

CHAIRMAN'S REVIEW REPORT 2018

By the grace of the Almighty, Thal Limited, a Company that started its journey over 52 years ago as a Jute Mill, has over the years evolved into a diverse business conglomerate operating Thermal Systems, Electric Systems, Engine Components, Paper sack and Laminates businesses.

Over the course of these years, the Company established subsidiary companies that have invested in coal mining, energy, real estate and auto parts. It continues to work towards contributing to the economic growth of Pakistan and has aligned itself with the country's macroeconomic objectives, especially of attaining energy sufficiency and making CPEC a success. The Company is engaged in developing Pakistan's first open pit coal mining project at Thar by investing in the Sindh Engro Coal Mining Company (SECMC) and remains in process of setting up a 330 MW coal-fire power generation plant at Thar, Sindh through its subsidiary Thal Power (Private) Limited.

Profits during the financial year ended June 30, 2018 remained firm, despite challenges faced on the macro-economic front. Your company was able to achieve steady growth in its overall profitability, after adjusting for the one-time gain last year on account of divestment of shares in Metro Habib Cash & Carry Pakistan (Private) Limited.

During the course of the year, the Company's Engineering Segment, laid the foundations for a new plant to cater to expansion in its automotive wire harness business in technical collaboration with Yazaki Corporation, one of the world's largest automotive parts supplier while the Company's Paper sack business continued to consolidate its entry into the Carrier Bags market.

Our people remain the heart of our success - the Company takes tangible steps to create adequate training opportunities for its employees. At the same time, the Company maintains highest standards of selection for its future potential leaders through its Management Trainee Program, under which individuals from the country's most prestigious institutions are selected for grooming to meet our future succession needs. We are confident that our investment in our people shall continue to pay us qualitative dividends.

The Board of Directors of Thal Limited comprises of highly professional and experienced people. They bring expertise

from various business disciplines including an independent director having over 30 years of experience. All Board members are aware of their fiduciary responsibilities and fulfill these by playing an important role in providing strategic direction to the management and necessary guidance for compliance with policies and standards.

The role and contribution of the members of the Board of Directors remains highly satisfactory and Board Members have exercised the required strategic oversight. The efforts of the Board's Committees on Audit and on Human Resources & Remuneration are particularly noteworthy for their valuable contributions in providing requisite leadership support and guidance.

In closing I would like to thank our shareholders, customers, dealers and business partners for their continued patronage and trust.

I would also like to thank all our staff members for their contribution to the growth of the Company.



Rafiq M Habib
Chairman

