

Thal Limited 2023 Annual Report

Thal Limited | 2023 Annual Report



THAL LIMITED

4th Floor, House of Habib,
3 Jinnah Cooperative Housing Society, Block-7/8,
Shahrah-e-Faisal, Karachi - 75350, Pakistan.
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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

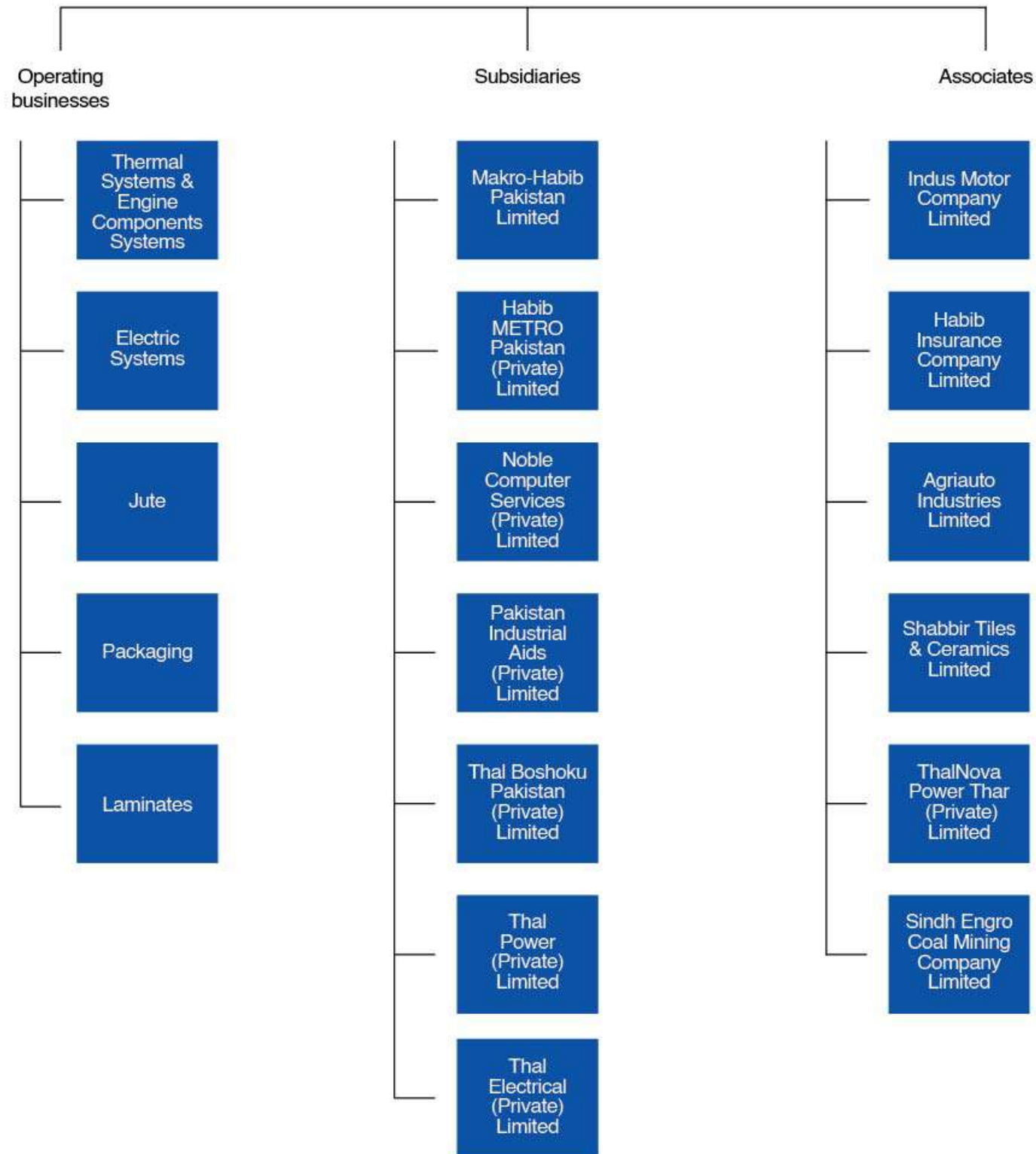
Registered Office

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

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 group with expanding & diversifying businesses, sustaining competitive returns to stakeholders.

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

Our Values

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

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

Humility & Respect
Be a good listener | Foster fair play | Allow open critique | Encourage communication with subordinates | Walk the talk | 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 | Practice 5 R: Recycle | Re-Use | Retrieve | Refine | Reduce

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

Chairman's Review Report



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 original 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

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، الیکٹریکل سسٹمز اور انجن کیپٹل کے شعبے سمیت ہیکٹیو اور بلڈنگ میٹریلز کے ہمارے شعبے منافع بخش رہے۔ یہ کہا جا رہا 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 خسارے نے آج کاروبار کے فروغ کو ایک چیلنج بنا دیا ہے۔

تاہم میں یہ اطلاع دیتے ہوئے خوش ہوں کہ کمپنی کی کارکردگی مثبت رہی اور کمپنی نے بعد از ٹیکس منافع میں 2.8 بلین روپے کا حصہ ڈالا۔ کمپنی پاکستان میں اپنے آپریٹرز کے لئے وقف ہے اور آنے والے سالوں میں مجموعی منافع میں اضافہ کیلئے لاگت میں کمی اور لوگوں کو کمیشن 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 شعبے نے درآمدات اور غیر پیداواری دلوں پر پابندی کے باوجود 13.8 بلین روپے کی فروخت کی۔ کمپنی OEMs کے ساتھ نئی شراکت داری قائم کرنے اور ترقی پلانز کے طور پر اپنی حیثیت کو برقرار رکھنے کو ترجیح دیتی رہے گی۔ مزید برآں، یہ برآمدی مارکیٹ میں مواقع تلاش کرنے اور آٹو میٹیکل سے آگے اپنے کاموں کو متنوع بنانے کے لیے بھی تیار کرے گی۔

کمپنی کی ہیکٹیو، بلڈنگ میٹریلز، اور الیکٹریکل کے شعبے نے تو قعات 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 توجہ رہنے والی کے ذریعے پائیداری پر مضبوط توجہ، کاروباری عمل کی اصلاح اور نئی آئی ٹی کے ساتھ ہمیں کم لاگت کے ساتھ موثر طریقے سے کام کرنے میں مدد کرنی چاہئے۔

تھل پورٹو 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 کر رہی 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 سائنس پر نئی پیش رفت پیدا کرنے پر توجہ مرکوز کرے گا۔

توانائی کے شعبے میں، سندھ اینڈ وول مینجمنٹ کمپنی نے مجموعی طور پر پراجیکٹ کی تکمیل کی تاریخ حاصل کر لی 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 تھار (پرائیویٹ) لمیٹڈ نووا پاور جن لمیٹڈ کے ساتھ ایک مشترکہ منصوبہ ہے۔ اس منصوبے کا مقصد ایس ای ای ایم سی سے 1.9 ملین ٹن سالانہ لگنائٹ کو ٹھکانہ حاصل کرنا ہے تاکہ تھار، پاکستان میں اس کے 330 میگا واٹ پاور پلانٹ کو تکمیل فرمائیں۔ الحمد للہ، تھل نے فروری 2023 میں کامیابی کے ساتھ تجارتی آپریٹرز حاصل کر لیے۔

انسانی وسائل کے حجاز پر کمپنی نے مالی سال 23 میں رٹنگ فیئر ز اور ایک انتہائی کامیاب مینجمنٹ ٹرینی 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 ترقیوں کی گہری اور کمپنی نے پیٹرورنڈ، ایلیٹھ سیٹھی مینجمنٹ سسٹم اور ماحولاتی انتظام کے نظام کے لیے سالانہ سرٹیفیکیشن 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 فٹنگ پرملازمین 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 واکنگ کو بھی برقرار رکھتی ہے۔

میں اپنی تخلص قیادت کیلئے انتہائی خوش 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 ریسورس ڈیپارٹمنٹ کی کمیٹیوں، اسٹاف، شراکت داروں اور میٹریز کی سخت محنت و جدوجہد کا شکر گزار ہوں جو کہ انتہائی شدید مشکل وقت اور حالات میں کامیابی کا سہارا بنے۔


Rafiq M. Habib
Chairman

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.

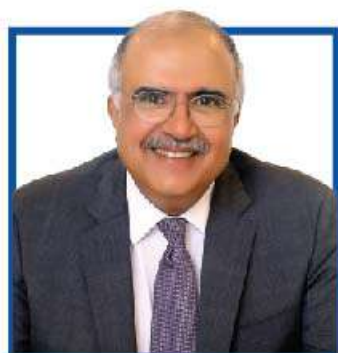
He is the founding Chancellor of Habib University.



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.

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

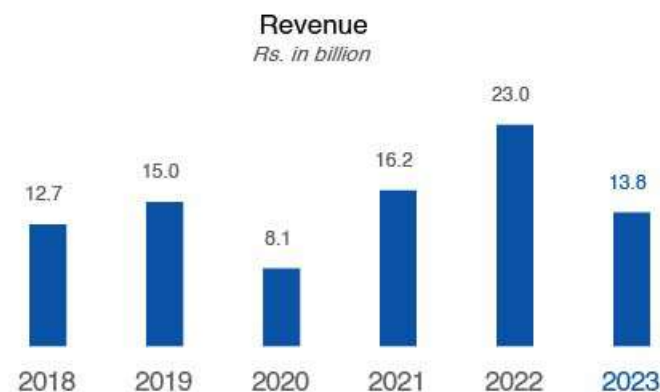
The Company's operating businesses are categorized under two segments, namely the engineering segment and the packaging, building material & allied products segment.

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.

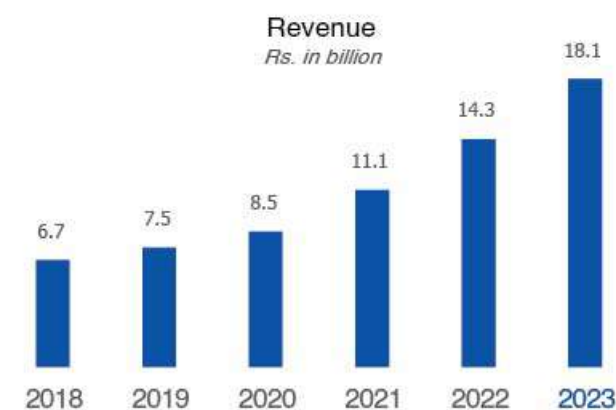
Outlook

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.

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 CO2 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.

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
Karachi

Director

Dated: September 11, 2023

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

سال کے دوران ہیومن ریسورسز اینڈ ڈیولپمنٹ 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 (چیئر پرسن) | 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 تہ 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۔

ڈائریکٹر

A. A. A. A.

چیف ایگزیکٹو

کراچی

مورخہ: 11 ستمبر 2023

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

بورڈ ممبرز کے نام اور سال کے دوران منعقد ہونے والے 16 اجلاسوں میں ان کی حاضری کی تفصیلات درج ذیل ہیں:

| ڈائریکٹرز کے نام | شرکت کردہ اجلاس کی تعداد |
|-------------------------------|--------------------------|
| جناب رفیق ایم حبیب (چیئر مین) | 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 |

نان۔ ایگزیکٹو 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 فور رھوڈز، 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 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 ایگزیکٹو آفیسر، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ اور کمپنی سیکرٹری کو ان ایگزیکٹو کے طور پر متعین کیا ہے جن کی رپورٹنگ کمپنی کے شیئرز میں ٹریڈنگ کے سلسلے میں پاکستان اسٹاک ایکچینج (پی ایس ایکس) کو کی جانی ہے۔

ڈائریکٹرز ٹریڈنگ پروگرام:

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

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

۱۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ میں کمپنی کے معاملات، آپریشنز کے نتائج، 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 نو بل کمپیوٹرسروسز (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 جا رہی ہے۔

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

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

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

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:

| | | |
|----|---------------------|--|
| ۱۔ | انڈیپنڈنٹ ڈائریکٹرز | محترمہ عالیہ سعیدہ خان جناب خیام حسین |
|----|---------------------|--|

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 تاکہ اینڈ یوزرز اور بیک اینڈ سرورز دونوں کو محفوظ بنایا جاسکے۔ ٹرینڈ مائیکرو ڈیپ سیکیورٹی کو منتخب کرنے سے کمپنی کو انٹرنیٹ پر ایپلی کیشنز اور ڈیٹا کی خلاف ورزیوں اور کاروباری غلطی سے بچانے میں مدد ملی۔ اس کے علاوہ، ٹیم نے اوپن سیشن کے ذریعے ملازمین کو معلومات کی حفاظت کے بارے میں آگاہ کرنا جاری رکھا اور مختلف وقفوں پر فٹنگ 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 کنٹرولز کا ایک موثر سسٹم لاگو کیا گیا ہے تاکہ اس کے اثاثہ جات کو محفوظ بنانے کے ساتھ اس کے ریکارڈز کو درست اور قابل اعتماد بنایا جائے۔ سینئر انتظامیہ کمپنی اور اس کے ذیلی اداروں کی مالیاتی کارکردگی کا جائزہ ماہانہ مفصل مالیاتی رپورٹس کے ذریعے لیتی ہے جبکہ بورڈ بھی ہر سہ ماہی کے اختتام پر اس کا ذاتی جائزہ لیتا ہے اور بجٹ کے لحاظ سے اس کا تقابلی موازنہ کرتا ہے۔ مروجہ طریقہ کار کے تحت انٹرنل آڈٹ کے ذریعے باقاعدگی کے ساتھ مفصل 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 انٹرنیٹ ریسک 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/ٹیکنالوجی 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 ڈیویژن، محصولات، ایکسائز ڈیویژن اور ڈبلیو پی پی ایف کی صورت میں قومی خزانہ میں 8.5 بلین روپے جمع کرائے (2021-22: 8.1 بلین روپے)۔

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 سیکھے، 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 اسپلائی انگیجمنٹ کو فروغ دینے کے لیے، مختلف انگیجمنٹ سرگرمیاں انجام دیں جس سے ہماری افرادی قوت میں کافی جوش و خروش پیدا ہوا۔ مالی سال 2023 میں مجموعی معاوضے کا ایک سروے بھی منعقد کیا گیا تاکہ 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 و خروش سے منایا گیا اور ایک انٹرا ایکٹو سیشن افراد کو باختیار بنانے کے لیے ماحول بنانے پر توجہ مرکوز کی۔

صحت، تحفظ اور ماحولیات (HSE):

صحت، حفاظت اور ماحولیات کی 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 سیشن منعقد کئے گئے۔ کمپنی نے بین الاقوامی معیار سے ہم آہنگ سیفٹی مینجمنٹ سسٹمز ISO 45001 (آکیویشنل سیفٹی اور ہیلتھ اینڈ سٹریٹیشن) اور 14001 (انوائزمنٹ مینجمنٹ سسٹم) کے تحت سالانہ سرٹیفیکیشن 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 آکیویشنل ہیلتھ، سیفٹی اینڈ ویل بینگ ایوارڈ 2022" میں پہلی پوزیشن حاصل کی۔ فارسیفٹی ایوارڈ 2022 اور سالانہ انوائزمنٹ ایکسیلنس ایوارڈ 2022 کمپنی دوران سال ملنے والے اعزازات میں شامل تھے۔

کابینہ 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 میگا واٹ کی موجودہ نصب شدہ صلاحیت کے ساتھ توانائی کی بچت والی ٹیکنالوجیز اور شمسی پلانٹ نے 3,266 ٹن CO₂ کی سالانہ کمی کو حاصل کرنے میں مدد کی ہے جس کی اضافی 1.95 میگا واٹ 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 ریسپانسیبیلٹی (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 اسٹریکچر میں بہتری لانا اور اپنے قیمتی صارفین کی

میکرو حبیب پاکستان لمیٹڈ:

میکرو حبیب 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 کارروائی 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 اسمبلر 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 اینگروکول مائننگ کمپنی لمیٹڈ

سندھ اینگروکول 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 تھل مائننگ اتو ایسٹنس لمیٹڈ اور ایس پی آئی منگڈ و منگ کے مابین ایک جوائنٹ وینچر ہے۔ ایس ای سی ایم سی تھل کول بلاک II میں پاکستان کے پہلے اوپن پٹ مائننگ پروجیکٹ کو تیار کرنے میں سرگرم عمل ہے۔

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

ایک کوئلہ ٹائٹ فراہم کرتے ہیں۔

ستمبر 2022 میں فیئر II کے لیے پراجیکٹ کمپنی نے کمرشل آپریشنز کی تاریخ حاصل کی۔ سندھ اینگروکول مائننگ کمپنی لمیٹڈ (ایس ای سی ایم سی) اب بلاک 2 میں 1320 میگا واٹ کے تھل کول پرنٹی پاور پلانٹس کو کوئلہ فراہم کر رہا ہے جو کہ بجلی کے اخراج کے لیے ٹھہرے میرٹ آرڈر میں اعلیٰ درجہ پر ہے۔

سندھ اینگروکول 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 نووا پاور تھل (پرائیویٹ) لمیٹڈ (تھل نووا):

تھل نووا پاور تھل (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 تھل سندھ میں واقع 330 میگا واٹ 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 پراجیز ایجنسی (گارنٹی) لمیٹڈ کے ساتھ پاور پراجیز ایگریمنٹ اور پرائیویٹ پاور انفراسٹرکچر بورڈ کے ساتھ اپلی مینیشن ایگریمنٹ بھی کیا ہے۔

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

ہمیں توقع ہے کہ یہ کاروباری چیلنجز آئندہ سال بھی جاری رہیں گے۔ ان چیلنجز سے نمٹنے کے لیے، ہم پائیدار اقدامات بشمول سٹشی توانائی کو اپنانا، ورک فلوکو 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 مارکیٹ 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 اعتماد ہیں۔

لیمینٹس ڈویژن:

لیمینٹس ڈویژن انجینئر ڈسٹ کی صنعت میں برانڈ "فورمانٹ" کے تحت کام کرتا ہے جو ہائی پریشر لیمینٹ، ٹیکنیکل لیمینٹ اور لیمینٹ بورڈز پیش کرتا ہے۔

ملکی سیاسی عدم استحکام، مہنگائی اور افراط زر میں اضافہ، غیر مستحکم شرح مبادلہ اور زر مبادلہ کے ذخائر میں کمی سے بھی لیمینٹس 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 سٹشی 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 پروڈیکٹس، پروڈکٹس 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 جاسکے۔

ذیلی ادارے:

تھل بوش کو پاکستان (پرائیویٹ) لمیٹڈ:

سال 2022-23 کے دوران TBPک نے 920 ملین روپے کی فروخت ریکارڈ کی جبکہ گذشتہ سال کے دوران 2,130 ملین روپے کی فروخت ہوئی تھی۔ فروخت میں اس کی کاربراہ راست تعلق OEM حجم میں کمی اور آٹوموٹیو انڈسٹری میں سست روی سے ہے۔ منافع کے لحاظ سے، TBPک 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 TBPک میں 1 ملین 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، TBPک کو اس کے صارفین نے اپنی مصنوعات میں صفر نقائص کو برقرار رکھنے کے باعث بہت زیادہ درجہ دیا ہے۔ TBPک کی توجہ پیداواری کارکردگی کو بہتر بنا کر شیئر ہولڈرز 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 کیمری ریٹیل ریٹیل 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 سائنس پر نئی ڈیولپمنٹ 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۔

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 کا روبرو کے لئے انتہائی کٹھن ثابت ہوگا۔

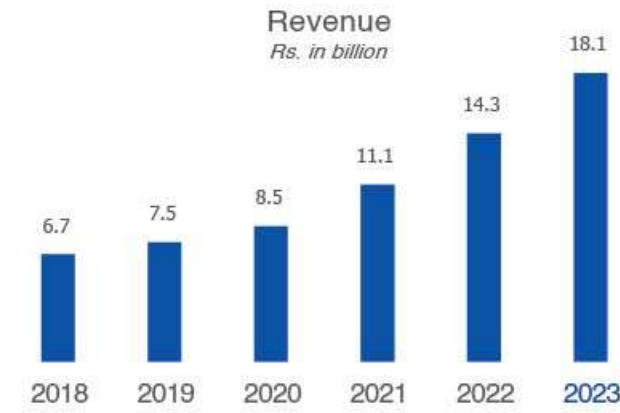
پیکینجنگ، بلڈنگ میٹریل اور منسلکہ مصنوعات کا شعبہ:

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

- جوت ڈویژن

- پیکینجنگ ڈویژن

- لیمینیشن 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۔

جوت ڈویژن:

مالی سال 2022-23 کے دوران، قدر میں کمی اور درآمدی پابندیوں کے چیلنجز کے باوجود، جوت 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۔

جوت 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 جوت کی قلت نے قیمتوں میں اضافہ میں اہم کردار ادا کیا۔

آؤٹ لک:

آنے والا سال خام مال کی بڑھتی ہوئی قیمتوں کے ساتھ چیلنجز 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۔

پیکینجنگ ڈویژن:

مالی سال 2022-23 میں پیکینجنگ 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 بد حالی 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:

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

ہم بورڈ آف ڈائریکٹرز کی جانب سے نہایت مسرت کے ساتھ تھل لمیٹڈ (دی "کمپنی") کی 57 ویں سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے برائے سال ختمہ 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 بڑھادی 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:

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

دوران سال کمپنی کا سبز 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 2021-2022 کے دوران 4.3 بلین روپے رہا تھا۔

کاروباری شعبوں کا جائزہ:

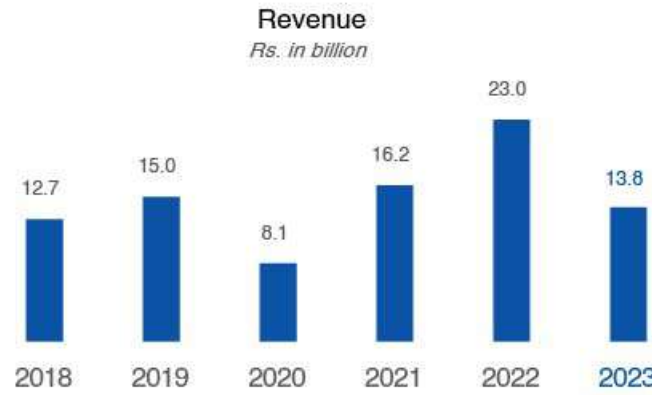
کمپنی دو نمایاں کاروباری شعبوں، انجینئرنگ کے شعبے اور پیکیجنگ، بلڈنگ میٹریل و منسلک مصنوعات سے متعلق شعبے کی حامل ہے۔

انجینئرنگ کا شعبہ:

کمپنی کا انجینئرنگ شعبہ درج ذیل پر مشتمل ہے:

- تھرمل اور انجن کمپونینٹس ڈویژن
- الیکٹریک سسٹمز ڈویژن

اس کاروبار کی توجہ بنیادی طور پر آٹوموٹیو 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 آٹوموبائل مینوفیکچررز کی جانب سے چلنی سطح کی جانب 40 فیصد 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 بلا تعلق 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 ایکویپمنٹ مینوفیکچررز (OEM) سے کاروبار حاصل کرنے کے اقدامات، آٹوموٹیو اسپیس سے باہر تنوع اور برآمدات کو ٹیپ کرنے جیسے اقدامات پر حکمت عملی جاری رکھے گی۔

Board Committees and their Terms of References

Committees of the Board

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

Audit Committee

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

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

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

Members:

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:

comprised of effectiveness and efficiency of operations including performance and profitability goals and safeguarding of resources, reliability of financial reporting including interim and condensed financial statements and selected financial data, and compliance with applicable laws and regulations.

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

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

Control Environment:

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

Risk Assessment:

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

Control Activities:

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

Information and Communication:

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

Monitoring:

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

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.

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

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

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 | <p>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.</p> <p>Mr. Muhammad Tayyab Ahmed Tareen is the CEO of the Company and holds directorship in TN.</p> <p>Mr. Muhammad Salman Burney is the common director in both the Company's and TN's Board.</p> | |
| 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 | <p>ThalNova Power Thar (Private) Limited</p> <table border="1"> <thead> <tr> <th>As at June 30, 2023</th> <th>Rs in '000</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>139,451,791</td> </tr> <tr> <td>Equity</td> <td>27,878,829</td> </tr> <tr> <td>Long term loan</td> <td>72,911,740</td> </tr> <tr> <td>Current Liabilities</td> <td>38,661,222</td> </tr> <tr> <td>Turnover</td> <td>22,522,972</td> </tr> <tr> <td>Profit for the year</td> <td>4,793,581</td> </tr> </tbody> </table> | 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 |
| 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: | Not applicable | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> 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; | | | | | | | | | | | | | | | |
| 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 | <p>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").</p> <p>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.</p> | | | | | | | | | | | | | | |

| 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.

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; | <p>The Company diluted its shareholding in TN from 49.5% in 2018 to 26% in 2018.</p> <p>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.</p> <p>Equity injections were made along with debt disbursement and total equity obligation of the Company has now been met.</p> |
| (d) material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment | <p>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.</p> |

تھل نوواپاور (پرائیویٹ) لمیٹڈ:

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

ایکویٹی کی شمولیت، گارنٹی اور اسپانسر کی معاونت

غیر معمولی اجلاس عام منعقدہ 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 اسٹیٹڈ بانڈ لیٹر آف کریڈٹ کے انتظام کی منظوری دی تھی تا کہ ایکویٹی کی مالیاتی ذمہ داری کو محفوظ 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 ڈیٹ 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 ڈیٹ کے ذریعے کی جائیں جن کا انحصار ان منظور یوں کے مطابق ہوں جو قرض دینے والوں سے حاصل کی جاسکتی ہیں۔ اگر یہ بذریعہ ترجیحی شیئرز ہوں تو کلیدی شرائط 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 ترجیح ہوں۔

کمپنیوں (ملحقہ کمپنیوں یا ایسوسی ایٹڈ انڈر ٹیکنگ 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) ایکویٹی میں لگائی گئی۔ |

| | |
|---|---|
| (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۔ |
| (ڈی) سرمایہ کاری کی منظوری کے لیے منظور کی گئی قرارداد کی تاریخ کے بعد سے ملحقہ کمپنی یا متعلقہ انڈر ٹیکنگ کے مالیاتی گوشواروں میں مادی تبدیلی۔ | 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 پر ڈیٹ کی 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 انجکشن قرض کی تقسیم کے ساتھ ساتھ بنائے گئے تھے، اور کمپنی نے اب اپنی پوری ایکویٹی ذمہ داری پوری کر دی ہے۔ |
| | کول منصوبوں کے لیے امریکی ڈالر فنڈنگ 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 لائن 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۔ |

(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 سکیورٹی 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 انٹرنیٹ ایکسچینج ریٹ (KIBOR)، شریعہ کے مطابق مصنوعات کے لیے شرح منافع اور غیر فنڈ شدہ سہولیات کے لیے شرح منافع، جیسا کہ معاملہ ہو۔ | 3 ماہ 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 سکیورٹی کی تفصیلات حاصل کی جائیں۔ | قابل اطلاق نہیں |
| اگر سرمایہ کاری میں تبادلوں کی خصوصیت ہوتی ہے یعنی یہ سکیورٹیز میں تبدیل کرنے کے قابل ہے، تو یہ حقیقت شرائط و ضوابط 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 و ضوابط یا متعلقہ کمپنی یا اس سے وابستہ انڈریٹنگ 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 (منسلکہ کمپنیوں یا ایسوسی ایٹڈ اداروں میں سرمایہ کاری) ریگولیشنز 2017 کے ضابطے (2) کے تحت بیان:

سندھ اینگروول مینٹنگ 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۔

سندھ اینگروول مینٹنگ کمپنی لمیٹڈ:

کمپنی کے ممبران کا سالانہ اجلاس منعقدہ 2 اکتوبر 2018 میں سندھ اینگروول مینٹنگ 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 مینٹنگ 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 2x330 میگا واٹ پاور جنریشن پلانٹ کیلئے 3.8 ملین ٹن لگنائٹ کوکس سالانہ فراہم کر رہا ہے۔ ایس ای سی ایم سی کے فیئر-ا 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 اور- رن اور 6.8 ملین امریکی ڈالر کی رقم برائے ڈی بیٹ سرونگ ریزرو (KIBOR/LIBOR نقل و حمل کے باعث قابل منہا) شامل ہے۔ ایس ای سی ایم سی مینٹنگ پروجیکٹ کا فیئر-1 مقررہ مدت کے اندر اور اخراجات میں نمایاں بچت کے ساتھ مکمل ہو چکا ہے۔ پروجیکٹ کی لاگت میں کمی کے نتیجے کے طور پر کمپنی نے ایس ای سی ایم سی فیئر ایس سے 17.7 ملین امریکی ڈالر کی مجموعی رقم بطور ایکویٹی انویسٹمنٹ 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، اسٹیٹمنٹ ہائی لیٹر آف کریڈٹ فیئر-ا کے لئے استعمال شدہ ایکویٹی کے سلسلے میں جاری کر دیا گیا ہے۔

ایس ای سی ایم سی نے تھر انرجی لمیٹڈ اور تھل نو واپا و تھر (پرائیویٹ) لمیٹڈ کے ساتھ فیئر 11 کے لیے کوئلے کی فراہمی کے معاہدے کیے، جس سے ہر دو 330 میگا واٹ 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 فیئر 11 کا مالی سال ختم ہوا۔ ایس ای سی ایم سی کے فیئر 11 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 اور- رن 1.3 ملین اور ڈی بیٹ سرونگ ریزرو (KIBOR/LIBOR نقل و حمل کے باعث قابل منہا) 1.2 ملین امریکی ڈالر شامل ہیں۔

ایس ای سی ایم سی فیئر 11 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 فیئر 11 میں ایکویٹی کے طور پر کل 5.4 ملین کی سرمایہ کاری کی۔ غیر استعمال شدہ ایکویٹی اسٹیٹمنٹ ہائی لیٹر آف کریڈٹ اور کاسٹ اور رن اور ڈی بیٹ سرونگ ریزرو سپورٹ کا معاہدہ شدہ اسپانسر سپورٹ ایس ای سی ایم سی کے فیئر 11 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 میگا واٹ تھر پرائیویٹ 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 کئے جن کی فی شیئر قیمت 10 روپے روپے ہے۔

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| <p>قابل اطلاق نہیں</p> | <p>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:</p> <p>(۱) قرض کے ذریعے سرمایہ کاری کا جواز؛</p> <p>(۲) ایسے فنڈز کے حصول کے لیے ضمانت، فراہم کردہ ضمانتوں اور گروی رکھے گئے اثاثوں کی تفصیل؛ اور</p> <p>(۳) لاگت کے فائدہ کا تجزیہ</p> |
| <p>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 گے۔ 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۔</p> | <p>مجوزہ سرمایہ کاری کے حوالے سے متعلقہ کمپنی یا متعلقہ انڈر ٹیکنگ کے ساتھ معاہدے کی نمایاں خصوصیات، اگر کوئی ہو؛</p> |
| <p>تھل پاور (پرائیویٹ) لمیٹڈ کے ذریعے کمپنی فی الحال ٹی این میں 26.0 فیصد شیئرز کی مالک ہے۔</p> <p>جناب محمد طیب احمد ترین کمپنی کے سی ای او ہیں اور ٹی این میں ڈائریکٹر شپ رکھتے ہیں۔</p> <p>جناب محمد سلمان برنی کمپنی اور ٹی این کے بورڈ دونوں میں مشترکہ ڈائریکٹر ہیں۔</p> | <p>متعلقہ کمپنی یا متعلقہ انڈر ٹیکنگ 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</p> |
| <p>تھل لمیٹڈ نے ٹی این کو کوئی ایکویٹی نہیں دی ہے اور نہ ہی کوئی قرض دیا ہے۔</p> | <p>اگر ملحقہ کمپنی یا اس سے وابستہ انڈر ٹیکنگ 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؛</p> |
| <p>قابل اطلاق نہیں</p> | <p>لین دین کو سمجھنے کے لیے ممبران کے لیے کوئی اور اہم تفصیلات</p> |

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

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| بنیادی تعلقات | ٹی این کمپنی کی ماتحت 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 ڈائریکٹر شپ 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 و نقصان کا اکاؤنٹ | تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ 30 جون 2023 تک |
| | رقم '000 میں |
| | کل اثاثہ جات |
| | 139,451,791 |
| | ایکویٹی |
| | 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 کر سکتی ہے جو کہ سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہوگا۔ جہاں شیئر ہولڈرز 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 بارڈر کا پی فراہم کرنے کی درخواست کر سکتا 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 میگاواٹ 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 ہولڈنگ 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 پراجیکٹ ایجنسی (گارنٹی) لمیٹڈ ("CPPA-G") کے درمیان 21 جولائی 2017 کو طے پانے والے پاور پراجیکٹ ایگریمنٹ کی شرائط کے تحت، جس میں وقتاً فوقتاً ترمیم کی جاتی ہے، TN نے CPPA-G کے حق میں بعض فرائض و ذمہ 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 سیکورٹی نہیں ہے، کمپنی، TN کو دیگر اسپانسرز کے ساتھ، سیکورٹی 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 سیکورٹی فراہم کرنے کی ضرورت ہوگی جس کی رقم PKR کے مساوی 2,800,000 امریکی ڈالر (امریکی ڈالر 20 ملین آٹھ سو ہزار صرف سے زیادہ نہ ہو) جیسا کہ متعلقہ بینکوں / مالیاتی اداروں کو ضرورت ہو سکتی ہے۔

معلومات کی نوعیت جس کا انکشاف کمپنیز (ماتحت کمپنیوں یا ایسوسی ایٹڈ انڈر ٹیکنگ 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:

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| درکار معلومات | فراہم کردہ معلومات |
| "ماتحت کمپنی" کا نام | تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ (ٹی این) |

موجودہ شیئر ہولڈنگ کے تناسب کی تفصیل بطور پر پرنسپل شیئر ہولڈرز ان کے مشترکہ ہولڈرز کمپنی کے شیئر رجسٹر کو فراہم کریں تاکہ کمپنی اس کے مطابق ہر ایک شیئر ہولڈر کے وہ ہولڈنگ ٹیکس کا تعین کر سکے۔ مطلوبہ معلومات لازماً کمپنی کے شیئر رجسٹر 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 الیکٹرانک ادائیگی (ای۔ مینڈیٹ):

کمپنی 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 ادائیگی منافع منقسمہ صرف بذریعہ الیکٹرونک طریقہ کار براہ راست استحقاق کے حامل شیئر ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں جمع کرایا جائے۔ اس سلسلے میں ضوابط کے تحت اخبارات میں نوٹس پہلے ہی شائع کرائے جاسکے ہیں۔ تمام شیئر ہولڈرز کو ایک بار پھر مطلع کیا جاتا ہے کہ وہ اپنے بینک مینڈیٹ کی تفصیلات جس میں (1) اکاؤنٹ کا نام (2) اکاؤنٹ نمبر (3) آئی بی اے این (4) بینک کا نام (5) برانچ کا نام، کوڈ اور پتہ شامل ہو، کمپنی کے شیئر رجسٹر کو فراہم کریں۔ ایسے شیئر ہولڈرز جو پارٹنیشن سینیٹرل 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 کریں۔

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

کمپنی ایکٹ 2017 کے سیکشن (6) 223 کی شق کے مطابق کمپنی 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 کیونٹیکیشن کنسنیٹ فارم کو پُر کر کے کمپنی کے شیئر رجسٹر کو ارسال کریں۔

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:

کمپنی ایکٹ 2017 کے سیکشن 72 کے مطابق یہ لازم ہے کہ تمام لسٹڈ کمپنیاں فزیکل صورت میں موجود شیئرز کو کمپنی ایکٹ 2017 کے نفاذ کی تاریخ سے 4 سالوں کے اندر بک انٹری 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 کمپنی 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 وونگ اور پوسٹل بیلٹ کیلئے طریقہ کار:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 اور اس کی ترامیم SRO 2192(I)/2022 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 وونگ کے لیے درج ذیل اختیارات فراہم کرے گی۔

۱۳۔ ای وونگ کا طریقہ کار:

- (1) ای وونگ کے ذریعے اپنے ووٹ کا حق استعمال کرنے کے خواہشمند ممبران tl@hoh.net پر "ای وونگ کی درخواست" کے موضوع کے ساتھ ای میل بھیجیں اور اپنے درست شناختی کارڈ نمبر، سیل نمبر اور ای میل ایڈریس 13 اکتوبر 2023 کو یا اس سے قبل فراہم کریں۔ ای وونگ کی سہولت کی تفصیلات ممبران کے ساتھ ای میل کے ذریعے شیئرز کی جائیں گی۔
- (2) ممبران کو ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ سے بذریعہ ای میل مطلع کیا جائے گا۔ ممبران کو سیکورٹی کوڈز میسرز فیکو ایسوی ایس (پرائیویٹ) لمیٹڈ کے ویب پورٹل سے بذریعہ ایس ایم ایس فراہم کئے جائیں گے۔
- (3) ای وونگ کے ذریعے ووٹ ڈالنے کے خواہشمند ممبران کی شناخت الیکٹرانک دستخط یا لاگ ان کی تصدیق کے ذریعے کی جائے گی۔
- (4) ای وونگ 16 اکتوبر 2023، صبح 09:00 بجے سے شروع ہوگی 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۔

۱۳۔ 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 کیپیوٹرائزڈ 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 وونگ" 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 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۔

کمپنی ایکٹ 2017 کے سیکشن (3) 134 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/سی ڈی وی ڈی/یو ایس بی کے بجائے) QR کوڈ اور ویب لنک

نوٹس:

سالانہ اجلاس عام کی کارروائیوں میں بذریعہ ویڈیو 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 ویڈیو کانفرنس فیصلیٹی 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 کرائیں۔ ویڈیو کانفرنس 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 ہوں گی، اور سالانہ اجلاس عام سے کم از کم 48 گھنٹے پہلے موصول ہوں گی۔

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

شیئر ہولڈرز رجسٹریشن کے لیے اپنے تہرے اور استفسارات برائے سالانہ اجلاس عام کے ایجنڈا آن لائن 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 ٹرانسفر ہمارے شیئر رجسٹرار میسرز فیکو 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) 009-21-34384621-3 ٹیکس 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 تعیین 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 سیکورٹیز 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 دکھانا اپنی شناخت کی تصدیق کرائیں گے۔

کارپوریٹ ادارے کی صورت میں، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اتارنی 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 ممبر اجلاس میں اپنی جگہ شرکت کرنے، بولنے اور ووٹ دینے کیلئے پراکسی کا تقرر کر سکتا 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 کرا دی جائے۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد پاور آف اتارنی مع نامزد کردہ کے نمونہ دستخط بشمول ان کی سی این آئی سی کی کاپی اجلاس سے کم از کم 48 گھنٹے قبل فراہم کر دی جائے۔ پراکسی کا فارم اردو اور انگریزی زبان میں سالانہ رپورٹ کے ساتھ منسلک ہے اور اسے دو افراد کی گواہی کے ساتھ ارسال کیا جائے جن کے نام، پتے اور سی این آئی سی نمبر 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 کرنا:

انفرادی شیئر ہولڈرز سے ایک مرتبہ پھر درخواست ہے کہ اگر انہوں نے ابھی تک اپنی کارآمدی سی این آئی سی کی نقول کمپنی کے شیئر رجسٹرار فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو جمع نہیں کرائیں تو فوری جمع کرا دیں، 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 وہ ہولڈنگ ٹیکس:

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

| | |
|---|---------|
| (اے) ایکٹو ٹیکس پیئر لسٹ (اے ٹی ایل) پر موجود افراد کے لئے | 15 فیصد |
| (بی) ایکٹو ٹیکس پیئر لسٹ (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 لسٹ (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 کوئی کی جائے گی۔

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

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

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ کمپنی کے ممبران کا 57 واں سالانہ اجلاس عام بروز پیر مورخہ 23 اکتوبر 2023 کو صبح 9:30 بجے بمقام دی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) آڈیٹوریم، چارٹرڈ اکاؤنٹنٹس 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 چیئر مین کا جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض 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 ای وائی فور ڈی رھوڈز، چارٹرڈ اکاؤنٹنٹس کی جگہ میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز ترقی 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 سیکورٹیز 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 سیکورٹیز 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 اتفاق 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 پریزیڈنگ ایجنسی (گارنٹی) لمیٹڈ کے حق میں TN کی جانب سے جاری کردہ لیٹر آف کریڈٹ کے تحت قفل نوڈا 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 سیکورٹی فراہم کرنے کے لیے جو بینکوں/مالیاتی اداروں کو درکار ہو، TN کے ساتھ اس کے پاور پریزیڈنگ ایجنسی 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 و شنید 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 ترمیم، دوبارہ بیان، ایجنڈا یا 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
سمیراملانی
کمپنی سیکرٹری

کراچی؛
مورخہ: 11 ستمبر 2023

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

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

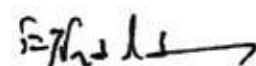
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Thal Limited (the Company) for the year ended 30 June 2023 in accordance with the requirements of Regulation 36 of the 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

Key Figures

| | |
|--|---|
| -15% | -35% |
| Sales Revenue Rs. in million | Profit after tax Rs. in million |
| 2022-23: 31,925 2021-22: 37,351 | 2022-23: 2,751 2021-22: 4,257 |

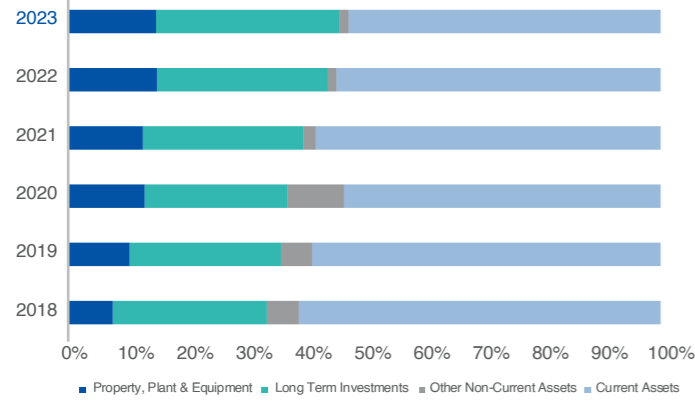
| | | |
|-------------------------------------|---------------------------------------|---------------------------------------|
| -35% | +8.72% | +10.63% |
| Earnings per Share Rupees | Total Equity Rs. in million | Total Assets Rs. in million |
| 2022-23: 33.95 2021-22: 52.54 | 2022-23: 29,605 2021-22: 27,230 | 2022-23: 41,605 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 2021-22: 15.63 | 2022-23: 162.00 2021-23: 269.62 | 2022-23: 8,519 2021-22: 8,080 |

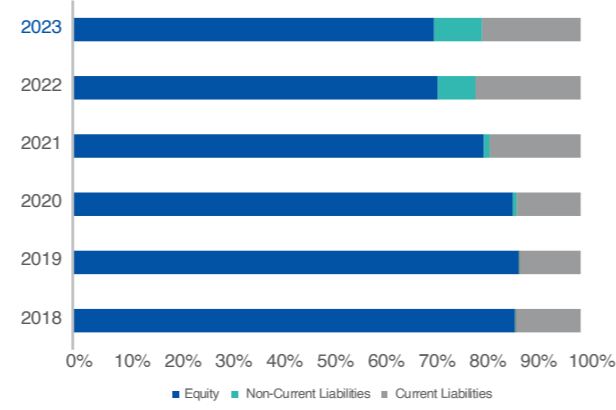
| | |
|-------------------------------------|--|
| +6.67% | -39.92% |
| Dividend per Share Rupees | Market Capitalization Rs. in million |
| 2022-23: 8.00 2021-22: 7.50 | 2022-23: 13,127 2021-22: 21,847 |

Graphical Presentation Six Years at a Glance

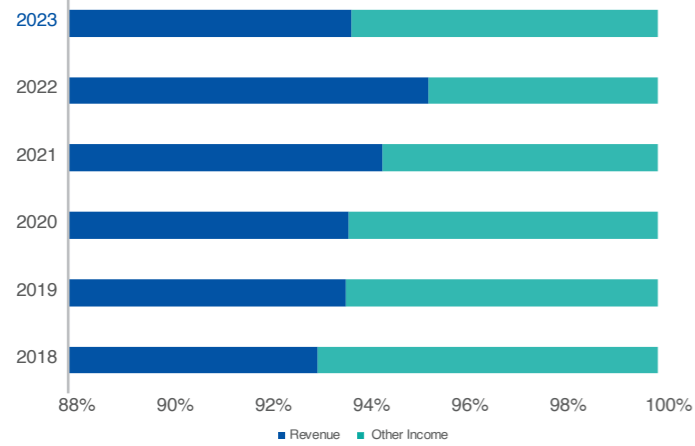
Balance Sheet Analysis Assets (%)



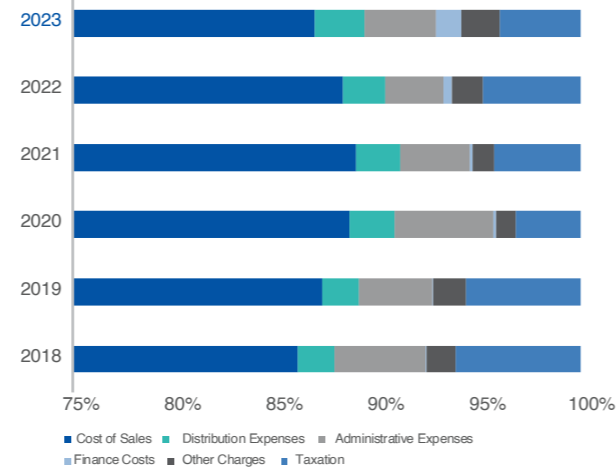
Equity & Liabilities (%)



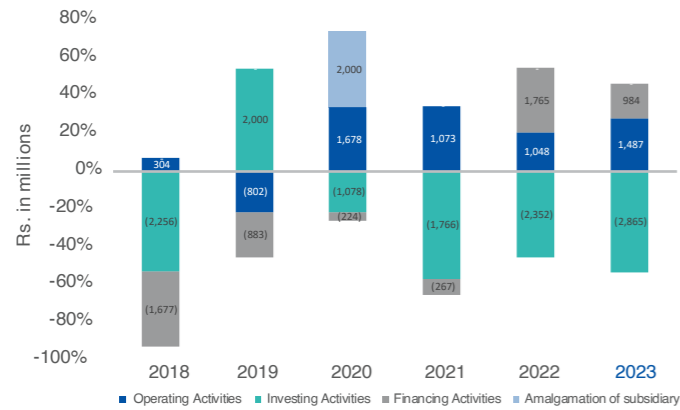
Profit & Loss Analysis Income (%)



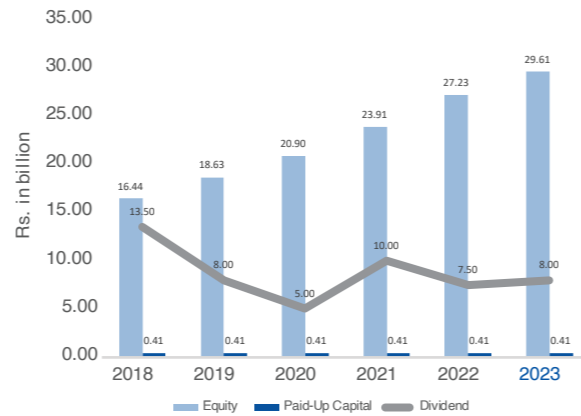
Expenses (%)



Cash Flow Analysis

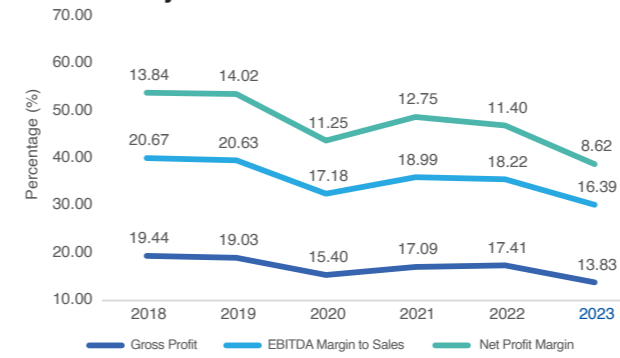


Equity, Paid-Up Capital & Dividend

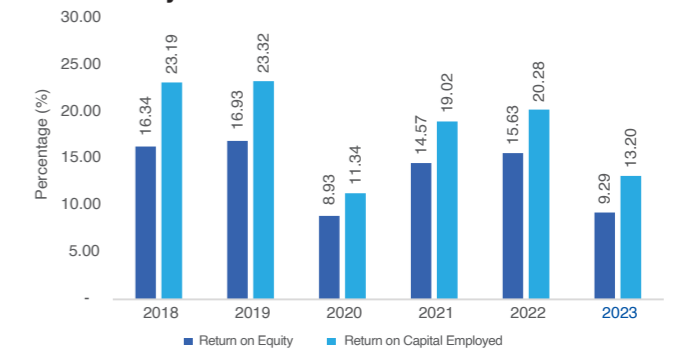


Graphical Presentation of Ratios

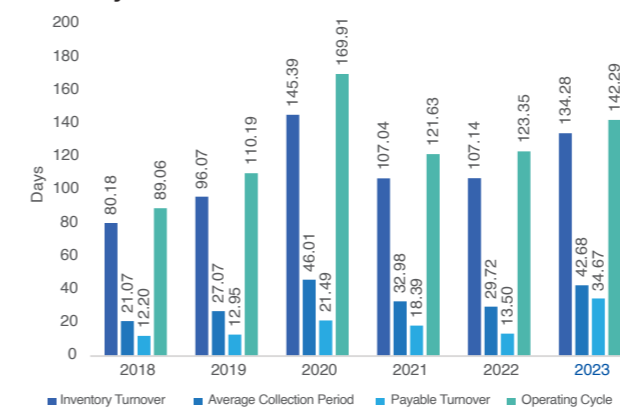
Profitability Ratios



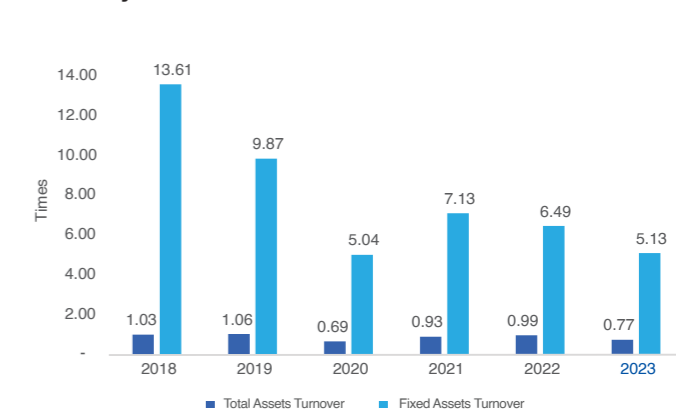
Profitability Ratios



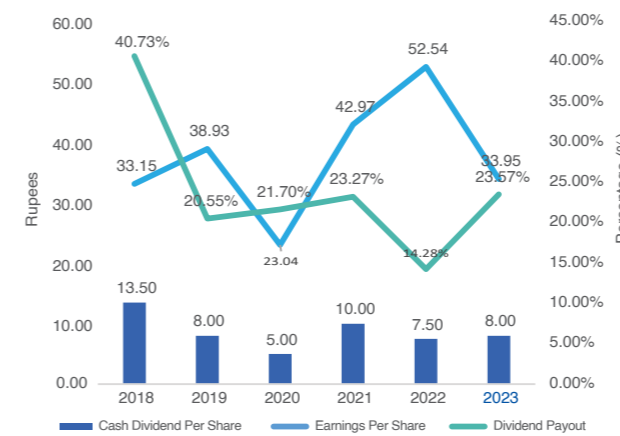
Activity/Turnover Ratios



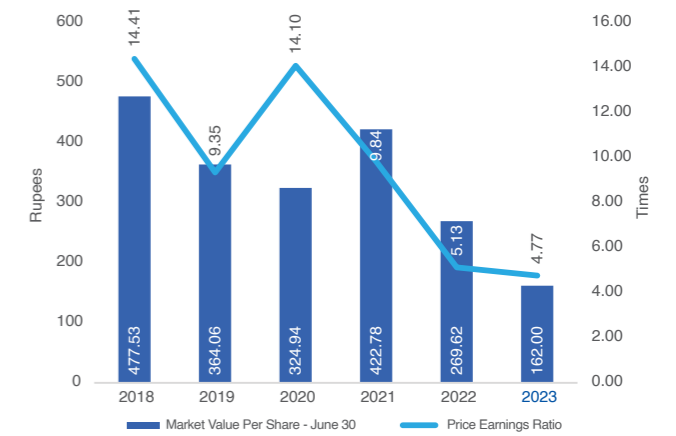
Activity/Turnover Ratios



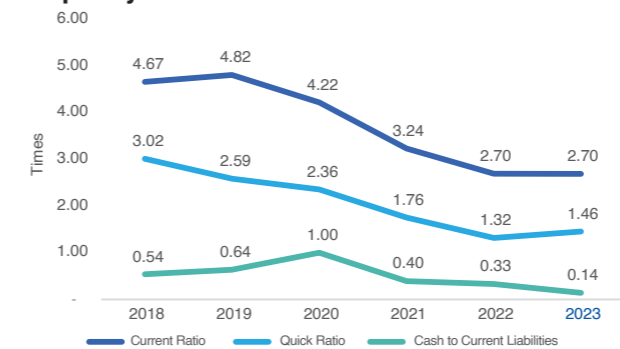
Investment/Market Ratios



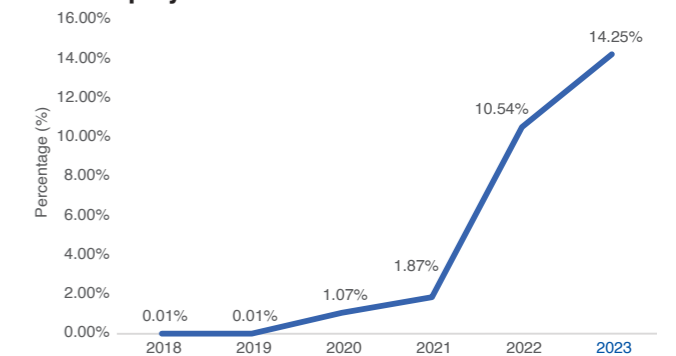
Investment/Market Ratios



Liquidity Ratios



Debt Equity Ratio



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 | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|-----------|----------|--------|----------|--------|----------|--------|
| | 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 | 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% |

Statement of Value Addition

| Wealth Generated | 2023 | | 2022 | |
|---|------------|---------|------------|---------|
| | Rs. 000 | % | Rs. 000 | % |
| 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

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.

Following are the Key audit matters:

| Key audit matters | How the matter was addressed in our audit |
|---|---|
| <p>1. Revenue recognition</p> <p>The Company earns revenue from multiple business lines which operate as distinct business units with significant volume of revenue transactions. The recognition of revenue relating to each business line depend on the nature of contractual arrangements with the customers.</p> <p>Revenue is recorded in accordance with the requirements of IFRS 15 which provides a comprehensive model of revenue recognition and requires the Company to exercise judgement, taking into consideration all the relevant facts and circumstances when applying the model to contracts with customers.</p> <p>We identified revenue recognition as a key audit matter primarily due to it being a key performance indicator, significant volume of transactions and the amount of audit efforts in relation to this area. Hence, revenue may not be appropriately recognized.</p> <p>Please refer notes 5.25 and 31 to the accompanying unconsolidated financial statements.</p> | <p>We performed a range of audit procedures in relation to revenue including the following:</p> <ul style="list-style-type: none"> We reviewed the terms and conditions of distinct sale transactions and assessed the appropriateness of the revenue recognition policies and practices followed by the Company 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. |
| <p>2. Capital expenditure</p> <p>The Company incurred significant amount of capital expenditure during the year amounting to Rs. 1,228.116 million.</p> <p>Capital expenditures incurred during the year represent significant transactions and involve management's evaluation of components of cost to be capitalized, therefore we have identified the same as a key audit matter.</p> <p>Please refer note 7 to the accompanying unconsolidated financial statements.</p> | <p>We performed a range of audit procedures in relation to capital expenditure including the following:</p> <ul style="list-style-type: none"> We obtained an understanding of the Company's process with respect to capital expenditure including project budgeting, execution of contracts and accumulation of cost and tested key controls. We reviewed the relevant contracts and documents supporting various components of the capitalised cost. We performed physical verification, on sample basis, of fixed assets acquired to verify the existence of the assets. We considered whether the items of cost capitalised meet the recognition criteria of an asset in accordance with the applicable financial reporting standards. We evaluated the basis used by the management for depreciation charged in relation to the assets, by considering factors such as the current useful life estimates and timing of capitalisation. We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements. |

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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.

- 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.

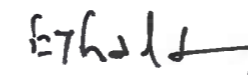
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes 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

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

Unconsolidated Statement of Comprehensive Income

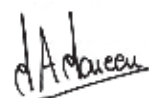
| | Note | For the years ended June 30 | |
|--|------|-----------------------------|------------------|
| | | 2023 | 2022 |
| ------(Rupees in '000)----- | | | |
| Net profit for the year | | 2,750,759 | 4,257,248 |
| Other comprehensive income | | | |
| Item that will not be reclassified to unconsolidated 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.

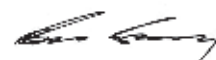
Unconsolidated Statement of Changes in Equity

| | Reserves | | | | Gain/(loss) on revaluation of investment at fair value through other comprehensive income | Total equity |
|--|--|------------------|------------------|-----------------------|---|------------------|
| | Issued, subscribed and paid-up capital | Capital reserves | General reserves | Unappropriated profit | | |
| ------(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



Chief Executive



Director

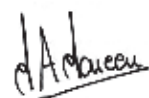


Chief Financial Officer

Unconsolidated Statement of Cash Flows

| | Note | For the years ended June 30 | |
|---|------|-----------------------------|--------------------|
| | | 2023 | 2022 |
| Cash flows from operating activities | | | |
| | | ------(Rupees in '000)----- | |
| 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

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.

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.

- (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.

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.

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 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 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 consolidated statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

(c) At fair value through profit or loss

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Derecognition

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

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

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

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

5.22 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 consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 is satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the 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.

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 |
| 7. Property, plant and equipment | | ------(Rupees in '000)----- | |
| Operating fixed assets | 7.1 | 5,465,346 | 4,764,206 |
| Capital work-in-progress | 7.3 | 670,350 | 914,280 |
| | | <u>6,135,696</u> | <u>5,678,486</u> |

7.1 Operating fixed assets

| | Cost | | | Accumulated depreciation | | | Written down value |
|--------------------------------------|-----------------------------|-----------------------------|---------------------|-----------------------------|---------------------|---------------------|--------------------|
| | As at July 01, 2022 | Additions/Transfers (7.1.1) | As at June 30, 2023 | As at July 01, 2022 | Charge for the year | As at June 30, 2023 | |
| | ------(Rupees in '000)----- | | | ------(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 | 141,696 | 51,020 | 5,476 | 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 | 5,372,223 | 2,024,749 | 394,629 | 2,419,227 | 2,952,996 |
| Furniture and fittings | 38,862 | 7,876 | 46,178 | 32,664 | 3,955 | 36,059 | 10,119 |
| Vehicles | 247,202 | 102,786 | 344,048 | 67,244 | 27,640 | 92,543 | 251,505 |
| Office and mills equipment | 502,350 | 181,112 | 680,875 | 168,605 | 86,493 | 252,524 | 428,351 |
| Computer equipment | 216,736 | 23,841 | 232,576 | 140,674 | 39,629 | 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 | 9,594,313 | 3,375,652 | 767,292 | 4,128,967 | 5,465,346 |

| | Cost | | | Accumulated depreciation/Impairment | | | Written down value |
|--------------------------------------|-----------------------------|-----------------------------|---------------------|-------------------------------------|--|---------------------|--------------------|
| | As at July 01, 2021 | Additions/Transfers (7.1.1) | As at June 30, 2022 | As at July 01, 2021 | Charge for the year/ Impairment* (7.1.2) | As at June 30, 2022 | |
| | ------(Rupees in '000)----- | | | ------(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 | 4,981,007 | 1,688,416 | 355,369 | 2,024,749 | 2,956,258 |
| Furniture and fittings | 35,755 | 3,938 | 38,862 | 23,202 | 10,293 | 32,664 | 6,198 |
| Vehicles | 144,497 | 122,620 | 247,202 | 37,885 | 31,982 | 67,244 | 179,958 |
| Office and mills equipment | 257,811 | 248,260 | 502,350 | 107,641 | 64,651 | 168,605 | 333,745 |
| Computer equipment | 182,346 | 39,755 | 216,736 | 116,171 | 29,564 | 140,674 | 76,062 |
| Jigs and fixtures | 528,842 | 183,230 | 702,347 | 390,658 | 103,163 | 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 | 8,139,858 | 2,740,816 | 675,799 | 3,375,652 | 4,764,206 |

- 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.

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 |
| | | <u>767,292</u> | <u>675,799</u> |

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 | <u>914,280</u> | <u>1,036,687</u> | <u>(1,280,617)</u> | <u>670,350</u> |
| Civil works | 155,648 | 591,742 | (288,267) | 459,123 |
| Plant and machinery | 211,707 | 1,356,762 | (1,195,124) | 373,345 |
| Furniture and fittings | 3,239 | 3,312 | (6,551) | - |
| Vehicles | 48,975 | 64,061 | (96,539) | 16,497 |
| Office and mills equipment | 176,644 | 180,188 | (353,134) | 3,698 |
| Computer equipment | 1,045 | 15,095 | (7,344) | 8,796 |
| Jigs and fixtures | 19,164 | 119,923 | (86,266) | 52,821 |
| 2022 | <u>616,422</u> | <u>2,331,083</u> | <u>(2,033,225)</u> | <u>914,280</u> |

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

| Locations | 2023 | | 2022 | |
|---|-----------------------|----------------------------|---------------------|----------------------------|
| | Land | Building | Land | Building |
| | Area (square yards) | Covered Area (square feet) | Area (square yards) | 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

| | Cost | | Accumulated amortisation | | Written down value |
|------------|------------------------------|-------------------|--------------------------|---------------------|--------------------|
| | Opening balance | Additions | Transfers/ Disposals | Charge for the year | |
| | ----- (Rupees in '000) ----- | | | | |
| | Opening balance | Amortisation rate | Opening balance | Closing balance | As at June 30 |
| | ----- (Rupees in '000) ----- | | | | |
| | | % | | | |
| Softwares | 15,761 | 493 | 14,670 | 991 | 15,661 |
| Licenses | 73,985 | 5,758 | 56,533 | 8,084 | 64,617 |
| - Software | 175,385 | 56,406 | 119,163 | 39,756 | 158,919 |
| - Product | 265,131 | 62,657 | 190,366 | 48,831 | 239,197 |
| 2023 | <u>252,224</u> | <u>12,907</u> | <u>131,448</u> | <u>58,918</u> | <u>190,366</u> |
| 2022 | <u>252,224</u> | <u>12,907</u> | <u>131,448</u> | <u>58,918</u> | <u>190,366</u> |
| | | | | | <u>74,765</u> |

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 |
| | | <u>48,831</u> | <u>58,918</u> |

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

8.3 Intangible assets include items having an aggregate cost of Rs. 114 million (2022: Rs. 44.952 million) which are fully amortised and still in use of the Company.

9. Investment property

| | Cost | | | Accumulated amortisation | | | Written down value | Depreciation rate |
|---------------------------|-----------------------------|-------------------------------------|-----------------|--------------------------|-------------------------------|-----------------|--------------------|-------------------|
| | Opening balance | Additions / Subsequent expenditures | Closing balance | Opening balance | Charge for the year (Note 34) | Closing balance | As at June 30 | |
| | ------(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 | Building Covered Area |
|---|---------------------|-----------------------|
| | (square yards) 2023 | (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

| Investments in related parties | Note | 2023 | | 2022 | |
|--|------|-----------|----------------|-----------|----------------|
| | | Holding % | Rupees in '000 | Holding % | Rupees in '000 |
| 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).

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 |

13. Stores, spares and loose tools

| | | 2023 | 2022 |
|----------------------------------|-------------|-----------|----------|
| 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:

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

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 |

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 |
|-----------------------------------|-------------|-----------|-----------|
| ------(Rupees in '000)----- | | | |
| 20. Cash and bank balances | | | |
| 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 |
|--|------|------------|------------|
| ------(Rupees in '000)----- | | | |
| 22. Reserves | | | |
| 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 |
|--|------|-----------|-----------|
| ------(Rupees in '000)----- | | | |
| 24. Long-term borrowings - secured | | | |
| 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.

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 |
|--|------|----------|----------|
| ------(Rupees in '000)----- | | | |
| 25. Lease liabilities | | | |
| 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 |
|--|-------------|----------|----------|
| ------(Rupees in '000)----- | | | |
| 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 |

| | Note | 2023 | 2022 |
|--|------|----------|----------|
| ------(Rupees in '000)----- | | | |
| 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 |
|--|------|-----------|-----------|
| ------(Rupees in '000)----- | | | |
| 27. Trade and other payables | | | |
| 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 |
|----------------------------------|------|----------|----------|
| ------(Rupees in '000)----- | | | |
| 27.3 Warranty obligations | | | |
| 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 |
|-----------------------------|------|-----------|-----------|
| ------(Rupees in '000)----- | | | |
| 27.5 Royalty payable | | | |
| 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) |

| | 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 |
| | | <u>555,000</u> | <u>597,080</u> |

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 | | <u>1,359,756</u> | <u>1,502,592</u> |
| | | <u>733,902</u> | <u>876,738</u> |

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

30.2.2 Outstanding letters of credit

| | 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 |
| | | <u>-</u> | <u>9,096</u> |

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.

31. Revenue - net

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

| | Note | 2023 | 2022 |
|---|--|---|-------------|
| | | ------(Rupees in '000)----- | |
| 32. Cost of sales | | | |
| 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 |
| Furukawa Electric Company Limited | 1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan | None | 69,749 |
| Yazaki Corporation | 4-28 1-Chome, Mita, Minato-ku Tokyo Japan | None | 6,028 |
| 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 |
| | | | 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.

| | 2023 | 2022 |
|------------------------------------|-----------------------------|--------------|
| | ------(Rupees in '000)----- | |
| 34.2 Auditors' remuneration | | |
| 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 Haematology & 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 |
|--|------|-----------------------------|----------------|
| | | ------(Rupees in '000)----- | |
| 35. Other charges | | | |
| 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 |
|---|------|-----------------------------|------------------|
| | | ------(Rupees in '000)----- | |
| 36. Other income | | | |
| 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 | | | |
| 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.

| | Note | 2023 | 2022 |
|--|------|----------|----------|
| ------(Rupees in '000)----- | | | |
| 37. Finance costs | | | |
| 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

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

| | Note | 2023 | 2022 |
|---|------|-----------|-----------|
| ------(Rupees in '000)----- | | | |
| 38.2 Relationship between income tax expense and accounting profit | | | |
| 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 investments - T-bills | 19 | 1,011,607 | - |
| | | 2,163,495 | 2,557,628 |

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:

| Relationship | Nature of transactions | 2023 | 2022 |
|------------------------|---|-----------------------------|------------|
| | | ------(Rupees in '000)----- | |
| 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.

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 | | | Total |
|--|---------------------------|------------------------------|------------------------|-------------------------|
| | Interest/Mark-up bearing | Non-Interest/Mark-up bearing | Total | |
| | ----- (Rupees '000) ----- | | | |
| | No maturity /on demand | No maturity /on demand | Maturity upto one year | Maturity after one year |
| | | | | Subtotal |
| Financial assets | | | | |
| Fair value through OCI | | | | |
| Long-term investments | - | 207,299 | - | 207,299 |
| Fair value through profit or loss | | | | |
| Short-term investments | - | 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 | 3,236,976 | 4,512,242 | 7,785,018 |
| Financial liabilities | | | | |
| Amortized cost | | | | |
| Long-term deposits and payables | - | - | 10,513 | 10,513 |
| Long-term borrowings | - | - | - | 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 | - | - | 79,810 |
| Short-term borrowings | 555,000 | - | - | 555,000 |
| | 836,740 | 126,982 | 10,513 | 6,457,764 |
| | | | | 10,882,294 |

| | 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 | |
| Financial assets | | | | | | | |
| Fair value through OCI | | | | | | | |
| Long-term investments | - | - | - | - | 258,333 | - | - |
| Fair value through profit or loss | | | | | | | |
| Short-term investments | - | - | - | - | 1,263,318 | - | - |
| Amortized cost | | | | | | | |
| Long-term loans | - | - | - | - | - | 30,730 | - |
| Long-term deposits | - | - | - | - | - | - | 30,730 |
| Trade debts | - | - | - | - | - | - | 3,829,852 |
| Loans and advances | - | 275,000 | - | 275,000 | - | - | 3,829,852 |
| Trade deposits | - | - | - | - | - | - | 3,760 |
| Interest accrued | - | - | - | - | - | - | 41,749 |
| Other receivables | - | - | - | - | - | - | 33,669 |
| Cash and bank balances | 1,016,008 | 1,109,370 | - | 2,125,378 | 432,250 | - | 867,030 |
| | 1,016,008 | 1,384,370 | - | 2,400,378 | 1,953,901 | 30,730 | 4,776,060 |
| | | | | | | | 6,760,691 |
| | | | | | | | 9,161,069 |
| Financial liabilities | | | | | | | |
| Amortized cost | | | | | | | |
| Long-term deposits and payables | - | - | - | - | - | 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 |
| Accrued mark-up | - | - | - | - | - | - | 24,281 |
| Unclaimed dividend | - | - | - | - | 97,740 | - | 97,740 |
| Unpaid dividend | - | - | - | - | 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 | 10,513 | 5,862,032 |
| | | | | | | | 8,914,159 |

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:

| | Not overdue | Past due but not impairment | | | | 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 | 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.

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 receivables | 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 |

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 |

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

| | | 2023 | | | |
|--|----|------------------------------|---------|---------|-----------|
| | | 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 | | | |
| | | 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

| | 2023 | 2022 |
|---|-------|-------|
| Total number of employees | | |
| 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

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Consolidated Financial Statements

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: <ul style="list-style-type: none"> We reviewed the terms and conditions of distinct sale transactions and assessed the appropriateness of the revenue recognition policies and practices followed by the Group in |

| Key audit matters | How the matter was addressed in our audit |
|---|--|
| 1. Revenue recognition Revenue is recorded in accordance with the requirements of IFRS 15 which provides a comprehensive model of revenue recognition and requires the Group to exercise judgement, taking into consideration all 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 6.27 and 35 to the accompanying consolidated financial statements. | accordance with applicable laws, accounting, and reporting standards. <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> We obtained an understanding of the Group's process with respect to capital expenditure including project budgeting, execution of contracts and accumulation of cost and tested key controls. We reviewed the relevant contracts and documents supporting various components of the capitalised cost. We performed physical verification, on sample basis, of fixed assets acquired to verify the existence of the assets. We considered whether the items of cost capitalised meet the recognition criteria of an asset in accordance with the applicable financial reporting standards. We evaluated the basis used by the management for depreciation charged in relation to the assets, by considering factors such as the current useful life estimates and timing of capitalisation. We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements. |

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

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

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

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

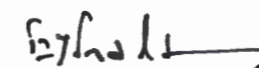
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Chartered Accountants

Place: Karachi

UDIN No.: AR202310120iyMKX93kl

Date: 25 September 2023

Consolidated Statement of Financial Position

| Assets | Note | As at June 30 | |
|---|------|---------------|------------|
| | | 2023 | 2022 |
| ------(Rupees in '000)----- | | | |
| 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

Consolidated Statement of Changes in Equity

| | Reserves | | | | | | | Total equity |
|--|--|---------------------|------------------|------------------|-----------------------|---|--------------------------|--------------|
| | Issued, subscribed and paid-up capital | Share deposit money | Capital reserves | General reserves | Unappropriated profit | Gain/(loss) on revaluation of investment at fair value through other comprehensive income | Non controlling interest | |
| | ----- (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

Reserves

| | Issued, subscribed and paid-up capital | Share deposit money | Capital reserves | General reserves | Unappropriated profit | Gain/(loss) on revaluation of investment at fair value through other comprehensive income | Non-controlling interest | Total equity |
|--|--|---------------------|------------------|------------------|-----------------------|---|--------------------------|--------------|
| | - | - | - | 3,649,500 | (3,649,500) | - | - | - |
| Transfer to general reserve | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | (324,122) | - | (142,307) | (142,307) |
| 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

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

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 | 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.

- 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.

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 or 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.

- 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 obsolete items (if any). Items in transit are valued at cost comprising purchase price, freight value and other charges incurred thereon upto the reporting date. Provision is made for items which are obsolete and slow moving and is determined based on management estimate regarding their future usability.
- 6.9 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.

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

(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.

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 | | | | Depreciation rate | As at July 01, 2022 | Charge for the year | On disposals | As at June 30, 2023 | Written down value |
|--------------------------------------|-----------------------------|-----------------------------|-----------------|---------------------|-------------------|-----------------------------|---------------------|-----------------|---------------------|--------------------|
| | As at July 01, 2022 | Additions/Transfers (8.1.1) | Disposals | 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 siding | 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 | | | | Depreciation rate | As at July 01, 2021 | Charge for the year/ Impairment* | On disposals | As at June 30, 2022 | Written down value |
|--------------------------------------|-----------------------------|----------------------------------|-----------------|---------------------|-------------------|-----------------------------|----------------------------------|-----------------|---------------------|--------------------|
| | As at July 01, 2021 | Additions/Transfers Note (8.1.1) | Disposals | 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 siding | 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 | (17,972) | 2,362,874 | 3,263,719 |
| | | | | | | | (1,064)* | | | |
| 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 | (50,633) | 4,478,089 | 5,733,689 |
| | | | | | | | (1,064)* | | | |

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.

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 ------(Rupees in '000)----- | 2022 Written down value |
|--|--|-------------------------------|
| Mortgage over the following leasehold lands and buildings over leasehold lands: | | |
| 1) Plot number 1, 2, 25 and 26, Sector 22 Korangi Industrial Area (Thal Engineering Division); | 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 | Accumula- ted deprec- iation | 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 | - | - | - | - | - | | |
| | 29,723 | 22,393 | 7,330 | 85,284 | 77,954 | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | | |
| | 78,274 | 50,633 | 27,641 | 44,071 | 16,430 | | |

| | Note | 2023 ------(Rupees in '000)----- | 2022 |
|---|------|-------------------------------------|---------|
| 8.2 The depreciation charge for the year has been allocated as follows: | | | |
| 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 |

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 | | 2022 | |
|--|----------------------|----------------------------|---------------------|----------------------------|
| | Land | Building | Land | Building |
| | Area (square yards) | Covered Area (square feet) | Area (square yards) | 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/II/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 assets | Cost | | | | Accumulated amortisation | | | | Written down value |
|----------------------|-----------------------------|-----------|----------------------|-----------------|-----------------------------|---------------------|----------------------|-----------------|--------------------|
| | Opening balance | Additions | Transfers/ Disposals | Closing balance | Opening balance | Charge for the year | Transfers/ Disposals | Closing balance | |
| | ------(Rupees in '000)----- | | | | ------(Rupees in '000)----- | | | | |
| | | | Amortisation rate % | | | | | | As at June 30 |
| Softwares | 25,324 | 493 | 33 | 25,817 | 23,895 | 1,071 | - | 24,966 | 851 |
| Licenses | | | | | | | | | |
| - Software | 85,935 | 5,857 | 33 | 91,792 | 66,395 | 9,431 | - | 75,826 | 15,966 |
| - Product | 175,385 | 56,406 | 20-33 | 231,791 | 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 | | 286,644 | 147,231 | 62,258 | (36) | 209,453 | 77,191 |

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

| | 2023 | 2022 |
|-----------------------------------|-----------------------------|--------|
| | ------(Rupees in '000)----- | |
| Cost of sales | 45,326 | 56,124 |
| Distribution and selling expenses | 217 | 225 |
| Administrative expenses | 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. Investment properties | Note | 2023 | | 2022 | |
|-----------------------------------|------|-----------------------------|-------------------|-----------------------------|---------------|
| | | ------(Rupees in '000)----- | | ------(Rupees in '000)----- | |
| | | 2023 | 2022 | 2023 | 2022 |
| Land and building | 10.1 | 5,843,569 | 6,122,045 | 5,843,569 | 6,122,045 |
| Capital work-in-progress | 10.2 | 973 | 105,794 | 973 | 105,794 |
| | | 5,844,542 | 6,227,839 | 5,844,542 | 6,227,839 |
| 10.1 Land and building | | | | | |
| | | Accumulated amortisation | | Written down value | |
| | | Opening balance | Depreciation rate | Opening 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 | 2.5 - 16 | 1,697,564 | 1,035,343 |
| Equipment | | 216,899 | 6.6 - 20 | 217,462 | 79,674 |
| Leasehold Land | | 1,657,588 | 2.17 - 3.33 | 1,657,588 | 1,022,130 |
| Right of use assets - land | | 510,357 | 2 - 10 | 510,357 | 396,724 |
| Building and related improvements | | 3,821,958 | 2.5 - 16 | 3,904,644 | 2,150,006 |
| Equipment | | 590,146 | 6.6 - 20 | 567,563 | 185,188 |
| | | 9,468,754 | | 9,529,682 | 5,843,569 |
| 2023 | | | | | |
| 2022 | | 9,225,858 | 242,896 | 9,468,754 | 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 | | 2022 | |
|---|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| | Land Area (square yards) | Building Covered Area (square feet) | Land Area (square yards) | Building Covered Area (square feet) |
| | ------(in '000)----- | | | |
| 1) Industrial property bearing khewat number 861, 862, 890, 895, 905, khatooni number 1086, 1087, 1116, 1121, 1133, Mouza Taraf Ravi, Multan, Punjab. | 5 | 20 | 5 | 20 |
| 2) Main Air Port Road, DHA, near Divine Garden Scheme, Lahore, Punjab. | 61 | 134 | 61 | 134 |
| 3) G-Block, Link Road, Model Town, Lahore, Punjab. | 38 | 300 | 38 | 300 |
| 4) 75 Ravi Road, Lahore (near Minar-e-Pakistan), Punjab. | 24 | 287 | 24 | 287 |
| 5) 2 km. Thokar Niaz Baig, Multan Road, Lahore, Punjab. | 61 | 133 | 61 | 133 |
| 6) Main Sargodha Road, Adjacent FDA City, Faisalabad, Punjab. | 59 | 138 | 59 | 138 |
| 7) Plot 1-A, I-11/4 adjacent Railway Carriage Factory, Islamabad. | 43 | 133 | 43 | 133 |
| 8) NA-Class 190-219, OKEWARI near Safari Park, University Road, Karachi, Sindh | 53 | 134 | 53 | 134 |
| 9) Near Star Gate, 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)----- | | ------(Rupees in '000)----- | |
| Opening balance | | 105,794 | 225,658 | 105,794 | 225,658 |
| Capital expenditure during the year | | 62,799 | 158,238 | 62,799 | 158,238 |
| Transfers to investment property | | (90,804) | (242,896) | (90,804) | (242,896) |
| Impairment | 39 | (71,163) | - | (71,163) | - |
| Advances against capital assets | | (5,653) | (35,206) | (5,653) | (35,206) |
| | | 973 | 105,794 | 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).

| 11. Long-term investments | Note | 2023 | | 2022 | |
|---|-------|-----------|----------------|-----------|----------------|
| | | Holding % | Rupees in '000 | Holding % | 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)] | | | | | |
| Un-quoted associates | | | | | |
| Sindh Engro Coal Mining Company Limited (SECMC) | | | | | |
| Opening balance | 11.6 | | 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 | | 2022 | |
|---|-------------|-----------|-------------------|-----------|-------------------|
| | | Holding % | Rupees in '000 | Holding % | Rupees in '000 |
| ThalNova Power Thar (Private) Limited | | | | | |
| Opening balance | 11.7 & 11.8 | | 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 | | | | | |

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:

| | Indus Motor Company Limited | | Habib Insurance Company Limited | | Agriculture 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 | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 |
| Revenue | 177,710,637 | 275,505,778 | 1,435,752 | 986,144 | 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 | 9,664,429 | 15,801,848 | 37,659 | 67,435 | (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) | - | (10,037) | (123,355) | (101,740) | - | - | - | - | - | - | - | - |
| Total comprehensive income/(loss) | 9,664,429 | 15,791,811 | (85,696) | (34,305) | (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 | 24,806,124 | 92,396,887 | (80,728) | 71,585 | 42,145 | (859,041) | 522,834 | 553,224 | 44,511,836 | 41,761,032 | 2,944,290 | 1,657,560 |
| Non-current assets | 24,584,162 | 23,833,764 | | | 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 | 98,180,149 | 190,131,590 | | | 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 | 122,764,311 | 213,965,354 | 4,145,830 | 3,992,085 | 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 | (553,698) | (280,837) | | | (658,221) | (167,441) | (997,588) | (726,866) | (78,269,333) | (66,979,183) | (72,911,740) | (51,951,133) |
| Current liabilities | (62,140,701) | (159,673,441) | (3,044,194) | (2,632,523) | (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 | (62,694,399) | (159,954,278) | (3,044,194) | (2,632,523) | (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 | 60,069,912 | 54,011,076 | 1,101,636 | 1,359,562 | 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 | 60,069,912 | 54,011,076 | 1,101,636 | 1,359,562 | 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 (%) | 6.22% | 6.22% | 4.63% | 4.63% | 7.35% | 7.35% | 1.30% | 1.30% | 11.90% | 11.90% | 26.00% | 26.00% |
| Share in net assets | 3,736,349 | 3,359,489 | 51,006 | 62,948 | 452,888 | 465,624 | 33,922 | 36,534 | 7,155,673 | 6,901,946 | 7,241,147 | 4,116,382 |
| Others | (258,066) | (257,281) | 943 | (8,077) | (18,776) | (18,783) | 5,908 | 5,917 | 293,578 | 18,882 | (5,404) | (9,943) |
| Carrying amount | 3,478,283 | 3,102,208 | 51,949 | 54,871 | 434,112 | 446,841 | 39,830 | 42,451 | 7,449,251 | 6,920,828 | 7,235,743 | 4,106,439 |

| | 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. | | | |
| 12. | Long-term deposits and advances | Note | 2023 | 2022 |
| | | ----- (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 | | | |

| | Note | 2023 | 2022 |
|---------------------------------|------|-----------------------------|----------|
| | | ------(Rupees in '000)----- | |
| 13. Long-term prepayment | | | |
| 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).

| | Note | 2023 | 2022 |
|---|-------------|-----------------------------|----------|
| | | ------(Rupees in '000)----- | |
| 14. Stores, spares and loose tools | | | |
| 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).

| | Note | 2023 | 2022 |
|----------------------------------|-------------|-----------------------------|------------|
| | | ------(Rupees in '000)----- | |
| 15. Stock-in-trade | | | |
| 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.

| | | 2023 | 2022 |
|---|--|-----------------------------|---------|
| | | ------(Rupees in '000)----- | |
| 15.2 Movement - provision for obsolescence | | | |
| 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).

| | Note | 2023 | 2022 |
|--------------------------------------|-------------|-----------------------------|-----------|
| | | ------(Rupees in '000)----- | |
| 16. Trade debts | | | |
| 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 |
| Bad debts written off during the year | | (1,470) |
| 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 |
| Others | | 29,273 |
| | | 66,508 |
| | | 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.

| 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 |
| | | <u>925,636</u> | <u>961,858</u> |

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 | | 2023 | 2022 |
|--|--|-----------------------------|--------------|
| | | ------(Rupees in '000)----- | |
| This includes receivable from the following related parties: | | | |
| 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 | - |
| | | <u>107,569</u> | <u>7,803</u> |

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 |
| | | <u>6,378,157</u> | <u>5,163,836</u> |
| | | <u>9,627,973</u> | <u>6,142,676</u> |

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 |
| | | <u>1,897,933</u> | <u>3,055,069</u> |
| | | <u>1,900,408</u> | <u>3,057,253</u> |

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 million (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 |
|--|-------------------|-------------------|--|-----------------------------|----------------|
| | | | | ------(Rupees in '000)----- | |
| Number of ordinary shares of Rs. 5 each | | | | | |
| | 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 |
| | <u>81,029,909</u> | <u>81,029,909</u> | | <u>405,150</u> | <u>405,150</u> |

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

23. Reserves

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 |
| | <u>67,929</u> | <u>67,929</u> |

Revenue reserves

| | | |
|---|-------------------|-------------------|
| General reserve | 25,430,375 | 21,780,875 |
| Unappropriated profit | 12,913,071 | 12,484,696 |
| | <u>38,343,446</u> | <u>34,265,571</u> |
| Gain on revaluation of investments held at fair value through OCI | 147,682 | 198,716 |
| | <u>38,559,057</u> | <u>34,532,216</u> |

| 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 | | | |
| | 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: | | | |
| | 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) |
| | 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 |

| 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:

| | | | | |
|--|-------------------------------------|--|---------------|---------------|
| | 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:

| | | | | |
|--|----------------------------------|--|--------------|---------------|
| | 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 reimburse the Group for any outflow that it may incur on account of additional customs duty paid on goods imported for supplies made to IMC. Accordingly, a reimbursement asset is recorded as disclosed in note 19 to 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) |
| | | | 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) |
| | | | 144,731 | 144,463 |

30.7 Other liabilities

| | | | | |
|--|---|--------|----------------|----------------|
| | 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 |
| | | (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).

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 |
|--|------|-----------------------------|-----------|
| | | ------(Rupees in '000)----- | |
| 33. Income tax - net | | | |
| 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 aggrieved 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.

| | Note | 2023 | 2022 |
|--|--------|-----------------------------|-----------|
| | | ------(Rupees in '000)----- | |
| 34.2 Commitments | | | |
| 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 |
|--------------------------|------|-----------------------------|-------------|
| | | ------(Rupees in '000)----- | |
| 35. Revenue - net | | | |
| 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).

| 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 |
| Furukawa Electric Company Limited | 1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan | None | 69,749 |
| Yazaki Corporation | 4-28 1-Chome, Mita, Minato-ku Tokyo Japan | None | 6,028 |
| 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 |
| 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 | Note | 2023 | 2022 |
|--|-------------|-----------------------------|-----------|
| | | ------(Rupees in '000)----- | |
| 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 |

| 38.1 | Auditors' remuneration | Note | 2023 | 2022 |
|------|------------------------|------|-----------------------------|-------|
| | | | ------(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 Haematology & Oncology Trust | 43-Rehmat Manzil, Bhurgari Road, Numash, Karachi. | Mr. Mohamedali R. Habib - Trustee | 96 | 96 |
| Anjuman-e-Behbood-Samat-e-Itetal | 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.

| 39. | Other charges | Note | 2023 | 2022 |
|-----|--|------|-----------------------------|---------|
| | | | ------(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 |

40. Other income

Income from financial assets

Dividend income from:

| | 2023 | 2022 |
|----------------------------------|---------|---------|
| 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:

| | 2023 | 2022 |
|----------------------------------|---------|---------|
| 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 |

| | 2023 | 2022 |
|--|-----------|---------|
| Gain on sale of Government treasury bills | 560,214 | 192,590 |
| Gain on disposal of investment in mutual funds | 91,642 | 119,096 |
| Gain/(loss) on revaluation of investments classified as FVPL | 29,827 | 21,207 |
| Reversal of allowance for expected credit loss | 599,412 | (3,964) |
| Liabilities no longer payable written back | 16.3 | 1,309 |
| | 16,505 | - |
| | 1,297,600 | 330,238 |

Income from non financial assets

| | 2023 | 2022 |
|---|------------|-----------|
| 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 |
| 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 |

| | 2023 | 2022 |
|--|-----------|-----------|
| | 2,688,157 | 2,366,593 |
| | 4,204,458 | 3,242,805 |

40.1 Maturity analysis of operating lease payments

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

| | 2023 | 2022 |
|---|------------|-----------|
| 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.

| 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current | 42.1 | 2,370,556 | 2,365,871 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prior | | (130,482) | (76,815) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2,240,074 | 2,289,056 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deferred | 42.2 | 186,746 | 234,816 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2,426,820 | 2,523,872 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 42.1 | <p>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.</p> <p>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.</p> <p>The case is still pending before the Supreme Court of Pakistan.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 42.2 | <p>Relationship between income tax expense and accounting profit</p> <table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2022</th> </tr> <tr> <td></td> <td colspan="2">------(Rupees in '000)-----</td> </tr> </thead> <tbody> <tr> <td>Profit before taxation and share of profit of associates</td> <td>4,240,179</td> <td>6,443,929</td> </tr> <tr> <td>Tax at the rate of 29% (2022: 29%)</td> <td>1,229,652</td> <td>1,868,740</td> </tr> <tr> <td>Super tax at the rate of 10% (2022: 4%)</td> <td>401,243</td> <td>236,996</td> </tr> <tr> <td></td> <td>1,630,895</td> <td>2,105,736</td> </tr> <tr> <td>Tax effects of:</td> <td></td> <td></td> </tr> <tr> <td>Income taxed at reduced rates on dividend and gain on disposal of investments</td> <td>527,119</td> <td>401,770</td> </tr> <tr> <td>Income taxed under final tax regime on export sales</td> <td>(4,229)</td> <td>(35,771)</td> </tr> <tr> <td>Tax effect of inadmissible items</td> <td>368,118</td> <td>92,905</td> </tr> <tr> <td>Tax credits</td> <td>(15,147)</td> <td>(14,488)</td> </tr> <tr> <td>Others</td> <td>(79,936)</td> <td>(26,280)</td> </tr> <tr> <td></td> <td>2,426,820</td> <td>2,523,872</td> </tr> <tr> <td>Average effective tax rate</td> <td>57%</td> <td>39%</td> </tr> </tbody> </table> | | | | 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% |
| | 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

| | 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 |

| | Note | 2023 | 2022 |
|--------------------------------------|------|-----------------------------|------------------|
| | | ------(Rupees in '000)----- | |
| 45. Cash and cash equivalents | | | |
| 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) |
| | | <u>2,438,200</u> | <u>2,952,517</u> |

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:

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 | No maturity /on demand | Maturity upto one year | Maturity after one year | |
| ----- (Rupees in '000) ----- | | | | | | | |
| Financial assets | | | | | | | |
| Fair value through OCI | - | - | - | 207,299 | - | - | 207,299 |
| Long-term investments | | | | | | | |
| Fair value through profit or loss | 238,325 | 3,011,491 | - | 6,378,157 | - | - | 9,627,973 |
| Short-term investments | | | | | | | |
| Amortized cost | 1,011,607 | 1,999,884 | - | 3,011,491 | - | - | 3,011,491 |
| Short-term investments - T-bills | - | - | - | - | - | 40,775 | 40,775 |
| Long-term deposits | - | - | - | - | 3,731,568 | - | 3,731,568 |
| Trade debts | - | - | - | - | - | - | - |
| Loans and advances | - | - | - | - | - | - | - |
| Trade deposits | - | - | - | - | 32,702 | - | 32,702 |
| Interest accrued | - | - | - | - | 39,415 | - | 39,415 |
| Other receivables | - | - | - | - | 925,636 | - | 925,636 |
| Cash and bank balances | 1,336,322 | 77,227 | - | 1,413,549 | 486,859 | - | 1,900,408 |
| | 2,586,254 | 5,088,602 | - | 7,674,856 | 4,729,321 | 40,775 | 11,842,411 |
| | | | | | | | 19,517,267 |
| Financial liabilities | | | | | | | |
| Amortized cost | | | | | | | |
| Long-term deposits and payables | - | - | - | - | - | 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 |
| Accrued mark-up | - | - | - | - | 99,982 | - | 99,982 |
| Unclaimed dividend | - | - | - | - | 103,451 | - | 103,451 |
| Unpaid dividend | - | - | - | 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 | 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 | No maturity /on demand | Maturity upto one year | Maturity after one year | |
| ----- (Rupees in '000) ----- | | | | | | | |
| Financial assets | | | | | | | |
| Fair value through OCI | - | - | - | 258,333 | - | - | 258,333 |
| Long-term investments | | | | | | | |
| Fair value through profit or loss | 237,500 | 741,340 | - | 5,163,836 | - | - | 6,142,676 |
| Short-term investments | | | | | | | |
| Amortized cost | - | 741,340 | - | - | - | - | - |
| Short-term investments - T-bills | - | - | - | - | - | 35,455 | 35,455 |
| Long-term deposits | - | - | - | - | 3,962,577 | - | 3,962,577 |
| Trade debts | - | - | - | - | - | - | - |
| Loans and advances | - | - | - | - | - | - | - |
| Trade deposits | - | - | - | - | 41,749 | - | 41,749 |
| Interest accrued | - | - | - | - | 23,106 | - | 23,106 |
| Other receivables | - | - | - | - | 961,858 | - | 961,858 |
| Cash and bank balances | 1,427,449 | 1,146,597 | - | 483,207 | - | - | 3,057,253 |
| | 1,664,949 | 2,629,277 | - | 3,552,886 | 5,905,376 | 4,989,290 | 10,930,121 |
| | | | | | | | 14,483,007 |
| Financial liabilities | | | | | | | |
| Amortized cost | | | | | | | |
| Long-term deposits | - | 383,056 | 2,277,816 | 2,660,872 | - | 291,807 | 291,807 |
| Long-term borrowings | - | 122,778 | 893,947 | 1,016,725 | - | - | 2,660,872 |
| Lease liabilities | - | - | - | - | 6,324,746 | - | 1,016,725 |
| Trade and other payables | - | - | - | - | 28,046 | - | 6,324,746 |
| Accrued mark-up | - | - | - | - | 97,740 | - | 28,046 |
| Unclaimed dividend | - | - | - | 97,740 | - | - | 97,740 |
| Unpaid dividend | - | - | - | 28,150 | - | - | 28,150 |
| Short-term borrowings | - | 701,816 | - | 701,816 | - | - | 701,816 |
| | - | 1,207,650 | 3,171,763 | 4,379,413 | 6,352,792 | 291,807 | 6,770,489 |
| | | | | | | | 11,149,902 |

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 market 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) |

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

The following exchange rates have been applied at the reporting date:

| | 2023 | 2022 |
|-----|-----------------------|--------|
| | ----- (Rs./FCY) ----- | |
| 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 ----- (Rupees in '000) ----- | Effect on equity |
|-------------|------------------------------------|---|---------------------|
| 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 mutual 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 |
|---|------------------------------|------------|
| | ----- (Rupees in '000) ----- | |
| The proportion of borrowings to equity at year end was: | | |
| 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

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 | (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 | (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**

2022

2023

| | 2023 | | | 2022 | | |
|---|------------------|---|---------------------------------|-------------|---|---------------------------------|
| | Engineering | Building materials and allied products & others | Real estate management & others | Engineering | Building materials and allied products & others | Real estate management & others |
| | (Rupees in '000) | | | | | |
| Sales revenue - external | 14,732,693 | 18,111,165 | 288,706 | 25,160,060 | 14,321,917 | 335,014 |
| - internal | - | - | 215,207 | - | - | 190,825 |
| Rental income | - | - | 2,446,826 | - | - | 2,211,256 |
| Total segment revenue | 14,732,693 | 18,111,165 | 2,950,739 | 25,160,060 | 14,321,917 | 2,737,095 |
| Segment result | 1,006,501 | 2,569,699 | 1,499,467 | 3,823,622 | 2,501,500 | 1,453,357 |
| Unallocated (expenses) / income: | | | | | | |
| Administrative and distribution costs | | | | | | |
| Other charges | | | (1,294,025) | | | |
| Other income | | | (711,633) | | | |
| | | | 1,774,204 | | | |
| Operating profit | | | 4,844,213 | | | |
| Finance cost | | | (604,034) | | | |
| Share of profit after tax of associates and joint venture | | | 3,046,668 | | | |
| Taxation | | | (2,426,820) | | | |
| | | | 4,860,027 | | | |
| Segment assets | 11,109,230 | 14,164,613 | 18,218,700 | 12,409,751 | 12,425,657 | 16,322,343 |
| Corporate assets | | | | | | (424,115) |
| | | | | | | 14,278,027 |
| Segment liabilities | 4,966,133 | 4,274,246 | 1,761,661 | 4,691,277 | 4,944,506 | 1,766,257 |
| Corporate liabilities | | | | | | (553,942) |
| Unallocated liabilities | | | | | | |
| | | | | | | 10,248,098 |
| | | | | | | 1,379,257 |
| | | | | | | 1,790,377 |
| | | | | | | 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.

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

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 |

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 interest | 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 | | | |

THAL LIMITED

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 Societies | | 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 |

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.

تھل لمیٹڈ

پراکسی فارم
۵۷ واں سالانہ اجلاس عام

سیکرٹری
تھل لمیٹڈ
ہاؤس آف حبیب، چوتھی منزل
شاہراہ فیصل، کراچی۔ ۷۵۳۵۰

میں/ہم

ساکن _____ ضلع _____

میں بحیثیت ممبر تھل لمیٹڈ اور ہولڈر بابت

عام شیئرز جن کے شیئر رجسٹر فوئیو نمبر _____ اور/یا سی ڈی سی پارٹنیشن آئی ڈی نمبر _____

اور ذیلی اکاؤنٹ نمبر _____ بذریعہ _____

ساکن _____ ضلع _____

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

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

دستخط _____ مورخہ _____ ۲۰۲۳ء

گواہان:

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

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

بیا سپورٹ نمبر _____

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

بیا سپورٹ 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 کارپوریٹن 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 ہر فرد کی گواہی ہو، جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہونے چاہئیں۔
- ii بینی فیشل اونر ز اور پراکسی کے سی این آئی سی یا سپورٹ 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.

تھل لمیٹڈ

ای۔ ڈیوٹیز مینڈیٹ فارم

ہم آپ کو مطلع کرنا چاہتے ہیں کہ کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۳۲ کی شقوں کے مطابق کسی بھی لسنڈ کمپنی کے لئے یہ لازم ہے کہ شیئرز ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرونک طریقہ کار استحقاق کے حامل شیئرز ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں براہ راست کی جائے۔

اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کی غرض سے براہ مہربانی درج ذیل کے مطابق کوائف مکمل کریں اور اس لیٹر کو باقاعدہ دستخط کے ساتھ بشمول اپنے سی این آئی سی کی کاپی کمپنی کے رجسٹرار میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8-F، نزد ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو ارسال کریں۔

سی ڈی سی شیئرز ہولڈرز سے درخواست ہے کہ اپنے منافع منقسمہ کا مینڈیٹ اور سی این آئی سی برائے راست اپنے بروکر (پارٹنر سپیڈ) / سی ڈی سی کو دیئے گئے درج ذیل فارمیٹ پر فراہم کر دیں۔ میں بذریعہ ہذا اپنے مستقبل کے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصول کرنا چاہوں گا جیسا کہ تفصیل ذیل میں درج ہے:

شیئرز ہولڈر کا نام _____
 فونو نمبر / سی ڈی سی اکاؤنٹ نمبر: _____ کمپنی _____ لمیٹڈ۔
 شیئرز ہولڈر کا رابطہ نمبر _____
 ای میل ایڈریس _____
 اکاؤنٹ کا نام _____

انٹرنیشنل بینک اکاؤنٹ نمبر (بیچے نوٹ ملاحظہ کریں) _____ پی کے _____

اکاؤنٹ نمبر _____
 برانچ کوڈ _____
 بینک کا نام _____
 بینک برانچ اور ڈاک کا مکمل پتہ _____
 سی این آئی سی نمبر (کاپی منسلک) _____
 این ٹی این (کارپوریٹ ادارے کی صورت میں) _____

واضح کیا جاتا ہے کہ میری جانب سے دیئے گئے مذکورہ بالا کوائف درست اور میری بہترین معلومات کے مطابق ہیں۔ میں مستقبل میں اپنے کوائف میں کسی تبدیلی کی صورت میں کمپنی کو مطلع کرتا رہوں گا۔

شیئرز ہولڈر کے دستخط _____

نوٹ:

براہ مہربانی مکمل آئی بی اے این نمبر اپنی متعلقہ برانچ کے ساتھ مکمل چیکنگ کے بعد فراہم کریں تاکہ آپ کے بینک اکاؤنٹ میں الیکٹرونک کریڈٹ کو براہ راست بنایا جاسکے۔

نقد منافع منقسمہ کی ادائیگی صرف مذکورہ بالا اکاؤنٹ میں کی جائے گی۔ آپ کی کمپنی آپ کی ہدایات کے مطابق اکاؤنٹ نمبر پر انحصار کرے گی۔ کمپنی ایسے کسی بھی نقصان، ڈبچ یا دعویٰ کی بلاواسطہ یا بلاواسطہ کسی بھی وقت کسی تاخیر یا ایسے کسی بھی مالی ذمہ داری کی ادائیگی کیلئے ذمہ دار نہ ہوگی جو کسی غیر درست ادائیگی کی ہدایات کے باعث ہو اور / یا کمپنی کے کنٹرول کے باہر کسی معاملے کے تحت ہو۔

ایسے شیئرز ہولڈرز جو فزیکل صورت میں شیئرز کے حامل ہوں ان سے درخواست ہے کہ اپنا مطلوبہ ڈیوٹیز مینڈیٹ فارم باقاعدہ پر کے متعلقہ شیئرز رجسٹرار کو جمع کرائیں۔ وہ شیئرز ہولڈرز جو مینڈیٹ ڈیوٹیز مینڈیٹ فارم یا بلاواسطہ کسی بھی وقت کسی تاخیر یا ایسے کسی بھی مالی ذمہ داری کی ادائیگی کیلئے ذمہ دار نہ ہوگی جو کسی غیر درست ادائیگی کی ہدایات کے باعث ہو اور / یا کمپنی کے کنٹرول کے باہر کسی معاملے کے تحت ہو۔

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