



MEETING EXPECTATIONS

DIRECTORS' REPORT

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors,
I am pleased to present the Fifty Third Annual Report along with the Audited Financial Statements of the Company for the year ended June 30, 2019.

Economic Overview

During the year, Pakistan has faced many challenges, especially on the economic front.

The GDP growth rate clocked in at 3.3 percent against the 5.8 percent last year, caused by lower than expected growth across all sectors of the economy; the agriculture sector grew by 0.85 percent, manufacturing grew by 1.4 percent and services grew by 4.7 percent.

Since taking office in August 2018, the new government made economic structural reforms its highest priority and undertook the following major initiatives:

- Monetary tightening: Discount rate increased from 7.50 percent to 13.25 percent, an increase of 575 bps.
- Currency devaluation: During the year, PKR parity with US Dollar adjusted by approximately 34 percent.
- Lower intervention for Currency: State Bank of Pakistan (SBP) reduced FX intervention to support the PKR against the US Dollar.
- Restrictive Import Policies: Increase in Regulatory Duty and Customs Duties (especially on non-essential items) together with strict vigilance and crackdown on market practices of under-invoicing and undocumented imports.

As a result of these measures, the government managed to reduce the trade imbalance successfully; the current Account deficit for the fiscal year clocked in at USD 10.3 billion down 43% on a year on year basis. While these measures have created some fiscal space, the government continues to face significant headwinds created by weakened local demand, increased international borrowing and financing costs and reduced FX reserves.

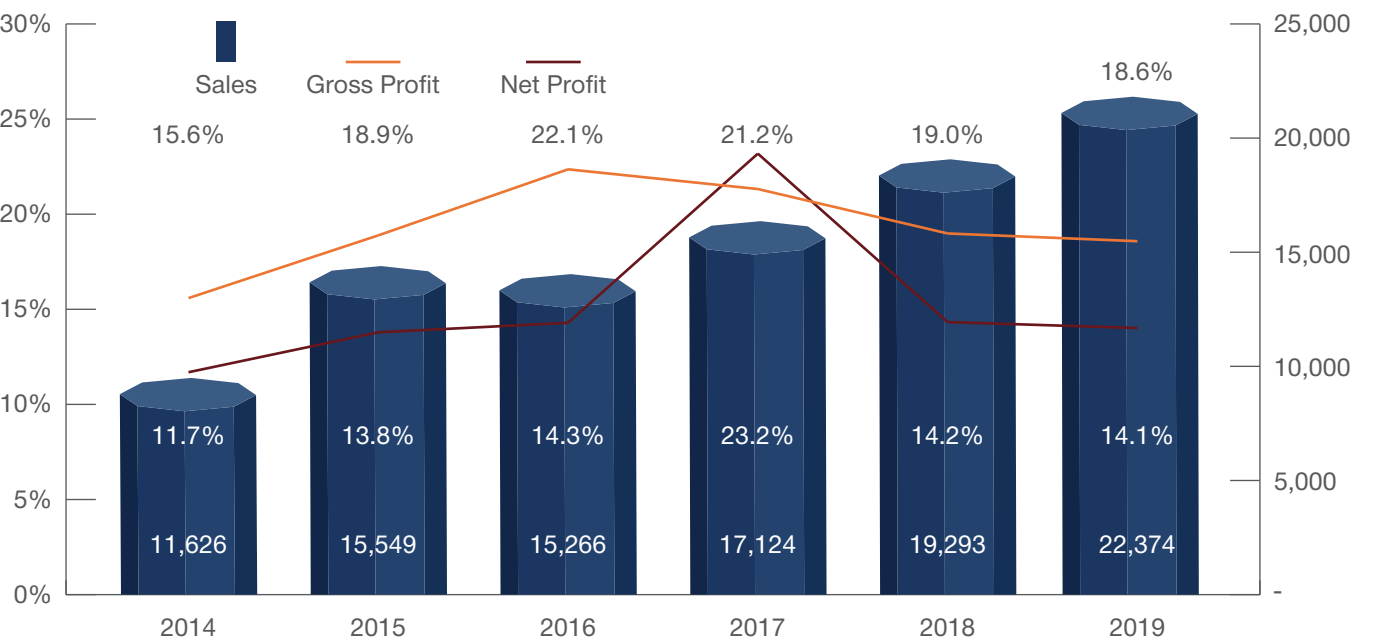
During the outgoing year, the Country has entered into a program with International Monetary Fund (IMF) for budgetary support. The current IMF Program is designed to help the government achieve sustainable economic growth through increasing revenue and reducing expenses simultaneously. The USD 6 billion 3-year program hinges on bringing further structural reforms in the economy, which largely include debt sustainability, reduction in core budget deficit reducing the fiscal deficit, strengthening the Central Bank and better management or privatization of State-Owned Enterprises.

Overview of Financial Results

Despite significant macro-economic challenges, the Company continued its' strong performance during 2018-19. Sales revenue grew 16% year on year to

PKR 22.4 billion. Profit after Tax recorded at PKR 3.15 billion (up 17% year on year) compared to PKR 2.69 billion during 2017-18.

Sales and Profitability



Financial Performance

Rupees in Million				
	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Net Revenue	22,374	19,293	23,545	20,308
Profit Before Taxes	4,335	3,804	5,611	5,100
Taxation	1,180	1,118	1,648	1,548
Profit After Taxes	3,155	2,686	3,962	3,552
Earnings Per Share - Rupees	38.93	33.15	44.20	39.14

OVERVIEW OF BUSINESS SEGMENTS

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

Engineering Segment

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

The turnover of the Engineering Segment for 2018-19 was recorded at PKR 14.9 billion, registering a growth of 18.4% year on year.

During the outgoing year, Thal Engineering segment continued to enhance its business with the OEMs.

Despite the potential to create more value for the local auto industry, we remain wary of the overall conditions for the domestic Auto Industry. During the outgoing year, Automotive sales volumes registered a decline of 7% for passenger cars and light commercial vehicles. High interest rates, weaker PKR and increased duties and taxes remain the usual suspects leading the contraction in the industry.

While we anticipate immediate and short-term demand to remain weak we expect that increased localization of parts will create potential opportunities in coming years as local auto manufacturers look increasingly within Pakistan to source their materials and equipment.

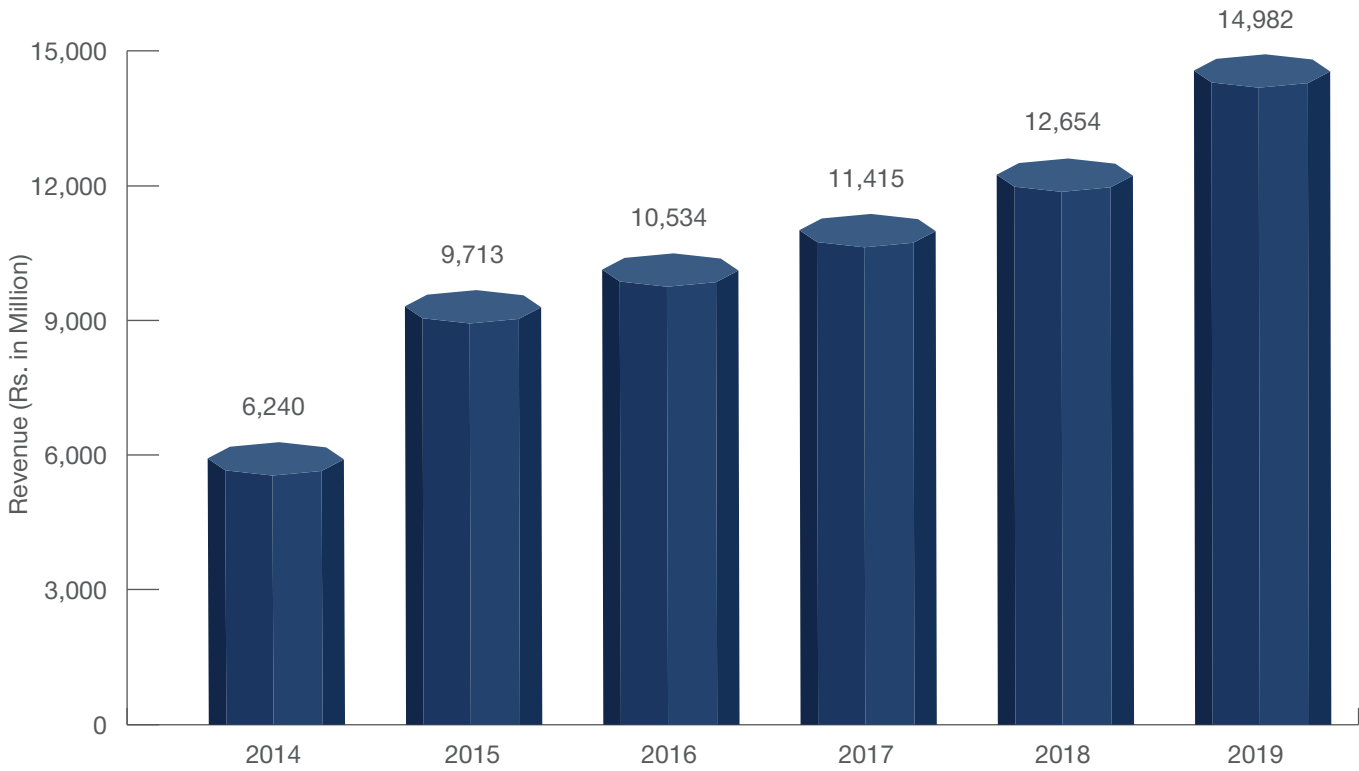
The Government's initiative to reduce import of used vehicles has yielded some positive opportunities for the local auto industry with a significant year on year decline of 48% in used car imports. We anticipate some of the consumer demand for vehicles to be captured by the local industry.

The management will continue its focus on improving quality, health, safety and environment initiatives while enhancing cost efficiencies through continuous process improvement.

Outlook

During the upcoming fiscal year, we anticipate that the auto sector will continue facing significant pressures on the back of weak economic growth, increased emphasis to improve tax base and collections. However, restrictions on imported

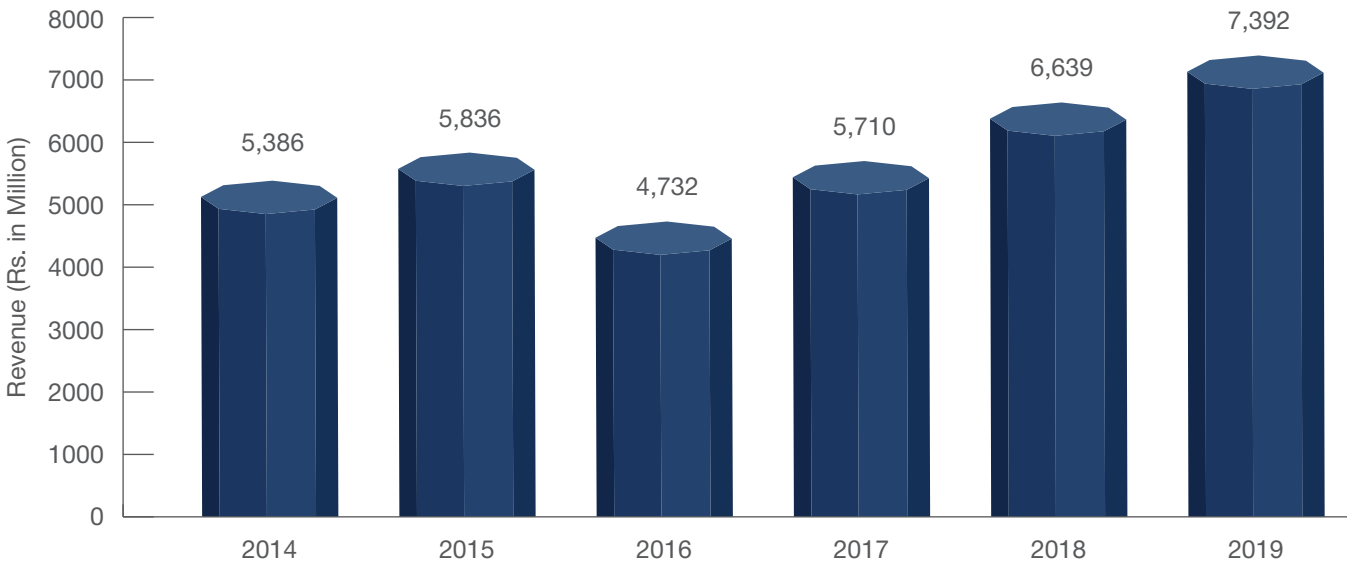
vehicles are expected to provide breathing space to local industry volumes. The Company is expected to reap the benefits of some of these changes by capitalizing on localization opportunities in the midst of steep PKR devaluation.



Packaging, Building Materials & Allied Products Segment

The Company has three businesses in this segment – the Jute (known as Thal Jute), Papersack (known as Pakistan Papersack) and Laminates (known as Baluchistan Laminates).

During the outgoing year, the segment turnover registered a year on year increase of 11.3% (PKR 7.4 Billion compared to PKR 6.6 Billion last year).



Jute Business

The outgoing year was challenging for the jute industry, both with respect to the domestic and the international markets. Production and sales were lower during the outgoing year, primarily due to lower volume purchased for the wheat crop.

The business also faced considerable cost pressures from depreciating currency, higher international prices of raw jute, and the increasing cost of power. Despite these challenges, the Jute Business remained profitable and one of the leading manufacturers and suppliers of jute products in the country.

To improve its capability and resilience to face such challenges, the business has invested in new capital equipment to improve both operational capability and enhance quality. Significant efforts in cost reduction through improving productivity have also borne fruit. Moreover, management is focusing on product diversification and enhancing its customer base in local as well as in export markets.

The business espouses a strong Health, Safety & Environment (HSE) culture across the organization. More emphasis was placed on training & development of human resources and improving production efficiencies.

Outlook

In the coming season, the jute crop in Bangladesh and India has shown signs of improved availability.

In order to face the challenges ahead with the operation geared to improve product quality, enhance productivity, expand customer base and diversify product portfolio both in local as well as in export markets.



Papersack Business

During the outgoing year, the paper sack business faced slow demand from the cement sector on the back of a stagnant construction industry. However, the impact of lower volumes was mitigated partly by improved sales in other sectors. The business focused on lowering cost of production which together with improved paper sourcing and timely selling price adjustments sustained profitability.

The business now faces a major negative impact due to increased difference in Custom duty between paper and polypropylene despite paper being the more environmentally friendly product. The Management continues to remain engaged with regulatory authorities for rationalization of custom duties in order to create a level playing field.

In order to capitalize on the demand for sustainable packaging, the company has diversified into manufacturing of shopping bags. Whilst this is an untapped market, largely fed by the undocumented suppliers, we remain committed to its potential and are focused on improving efficiency and cost reduction activities to compete effectively.

Volumes of food grade packaging have steady healthy growth year on year with a focus on quality standard, and we maintain our status as a supplier to almost all global food chains operating in the Country. In compliance with the primary packaging requirements, the business has acquired ISO 22000 certifications, which was audited and re-certified during the year.

Outlook

The coming year is expected to remain challenging on the back of a further slowdown in demand from the cement industry. The increase in additional custom duty and exchange rate devaluation are also expected to adversely affect margins. To mitigate these risks, management is committed to tight cost controls and aiming for higher volumes in both domestic and export markets

A new production line for cement sacks will be functional in the 2nd half of the year which will have a positive impact on our capacity and production flexibility.



Laminates Business

The Laminates Business operates under the brand name “Formite” in three major segments. HPL (High Pressure Laminates), Compact Laminates and Lamination Boards (LPL). The Brand is known for its quality and adherence to corporate values, competing in a largely undocumented market environment.

The current year remained challenging for the laminates business with declining demand & volatility on the economic front (fluctuation in exchange rate, increase in gas and electricity tariffs). Frequent price adjustments to compensate for increasing costs led to depressed market sentiment and purchase indecisions by the market during the outgoing year.

Our new short cycle press for Low Pressure Laminates also became operational which supports higher efficiency and lower costs. Company also increased focus on exports, which showed an encouraging increase.

The business continued to promote its new product range and participated in “I am Karachi Public Art Festival” as well as IAPEX.

Outlook

The Government’s thrust towards documentation of all sectors and the curtailment of undocumented sales is undoubtedly positive for the business in the long term. The company has always complied with all required tax and other statutory regulations sometimes leading to a price disadvantage against the undocumented sector. Should the efforts by the Government bear fruition the business will gain from a level playing field, though measures to document the sector are still being resisted by the retailers and expected to depress sales in the first quarter.



Thal Boshoku Pakistan (Private) Limited

Thal Limited holds 55% of the shareholding in Thal Boshoku Pakistan (Pvt) Ltd, while 25.4% is held by Toyota Boshoku Asia Corporation, 9.6% is held by Toyota Boshoku Corporation Japan and a further 10% shares are held by Toyota Tsusho Corporation Japan.

During the current year, construction of the new seat plant at Port Qasim-Karachi, was completed, along with the commissioning of all plant and machinery. The Company successfully completed all milestones of the project as set by the OEM and capitalized the plant in June 2019. Volume production is scheduled to commence from November 2019.

The turnover of the company during 2018-19 registered a growth of 22% on year on year basis, owing primarily to price variance resulting from devaluation of PKR.

Contribution to profit will improve post December 2019 as the business starts volume production.

On the existing operations side, all customer supplies requirements were met in time with “ZERO DEFECT” and the customers rated the business in the “GREEN ZONE” throughout the year. Focus remained on improving production efficiency, Kaizen and towards providing a healthy and safe working environment to our team members.

Outlook

Overall, the auto sector remains under pressure due to declining OEM offtake volumes which is expected to negatively impact the Company’s top line. High inflationary environment is also expected to keep pressure on operating expenses. However, due to high quality products manufacturing in TBPK, OEMs are inclined to increase localization, which shall support business expansion.



Property Business

Makro-Habib Pakistan Limited

Makro Habib Pakistan Limited (MHPL) is a wholly owned subsidiary of Thal Limited and owns the Makro Saddar store. On September 11, 2015 the Honorable Supreme Court of Pakistan dismissed MHPL's Review Petition and consequently the Saddar Store was closed down.

On December 9, 2015, the Honorable Supreme Court of Pakistan accepted Army Welfare Trust's (AWT) request for restoration of its Review Petition. In its hearing held on February 2, 2016, the Honorable Chief Justice commented that while reviewing AWT's review petition, both MHPL and Ministry of Defence will also get a chance to argue their points on merit as they are respondents in AWT's petition.

AWT's review petition was fixed for hearing on October 17, 2017 before a new bench. However, there were no proceedings during the hearing on account of adjournment filed by counsel representing Shehri & KWSB.

Habib METRO Pakistan (Private) Limited

The main business of Habib METRO Pakistan (Private) Limited (HMPL) is to own and manage properties. Thal Limited holds 60% shareholding in HMPL while 40% is held by Metro Cash & Carry International Holding B.V. The company is exploring various business opportunities to complement the cash & carry retail rental business and to enhance enterprise value from its store locations.

During the year ended June 30, 2019, HMPL paid interim dividends of PKR 403 million to Thal Limited.



Investments in Energy Sector

Sindh Engro Coal Mining Company Limited (SECMC)

Sindh Engro Coal Mining Company (“SECMC”) achieved commercial operations on 10th July 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 Private Limited) EPTL.

For Phase I of SECMC, the Board of Directors of Thal Limited approved a total exposure of Pak Rupee equivalent of US\$ 36.1 million, which includes equity investment of US\$ 24.3 million, SBLC of US\$ 5 million for cost over-run and US\$ 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.

Phase II of SECMC is on course to achieving Financial Close. The tariff has been determined by Thar Coal & Energy Board while the financing documents are in the process of being executed.

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



Investments in Energy Sector

Thal Power (Private) Limited

ThalNova Power Thar Private Limited (“ThalNova”) is a joint venture between Thal Power Limited, Nova Powergen Ltd (subsidiary of Novatex Ltd) and Hub Power Company 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 obtained the Letter of Support (LOS) from the Private Power Infrastructure Board (PPIB). National Electric Power Regulatory Authority (NEPRA) has issued the Generation License and awarded the Upfront Tariff on Thar coal to the project company. ThalNova has also been issued a No Objection Certificate (NOC) by the Sindh Environmental Protection Agency (SEPA).

China Machinery & Engineering Corporation has been appointed as the EPC Contractor. ThalNova 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) Ltd (CPPA) and the Implementation Agreement (“IA”) with Private Power Infrastructure Board (PPIB).

China Development Bank (“CDB”) and Habib Bank Limited (“HBL”) have been engaged for arrangement of foreign and local currency project debt respectively. ThalNova executed key financial agreements with project lenders in July this year and is on course for achieving financial close.

ThalNova (through shareholder’s equity) has given Mobilization Advance along with Limited Notice to Proceed (LNTP) to the EPC contractor i.e. China Machinery and Engineering Corporation to initiate work on the site and expedite the achievement of Commercial Operations Date of the Project.



Human Resources

Thal Limited continues to actively focus on providing growth opportunities to high potential people and to prepare them for future leadership positions; development plans are being implemented through rotations, international and local trainings and enriched assignments

Keeping our commitment with the culture of developing and enabling our employees to reach their full potential, a Learning Fair with a motto to educate, evolve and enlighten employees was again held this year. This one-week long intervention, conducted by renowned local and international trainers delivered 12 different training programs (which included both soft skill development and technical skill development).

International Trainings and exposure is a critical part of people development where employees get a chance to learn global best practices and execute them locally. Staff from Thal Boshoku Pakistan and Thal Electrical, visited Toyota Boshoku and Yazaki to learn machine operations and implement best practices at our plants.

To strengthen our robust and transparent recruitment system, a new online game-based talent assessment tool with the name of Mission Believe was launched and implemented during the outgoing year. The program aims to acquire the best suited talent for our Management Trainee Program and our Graduate Trainee Engineer Program and builds the company-wide pipeline of emerging leaders. In total 17 MTOs were hired for HOH and 2 Trainee Engineers were hired for Thal Engineering after a thorough cognitive and behavioral assessment process.

Thal Engineering takes pride in having a diverse and inclusive workforce, where every individual has an equal opportunity to represent and contribute. We remain committed to hiring talent irrespective of any disabilities. During the year, 31 persons with disabilities (PWDs) were hired and Thal continues its culture of acceptability.



Health, Safety & Environment (HSE)

Across all business segments, we desire a working environment in which safety is deeply embedded in operations and business culture. Our goal is to prevent any injuries and ensure that Thal Engineering remains a safe place to work. Throughout the year the businesses undertook significant initiatives to incorporate a strong consideration for the safety of our people, plants and the planet and consequently we were able to reach 2.8 million safe man hours.

Moreover, we maintained our focus on safety management systems keeping in view international best practices including Occupational Safety and Health Administration (OHSAS) and were duly recognized by Employers Federation of Pakistan, who awarded Thal Engineering 2nd prize on 'Best Practices award for OSH&E 2019' in the Processed & Allied sectors.

Thal Engineering possesses and maintains a range of certificates to remain compliant with international best practices. These are the 'signs on the wall' of the efforts we make to improve our HSE level in a continuous way. Recently, Thal Engineering undertook a transition from OHSAS 18001 to ISO 45001, a new standard to strengthen its HSE policies and capability.

We are also cognizant of our responsibility to the planet both as a socially caring organization and as an entity that is signatory to the United National Global Compact. Throughout the year, by maintaining focus on this area, we were able to reduce our Carbon Footprint at Thal Engineering by 2.23% as against a targeted reduction of 2%. These best practices were recognized by National Forum for Environment and Health, who awarded Thal Engineering with the Environment Excellence award 2019.



Corporate Social Responsibility (CSR)

As part of our continuing commitment towards improving the quality of life of our stakeholders, our communities and the underprivileged sections of the society, we contributed PKR 51.2 million under our social investment commitments in 2018-19, as compared to PKR 45.4 million in 2017-18. These programs, which span all our business segments are primarily focused in the broad areas of education, healthcare, employee welfare, community development, environment and disaster relief.

We truly believe that access to quality primary and secondary healthcare is a basic right of every individual. Cognizant of this responsibility to our communities throughout the year, we endeavored to support leading healthcare institutions through direct monetary support – this included contribution to Indus Hospital, Northern Area Eye Hospital, Masoomen Hospital Trust, Huseini Hematology & Oncology Trust and Mohammadi Blood Bank amongst others.

In the category of education, we continued to support our flagship Habib University Foundation that offered scholarships and financial aid to a large number of deserving students. In addition, the various business segments continued to support institutions including TCF, Thar Foundation, Habib Education Trust, Gulaman-e-Abbas School and HELP amongst others to help improve provision of education to under-privileged sections of the society.

As an organization, we pride ourselves on our deep understanding of our responsibility to the society and our people - who remain our core enduring advantage. With this guiding principle, this year again we ran programs that aimed to enhance employee welfare and support them in multiple causes.

In the CSR ambit, Thal Engineering organized two Blood Donation Camps on different occasions in 2018-19 to facilitate Husaini Blood Bank and Indus Hospital



Other Subsidiaries

Noble Computer Services (Private) Limited

The Company continues to provide services related to Internal Audit, IT, Advisory, HR and other management related services to group companies of House of Habib. The Company is a wholly owned subsidiary of Thal Limited.

Pakistan Industrial Aids (Private) Limited

Through its trading operations, the Company continued its business of supplying auto parts, such as compressors, condensers, cooling units and gas to automobile assemblers and auto parts manufacturers. It is a wholly owned subsidiary of Thal Limited.

A-One Enterprises (Private) Limited

A-One Enterprises Private Limited is a fully owned subsidiary of Thal Limited. It is currently evaluating new investments options.

Information Technology (IT)

The increasing complexity in business environments and rapid development of information systems worldwide has positioned IT to increasingly play a strategic role in the organization. The Company’s management is actively engaged in continuously evaluating the robustness of its IT systems to meet the daily demands of its business.

During the year, management conducted successful implementation of the SAP Supply Chain modules in its Building and Allied Segment - to support robust decision-making through a common platform across its businesses.

The Paper sack business of Thal Limited also implemented Customer Relationship Management module and SAP Production Planning Module to allow real-time conversion of customer requirements and augment supply chain efficiency. The Company also implemented Materials Requirement Planning and Plant Maintenance module of SAP which shall be integrated with the sales, inventory and financial modules of SAP.

As different businesses operate from different locations, it is critical to ensure that all sites are connected and accessible through a common business application platform. The Company deployed Multi-protocol label switching (MPLS) to ensure secure and reliable connections for real-time applications, speed, availability of network, centralized monitoring and cost saving.

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.

Forward-looking Statement

Under the prevailing economic and business environment, corporates in Pakistan are faced with a myriad of challenges. Thal Limited is also striving to reposition itself to sustain existing businesses as well as take advantage of growth opportunities in the coming years. The Company is already diversified across multiple manufacturing sectors, each with their own dynamics, risks and opportunities.

The largest business segment of the Company is its Engineering segment. Under the current Auto Investment Policy, several new OEM entrants have commenced work on establishing their assembly plants in Pakistan. The auto vendor industry will remain under pressure in the medium term since the new entrants are not required to localize in the near future. However, in the long term this segment remains well-poised for growth.

The Building & Allied Products Segment plays a significant role in the growth of the Company. The businesses are focusing on increasing customer base, cost controls, improving productivity and investing in new more efficient machinery to counter tough economic conditions.

The Company continues to see huge potential in the China-Pakistan Economic Corridor (CPEC). The Company further diversified its interests by being engaged in developing Pakistan’s first open pit coal mining project at Thar – a flagship CPEC project, through its investment in the Sindh Engro Coal Mining Company (SECMC).

The Company has further ventured into the power generation sector in a joint venture with Hub Power Company, Novatex Ltd and other Chinese partners and is pursuing financial close of its 330 MW coal-fired power generation plant at Thar, Sindh.

Risks and Uncertainties facing the Company

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:

- Strategic Risk
- Financial Risk
- Foreign Currency Risk
- Credit Risk
- Interest Rate Risk
- Internal Control Risk
- Operational / Commercial Risk
- Competitors Risk / Technological & Innovation Risk
- Regulatory Risk
- 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 2018-19, the Company contributed a sum of Rs. 7.08 billion (2017-18, Rs. 5.55 billion) towards the National Exchequer by way of taxation (including super tax), custom duties, levies, excise duty and WWF.

Remuneration Policy of Non-Executive Directors

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

Auditors

The current auditors Messrs. EY Ford Rhodes, Chartered Accountants, retire and being eligible offered themselves for

re-appointment as auditors for the year 2019-20. Their reappointment has also been recommended by the Board Audit Committee.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2019 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 PSX in respect of trading in Company shares.

Reconstitution of the Board’s Sub Committee

Mr. Muhammad Tayyab Ahmad Tareen was appointed as member of the Board’s Human Resource and Remuneration Committee with effect from July 1, 2019.

Directors training program

Mr. Rafiq M. Habib, Mr. Ali S. Habib, and Mr. Salman Burney are exempted by SECP from the Directors Training Program as each has requisite qualification and experience of serving on the Boards. Mr Asif Qadir, Ms Aliya Saeeda Khan and Mr Mohamedali R. Habib are certified by PICG

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

- The financial statements prepared by the Management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
- The Board has outsourced the internal audit function to M/s. Noble Computer Services (Pvt) Ltd., who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedure of the Company.

- The system of internal control is sound in design and has been effectively implemented and monitored.
- All members of the Audit Committee are indepenent/ non-executive Directors.
- There are no significant doubts upon the Company’s ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The value of investment of provident fund and retirement fund stands at Rs. 552 million and Rs. 62 million respectively as at June 30, 2019.
- The key operating & finance data for the last 6 years are annexed to the report.

The names of the Board members during the year are as stated below, along with their respective attendance in the seven (7) Board meetings that were held during the year:

Sr. No.	Names of Directors	Meeting Attended
1	Mr. Rafiq M. Habib (Chairman)	3/7
2	Mr. Sohail P. Ahmed*	6/7
3	Mr. Ali S. Habib	7/7
4	Mr. Mohamedali R. Habib	2/7
5	Mr. Asif Qadir	7/7
6	Mr. Salman Burney	7/7
7	Mr. Mazhar Valjee**	7/7
8	Ms. Roshan B. Mehri (Alternate Director)	4/7
9	Ms. Aliya Saeeda Khan (Appointed on Sept 14,2018)	4/7

- (ii) During the year the Audit Committee met 4 times and attendance of the Directors was as follows:

Sr. No.	Names of Directors	Meeting Attended
1	Mr. Asif Qadir (Chairman)	4/4
2	Mr. Mohamedali R. Habib	2/4
3	Mr. Sohail P. Ahmed*	4/4
4	Mr. Salman Burney	4/4

* Mr. Sohail P. Ahmed has resigned with effect from September 20, 2019.

** Mr. Mazhar Valjee has resigned with effect from June 30, 2019.

- (iii) During the year Human Resources & Remuneration Committee met once and the attendance of the Directors was as follows:

Sr. No.	Names of Directors	Meeting Attended
1	Mr. Asif Qadir (Chairman)	1/1
2	Mr. Ali S. Habib	1/1
3	Mr. Salman Burney	1/1
4	Mr. Mazhar Valjee**	1/1

Dividend and Appropriations

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

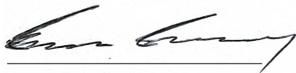
- Final cash Dividend declared of Rs. 5.50 per share, i.e., 110% in addition to interim dividends of Rs 2.50 per share, i.e., 50%.
- Recommends appropriating a sum of Rs 2.5 billion from un-appropriated profits to General Reserve.

Acknowledgement

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



Chief Executive Officer



Director

Karachi: September 20, 2019.