
1	105001	110000	106,150
3	110001	115000	334,305
3	115001	120000	353,840
1	125001	130000	127,381
1	130001	135000	130,815
1	140001	145000	145,000
3	145001	150000	445,233
1	150001	155000	154,074
1	160001	165000	165,000
1	165001	170000	168,198
1	175001	180000	178,202
1	190001	195000	191,149
3	220001	225000	666,536
1	235001	240000	239,495
1	260001	265000	260,589
2	280001	285000	561,430
2	305001	310000	615,116
1	315001	320000	315,152
2	320001	325000	645,698

Downloaded from: https://OpenDoors.Pk

Combined Pattern of Shareholding

As at June 30

No. of Shareholders	Size of Holding		Total Shares Held
	Form	To	
6	330001	335000	1,990,164
1	370001	375000	374,700
1	375001	380000	375,800
1	400001	405000	401,443
6	420001	425000	2,532,547
1	450001	455000	454,144
1	485001	490000	490,000
1	495001	500000	497,070
1	600001	605000	601,052
1	605001	610000	608,534
1	655001	660000	656,529
1	665001	670000	666,608
1	690001	695000	694,800
1	710001	715000	711,503
1	800001	805000	800,400
1	810001	815000	810,300
1	830001	835000	830,269
1	840001	845000	843,547
1	850001	855000	851,137
1	865001	870000	865,400
1	905001	910000	909,507
3	995001	1000000	2,999,912
1	1095001	1100000	1,098,016
1	1150001	1155000	1,153,170
1	1185001	1190000	1,189,452
1	1280001	1285000	1,282,651
1	1330001	1335000	1,330,745
1	1340001	1345000	1,340,202
1	1375001	1380000	1,379,578
1	1405001	1410000	1,405,639
1	1525001	1530000	1,528,500
1	1540001	1545000	1,544,279
1	1815001	1820000	1,818,017
1	1890001	1895000	1,891,708
1	2890001	2895000	2,894,306
1	3025001	3030000	3,029,300
1	3440001	3445000	3,444,386
4	3790001	3795000	15,170,103
1	4920001	4925000	4,921,500
4,403			**81,029,909**

Combined Pattern of CDC and Physical Shareholding

As at June 30

S. No.	Categories of Shareholders	No. of Shares Held	Category-wise No. of Folios/ CDC Accounts	Category-wise Shares Held	Percentage (%)
1	Individuals		4,221	24,047,262	29.68
2	Investment Companies		3	1,934	0.00
3	Joint Stock Companies		39	2,559,315	3.16
4	Directors, Chief Executive Officer and Their Spouse and Minor Children		11	4,323,461	5.34
	Rafiq Habib	1,340,202			
	Mohamedali R. Habib	1,566,834			
	Imran Ali Habib	222,203			
	Tayyab Tareen	1,000			
	Muhammad Salman Burney	1,000			
	Khayam Husain	1,000			
	Aliya Saeeda Khan	1,000			
	Jamila Rafiq Habib	909,507			
	Sayeda Mohamedali Habib	280,715			
5	Executives		5	16,868	0.02
6	Associated Companies, Undertakings and Related Parties		-	-	-
7	Public Sector Companies and Corporations		1	3,444,386	4.25
8	Banks, DFI's , NBFIs, Insurance Companies, Takaful, Modarabas's and Pension Funds	5,051,981	30	9,094,690	11.22
	Financial Institutions	3,557,039			
	Insurance Companies	17,438			
	Modaraba	468,232			
	Pension Funds				
	Holding 5% or more voting intrest	4,921,500			
	NATIONAL BANK OF PAKISTAN				
9	Mutual Funds		24	3,413,078	4.21
	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	148,900			
	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	100			
	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	19,000			
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	424,000			
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	6,750			
	CDC - TRUSTEE AKD INDEX TRACKER FUND-	10,771			
	CDC - TRUSTEE AKD OPPORTUNITY FUND	2,900			
	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	165,000			
	CDC - TRUSTEE NBP STOCK FUND	260,589			

Downloaded from: https://OpenDoors.Pk

Combined Pattern of CDC and Physical Shareholding

As at June 30

S. No.	Categories of Shareholders	No. of SharesHeld	Category-wise No. of Folios / CDC Accounts	Category-wise Shares Held	Percentage (%)
	CDC - TRUSTEE NBP BALANCED FUND	11			
	CDC - TRUSTEE APF-EQUITY SUB FUND	30,600			
	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	24,600			
	CDC - TRUSTEE APIF - EQUITY SUB FUND	26,000			
	CDC - TRUSTEE ALFALAH GHP STOCK FUND	29,907			
	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	9,360			
	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	1,891,708			
	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	39,000			
	DCCL - TRUSTEE AKD ISLAMIC STOCK FUND	54,000			
	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	23,000			
	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	191,149			
	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	1,133			
10	Foreign Investors		28	32,413,498	40.00
	Holding 5% or more voting intrest				
	ALI REZA LIMITED	7,561,504			
	ASAD LIMITED	7,517,613			
	MUSTUFA LIMITED	8,282,214			
	SHAKIR LIMITED	5,397,558			
11	Co-Operative Socities		2	6,814	0.01
12	Charitable Trust		10	1,083,699	1.34
13	Others		29	624,904	0.77
	TOTAL		4,403	81,029,909	100.00

THAL LIMITED

Form of Proxy
Fifty Seventh 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 57th Annual General Meeting of the Company to be held on October 23, 2023 and or any adjournment thereof.

Signed this _____ day of _____

WITNESSESS:

Signature _____
Name _____
Address _____
CNIC or _____
Passport No. _____

Signature _____
Name _____
Address _____
CNIC or _____
Passport No. _____

(Signature should agree with the specimen signature registered with the Company).

Signature on Rs 5/- revenue stamp

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.

Downloaded from: https://OpenDoors.Pk

تھل لمیٹڈ

پراکسی فارم

۵۷واں سالانہ اجلاسِ عام

سیکریٹری
تھل لمیٹڈ
ہاؤس آف حبیب، چوتھی منزل
شاہراہِ فیصل، کراچی۔ ۷۵۳۵۰

میں/ہم _____

ساکن _____ ضلع _____

میں بحیثیت ممبر **تھل لمیٹڈ** اور ہولڈر بابت _____

عام شیئرز جن کے شیئر رجسٹر فولیو نمبر _____ اور/یا سی ڈی سی پارٹیسپینٹ آئی ڈی نمبر _____

اور ذیلی اکاؤنٹ نمبر _____ بذریعہ ہٰذا _____

ساکن _____ ضلع _____

اور اگر ان کے لئے ممکن نہ ہو تو _____ ساکن _____

کو بطور اپنا/ہمارا پراکسی مقرر کرتا/کرتی ہوں تا کہ وہ ۲۳ اکتوبر ۲۰۲۳ء کو منعقد کئے جانے والے کمپنی کے ۵۷ ویں سالانہ اجلاسِ عام میں میری/ہماری جگہ ووٹ دے سکیں۔

دستخط _____ مورخہ _____ ۲۰۲۳ء

گواہان:

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

یا پاسپورٹ نمبر _____

(دستخط نمونہ کے مطابق ہونے چاہئیں
دستخط کمپنی کے پاس رجسٹرڈ ہونے چاہئیں)

دستخط
مبلغ ۵ روپے
کے ڈاک ٹکٹ

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 شیئر رجسٹرار کو اجلاس کے مقررہ وقت سے کم از کم ۴۸ 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 ۲ افراد کی گواہی ہو، جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہونے چاہئیں۔

ii بینی فیشل 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 اٹارنی مع نمونہ دستخط کمپنی کو پراکسی فارم کے ساتھ جمع کرائی جائیں (اگر یہ پہلے فراہم نہ کئے گئے ہوں)۔

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: _____ of Thal Limited.

Address of shareholder: _____

Contact number of shareholder: _____

Email Address: _____

Title of Account: _____

IBAN Number (see Note below): | | | | | | | | | | | | | | | | | | | | | | | | |

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 to your bank account. Joint account holders shall specify complete title of account including name of shareholder.

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.

Downloaded from: https://OpenDoors.Pk

تھل لمیٹڈ

ای۔ڈیویڈنڈ مینڈیٹ فارم

ہم آپ کو مطلع کرنا چاہتے ہیں کہ کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۴۲ کی شقوں کے مطابق کسی بھی لسٹڈ کمپنی کے لئے یہ لازم ہے کہ شیئر ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرونک طریقہ کار استحقاق کے حامل شیئر ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں براہِ راست کی جائے۔

اپنے منافع منقسمہ کو براہِ راست اپنے بینک اکاؤنٹ میں وصول کرنے کی غرض سے براہِ 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 فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، F-8، بزنز ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہِ فیصل، کراچی کو ارسال کریں۔

سی ڈی سی شیئر ہولڈرز سے درخواست ہے کہ اپنے منافع منقسمہ کا مینڈیٹ اور سی این آئی سی برائے راست اپنے بروکر (پارٹیسپینٹ)/سی ڈی سی کو دیئے گئے درج ذیل فارمیٹ پر فراہم کر دیں۔

میں بذریعہ ہذا اپنے مستقبل کے منافع منقسمہ کو براہِ راست اپنے بینک اکاؤنٹ میں وصول کرنا چاہوں گا جیسا کہ تفصیل ذیل میں درج ہے:

شیئر ہولڈر کا نام _____

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر: _____ کمپنی _____ لمیٹڈ۔

شیئر ہولڈر کا رابطہ نمبر _____

ای میل ایڈریس _____

اکاؤنٹ کا ٹائٹل _____

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۔

_____

شیئر ہولڈر کے دستخط

نوٹ؛

براہِ 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 براہِ راست ممکن بنایا جا سکے۔

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، ڈیمیج یا دعوی کی بلواسطہ یا بالواسطہ 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 شیئر ہولڈرز جو فزیکل صورت میں شیئرز کے حامل ہوں ان سے درخواست ہے کہ اپنا مطلوبہ ڈیویڈنڈ مینڈیٹ فارم باقاعدہ پُر کر کے متعلقہ شیئر رجسٹرار کو جمع کرائیں۔ وہ شیئر 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 پارٹیسپینٹس/انویسٹر اکاؤنٹ سروسز کو جمع کرا دیں۔

