

Thal Limited

2021

Annual Report



Thal Limited | 2021 Annual Report

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THAL LIMITED

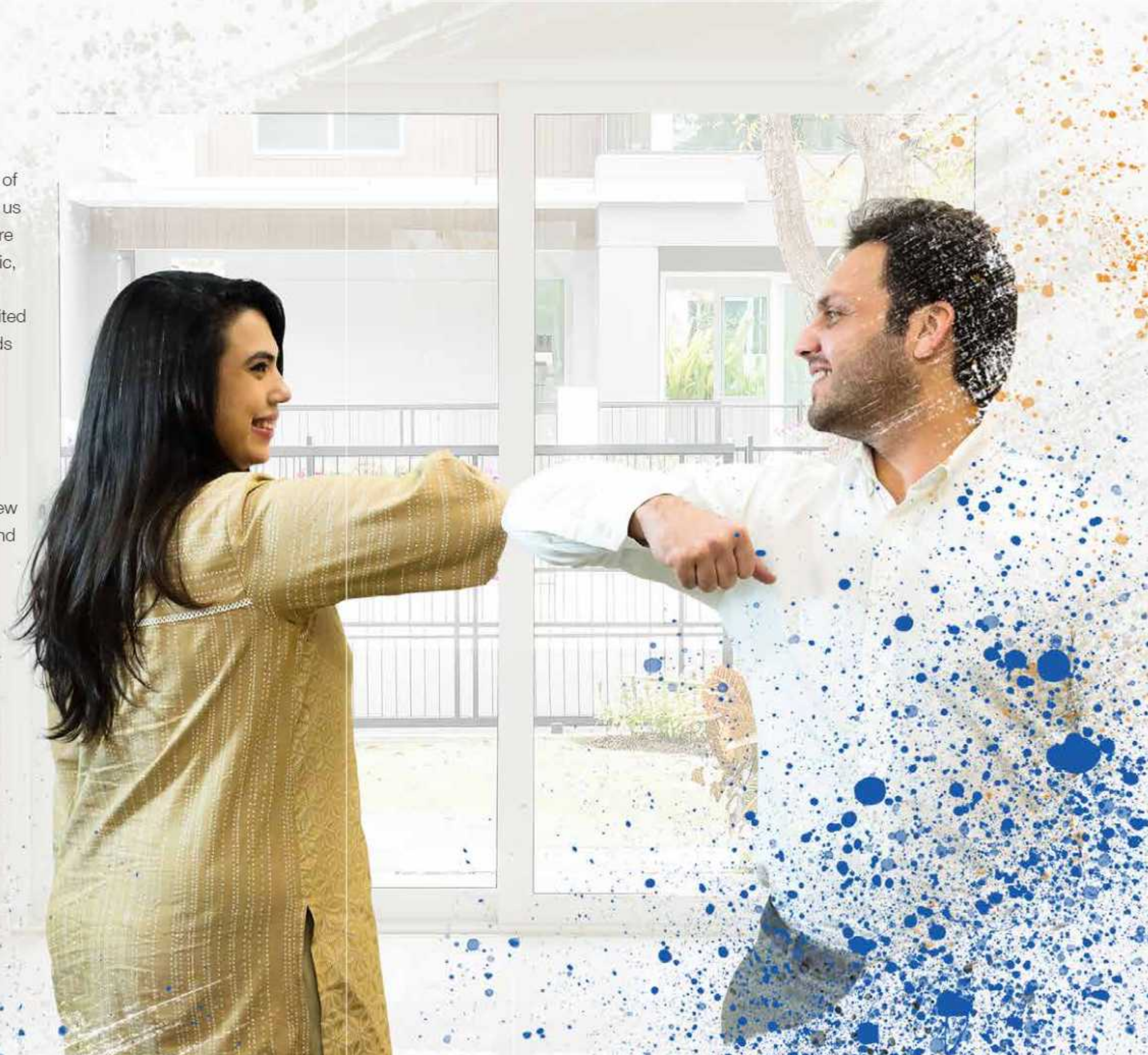
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Shahrah-e-Faisal, Karachi - 75350, Pakistan.
Tel: 92 (21) 3431 2030 / 3431 2185

YEAR LIKE NO OTHER

The world faced unprecedented challenges yet stories of courage, heartache, hope and resilience have enabled us to deeply reflect on what truly matters. Opportunities are challenges faced well, and, despite the global pandemic, rising costs, trade disruptions and the arduous circumstances, we stand proudly before you. Thal Limited and its subsidiaries are humbled to have broken records across diverse segments in a year like no other.

As we forged ahead to meet objectives, deliver on our longstanding customer and partner expectations, and, ensure a safe work environment for the progress of society and stakeholders, we are on the precipice of new ambitions emboldened by the strength of our legacy and the depth of your trust.

Thal Limited presents you with opportunity in a Year Like No Other.



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OUR VISION

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

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

CORPORATE INFORMATION

Board of Directors

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

Chief Financial Officer

Shahid Saleem

Company Secretary

Salman Khalid

Audit Committee

Asif Qadir	Chairman - Independent
Mohamedali R. Habib	Member
Imran Ali Habib	Member
Salman Burney	Member

Human Resources & Remuneration Committee

Asif Qadir	Chairman - Independent
Mohamedali R. Habib	Member
Salman Burney	Member
Muhammad Tayyab Ahmad Tareen	Member

External Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisors

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

Tax Advisors

EY Ford Rhodes Chartered Accountants

Bankers

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

Registered Office

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

Share Registrar

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

Credit Rating

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

KEY FIGURES



THAL LIMITED – A LEGACY DRIVEN TO DETERMINATION

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

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

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

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

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

In addition, Thal Limited also owns and operates the building material & packaging business which consists of the Jute business known as Thal Jute. The Company bears the honor of being the first industrial project that was undertaken by House of Habib. Located in the heart of Punjab, nestled between the banks of River Indus and Chenab, the Company is involved in manufacture of grain sacks in various grades including food grade, and Hessian yarn & twine for domestic and export markets.

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

Lastly the Papersack business which has been in operation since 1970s, is the pioneering multi-ply manufacturing unit in Pakistan and has remained a market leader in the business since its inception. With strategic locations of its plants situated in Hub (Baluchistan) and Gadoon (Khyber-Pakhtunkhwa), the Company has an annual production capacity of 150 million sacks and provides packaging solutions to various industries that include cement, chemicals and dyes, bonding adhesives, industrial salt, calcium, gypsum, carbon black, milk powder and guar gum amongst others. With close to five decades of world class product leadership, the papersack business not only fulfills local demand but also exports to key international markets including Middle East, India, EU and the UK amongst other avenues.

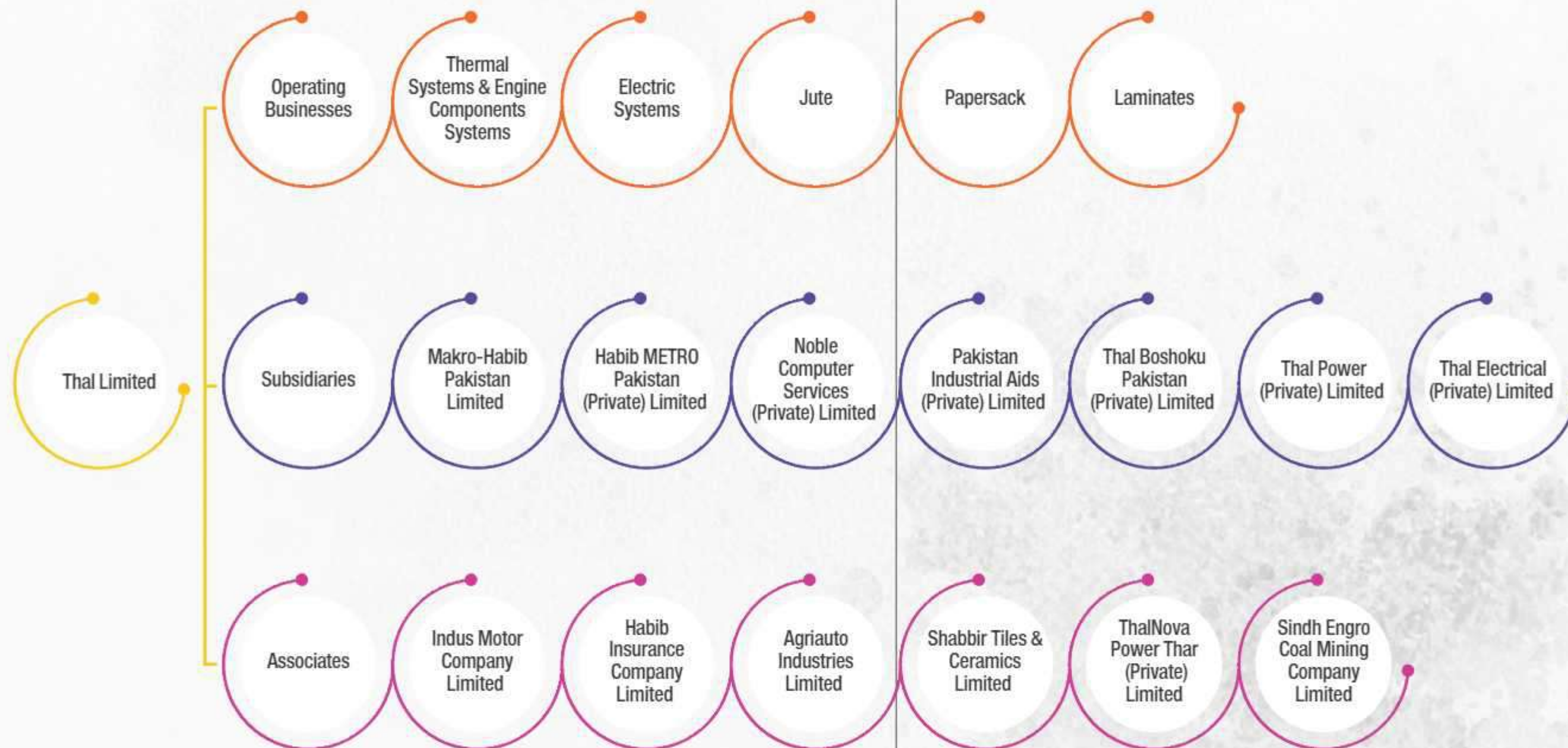
Since our inception we continue to touch and redefine life through the spectrum of our businesses that continue to impact a broad category of stakeholders in innumerable ways. In order to provide further impetus to our growth

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

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

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

COMPANY STRUCTURE





COMMITMENT LIKE NO OTHER

Corporate Governance

DIRECTORS' PROFILE



Rafiq M. Habib
Chairman

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

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



Muhammad Tayyab Ahmad Tareen
Chief Executive Officer

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

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

Prior to K-Electric, he served in private equity having global operations & investments in different sectors. He has also served as the CFO of The Coca-Cola Company managed bottler in UAE and OMAN, a business that saw successful turnaround from losses to sustained profitability within two years.

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



Asif Qadir
Independent Non-Executive Director

Mr. Asif Qadir joined the Board in 2013 as an Independent Director. He has over 30 years of experience with Exxon and Engro Corporation and held positions as Worldwide Business Advisor Exxon Chemicals, CEO Engro Polymer & Chemicals, Senior Vice President, Engro and was part of the key management team in Engro Corporation.

He has also been President of the Management Association of Pakistan, and a member of the Executive Committee of the Overseas Investors Chamber of Commerce and Industry ("OICCI"). He also serves as Director on the boards of Tripack Films Limited, Descon Oxychem Limited, Unicol Limited, Cherat Cement Company Limited, Century Paper Limited and Liaquat National Hospital.



Ms. Aliya Saeeda Khan
Independent Non-Executive Director

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

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



Mohamedali R. Habib
Non-Executive Director

Mr. Mohamedali R. Habib was appointed as the Director of Thal Limited in December 1990. He has been a Director of Habib Metropolitan Bank Limited since 2004, and currently serves as the Chairman of the Board of Directors of the Bank.

In addition, he serves as a Chairman on the Board of Indus Motor Company Limited, and also serves as a Director of Habib University Foundation. He was appointed Group CEO of HBZ Group in 2016.

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



Imran Ali Habib
Non-Executive Director

Mr. Imran Ali Habib was appointed as a Director of Thal Limited in June 2020. He is the Executive Vice President & Chief Strategic Officer at Habib American Bank in New York, USA, where he is responsible for looking after the bank's management and business development. Prior to his transfer to the United States in 2016, he served as Senior Vice President with Habib Bank AG Zurich in the United Arab Emirates from 2008.

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

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



Salman Burney
Non-Executive Director

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

He began his career with ICI Pakistan in Sales & Marketing within various roles in Pakistan & African / Eastern Region at ICI plc, London and as General Manager of ICI's Agrochemicals & Seeds Business. He joined the company in 1992, was appointed MD, SmithKline Beecham in 1997 with additional responsibility for Iran and the Caspian Region. He was holding the position of MD for GSK in Pakistan and he was responsible for GSK's Pharmaceutical business in Pakistan, Iran & Afghanistan.

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

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. Asif Qadir – Chairman (Independent)
Mr. Mohamedali R. Habib – Member
Mr. Imran Ali Habib – Member
Mr. Salman Burney – Member

Human Resources & Remuneration Committee:

TERMS OF REFERENCE

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

- a) 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;
- b) 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;
- c) recommending human resource management policies to the board
- d) 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;
- e) 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
- f) 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:

Mr. Asif Qadir – Independent Chairman
Mr. Mohamedali R. Habib – Member
Mr. Salman Burney – Member
Mr. Muhammad Tayyab Ahmad Tareen – Member

Internal Control Framework:

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

Internal Control Framework:

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

statements and selected financial data, and compliance with applicable laws and regulations.

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

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

Control Environment:

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

Risk Assessment:

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

Control Activities:

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

Information and Communication:

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

Monitoring:

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

CHAIRMAN'S REVIEW REPORT

The entity that began as a single Jute Mill now stands before you as a diverse conglomerate built on a proud legacy of integrity and innovation. Together, we have endured trying circumstances to rise, deliver and press forward on the nation's journey to prosperity. Today, the Thal Limited Conglomerate with investments in Auto Engineering - Thermal Systems, Electric Systems & Engine Components, Packaging and Building Materials business has gone from strength to strength in a year like no other.

It gives me the utmost pleasure to report to each one of you that every entity under the Thal Limited ambit has performed exceedingly well. The Group's Profit after Tax was recorded at Rs. 5.9 billion and marked a very welcome 83% year on year increase.

Despite the ongoing global pandemic and trade restrictions last year, the country witnessed a rise in both consumer and business confidence. This was graciously steered by Government Policies, fueled by a stronger Rupee, rising exports, increased production, and healthy foreign exchange reserves and remittances. Consequently, Pakistan surpassed IMF and World Bank projections and plans to steadily continue on this favorable course.

The Company's Engineering Segment focused on auto parts manufacturing and doubled its sales on the back of growing demand. With new OEMs in the market to steadily supply to, I am pleased to share that Thal is growing very well. Favorable growth in the auto sector has been due to the companies' long-standing policy on early adoption of the latest technologies all the while maintaining our signature innovation that customers eagerly anticipate. Additionally, Government of Pakistan has announced attractive policies for Electric Vehicles; these new prospects provide an opportunity for us to further grow and venture in this space and strengthen our market position.

The Jute Division also posted positive results sparked by higher export sales and rising demand for Pakistan Grain Sacks. The record sales are a reflection of the business's consumer focus - an attitude across the Group. Management remains confident that it

will be able to maintain profitability even as the cost of raw jute, power and consumables is driven higher by current uncertainty. Your management is geared to face the challenges ahead with the determination and dedication synonymous to that of a market leader. Operations are in place and will continue to concentrate on product quality, improvements in production efficiencies and expansion in our customer base and product portfolio, both in local and export markets.

Papersack Business has seen a growth across all its product segments in the face of material shortages from the international market. Cement bags and take-away bags led the way to victory for the division. During the period, volumes and revenue grew significantly versus last year. The year has been challenging with input costs including raw paper prices on an upward trajectory every quarter due to trade and supply disruptions. However, the Company remains highly confident and is making a PKR 1.7 Billion investment in a polypropylene bag manufacturing facility. This new plant will allow us to tap growing demand in cement and non-cement sectors and the project is well on track for commercialization. The company is also upgrading its cement paper bag manufacturing plant in the north, which will further add capacity of 48 million bags to service our customers in Central & North regions. And, the installation of 1.75 MW of solar power at our Hub and Gadoon plants will power a sustainable future for our stakeholders, communities and business.

Demand from local players and the Middle East grew our Laminates Business, FORMITE in three segments. We were able to deliver far better results for the year as compared to same period last year. The intent is to address

local and export needs by introducing new products, optimizing efficiency and timelines. Planning sales and managing the supply chain will help us navigate trade for sustained growth in the future as well.

Thal Boshoku Pakistan (Private) Limited ('Thal Boshoku') successfully completed a year manufacturing car seats with zero defects in the green zone. Post a year of slumped car sales, demand resumed and steadily drove up volumes, prices, and product diversification. As a result, Thal Boshoku was able to improve its presence with its high-quality car seats that have been recognized by customers. The Company has generated positive cash flows, improved liquidity, and external borrowings are showing a downward trend.

In the energy sector, Sindh Engro Coal Mining Company Limited is engaged in developing Pakistan's first open pit mining project at Thar Coal Block II. In the first half of 2021, SECMC operated smoothly and supplied 2 million tons of coal to record sales revenue of c. Rs. 17.6 bn and an after-tax profit of c. Rs. 6.2 bn. For the next phase, SECMC has signed coal supply agreements with ThalNova Power Thar (Pvt) Ltd. and Thar Energy Ltd. SECMC will provide 1.9 million tons of lignite per annum to each of these 330 MW power plants.

ThalNova achieved financial close on September 30, 2020. Construction activities are ongoing at site, despite the new wave of COVID-19 impacting progress. The entity has also entered into a power purchase agreement with the Central Power Purchase Agency and the implementation agreement with Private Power Infrastructure Board. By 2022, ThalNova's 330 MW plant will begin to power our countrymen on the journey to self-reliance.

At the forefront of our success throughout the year were our people. Their professional development was paid close attention to amidst a wave of digital transformation across businesses. Frameworks and models both offline and online aided in staff appraisals, gauged employee sentiment and brought in new talent when needed.

The wellbeing of staff remained pivotal and strict COVID-19 SOPs were in place to ensure safe spaces for all. A year like no other demanded that each entity ensures 99% staff vaccination and practice all precautions to keep business uninterrupted and deliver customers, stakeholders and partners with a profitable bottom line.

The results before you speak volumes of your Board of Directors. Their support has proved critical to Company success and I sincerely thank them for their commitment.

I would also like to extend my thanks to the Board's Committees on Audit and on Human Resource and Remuneration for their due diligence on important matters.

I am moved by the dedication of Staff members who have worked against all odds to bring us this far.

Heartfelt thanks to the shareholders, customers, dealers and business partners we serve. It is our privilege and duty to deliver your highest expectations time and again.

As we celebrate conquering a year like no other together safe and sound, May Allah Almighty guide us on the path to taking Thal Limited to even greater heights!



Rafiq M Habib
Chairman





PASSION LIKE NO OTHER

Directors' Report

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we are pleased to present the Fifty Fifth Annual Report along with the Audited Financial Statements of the Company for the year ended June 30, 2021.

Economic Overview

Fiscal year 2021 ended with rising consumer and business confidence in line with the vigorous V-shaped recovery in industrial production impacted by the COVID-19 crisis.

GDP growth for the year clocked in at 3.94%, against a target of 2.1%, after a contraction of 0.47% last year. The agriculture sector grew by 2.77%. The industrial sector has witnessed a positive growth of 3.57% against a negative growth of 3.77% last year. Services sector remained a major growth driver as it witnessed a growth of 4.43%. The Pakistan government has set a 4.8% GDP growth target 2021-2022 financial year as the country recovers from the COVID-19 pandemic.

The overview below highlights some of the key features of the economy during the year:

- **Monetary Policy & Inflation:** The policy rate remained constant at 7% throughout the year whereas the same had reached a highest level of 13.75% during the last year. Meanwhile, the average Consumer Price Index based inflation for the entire fiscal year stood at 8.9%.
- **Foreign Exchange:** The Pakistani Rupee gained 6% value against the US dollar in FY 2021. However, subsequent to June 30, 2021, the Pakistani Rupee came under pressure and depreciated against USD. An improving outlook for exports, and appropriate macroeconomic policy settings should help keep the balance of payments position sustainable.

- **Foreign Reserves:** SBP's FX reserves ended at over USD 17.2 billion while commercial banks' reserve stood at USD 7.1 billion (USD 24.3 billion in total). The Roshan Digital Account initiative for Overseas Pakistanis which was launched on Sept 10, 2020 generated new financial inflows of about USD 1.8 billion. Pakistan fetched USD 3.8 billion through its issuance of the Eurobond, USD 1 billion loan from China, USD 500 million disbursement by IMF and USD 440 million from the World Bank. The country's foreign exchange reserves position is expected to continue to improve due to adequate availability of external financing.

- **Current Account:** The current account deficit declined significantly by 58.4% and reached USD 1.9 billion (-0.6% of GDP) during FY2021, against a deficit of USD 4.5 billion (-1.7% of GDP) mainly due to higher inflows of remittances approximating USD 29.4 billion (USD 23.1 billion last year) and an increase in exports by 13.7%. While exports touched the highest-ever mark of over USD 25 billion, the import bill in FY2021 was up 26.5% to USD 56.4 billion from USD 44.6 billion last year. The annual trade deficit reached USD 30.8 billion in FY2021 from USD 23.2 billion, last year. The trade gap is mainly led by exponential growth in imports and comparatively slow growth in exports.

On account of reopening of economic activities and acceleration in vaccination process, growth in FY 2022 is expected to pick up further. This is further supported by measures announced in the budget, accommodative monetary

conditions and disbursements under the SBP's TERF facility for investments and other refinance facilities. However, the uncertainty created by the on-going fourth COVID-19 wave in Pakistan and the

global spread of new variants warrants a continued emphasis on supporting the recovery through accommodative monetary policy.

Overview of Financial Results

During the year, the companies' Sales revenue increased by 65% year on year to Rs. 27 billion. Profit after Tax was recorded at Rs. 3.5 billion

(up 87% year on year) compared to Rs. 1.8 billion during 2019-20.

Financial Performance

	Rupees in Million			
	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Net Revenue	27,317	16,600	29,636	17,203
Profit Before Taxes	4,572	2,372	7,780	4,327
Taxation	1,090	504	1,870	1,095
Profit After Taxes	3,482	1,867	5,910	3,232
Earnings Per Share - Rupees	42.97	23.04	67.06	35.63

Sales and Profitability



OVERVIEW OF BUSINESS SEGMENTS

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

Engineering Segment

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

Engineering segment recorded sales of Rs. 16.209 billion compared to last year sales of Rs 8.1 billion witnessing an increase of 100%, whereas, as per Pakistan Automotive Manufacturers Association ("PAMA") reports, overall auto industry also increased by 56.7% in passenger car sales.

The year 2020-21 served as a massive recovery period for the auto sector. Due to the launch of several new models and the rise of new market players such as Hyundai Nishat Motor (Private) Limited ("Hyundai Nishat") and Master Motor Corporate (Private) Limited led to an increase of options available for the consumers in the market. The consumers were intrigued to purchase their cars in 2020-21 due to the low interest rates and reduced taxes under the new auto policy.

The effects of COVID-19 pandemic on the economy and local industry started to wear off after July 2021 as the lockdown was eased by the Government of Pakistan ("GoP"). Due to the incentives provided by the GoP including lower mark-up rates, the local industry picked up its pace and consumers were back into the markets. We expect that the consumer demand will keep rising in the short term.

Management continue to focus on business expansion, localization and optimization of cost to maintain profitable operations. Further, in order to ensure continuity of operations and prevent the spread of the coronavirus, management adopted comprehensive standard operating procedures ("SOPs") in line with international and local guidelines and all employees got vaccination.

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



Outlook

During the upcoming fiscal year, auto sector is expected to experience continued rise in consumer demand. Due to the congestion at different sea

ports, supply chain is badly affected and it seems that delay in ETD and ETA delay of imported materials will remain by the mid of 2022.



Packaging, Building Materials & Allied Products Segment

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

During the outgoing year, the segment turnover registered a year on year increase of 31% (Rs. 11.1 billion compared to Rs. 8.5 billion last year).



Jute Business

By the grace of Almighty Allah, the Jute Division continued its journey of success and maintained its market position as a major player in Pakistan's Jute industry. The fiscal year ending June 2021 saw the business' turnover and profitability improving significantly largely due to higher export sales and local market demand.

The Company continued to make major investments in improving quality and cost efficiency and operated its manufacturing facility at capacity.

The failure of jute crop in Bangladesh and India significantly increased the cost of raw jute. Power, wages and consumables also increased significantly with depreciation of Pakistani Rupee and local inflation.

This has become an ongoing challenge to the long term cost competitiveness of the business.

The business also invested in solar generation aiming at reducing the increase in energy costs. Approximately 1 MW of capacity was brought on line in June 2021.

Outlook

Your management is actively making efforts for product quality improvement and will also maintain its focus on production efficiencies to ensure longer term competitiveness.

In the coming year management is again expecting an upward trend in the prices of Raw Jute in international market as mills in Bangladesh and India (many of whom had to shut down during the last year due to raw material shortages) rebuild their raw material inventories. A clearer position will emerge in next quarter, but efforts will be made to maintain profitability, and to face the challenges ahead with determination.



Papersack Business

The Papersack business saw robust growth in all its product segments led by Cement, in which Thal Papersack has been the pioneer and market leader for more than 4 decades.

During the period, volumes and revenue grew significantly versus corresponding period of last year. Input costs specially our major raw material paper also showed an increasing upward trajectory on a quarterly basis due to global supply shortages.

The government announced a relief package for the construction industry which had a positive impact on the demand for cement bags. Volumes of other segments, i.e. food grade bags and industrial sacks also increased owing to higher take-away and home deliveries by restaurants.

Profitability of the business improved in all business segments, attributed to higher volumes, better operational controls and efficient utilization of resources.

The Company is investing Rs. 1.7 Billion in a woven polypropylene bags manufacturing facility to tap the market for polypropylene bags in cement and non-cement sectors. The project is on track and we are confident for timely completion and commercialization. The company is also upgrading its paper bag capacity in the north which will help service our customers in Central & North regions better. The business is also investing in a total of 1.75 MW solar power installation at its plants in Hub and Gadoon to help contain rising energy costs.

Outlook

The outlook for the coming year is challenging due to increasing raw material costs but we expect the demand for cement sacks and other segments to continue to show a positive trend. The management is focused on cost efficiencies, tapping increasing market demand and ensuring a safe work environment for employees. However, exchange rate volatility, increase in power tariffs and increasing price of paper in international market would remain challenges for the business in the coming months.



Laminates Business

The Laminates Business operates under the brand name "Formite" in three major segments, High Pressure Laminates ("HPL"), Compact Laminates and Lamination Boards. The Brand is known for its quality and adherence to corporate values.

Post the first wave of COVID-19 in the initial part of the year, the market picked up. Resultantly, the Laminates Business was not only able to maintain local sales growth during the year, and also retain clients in Middle East markets with regards to exports. Moreover, it was also able to add new quality conscious customers in both the local and export markets.

Due to a focus on cost efficiencies, better sales and supply chain planning, the Laminates Business was able to deliver better results for the year as compared to same period last year. Global markets and raw material supplies still remain inconsistent in terms of pricing and shipping timelines, leading to the need for higher safety stocks of raw materials.

Outlook

The market has slowed down in recent months while in terms of volume and pricing. In addition, increased freight and the rupee devaluation changes present a cost challenge to the business.

For increasing plant efficiency, the business has initiated various projects to improve quality, optimize capacity and improve delivery timelines. These on-going initiatives give us confidence that Laminates will continue to be a profitable business for the foreseeable future.



Thal Boshoku Pakistan (Private) Limited

During the year 2020-21, the Company's sales have increased in multiple folds than the last year. Increase in sales is mainly on account of full year operations of the Seat Plant which started from June 2020. Moreover, after a period of significant inactivity due to COVID-19 lockdown at the end of previous year, volumes for the current year were much higher which resulted in further increase in sales, and profitability.

With the increase in volumes, and prices, and product diversification, the Company has been able to improve its presence in the market, and the high-quality seats manufactured have been recognized by the customers. The Company has generated positive cash flows and improved its liquidity position with the reliance on external borrowings showing a downward trend.

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

Outlook for the future of the Company looks challenging due to continued pressure on the local economy. However, the auto-sector has seen some form of a resurgence of demand from the OEM's. In addition, the new OEM entrants have started local production which has created further opportunities to diversify the customer base. The Company is also actively involved in business development and is hopeful of securing new businesses in the coming years.



Other Subsidiaries

Habib METRO Pakistan (Private) Limited

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

Dividends payments to Thal Limited during the year amounted to a total of Rs. 544 million.

Makro-Habib Pakistan Limited

The Honorable Supreme Court of Pakistan dismissed the MHPL's Review Petition for the Saddar Store and as a consequence, the Saddar Store of MHPL was closed down on September 11, 2015.

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

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

The matter is being pursued to fix the next hearing and the Company shall continue to seek a favorable resolution.

Noble Computer Services (Private) Limited

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

Pakistan Industrial Aids (Private) Limited

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



Investments in Energy Sector

Sindh Engro Coal Mining Company Limited (SECMC)

SECMC is a joint venture between the Government of Sindh, Thal Limited, Engro Powergen Limited, Hub Power Company Limited, Habib Bank Limited, CMEC Thar Mining Investments Limited and SPI Mengdong. It is engaged in developing Pakistan's first open pit mining project at Thar Coal Block II.

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

In first half of CY2021, SECMC operated smoothly and supplied 2 million tons of coal to record sales revenue of c. Rs. 17.6 billion and an after-tax profit of c. Rs. 6.2 billion. Whilst SECMC has generated positive cash flows over the period, it is restricted from declaring any dividends under its financing agreements until achievement of Project Completion Date ("PCD") which is subject to 'true up' and approval of SECMC's Commercial Operations Date ("COD") stage tariff petition by the Thar Coal and Energy Board. SECMC management is liaising with the regulator to facilitate achievement of PCD in CY2021.

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

The global COVID-19 pandemic continues to adversely affect progress. Nevertheless, the Project Company is striving to achieve commercial operations date for Phase II in CY 2022.

The Company owns 11.9% ordinary shareholding in SECMC.



Investments in Energy Sector

Thal Power (Private) Limited

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

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

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

Construction activities are ongoing at site, despite the new wave of COVID-19 impacting progress. The Project is expected to come online in CY 2022.



Human Resources

At Thal Limited, we believe in the power of people. Each employee within our more than 4,000 strong staff is a vital asset that we continually hone and polish with learning and development to shine even brighter. Our ability to create multifaceted and high performance teams during these challenging times has led the Company to success in a year like no other.

A culture of inclusivity, professionalism and excellence welcomes new recruits and nurtures senior staff. At the forefront of our HR strategy is a well-rounded talent development framework that focuses on attracting, developing, motivating, and retaining our employees. Powered by a vision to create a high-performance, sustainable organization that meets its strategic and operational goals and objectives and drive each employee to give their very best at Thal and its subsidiaries.

To assess performance standards across each level of management and to continue to deliver excellence across business units, a comprehensive Leadership Competency Framework was developed. This framework puts forth guidelines and creates a profile for people who value their work and share our principals. By creating a value centric and reward driven tethering system for performance we are able to speak the language that employees need to rising to new challenges and greet opportunity even in the face of adversity.

Each employee plays their part in the success we bring you and we have developed both online and offline methods for assessment during the ongoing COVID-19 pandemic. In order to keep Thal's performance driven culture at its peak, systematic improvements have been made to the Performance Management Framework, these include adopting greater automation and efficiency as well as the methodology and criteria for assessment.

During the pandemic, multiple communication channels were available for reporting between employees, managers and decision makers. This past year, online training were made commonplace to keep staff abreast of the latest developments in our fields of work while they were safe either at home or on site and the overall response and results were highly encouraging. We successfully carried out an Online Learning Fair where we facilitated training people in both softskill and technical courses with an 80% accuracy result. Our Human Resource teams across Thal were extremely conscious of the COVID-19 situation. Each company took responsibility for the safety of employees by ensuring 99% vaccination and safe environments to work in.

Planning now and moving towards a resilient new world includes building on our rigorous frameworks and policies as well as studying global trends to keep pace with the ever evolving agile work spaces, industry management and trade implications the world has been presented with.



Health, Safety & Environment (HSE)

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

Moreover, Thal Engineering maintained focus on safety management systems aligned with international standards which include Occupational Safety and Health Administration (ISO 45001). The company was duly recognized by Employers Federation of Pakistan, securing 2nd position in the category of 'Best Practices award for OSH&E 2020-2021' in the Processed & Allied sectors.

In addition, the company deploys state of the art addressable Fire Alarm and Detection System throughout all manufacturing units and peripheral areas. Considering the efforts, Fire Protection Association of Pakistan awarded Thal Engineering with Fire Safety Award 2020-2021.

TE also celebrates Annual HSE Week. This year it focused on the importance of COVID-19 vaccination, prevention of injury and illness in the workplace and increased understanding of safety and health issues.

We are also cognizant of the Company's responsibility to the environment as a socially caring organization. Throughout the year, by maintaining focus on this area, TE was able to reduce Carbon Footprint by 4.0% against a target of 2%. National Forum recognized these best practices for Environment and Health, and awarded Thal Engineering with the Environment Excellence award 2020-21.



Corporate Social Responsibility (CSR)

Welfare and development in our communities and for the underprivileged sections of society are at the heart of our values. Our commitment to improving the quality of life for our stakeholders, employees and countrymen at large continued on in the face of uncertain times for many affected individuals.

We are deeply humbled to have been able to provide Rs. 46 million approximately in social investments across community development, healthcare, education, environment, and employee welfare in FY 2021.

Our employees remain our core strength and indeed, we have all had a year like no other. Faced with multiple challenges during the COVID-19 pandemic, the Company bolstered family support by distributing ration bags to employees and their dependents. Throughout the year we also took it upon ourselves to assist them in multiple causes where assistance was needed to carry on life and work. Similarly, health was paid great attention to and regular medical check ups, quarantine facilities on site, free COVID-19 tests and antibody tests were also administered to keep staff fit for their families and colleagues.

At Habib University, we continued to support education for a large number of deserving students with scholarships and financial aid. Additionally, each year employees who wish to seek higher education in order to better themselves are funded for the good of society.

Under the Prime Minister's scheme for environment, Thal Limited planted trees at multiple sites with employee and stakeholder participation. We intend to raise tree plantation each year to keep Pakistan green and healthy for us all.



Information Technology (IT)

Digital Transformation has always been on the top agenda of the organization. With the sharp increase in the usage of collaboration tools during pandemic, company enabled its management employees with SAP Fiori platform. Mobile handsets are being used to approve purchase requisitions and purchase orders and access to SAP system on real time basis is ensured for timely business decisions.

With the increase in use of computer platform at home and office during COVID-19 pandemic IT department took initiative to enable business with a secured IT platform by ensuring employee's emails are secured from outside threats. Advance Threat protection bundled with Two-Factor Authentication was enabled. Two-Factor Authentication is an extra layer of security to prevent outside attackers from logging in, even if they have the password. This extra security measure requires employee to verify identity using a randomized 6-digit code send on cell phone each time an employee attempts to log in.

Laminate business of Thal Limited implemented SAP Production Planning Module. SAP Variant Configuration functionality was implemented as the manufacturer offers variety of finished goods variants. The tool offers user friendly classification capabilities, lesser time to create a configured sales order and more power to sales and production team to offer customized products on real time basis.

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 facing the Company

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

The Company has enumerated these risks as:

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

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

Contribution to National Exchequer

During the year 2020-21, the Company contributed a sum of Rs. 6.1 billion (2019-20, Rs. 4.1 billion) towards the national exchequer by way of taxation, custom duties, levies, excise duty and WPPF.

Remuneration Policy of Non-Executive Directors

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

Remuneration of Directors during the year is disclosed in note 45 to the unconsolidated financial statements for the year ended June 30, 2021.

Auditors

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

re-appointment as auditors for the year 2021-22. Their reappointment has also been recommended by the Board Audit Committee.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2021 is attached to this report.

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

Directors training program

Mr. Rafiq M. Habib, 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, Mr. Asif Qadir and Ms. Aliya Saeeda Khan are certified by Pakistan Institute of Corporate Governance.

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

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

- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The value of investment of provident fund and retirement benefit fund stands at Rs. 688 million and Rs. 80 million respectively as at June 30, 2021.
- The key operating & finance data for the last six years are annexed to the report.

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

Male	6
Female	1

The composition of board is as follows:

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

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

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

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

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

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

Sr. No.	Names of Directors	Meeting Attended
1	Mr. Asif Qadir - Chairman	2/2
2	Mr. Mohamedali R. Habib	2/2
3	Mr. Salman Burney	2/2
4	Mr. Muhammad Tayyab Ahmad Tareen	2/2

Dividend and Appropriations

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

- Final cash Dividend declared of 6.00 per share, i.e., 120% in addition to interim dividends of Rs. 4 per share, i.e., 80%.
- Recommends appropriating a sum of Rs. 2,649 million from unappropriated profits to General Reserve.

Acknowledgement

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



Chief Executive Officer



Director

Karachi.

Dated: September 10, 2021.

STATEMENT OF VALUE ADDITION

WEALTH GENERATED

Gross Revenue
Other Income

Bought in Material, Services and Other Expenses

WEALTH DISTRIBUTED

Employees

Salaries, Wages & Other Benefits and WPPF

Society

Donations towards Education, Health and Environment

Providers of Finance

Finance Costs

Government

Contribution to National Exchequer

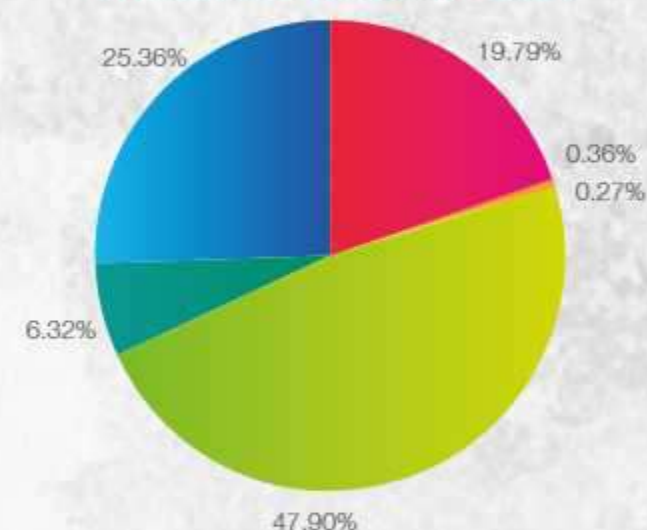
Shareholders

Dividend

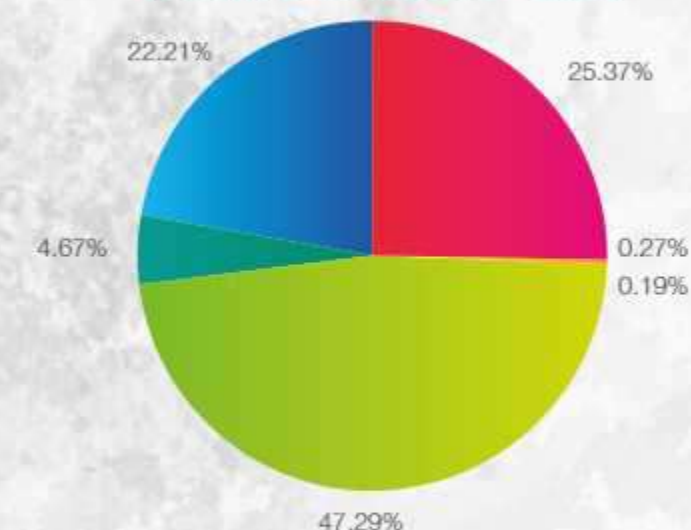
Retained within the Business for Future Growth

	2021		2020	
	Rs 000	%	Rs 000	%
Gross Revenue	31,785,711	95.14%	19,272,293	94.54%
Other Income	1,623,453	4.86%	1,113,631	5.46%
	33,409,164	100.00%	20,385,924	100.00%
Bought in Material, Services and Other Expenses	20,586,689	61.62%	11,712,622	57.45%
	12,822,475	38.38%	8,673,302	42.55%
Employees				
Salaries, Wages & Other Benefits and WPPF	2,537,454	19.79%	2,200,126	25.37%
Society				
Donations towards Education, Health and Environment	45,782	0.36%	23,716	0.27%
Providers of Finance				
Finance Costs	34,817	0.27%	16,908	0.19%
Government				
Contribution to National Exchequer	6,141,927	47.90%	4,101,775	47.29%
Shareholders				
Dividend	810,299	6.32%	405,150	4.67%
Retained within the Business for Future Growth	3,252,196	25.36%	1,925,627	22.21%
	12,822,475		8,673,302	

Wealth Distribution - 2021



Wealth Distribution - 2020



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

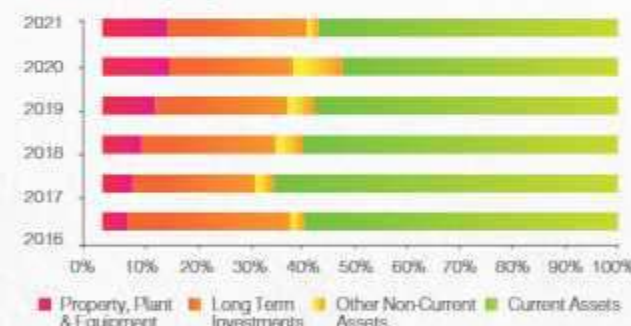
FINANCIAL PERFORMANCE SIX YEARS AT A GLANCE

Rs. in Million

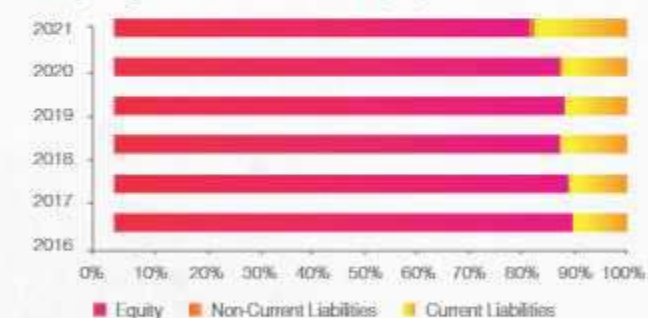
	2021	2020	2019	2018	2017	2016
Summary of Balance Sheet						
Property, Plant and Equipment	3,711	3,118	2,188	1,410	1,019	651
Intangible Assets	121	173	91	15	10	9
Investment Property	1	1	1	1	1	1
Long Term Investments	8,007	5,796	5,432	4,938	4,144	4,342
Long Term Loans	275	1,927	861	788	411	60
Long Term Deposits	20	16	15	13	14	8
Long Term Prepayments	-	-	-	-	-	-
Deferred Tax Asset	219	205	165	191	187	298
Net Current Assets	11,871	9,831	9,881	9,084	9,649	6,860
	24,226	21,067	18,633	16,440	15,435	12,229
Non-Current Liabilities						
Long Term Deposits	12	17	1	2	2	2
Long Term Loan	185	149	-	-	-	-
Lease liabilities	101	-	-	-	-	-
Deferred income	22	-	-	-	-	-
	320	166	1	2	2	2
Net Assets Employed						
	23,906	20,901	18,631	16,438	15,433	12,227
Financed by						
Issued, Subscribed and Paid-up Capital	405	405	405	405	405	405
Reserves	23,500	20,496	18,226	16,033	15,028	11,822
Shareholders' Equity						
	23,906	20,901	18,631	16,438	15,433	12,227
Summary of Profit & Loss						
Sales	27,317	16,600	22,499	19,404	17,200	15,334
Gross Profit	4,669	2,556	4,281	3,773	3,709	3,437
Profit Before Taxation	4,572	2,372	4,334	3,804	5,447	2,979
Profit After Taxation	3,482	1,867	3,154	2,686	3,966	2,179
Summary of Cash Flows						
Cash Flows from Operating Activities	1,073	1,678	(802)	305	1,664	758
Cash Flows from Investing Activities	(1,766)	(1,078)	2,000	(2,256)	65	398
Cash Flows from Financing Activities	(267)	(224)	(883)	(1,677)	(802)	(705)
Cash and Cash Equivalents acquired on amalgamation of subsidiary	-	1,022	-	-	-	-
Cash and Cash Equivalents at Year End	2,096	3,055	1,657	1,342	4,970	4,043

GRAPHICAL PRESENTATION SIX YEARS AT A GLANCE

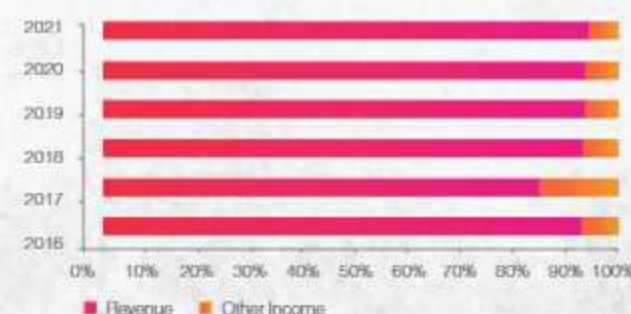
Balance Sheet Analysis Assets (%)



Balance Sheet Analysis Equity & Liabilities (%)



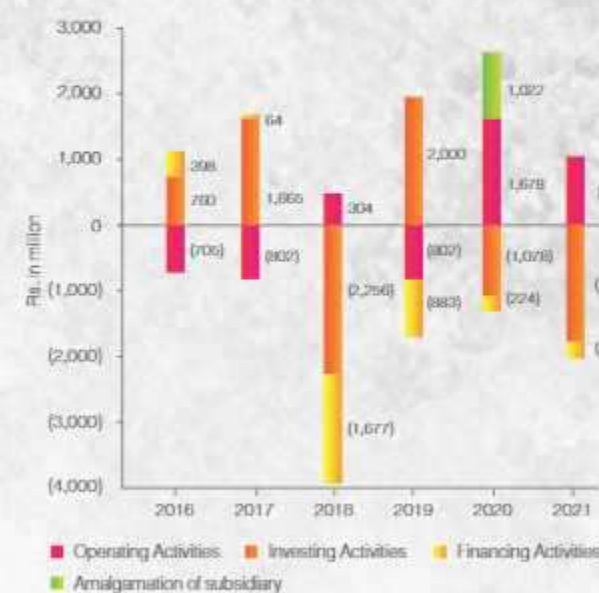
Profit & Loss Analysis Income (%)



Profit & Loss Analysis Expenses (%)



Cash Flow Analysis



Equity, Paid-Up Capital & Accumulated Dividend



HORIZONTAL ANALYSIS

	2021		2020		2019		2018		2017		2016	
	Rs in million	21 Vs. 20 %	Rs in million	20 Vs. 19 %	Rs in million	19 Vs. 18 %	Rs in million	18 Vs. 17 %	Rs in million	17 Vs. 16 %	Rs in million	16 Vs. 15 %
BALANCE SHEET												
EQUITY AND LIABILITIES												
Equity	23,906	14.4%	20,901	12.2%	18,631	13.3%	16,438	6.5%	15,433	26.2%	12,228	13.5%
Non-Current Liabilities	320	92.8%	166	16500.0%	1	-50.0%	2	0.0%	2.0	23.15%	1.62	-5.3%
Current Liabilities	5,308	74.1%	3,049	17.7%	2,590	4.6%	2,477	24.35%	1,992	36.8%	1,456	7.4%
Total Equity & Liabilities	29,534	22.5%	24,116	13.6%	21,222	12.2%	18,917	8.5%	17,427	27.3%	13,686	12.8%
ASSETS												
Non-Current Assets	12,354	10.0%	11,236	28.4%	8,752	18.9%	7,358	27.2%	5,786	7.8%	5,370	12.5%
Current Assets	17,175	33.3%	12,880	3.3%	12,470	7.9%	11,559	-0.7%	11,641	40.0%	8,316	13.0%
Assets classified as held for sale	5	0.0%	-	0.0%	-	-	-	-	-	-	-	-
Total Assets	29,534	22.5%	24,116	13.6%	21,222	12.2%	18,917	8.5%	17,427	27.3%	13,686	12.8%
PROFIT AND LOSS ACCOUNT												
Turnover - net	27,317	64.6%	16,600	-26.2%	22,499	15.9%	19,404	12.8%	17,200	12.2%	15,334	-1.4%
Cost of Sales	(22,648)	61.3%	(14,045)	-22.9%	(18,217)	16.5%	(15,632)	15.9%	(13,491)	13.4%	(11,897)	-5.6%
Gross Profit	4,669	82.7%	2,556	-40.3%	4,281	13.5%	3,772	1.7%	3,709	7.9%	3,437	16.7%
Distribution Costs	(545)	56.0%	(349)	-7.4%	(377)	15.1%	(327)	25.3%	(261)	-17.5%	(317)	59.5%
Administrative Expenses	(878)	13.5%	(773)	2.6%	(754)	-7.4%	(814)	9.7%	(742)	29.5%	(573)	20.3%
Other Income	1,623	45.8%	1,114	-27.1%	1,528	5.7%	1,446	-53.3%	3,096	165.1%	1,168	30.1%
Other Charges	(263)	66.3%	(158)	-52.7%	(335)	26.8%	(264)	-23.8%	(346)	-52.8%	(733)	237.2%
Operating Profit	4,607	92.9%	2,389	-45.0%	4,344	13.9%	3,813	-30.1%	5,456	83.0%	2,982	1.1%
Finance Costs	(35)	105.9%	(17)	72.4%	(10)	8.9%	(9)	5.7%	(9)	122.8%	(4)	-19.6%
Profit Before Taxation	4,572	92.8%	2,372	-45.3%	4,334	13.9%	3,804	-30.2%	5,447	82.9%	2,978	1.1%
Taxation	(1,090)	116.0%	(504)	-57.2%	(1,180)	5.5%	(1,118)	-24.5%	(1,481)	85.0%	(800)	0.5%
Profit After Taxation	3,482	86.5%	1,867	-40.8%	3,154	17.4%	2,686	-32.3%	3,966	82.1%	2,178	1.3%

VERTICAL ANALYSIS

	2021		2020		2019		2018		2017		2016	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
BALANCE SHEET												
EQUITY AND LIABILITIES												
Equity	23,906	80.9%	20,901	86.7%	18,631	87.8%	16,438	86.9%	15,433	88.6%	12,228	89.3%
Non-Current Liabilities	320	1.1%	166	0.7%	1	0.0%	2	0.0%	2	0.0%	2	0.0%
Current Liabilities	5,308	18.0%	3,049	12.6%	2,590	12.2%	2,477	13.1%	1,992	11.4%	1,456	10.6%
Total Equity & Liabilities	29,534	100.0%	24,116	100.0%	21,222	100.0%	18,917	100.0%	17,427	100.0%	13,686	100.0%
ASSETS												
Non-Current Assets	12,354	41.8%	11,236	46.6%	8,752	41.2%	7,357	38.9%	5,786	33.2%	5,370	39.2%
Current Assets	17,175	58.2%	12,880	53.4%	12,470	58.8%	11,560	61.1%	11,641	66.8%	8,316	60.8%
Assets classified as held for sale	5	0.0%	-	0.0%	-	-	-	-	-	-	-	-
Total Assets	29,534	100.0%	24,116	100.0%	21,222	100.0%	18,917	100.0%	17,427	100.0%	13,686	100.0%
PROFIT AND LOSS ACCOUNT												
Turnover - net	27,317	100.0%	16,600	100.0%	22,499	100.0%	19,404	100.0%	17,200	100.0%	15,334	100.0%
Cost of Sales	(22,648)	82.9%	(14,045)	84.6%	(18,217)	81.0%	(15,632)	80.6%	(13,491)	78.4%	(11,897)	77.6%
Gross Profit	4,669	17.1%	2,556	15.4%	4,281	19.0%	3,772	19.4%	3,709	21.6%	3,437	22.4%
Distribution Costs	(545)	2.0%	(349)	2.1%	(377)	1.7%	(327)	1.7%	(261)	1.5%	(317)	2.1%
Administrative Expenses	(878)	3.2%	(773)	4.7%	(754)	3.3%	(814)	4.2%	(742)	4.3%	(573)	3.7%
Other Income	1,623	5.9%	1,114	6.7%	1,528	6.8%	1,446	7.5%	3,096	18.0%	1,168	7.6%
Other Charges	(263)	1.0%	(158)	1.0%	(335)	1.5%	(264)	1.4%	(346)	2.0%	(733)	4.8%
Operating Profit	4,607	16.9%	2,389	14.4%	4,344	19.3%	3,813	19.6%	5,456	31.7%	2,982	19.4%
Finance Costs	(35)	0.1%	(17)	0.1%	(10)	0.04%	(9)	0.05%	(9)	0.05%	(4)	0.02%
Profit Before Taxation	4,572	16.7%	2,372	14.3%	4,335	19.3%	3,804	19.6%	5,447	31.7%	2,979	19.4%
Taxation	(1,090)	4.0%	(504)	3.0%	(1,180)	5.2%	(1,118)	5.8%	(1,481)	8.6%	(800)	5.2%
Profit After Taxation	3,482	12.7%	1,867	11.2%	3,155	14.0%	2,686	13.8%	3,966	23.1%	2,178	14.2%

SIX YEARS' RATIO ANALYSIS

		2021	2020	2019	2018	2017	2016
Profitability Ratios							
Gross Profit	%	17.09	15.40	19.03	19.44	21.56	22.41
EBITDA Margin to Sales	%	18.99	17.18	20.63	20.67	32.47	20.21
Net Profit Margin	%	12.75	11.25	14.02	13.84	23.08	14.21
Return on Equity	%	14.57	8.93	16.93	16.34	25.70	17.82
Return on Capital Employed	%	19.02	11.34	23.32	23.19	35.35	24.39
Liquidity Ratios							
Current Ratio	times	3.24	4.22	4.82	4.67	5.84	5.71
Quick Ratio	times	1.76	2.36	2.59	3.02	4.33	3.75
Cash to Current Liabilities	times	0.39	1.00	0.64	0.54	2.49	2.78
Cash Flow from Operations to Sales	times	0.07	0.13	0.02	0.07	0.10	0.05
Activity/Turnover Ratios							
Inventory Turnover	times	3.41	2.51	3.80	4.55	4.75	4.70
Inventory Turnover	days	107.04	145.39	96.07	80.18	76.81	77.61
Inventory Turnover - Finished Goods	times	35.98	21.61	31.71	31.10	27.89	33.36
Inventory Turnover - Finished Goods	days	10.14	16.89	11.51	11.74	13.09	10.94
Inventory Turnover - Raw Material	times	3.40	2.37	3.87	4.85	5.27	5.29
Inventory Turnover - Raw Material	days	107.43	154.25	94.35	75.21	69.23	68.96
Debtors Turnover	times	11.07	7.93	13.48	17.32	19.25	16.62
Average Collection Period	days	32.98	46.01	27.07	21.07	18.96	21.96
Creditors Turnover	times	19.85	16.98	28.19	29.93	50.12	49.29
Payable Turnover	days	18.39	21.49	12.95	12.20	7.28	7.41
Operating Cycle	days	121.63	169.91	110.19	89.06	88.49	92.16
Total Assets Turnover	times	0.92	0.69	1.06	1.03	0.99	1.12
Fixed Assets Turnover	times	7.13	5.04	9.87	13.61	16.72	23.23
Investment/Market Ratios							
Earnings Per Share	Rs.	42.97	23.04	38.93	33.15	48.95	26.89
Price Earnings Ratio	times	9.84	14.10	9.35	14.41	12.38	10.53
Cash Dividend Per Share	Rs.	10.00	5.00	8.00	13.50	19.75	10.00
Dividend Yield	%	2.37	1.54	2.20	2.83	3.26	3.53
Dividend Payout	%	23.27	21.70	20.55	40.73	40.35	37.19
Dividend Cover	times	4.30	4.61	4.87	2.46	2.48	2.69
Market Value Per Share - June 30	Rs.	422.78	324.94	364.06	477.53	606.03	283.02
Market Value Per Share - High	Rs.	487.36	395.09	471.98	642.18	702.63	321.99
Market Value Per Share - Low	Rs.	321.92	228.37	347.85	434.11	276.55	230.98
Market Capitalization	Rs. 000	34,257,825	26,329,859	29,499,749	38,694,212	49,106,556	22,933,085
Breakup Value - Net Assets Per Share	Rs.	295.02	257.94	229.93	202.86	190.46	150.90
Capital Structure Ratios							
Financial Leverage	%	23.54	15.38	13.91	13.91	12.92	11.92
Debt Equity Ratio	%	1.87	1.07	0.01	0.01	0.01	0.01
Interest Cover	times	132.31	141.27	443.08	429.85	640.99	780.85

GRAPHICAL PRESENTATION OF RATIOS

Profitability Ratios



Profitability Ratios



Activity / Turnover Ratios



Activity / Turnover Ratios



Investment / Market Ratios



Investment / Market Ratios



Liquidity Ratios



Capital Structure Ratio





COURAGE LIKE NO OTHER

Shareholder Information

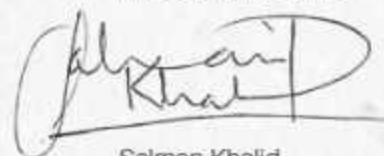
NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty-fifth Annual General Meeting of the Members of the Company will be held on Tuesday, October 12, 2021 at 3:30 pm electronically through video-link arrangement 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, 2021, together with the Directors' and Auditors' Report thereon.
2. To approve a final cash dividend of 120% (i.e. Rs. 6.00 per share) for the year 2020-21 as recommended by the Board of Directors. This is in addition to the interim dividend, of 80% i.e. Rs 4.00 per share already paid. The total dividend for 2020-21 will thus amount to 200% i.e. Rs 10.00 per share.
3. To appoint Auditors and fix their remuneration for the year ending June 30, 2022. The present auditors – Messrs EY Ford Rhodes, Chartered Accountants, retire and being eligible have offered themselves for re-appointment.

By Order of the Board



Salman Khalid
Company Secretary

Karachi.
Dated: September 10, 2021

NOTES:

1. Participation in the AGM proceeding via the video conference facility
Due to current COVID-19 situation, the AGM proceedings shall be held via video conference facility only. Shareholders interested to participate in the meeting are requested to share below information at ti@hoh.net for their appointment and proxy's verification by or before 5:00 PM on October 08, 2021.

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

Video conference link details and login credentials will be shared with those Shareholders whose emails containing all the particulars are received on or before October 08, 2021 at 5:00 p.m.

Shareholders can also provide their comments and questions for the agenda items of the AGM on ti@hoh.net by October 08, 2021 at 5:00 p.m.

2. Closure of Share Transfer Books
The Share Transfer Books of the Company will be closed from October 6, 2021 to October 12, 2021 (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 05, 2021 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. 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.thalimited.com).
4. 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.
5. Submission of copies of CNIC not provided earlier
Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar, FAMCO Associates (Private) Limited. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company shall withhold the Dividend under the provisions of Section 243 of the Companies Act 2017.

6. Withholding Tax on Dividend

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

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

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

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

In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal shareholder) for deduction of withholding tax on dividend of the Company, shareholders are requested to please furnish the shareholding ratio details of themselves as Principal shareholder and their Joint Holders, to the Company's Share Registrar, enabling the Company to compute withholding tax of each shareholder accordingly. The required information must reach the Company's Share Registrar by October 05, 2021, otherwise each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

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

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

9. Distribution of Annual Report through Email (Optional)

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

The audited financial statements of the Company for the year ended June 30, 2021 have been made available on the Company's website (www.thallimited.com) in addition to annual and quarterly financial statements for the prior years.

10. Conversion of Physical Shares into Book-Entry Form

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

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

Sindh Engro Coal Mining Company Limited

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

Phase II of SECMC achieved Financial Close on December 31, 2019. For Phase II of SECMC, the Board of Directors of Thal Limited approved a total exposure of Pak Rupee 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).

As on 30th June 2021, the Company has invested Rs. 2,547.082 million in SECMC, acquiring 171,867,851 ordinary shares having face value of Rs. 10 each, at a price of Rs. 14.82 per share. The Company has issued a stand by letter of credit in favor of lenders for the balance equity commitment of USD 4.3 million for Phase II.

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

In 1H2020, the global COVID-19 pandemic has adversely affected the timelines for Phase II. The Project Company is now striving to achieve commercial operations date for Phase II in 2022.

Thal Power (Private) Limited

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

Equity Injection, Guarantee and Sponsor Support:

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

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

Information Required	Information Required
a) Total investment approved	As above
b) Amount of investment made to date	Equity Injection of USD 13.0 M (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>Because of various reason the Financial Close of the ThalNova project was delayed beyond original timeline and subsequently achieved on 30 September 2020. The Commercial Operations Date is expected in the second half of calendar year 2022.</p> <p>Equity injection will now be made along with debt disbursement and expected to be completed in 2022.</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 to-date has received total equity injection of Rs. 9.4 billion (or USD 66.6 million) from all shareholders. The associated undertaking issued a limited notice to proceed to the EPC Contractor against a payment of USD 30 million (in Pakistani Rupees equivalent) to commence construction works prior to financial close. Financial close was achieved on 30th September 2020 and debt disbursement from lenders commenced from Apr 2021. The project construction is ongoing but the project has faced delays in recent times due to COVID related challenges. The Company expects commercial operations to commence in second half of the calendar year 2022.</p>

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2021

No. of Shareholders	Size of Holding		Total Shares Held
	From	To	
1,330	1	100	45,495
1,280	101	500	334,150
536	501	1000	380,176
863	1001	5000	1,852,032
178	5001	10000	1,282,250
53	10001	15000	688,200
31	15001	20000	535,202
14	20001	25000	304,016
20	25001	30000	560,057
12	30001	35000	392,362
13	35001	40000	491,779
7	40001	45000	301,806
15	45001	50000	720,350
6	50001	55000	319,740
5	55001	60000	290,013
5	60001	65000	313,221
2	65001	70000	133,951
3	70001	75000	215,921
2	80001	85000	168,878
1	85001	90000	88,000
3	90001	95000	280,032
3	95001	100000	298,900
1	100001	105000	101,741
3	110001	115000	336,890
5	115001	120000	590,687
1	120001	125000	124,583
3	125001	130000	379,531
2	130001	135000	265,472
3	135001	140000	409,788
2	145001	150000	296,333
1	150001	155000	154,074
1	165001	170000	168,198
2	170001	175000	348,900
1	175001	180000	178,202
1	180001	185000	181,150
1	195001	200000	199,500
2	200001	205000	403,730
2	220001	225000	445,450
1	225001	230000	227,168
2	235001	240000	478,990
1	250001	255000	254,200
2	255001	260000	515,380
1	260001	265000	262,500
2	280001	285000	561,430
1	300001	305000	304,386
1	305001	310000	305,416
2	315001	320000	634,480
1	320001	325000	321,798
5	330001	335000	1,656,860

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2021

No. of Shareholders	Size of Holding		Total Shares Held
	From	To	
1	350001	355000	350,896
1	355001	360000	356,700
2	365001	370000	737,223
1	370001	375000	374,668
1	375001	380000	375,800
1	380001	385000	380,351
1	385001	390000	388,231
1	390001	395000	393,098
1	395001	400000	395,700
5	420001	425000	2,108,547
2	485001	490000	975,882
2	495001	500000	995,629
1	540001	545000	544,800
1	585001	590000	585,007
1	595001	600000	600,000
1	600001	605000	601,052
2	605001	610000	1,214,735
1	610001	615000	610,963
1	630001	635000	633,300
1	710001	715000	711,503
1	725001	730000	726,392
1	730001	735000	732,429
1	800001	805000	800,400
1	810001	815000	810,233
1	830001	835000	830,269
1	840001	845000	843,547
1	850001	855000	851,137
1	995001	1000000	1,000,000
1	1095001	1100000	1,098,016
1	1145001	1150000	1,145,133
1	1150001	1155000	1,153,170
1	1185001	1190000	1,189,452
1	1245001	1250000	1,245,403
1	1340001	1345000	1,340,202
1	1405001	1410000	1,405,639
1	1815001	1820000	1,818,017
1	1965001	1970000	1,966,508
1	2890001	2895000	2,894,306
4	3790001	3795000	15,170,103
1	4965001	4970000	4,969,700
1	5600001	5605000	5,602,400
4,484			81,029,909

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2021

S. No.	Categories of Shareholders	No. of Shares Held	Category-wise No. of Folios / CDC Accounts	Category-wise Shares Held	Percentage (%)
1	Individuals		4,225	19,899,004	24.56
2	Investment Companies		4	2,934	0.00
3	Joint Stock Companies		44	2,680,254	3.31
4	Directors, Chief Executive Officer and their spouse and minor children other dependents		19	5,111,576	6.31
	ALIYA SAEEDA KHAN	1,000			
	ASIF QADIR	5,000			
	ATIQA RAFIQ	733,120			
	JAMILA RAFIQ	961,231			
	IMRAN ALI HABIB	13,703			
	MOHAMEDALI R. HABIB	1,566,834			
	MUHAMMED SALMAN BURNEY	5,000			
	MUNZEH ALI HABIB	200,530			
	RAFIQ M. HABIB	1,340,202			
	SAYYEDA MOHAMED ALI	280,715			
	MUHAMMAD TAYYAB AHMED TAREEN	1,000			
	KHALIDA TAREEN	3,241			
5	Executives		5	16,868	0.02
6	Associated Companies, Undertakings and Related Parties		1	375,800	0.46
	HABIB INSURANCE COMPANY LIMITED				
7	Public Sector Companies and Corporations		1	304,386	0.38
8	Banks, DFI's, NBFIs, Insurance Companies, Takaful, Modarabas's and Pension Funds		45	12,090,227	14.92
	Financial Institutions	5,377,421			
	Insurance Companies	6,179,700			
	Modaraba	17,438			
	Pension Funds	515,668			
	Holding 5% or more voting interest				
	NATIONAL BANK OF PAKISTAN	4,969,700			
	JUBILEE LIFE INSURANCE COMPANY LIMITED	5,602,400			
9	Mutual Funds		43	6,537,995	8.07
	GOLDEN ARROW SELECTED STOCKS FUND	4,149			
	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	633,300			
	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	28,600			
	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	126,000			
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	395,700			
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	18,750			

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2021

CDC - TRUSTEE AKD INDEX TRACKER FUND	7,621			
CDC - TRUSTEE AKD OPPORTUNITY FUND	254,200			
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	100,000			
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	610,963			
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	113,000			
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	732,429			
CDC - TRUSTEE NBP STOCK FUND	369,889			
CDC - TRUSTEE NBP BALANCED FUND	5,511			
CDC - TRUSTEE APF-EQUITY SUB FUND	34,000			
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	68,000			
CDC - TRUSTEE APIF - EQUITY SUB FUND	26,300			
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	60,400			
CDC - TRUSTEE ALFALAH GHP STOCK FUND	61,700			
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	21,500			
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	45,900			
CDC - TRUSTEE ABL STOCK FUND	71,050			
CDC - TRUSTEE FIRST HABIB STOCK FUND	5,150			
CDC - TRUSTEE LAKSON EQUITY FUND	44,850			
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	50			
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	28,950			
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	84,778			
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	136,450			
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	126,150			
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,966,508			
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	94,500			
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	84,100			
CDC - TRUSTEE AL-AMEEN ISLAMIC DEDICATED EQUITY FUND	3,066			
CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	17,700			
CDC - TRUSTEE LAKSON TACTICAL FUND	3,416			
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	50			

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2021

CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	12,601			
CDC - TRUSTEE FIRST HABIB ASSET ALLOCATION FUND	2,200			
MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND	35,000			
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	2,214			
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	17,900			
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	73,400			
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	10,000			
10 Foreign Investors		29	32,200,830	39.74
Holding 5% or more voting interest				
ASAD LIMITED	7,517,613			
ALI REZA LIMITED	7,561,504			
MUSTAFA LIMITED	8,282,214			
SHAKIR LIMITED	5,397,558			
11 Co-Operative Societies		2	6,814	0.01
12 Charitable Trust		13	1,092,799	1.35
13 Others		53	710,422	0.88
TOTAL		4,484	81,029,909	100.00



RESOLVE LIKE NO OTHER

Financial Statements

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

Name of Company: Thal Limited (The Company)
Year ended: June 30, 2021

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

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

a. Male	6
b. Female	1

2. The composition of board is as follows:

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of 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, Mr. Asif Qadir and Ms. Aliya Saeeda Khan are certified by Pakistan Institute of Corporate Governance.
10. There was no new appointment of Chief Financial Officer and Company Secretary during the year. The Board has approved the appointment of Head of Internal Audit and his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
- | | | |
|--|--|----------|
| a. Audit Committee | | |
| Mr. Asif Qadir | | Chairman |
| Mr. Mohamedali R. Habib | | Member |
| Mr. Imran Ali Habib | | Member |
| Mr. Salman Burney | | Member |
| b. Human Resource and Remuneration Committee | | |
| Mr. Asif Qadir | | Chairman |
| Mr. Mohamedali R. Habib | | Member |
| Mr. Salman Burney | | Member |
| Mr. Muhammad Tayyab Ahmad Tareen | | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly / half-yearly / yearly) of the committee were as per following:
- | | |
|----------------------------------|------------|
| a. Audit Committee | 4 meetings |
| b. HR and Remuneration Committee | 2 meetings |
15. The board has outsourced the internal audit function to Noble Computer Services (Private) Limited (associated company) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanations for not rounding up the fractional number under Regulation 6(1) is as follows:
- a. In a Board comprising 7 members, one-third works out to 2.33. Since the fraction is below half (i.e. 0.5), the fraction contained in such one-third is not rounded up to one. Further, the Company has enough experienced and well reputed independent directors on the Board who perform and carry out their responsibilities diligently.

RAFIQ M HABIB

CHAIRMAN

MUHAMMAD TAYYAB
AHMAD TAREEN
DIRECTOR

Karachi
September 10, 2021



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Independent Auditors' Review Report

To the members of Thal Limited

Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Thal Limited (the Company) for the year ended 30 June 2021 in accordance with the requirements of the Regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

Chartered Accountants

Place: Karachi

Date: 15 September 2021

UNCONSOLIDATED FINANCIAL STATEMENTS

- AUDITORS' REPORT TO THE MEMBERS
- UNCONSOLIDATED FINANCIAL STATEMENTS

To the members of Thal Limited (the Company)

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 2021, 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, unconsolidated the statement of financial position, 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 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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



Following is the Key audit matter:

1. Revenues	
<p>The Company earns revenue from multiple business lines which operate as distinct business units with significant volume of revenue transactions. The recognition of revenue relating to each business line depend on the nature of contractual arrangements with the customers.</p> <p>Revenue is recorded in accordance with the requirements of IFRS 15 which provides a comprehensive model of revenue recognition and requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers.</p> <p>We identified revenue recognition as a key audit matter due to significant volume of transactions and the amount of audit efforts in relation to this area.</p> <p>Please refer notes 5.26 and 33 to the unconsolidated financial statements.</p>	<p>We performed a range of audit procedures in relation to revenue including the following:</p> <ul style="list-style-type: none"> • We reviewed the terms and conditions of distinct sale transactions and assessed the appropriateness of the revenue recognition policies and practices followed by the Company. • We tested controls over revenue recognition and reporting process within each business unit including key IT dependent manual controls and IT general controls for the relevant IT systems used for revenue transaction processing by the Company. • We performed analytical review procedures and other test of details over various revenue streams including the 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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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



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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the 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 auditors' report is Arslan Khalid.



Chartered Accountants

Place: Karachi

Date: 15 September 2021

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 —(Rupees in '000)—	2020 —(Rupees in '000)—
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,710,820	3,118,492
Intangible assets	8	120,776	172,696
Investment property	9	985	990
Long-term investments	10	8,007,397	5,795,615
Long-term loans	11	275,000	1,927,286
Long-term deposits	12	20,378	16,259
Deferred tax asset	13	218,793	204,927
		<u>12,354,149</u>	<u>11,236,265</u>
Current assets			
Stores, spares and loose tools	14	117,827	127,155
Stock-in-trade	15	7,730,049	5,553,816
Trade debts	16	3,231,174	2,507,538
Loans and advances	17	103,160	42,056
Trade deposits and short-term prepayments	18	452,711	186,006
Interest accrued		20,582	21,898
Other receivables	19	620,919	185,009
Short-term investments	20	2,802,265	1,201,165
Cash and bank balances	21	2,096,373	3,055,379
		<u>17,175,060</u>	<u>12,880,022</u>
Assets classified as held for sale	22	5,000	-
		<u>17,180,060</u>	<u>12,880,022</u>
TOTAL ASSETS		<u>29,534,209</u>	<u>24,116,287</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
200,000,000 (2020: 200,000,000) ordinary shares of Rs.5/- each	23	1,000,000	1,000,000
Issued, subscribed and paid-up capital	23	405,150	405,150
Reserves	24	23,500,483	20,496,003
		<u>23,905,633</u>	<u>20,901,153</u>
NON-CURRENT LIABILITIES			
Long-term deposits and payables	25	11,887	16,927
Long-term borrowing	26	185,242	149,355
Lease liabilities	27	100,550	-
Deferred income	28	22,309	-
		<u>319,988</u>	<u>166,282</u>
CURRENT LIABILITIES			
Trade and other payables	29	4,335,229	2,669,016
Accrued mark-up		3,651	263
Unclaimed dividend		89,256	66,197
Unpaid dividend		36,242	45,252
Current portion of long-term borrowing	26	109,164	49,786
Current portion of lease liabilities	27	17,140	8,443
Current portion of deferred income	28	4,394	-
Short-term borrowing	30	361,000	145,000
Income tax - net	31	266,396	23,022
Sales tax payable		86,116	41,873
		<u>5,308,588</u>	<u>3,048,852</u>
CONTINGENCIES AND COMMITMENTS	32		
TOTAL EQUITY AND LIABILITIES		<u>29,534,209</u>	<u>24,116,287</u>

The annexed notes 1 to 56 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 —(Rupees in '000)—	2020 —(Rupees in '000)—
Revenue - net	33	27,317,188	16,600,416
Cost of sales	34	(22,648,317)	(14,044,677)
Gross profit		<u>4,668,801</u>	<u>2,555,739</u>
Distribution and selling expenses	35	(544,689)	(349,227)
Administrative expenses	36	(877,675)	(773,316)
Other charges	37	(263,208)	(158,313)
		<u>(1,685,572)</u>	<u>(1,280,856)</u>
Other income	38	1,623,453	1,113,631
Operating profit		<u>4,606,682</u>	<u>2,388,514</u>
Finance costs	39	(34,817)	(16,908)
Profit before taxation		<u>4,571,865</u>	<u>2,371,606</u>
Taxation	40	(1,089,670)	(504,448)
Net profit for the year		<u><u>3,482,195</u></u>	<u><u>1,867,158</u></u>
		<u>(Rupees)</u>	
Basic and diluted earnings per share	41	<u>42.97</u>	<u>23.04</u>

The annexed notes 1 to 56 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

Note	2021 (Rupees in '000')	2020
Net profit for the year	3,482,195	1,867,158
Other comprehensive income		
Item that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods;		
Gain on long-term equity investments classified at fair value through other comprehensive income (FVOCI)	10.4 130,011	20,768
Total comprehensive income for the year	3,612,206	1,887,926

The annexed notes 1 to 56 form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	RESERVES				Total equity
		Capital reserves	General reserves	Unappropriated profit	Gain on revaluation of investment at fair value through other comprehensive income	
(Rupees in '000')						
Balance as at July 1, 2019	405,150	55,704	15,123,499	2,950,242	94,631	18,629,226
Transfer to general reserve	-	-	2,506,500	(2,506,500)	-	-
Final dividend @ Rs 5.5/- per ordinary share for the year ended June 30, 2019	-	-	-	(445,666)	-	(445,666)
Interim dividend @ Rs 1.50/- per ordinary share for the year ended June 30, 2020	-	-	-	(121,544)	-	(121,544)
	-	-	-	(567,210)	-	(567,210)
Net Profit for the year	-	-	-	1,867,158	-	1,867,158
Other comprehensive income	-	-	-	-	20,768	20,768
Total comprehensive income for the year	-	-	-	1,867,158	20,768	1,887,926
Reserve on amalgamation of A-One Enterprises (Private) Limited as of June 30, 2020	-	951,211	-	-	-	951,211
Balance as at June 30, 2020	405,150	1,006,915	17,629,999	1,743,690	115,399	20,901,153
Transfer to general reserve	-	-	1,460,000	(1,460,000)	-	-
Final dividend @ Rs 3.5/- per ordinary share for the year ended June 30, 2020	-	-	-	(283,606)	-	(283,606)
Interim dividend @ Rs 4.00/- per ordinary share for the year ended June 30, 2021	-	-	-	(324,120)	-	(324,120)
	-	-	-	(607,726)	-	(607,726)
Net Profit for the year	-	-	-	3,482,195	-	3,482,195
Other comprehensive income	-	-	-	-	130,011	130,011
Total comprehensive income for the year	-	-	-	3,482,195	130,011	3,612,206
Balance as at June 30, 2021	405,150	1,006,915	19,089,999	3,158,159	245,410	23,905,633

The annexed notes 1 to 56 form an integral part of these unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

Note	2021	2020
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	1,980,127	2,121,482
Finance costs paid	(31,429)	(16,645)
Leave encashment paid	(6,072)	(2,825)
Income tax paid	(860,162)	(426,329)
Long-term loans - net	-	3,996
Long-term deposits - net	(9,159)	(1,398)
Net cash generated from operating activities	1,073,305	1,678,281
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(1,028,321)	(1,344,877)
Addition to intangible assets	(8,953)	(125,075)
Proceeds from disposal of operating fixed assets and intangible assets	59,360	13,251
Net assets acquired on amalgamation of A-One Enterprises (Private) Limited other than cash and cash equivalents	-	(9,328)
Long-term investments made during the year	(2,081,771)	(404,692)
Short-term investments made during the year - net	(1,526,159)	763,362
Long-term loans returned by/(made to) subsidiaries - net	1,647,786	(1,068,651)
Dividend income received during the year	1,072,175	968,882
Interest income received during the year	100,368	129,323
Net cash used in investing activities	(1,765,515)	(1,077,805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease rentals paid	(11,087)	(6,513)
Export Refinance Facility obtained	216,000	145,000
SBP's Refinance Facility for Salaries and Wages (repaid)/obtained	(24,892)	199,141
SBP's Temporary Economic Refinance Facility obtained	99,281	-
SBP's Financing Scheme for Renewable Energy obtained - net	47,579	-
Dividends paid	(593,677)	(561,867)
Net cash used in financing activities	(266,796)	(224,239)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	959,006	376,237
Cash and cash equivalents acquired on amalgamation of A-One Enterprises (Private) Limited	-	1,021,934
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,055,379	1,657,208
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,096,373	3,055,379

The annexed notes 1 to 56 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

1.2 In pursuance of the scheme of amalgamation approved by the Board and sanctioned by the Securities and Exchange Commission of Pakistan (SECP), the entire undertaking of A-One Enterprises (Private) Limited was amalgamated with the Company effective June 30, 2020.

1.3 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 Co-operative Housing Society, Block 7/8, Sharaf Faisal, Karachi.

Plants:

Engineering operations are located at Korangi and Port Qasim, Karachi, Sindh.

The Jute operations are located at Muzaffargarh, Punjab.

Papersack operations are located at Hub, Balochistan and Gadoon, Khyber Pakhtunkhwa.

Laminates operations are located at Hub, Balochistan.

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

2. STATEMENT OF COMPLIANCE

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

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

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

3. BASIS OF MEASUREMENT

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Improvements to Accounting Standards Issued by the IASB in December 2017

IFRS 3	- Business Combinations - Previously held Interests in a joint operation
IFRS 11	- Joint Arrangements - Previously held Interests in a joint operation
IAS 12	- Income Taxes - Income tax consequences of payments on financial instruments classified as equity
IAS 23	- Borrowing Costs - Borrowing costs eligible for capitalisation

Standard, Amendment or Interpretation

Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16
Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

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

5.2 Property, plant and equipment

Operating fixed assets

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

Depreciation is charged to the unconsolidated statement of profit or loss applying the reducing balance method except for computer equipment and jigs and fixtures which are depreciated on 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 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 a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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 that asset will flow to the Company and the same is amortized applying the straight line method at the rates stated in note 8 to these unconsolidated financial statements.

5.4 Investment property

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

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

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred while major repairs and renewals are capitalised. Any gains or losses on disposal of an investment property are recognised in profit or loss in the year of disposal. The carrying values of investment properties are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the investment properties are written down to their recoverable amount.

5.5 Non-current assets held for sale

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

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

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

5.6 Taxation

(a) Current

The charge for current taxation in respect of certain income streams of the Company is based on Final Tax Regime at the applicable tax rates and remaining income streams at current rate of taxation under the normal tax regime after taking into account tax credits and rebates available, if any, 1% of turnover or 17% alternate corporate tax, whichever is higher. The Company had also availed Group Tax Relief under the provisions of Section 59AA and Group Taxation under the provisions of section 59B of the Income Tax Ordinance, 2001 as explained in note 31 to these unconsolidated financial statement.

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

5.7 Stores, spares and loose tools

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

5.8 Stock-in-trade

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

Raw and packing materials

- Purchase cost

Work-in-process

- Cost of materials, labour cost and appropriate production overheads

Finished goods

- Cost of materials, labour cost and appropriate production overheads

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

NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for slow moving and obsolete items as and when identified.

5.9 Trade debts and other receivables

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

Bad debts are written off when considered irrecoverable.

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

5.10 Loans, advances, deposits and short term prepayments (other than financial assets)

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition, assessment is made at each statement of financial position date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

5.11 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances and short-term investments with a maturity of three months or less from the date of acquisition net of bank overdraft/running finance facility that are deemed integral to the Company's cash management. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

5.12 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5.13 Trade and other payables

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

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

5.14 Provisions

General

Provisions are recognised in the 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 provided to the customer. Initial recognition is based on historical experience and estimate of probability weighted expected outcome. The estimates of warranty-related costs is reviewed annually and adjusted, if required.

5.15 Compensated absences

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

5.16 Staff retirement benefits

Defined contribution plan

Provident fund

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

Retirement benefit fund

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

5.17 Contract liabilities

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

5.18 Unclaimed dividend

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

5.19 Unpaid dividend

This is recognised at the amount of dividend declared and claimed by shareholders but remained unpaid for the period of 3 years from the date it became due and payable.

5.20 Leases

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

5.20.1 Company as a lessee

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

5.20.2 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less lease incentives receivable (if any), variable lease payments that depend on an index or a rate (if any), and amounts expected to be paid under residual value guarantees (if any). The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company (if any) and payments of penalties for terminating the lease (if any), if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

5.20.4 Estimating the incremental borrowing rate

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

5.21 Contingent liabilities

Contingent liability is disclosed when

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.22 Financial assets

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

Classification and measurement

Under IFRS 9 Financial assets are classified, at initial recognition, as subsequently measured at following:

- at amortised cost
- at fair value through other comprehensive income (FVOCI); and
- 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

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

(c) At fair value through profit or loss

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

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

Derecognition

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

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

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

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

5.23 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the 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 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 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 statement of profit or loss.

Offsetting of financial instruments

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

5.24 Impairment of financial and non financial assets

Impairment of financial assets

The impairment model under IFRS 9 applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

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

Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in 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 statement of profit or loss and other comprehensive income.

5.25 Earnings per share

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

5.26 Revenue recognition

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

5.27 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Company and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Dividend income is recognised when the right to receive the dividend is established;
- Interest on Term Deposit Receipts is recognised on constant rate of return to maturity;
- Interest on deposit accounts is recognised on accrual basis;
- 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.

5.28 Foreign currency transactions

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

5.29 Deferred income

Benefit of a loan at a below-market rate of interest is recognised as deferred income. Deferred income is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed.

5.30 Operating segments

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

5.31 Research and development expenditure

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

5.32 Ijarah rentals

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

5.33 Dividends and appropriation to reserves

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

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

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

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

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

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

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

Note	2021	2020
	(Rupees in '000')	
7.1	3,094,398	3,057,278
7.3	616,422	61,214
	<u>3,710,820</u>	<u>3,118,492</u>

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Capital work-in-progress

7.1 Operating fixed assets

	COST			ACCUMULATED DEPRECIATION / AMORTIZATION			WRITTEN DOWN VALUE		
	As at July 01, 2020	Additions/ (Transfers) (7.1.1)	Disposals	As at June 30, 2021	Depreciation Rate	As at July 01, 2020		Charge On Disposals/ write-offs** (Note 7.1.2)	As at June 30, 2021
	(Rupees in '000')			(Rupees in '000')				(Rupees in '000')	
				%					
Freehold land	4,362	-	-	4,362	-	-	-	-	4,362
Right of use asset - lands	15,661	-	-	15,661	5	496	491	987	14,674
Right of use asset - office premises (Note 7.1.3)	11,811	120,334	-	132,145	20	5,906	15,320	21,226	110,919
Factory building	773,282	70,758	-	844,040	10	260,126	47,630	307,956	536,084
Non factory building	106,926	17,545	-	124,471	7.5-10	40,024	5,022	45,224	79,247
							178*		
Railway siding	4,216	-	-	4,216	5-10	761	343	1,104	3,112
Plant and machinery	3,493,051	88,601	(41,332)	3,540,320	10-33	1,401,950	311,441	1,688,416	1,851,904
							12,367*	(3,797)**	
Furniture and fittings	35,933	570	(748)	35,755	7.5-20	21,752	2,149	(712)	23,202
							13*		
Vehicles	51,063	117,022	(23,588)	144,497	20	35,071	6,604	(3,790)	106,612
Office and mills equipment	176,902	81,706	(797)	257,811	10-30	88,384	19,754	(626)	150,170
							129*		
Computer equipment	169,525	15,415	(2,594)	182,346	33.33	93,273	25,269	(2,412)	116,171
							41*		
Jigs and fixtures	468,094	60,748	-	528,842	33.33	305,805	84,853	-	390,658
Capital stores and spares	-	20,748	-	20,748	10-33	-	346	-	20,402
2021	5,310,826	593,447	(69,059)	5,835,214		2,253,548	519,422	(41,085)	2,740,816
							12,728*	(3,797)**	3,094,398

	COST			ACCUMULATED DEPRECIATION / AMORTIZATION			WRITTEN DOWN VALUE		
	As at July 01, 2019	Additions/ (Transfers) (7.1.1)	Disposals/ Transfers	As at June 30, 2020	Depreciation Rate	As at July 01, 2019		Charge On Disposals/ Transfers	As at June 30, 2020
	(Rupees in '000')			(Rupees in '000')				(Rupees in '000')	
				%					
Freehold land	4,362	-	-	4,362	-	-	-	-	4,362
Leasehold land	21,829	-	(21,829)	-	5	6,168	(6,168)	-	-
Right of use asset - lands	-	15,661	-	15,661	5	-	496	496	15,165
Right of use asset - office premises	-	11,811	-	11,811	25	-	5,906	5,906	5,905
Factory building	625,590	147,692	-	773,282	10	216,150	43,976	260,126	513,156
Non factory building	62,486	45,469	(1,029)	106,926	7.5-10	37,920	2,672	(568)	66,902
Railway siding	792	3,424	-	4,216	5-10	730	31	761	3,455
Plant and machinery	2,448,830	1,044,221	-	3,493,051	10-33	1,146,646	255,304	-	1,401,950
Furniture and fittings	29,506	6,626	(199)	35,933	7.5-20	20,108	1,818	(174)	21,752
Vehicles	55,570	7,147	(11,654)	51,063	20	38,480	3,574	(6,983)	35,071
Office and mills equipment	157,459	20,760	(1,317)	176,902	10-30	73,333	16,303	(1,252)	88,384
Computer equipment	101,320	71,103	(2,898)	169,525	33.33	75,384	20,524	(2,635)	93,273
Jigs and fixtures	390,325	77,769	-	468,094	33.33	235,917	69,888	-	305,805
2020	3,898,069	1,451,683	(38,926)	5,310,826		1,850,836	420,492	(17,780)	2,253,548
							420,492	(17,780)	3,057,276

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

7.1.2 During the year, the management identified certain assets which were not in their desired operating condition due to technical defects and accordingly these assets have been fully impaired. The aggregate impairment charge on these assets amounts to Rs. 12,728 million (2020: Nil). Further, plant and machinery amounting to Rs.3,797 million has been written off due to damage caused by an incident in the factory.

7.1.3 During the year, the Company has reassessed the lease term of certain leased properties and have also entered a contract for an office space of which the lease term is expected to be at least 5 years. As a result, the lease liabilities and corresponding right-of-use assets have increased by Rs. 120,334 million.

7.1.4 Jigs and fixtures include moulds having written down value of Rs. 210,042 million (2020: Rs.86,790) in the possession of sub-contractors dispensed all over the country.

7.1.5 Operating fixed assets include items having an aggregate cost of Rs. 327,647 million (2020: Rs. 263,622 million) which have been fully depreciated and are still in use of the Company.

7.1.6 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, Thai Power (Private) Limited, in Singh Engro Coal Mining Company Limited and ThaiNova Power Tar (Private) Limited, respectively (note 10.2 & 10.3). The amount of charge over these fixed assets is Rs. 11,704,246 million (2020: Rs. 11,704,246 million).

Mortgage over the following leasehold lands and buildings over leasehold lands:

	Written Down Value 2021 (Rupees in '000')	Written Down Value 2020 (Rupees in '000')
1) Plot number 1, 2, 25 and 26, Sector 22 Korangi Industrial Area (Thal Engineering Division);	104,307	76,112
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	237,828	227,793
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.	78,085	62,467
	<u>420,220</u>	<u>366,372</u>

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);	445,336	508,611
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);	1,209,542	1,355,986
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	116,244	142,127
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.	218,045	243,666
	<u>1,989,167</u>	<u>2,250,390</u>

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

	Accumulated down Cost depreciation (Rupees in '000)	Written down value (Rupees in '000)	Sales proceeds (Rupees in '000)	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
Plant & machinery						
Radiator Fin Forming Machine	32,515	28,718	3,797	31,850	28,053	Insurance claim
Items having book value upto Rs 500,000	8,817	8,624	193	8,388	8,195	Habib Insurance Company Limited
Furniture and fittings	41,332	37,342	3,990	40,238	36,248	
Items having book value upto Rs 500,000	1,050	970	80	100	20	
Vehicles						
Toyota Corolla Altis	1,996	1,449	547	1,935	1,388	Tender
Suzuki Alto	1,235	-	1,235	1,228	(7)	Employees' car scheme
Suzuki Cultus	661	-	661	1,100	439	Employees' car scheme
Suzuki Cultus	1,136	-	1,136	1,444	308	Employees' car scheme
Toyota Corolla Altis	2,082	-	2,082	2,886	804	Employees' car scheme
Toyota Corolla	863	-	863	1,762	899	Employees' car scheme
Toyota Corolla	769	-	769	1,529	760	Employees' car scheme
Suzuki Alto	809	-	809	1,184	375	Employees' car scheme
Suzuki Cultus	1,067	-	1,067	1,671	604	Employees' car scheme
Toyota Corolla	623	-	623	1,755	1,132	Employees' car scheme
Suzuki Cultus	1,135	-	1,135	1,466	331	Employees' car scheme
Suzuki Alto	962	-	962	1,350	388	Tender
Suzuki Alto	874	-	874	1,293	419	Employees' car scheme
Suzuki Alto	874	-	874	1,293	419	Employees' car scheme
Toyota Corolla Altis Grande	1,999	-	1,999	2,653	654	Employees' car scheme
Toyota Corolla Altis Grande	1,999	-	1,999	2,660	661	Employees' car scheme
Suzuki Alto	517	-	517	918	401	Employees' car scheme
Items having book value upto Rs 500,000	3,986	2,341	1,645	22,294	20,649	
Office and mills equipment	23,587	3,790	19,797	50,421	30,624	
Items having book value upto Rs 500,000	797	625	172	79	(93)	
Computer equipment	2,595	2,413	182	416	234	
Items having book value upto Rs 500,000						
2021	<u>69,361</u>	<u>45,140</u>	<u>24,221</u>	<u>91,254</u>	<u>67,033</u>	
2020	<u>17,097</u>	<u>11,612</u>	<u>5,485</u>	<u>13,249</u>	<u>7,764</u>	

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

	Note	2021 (Rupees in '000')	2020 (Rupees in '000')
Cost of sales	34	481,925	398,963
Distribution and selling expenses	35	1,499	1,584
Administrative expenses	36	35,998	19,945
		<u>519,422</u>	<u>420,492</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	16,583	167,868	(28,803)	155,648
Plant and machinery	3,301	237,357	(28,951)	211,707
Furniture and fittings	-	3,809	(570)	3,239
Vehicles	-	48,975	-	48,975
Office and mills equipment	33,050	187,070	(43,476)	176,644
Computer equipment	-	1,045	-	1,045
Jigs and fixtures	8,280	15,489	(4,605)	19,164
2021	<u>61,214</u>	<u>661,613</u>	<u>(106,405)</u>	<u>616,422</u>

	Opening balance	Additions during the year	Transfers to operating fixed assets	Closing balance
	(Rupees in '000)			
Civil Works	41,258	157,418	(182,093)	16,583
Plant and machinery	84,362	960,285	(1,041,346)	3,301
Furniture and fittings	1,379	4,246	(5,625)	-
Office and mills equipment	3,391	38,568	(8,909)	33,050
Computer equipment	7,082	2,381	(9,463)	-
Jigs and fixtures	3,075	29,441	(24,236)	8,280
2020	<u>140,547</u>	<u>1,192,339</u>	<u>(1,271,672)</u>	<u>61,214</u>

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

S. No.	Locations	2021		2020	
		Land Area (square yards)	Building Covered Area (square feet)	Land Area (square yards)	Building Covered Area (square feet)
		(in '000)			
1	Thal Limited (Jute Division), D.G. Khan Road, Muzaffargarh, Punjab	862	647	862	647
2	Plot #448 & 449 Sundar Industrial Estate Raiwin Road, Lahore, Punjab.	8	39	8	39
3	Plot 1, 2, 25 & 26 Sector 22 Korangi Industrial Area Karachi, Sindh.	51	229	51	229
4	DSU-14 sector II Downstream Industrial estate Bin Qasim, Karachi, Sindh.	24	32	24	32
5	Shop number 6, Clifton Pride, G-3/18, Clifton, Karachi, Sindh.	0.50	0.50	0.50	0.50
6	Plot # 35, 36, 37, 38, 39, 39A, 40, 40A, 41, 42, 69, 69A, 70 and 71, Zila Moza Pathra, Hub, Balochistan	92	211	92	211
7	Plot C-49-58, Sector C, Hub Industrial Area, Hub, Balochistan	6	12	6	12
8	Plot # 38, Road # 3, Industrial Estate, Gadoon Amazzai, Swabi, Khyber Pakhtunkhwa.	19	40	19	40

8. INTANGIBLE ASSETS

	Note	COST			ACCUMULATED AMORTIZATION			WRITTEN DOWN VALUE			
		Opening balance	Additions	Transfers	Closing balance	Amortisation Rate %	Charge for the year		On Transfers disposals	Closing balance	As at June 30, 2021
Softwares		14,781	980	-	15,761	33	10,691	2,230	-	12,911	2,850
Licenses		59,474	1,604	-	61,078	33	32,052	13,462	-	45,514	15,564
- Software - Product	8.2	169,016	6,369	-	175,385	20-33	27,842	45,181	-	73,023	102,362
2021		<u>243,271</u>	<u>8,953</u>	<u>-</u>	<u>252,224</u>		<u>70,575</u>	<u>60,873</u>	<u>-</u>	<u>131,448</u>	<u>120,776</u>
2020		<u>118,201</u>	<u>125,075</u>	<u>-</u>	<u>243,271</u>		<u>27,456</u>	<u>43,122</u>	<u>(3)</u>	<u>70,575</u>	<u>172,696</u>

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

	Note	2021	2020
		(Rupees in '000')	
Cost of sales	34	52,998	34,619
Distribution and selling expenses	35	1,134	849
Administrative expenses	36	6,741	7,654
		<u>60,873</u>	<u>43,122</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 33.082 million (2020: Rs 19.832 million) which are fully amortised and still in use of the Company.

9. INVESTMENT PROPERTY

	COST			ACCUMULATED DEPRECIATION				Depreciation Rate %
	Opening balance	Additions/ subsequent expenditures	Closing balance	Opening balance	Charge for the year (Note 36)	Closing balance	Written down value as at June 30, 2021	
	(Rupees in '000')							
Freehold land	891	-	891	-	-	-	891	-
Building on freehold land	694	-	694	595	5	600	94	5
2021	<u>1,585</u>	<u>-</u>	<u>1,585</u>	<u>595</u>	<u>5</u>	<u>600</u>	<u>985</u>	
2020	<u>1,585</u>	<u>-</u>	<u>1,585</u>	<u>590</u>	<u>5</u>	<u>595</u>	<u>990</u>	

9.1 Investment property represents godown in Multan, the fair value of which has been determined on the basis of a valuation carried out by an independent valuer, as of June 30, 2021 which amounts to Rs 132.824 million (2020: Rs. 131.310). The valuation was arrived on the basis of market intelligence, indexation of the original cost, year of construction and present physical condition and location. The Company has entered into a long-term agreement with Shabbir Tiles and Ceramics Limited, a related party in respect of investment property. The rental agreement has a remaining lease term of 9 months, with escalation clause upon renewal of contract based on mutual agreement. The rental income from investment property is disclosed in Note 38 to these unconsolidated financial statements.

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

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

10. LONG-TERM INVESTMENTS

	Note	2021	2020	2021	2020
		Holding %		(Rupees in '000')	
Investments in related parties					
Subsidiaries, unquoted – at cost					
Noble Computer Services (Private) Limited		100	100	1,086	1,086
Pakistan Industrial Aids (Private) Limited		100	100	10,000	10,000
Habib METRO Pakistan (Private) Limited		60	60	2,789,223	2,789,223
Thal Power (Private) Limited	10.2	100	100	1,900,100	100
Thal Electrical (Private) Limited		100	100	100	100
Thal Boshoku Pakistan (Private) Limited		55	55	379,500	379,500
Makro-Habib Pakistan Limited		100	100	223,885	223,885
Less: Provision for impairment				(223,885)	(223,885)
				<u>5,080,009</u>	<u>3,180,009</u>
Associates – at cost	10.1				
Quoted					
Indus Motor Company Limited		6.22	6.22	48,900	48,900
Habib Insurance Company Limited		4.63	4.63	561	561
Agriauto Industries Limited		7.35	7.35	9,473	9,473
Shabbir Tiles & Ceramics Limited		1.30	1.30	21,314	21,314
				<u>80,248</u>	<u>80,248</u>
Unquoted					
Sindh Engro Coal Mining Company Limited	10.3	11.90	11.90	2,547,082	2,365,311
				<u>2,627,330</u>	<u>2,445,559</u>
Other investments					
Listed shares - At FVOCI					
Habib Sugar Mills Limited				61,608	55,074
GlaxoSmithKline (Pakistan) Limited				278	292
GlaxoSmithKline Healthcare (Pakistan) Limited				126	137
Dynea Pakistan Limited				180,554	88,088
Allied Bank Limited				13,482	13,924
Habib Bank Limited				7,968	6,308
TPL Properties Limited				36,042	6,224
	10.4			<u>300,058</u>	<u>170,047</u>
				<u>8,007,397</u>	<u>5,795,615</u>

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

10.2 The Company, through 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 it has invested Rs. 1,534.533 million in TNTPL acquiring 153,453,275 ordinary shares having face value of Rs. 10 each. During the year the Company invested Rs 213.258 million in TNTPL as advance against issue of share capital. The balance commitment of the investment is USD 21.3 million in PKR equivalent. TNTPL achieved its financial close on September 30, 2020 and expects to achieve Commercial Operations Date (COD) in 2022.

To secure the Company's commitment as above, a commercial bank has issued a guarantee in favour of the Company amounting to Rs. 3,509.893 million (2020: Rs. 3,729.053 million).

10.3 This represents investment in an associate established for the construction of coal mine. Although the Company has less than 20% equity interest in the associate, the management believes that it has significant influence due to the contractual agreement with the shareholders. The Company undertook to invest a total of USD 25.6 million to expand the mine to 7.6 mtpa. Phase I of the Project achieved commercial operations in July 2019 and Phase II achieved financial close in December 2019. As on the statement of financial position date the Company has invested Rs. 2,547.082 million acquiring 171,867,851 ordinary shares having face value of Rs. 10 each, at a price of Rs. 14.82 per share. The balance commitment of the investment is USD 4.3 million.

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 (2020: Rs. 1,544.277 million).

10.4 The cost of these investments is Rs 54.648 million (2020: Rs 54.648 million). The Company recognised gain of Rs. 130.011 million (2020: Rs 20.768 million) on revaluation of these equity instruments in other comprehensive income.

11. LONG-TERM LOANS - considered good

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Employee - secured			
Interest free		-	3,996
Current portion	17.1	-	(3,996)
Subsidiary - unsecured			
Thal Power (Private) Limited	11.1	-	1,652,286
Thal Boshoku Pakistan (Private) Limited (TBPK)	11.2	275,000	275,000
		<u>275,000</u>	<u>1,927,286</u>

11.1 The Board of Directors of Thal Power (Private) Limited (TPL) in its meeting held on January 23, 2021 announced right issue of 190,000 ordinary shares at an issue price of Rs. 10,000 per share which were fully subscribed by the Company. Using the proceeds received from the issuance of right shares, TPL repaid the loan provided by the Company. The maximum aggregate amount due from Thal Power (Private) Limited at the end of any month during the year was Rs 1,871.536 million (2020: Rs 1,652.286 million).

11.2 This carries interest at the rate of 3 month KIBOR + 0.75% per annum and is due for repayment in February 2022 and is extendable by mutual consent of both parties.

12. LONG-TERM DEPOSITS AND ADVANCES

	2021 (Rupees in '000)	2020 (Rupees in '000)
Utilities	6,744	4,867
Security deposits	12,626	10,659
Others	1,008	733
	<u>20,378</u>	<u>16,259</u>

Note
(Rupees in '000)

13. DEFERRED TAX ASSET

Deductible temporary differences arising on:

Provisions	417,052	438,643
Lease liabilities	34,129	2,448
Unrealized loss on investments classified as FVPL	8,943	4,699
	<u>460,124</u>	<u>445,790</u>
Taxable temporary differences arising on:		
Accelerated depreciation	(241,331)	(240,863)
	<u>218,793</u>	<u>204,927</u>

14. STORES, SPARES AND LOOSE TOOLS

Stores		
- In hand	35,857	30,737
- In transit	-	847
	<u>35,857</u>	<u>31,584</u>
Spares in hand	145,620	169,015
Loose tools	113	122
Less: Provision for obsolescence	(63,763)	(73,566)
	<u>117,827</u>	<u>127,155</u>

14.1 Movement - Provision for obsolescence

Opening balance	73,566	53,232
(Reversal)/Charge for the year - net	(9,803)	20,334
Closing balance	<u>63,763</u>	<u>73,566</u>

14.2 Aggregate cost of stores, spares and loose tools which have been provided for based on obsolescence amount to Rs. 137.137 million (2020: Rs. 113.288 million). Accordingly, net realisable value of such inventory amounts to Rs. 73.374 million (2020: Rs 39.722 million).

Note
(Rupees in '000)

15. STOCK-IN-TRADE

Raw material		
- In hand	4,755,273	4,038,282
- In transit	2,019,451	668,214
	<u>6,774,724</u>	<u>4,706,496</u>
Work-in-process	560,647	377,192
Finished goods	606,815	652,073
Less: Provision for obsolescence	(212,137)	(181,945)
	<u>7,730,049</u>	<u>5,553,816</u>

15.1 Raw materials amounting to Rs 10.887 million (2020: Rs 7.706 million) are held with the sub-contractors.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
15.2 Movement - Provision for obsolescence			
Opening balance		181,945	224,221
Charge/(Reversal) for the year - net		30,192	(42,276)
Closing balance		212,137	181,945
15.3 Aggregate of raw material, work-in-process and finished goods which have been provided for based on obsolescence amount to Rs. 629.364 million (2020: Rs. 254.138), Rs. 24.354 million (2020: Rs. 9.555 million) and Rs. 426.384 million (2020: Rs. 112.965 million), respectively. Accordingly, net realisable value of such stock-in-trade amounts to Rs 867.965 million (2020: Rs 194.713 million).			
16. TRADE DEBTS			
Considered good	16.1 & 16.2	3,313,294	2,720,944
Allowance for expected credit losses	16.3	(82,120)	(213,406)
		3,231,174	2,507,538
16.1 This includes amount due from the following related parties:			
Indus Motor Company Limited		895,702	155,083
Shabbir Tiles and Ceramics Limited		11,105	15,210
		906,807	170,293
16.2 The maximum aggregate amount due from the related parties at the end of any month during the year is as follows:			
	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Indus Motor Company Limited		895,752	621,327
Shabbir Tiles and Ceramics Limited		27,627	17,756
16.3 Movement - Allowance for expected credit losses			
Opening balance		213,406	51,740
(Reversal)/Charge for the year - net		(131,286)	162,309
Bad debts written off during the year		-	(643)
Closing balance		82,120	213,406
17. LOANS AND ADVANCES			
Loans - secured			
Employee	11 & 17.1	-	3,996
Makro Habib Pakistan Limited (MHPL) - secured	17.2	267,703	263,203
Provision for doubtful loan	17.3	(267,703)	(263,203)
		-	3,996
Advances - considered good			
Suppliers - secured		101,827	37,903
Employees		1,333	157
		103,160	38,060
		103,160	42,056
17.1 The loan was secured against mortgage of property. The maximum aggregate amount due from employee at the end of any month during the year was Rs. 3.996 million (2020: Rs 7.992 million).			
17.2 The maximum aggregate amount due from the related party at the end of any month during the year was Rs 267.703 million (2020: Rs 263.203 million).			

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
17.3 Movement in provision for doubtful loan is as follows:			
Opening balance		263,203	264,552
Provision charge/(reversal) during the year	17.3.1	4,500	(1,349)
Closing balance		267,703	263,203
17.3.1 During the year, the Company granted additional loan of Rs 4.5 million to MHPL which has been fully provided by the Company.			
18. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Trade deposits			
Tender / performance guarantee		487	487
Margin against letter of credit		193,758	71,963
Deposit against custom duty		7,182	7,182
Container deposits		214,369	58,405
	18.1	415,796	138,037
Short-term prepayments			
Insurance	18.2	19,858	19,719
Others		17,057	28,250
		36,915	47,969
		452,711	186,006
18.1 These deposits are interest free.			
18.2 This includes prepaid insurance amounting to Rs 12.308 million (2020: 14.963 million) paid to Habib Insurance Company Limited, a related party.			
19. OTHER RECEIVABLES			
Tooling income receivable		47,246	45,190
Duty drawback		2,006	2,413
Custom duty reimbursable	29.2	565,285	126,286
Receivable from Workers' Profit Participation Fund	19.1	376	2,937
Receivable under group taxation from MHPL	31	3,557	5,866
Receivable under group taxation from TPL		1,801	430
Others	19.2	648	1,887
		620,919	185,009
19.1 Workers' Profit Participation Fund (WPPF)			
Opening balance		2,937	(6,332)
Interest on funds utilised in the Company's business		-	(1,096)
Allocation for the current year	37	(179,624)	(126,563)
		(176,687)	(133,901)
Paid during the year		177,063	136,928
Closing balance		376	2,937

	Note	2021	2020
		(Rupees in '000)	
19.2 This includes receivable from the following related parties:			
Noble Computer Services (Private) Limited		-	804
Habib Metro Pakistan (Private) Limited		-	110
Pakistan Industrial Aids (Private) Limited		-	701
			1,615

	Note	2021	2020
		(Rupees in '000)	
19.3 The maximum aggregate amount due from related parties at the end of any month during the year is as follows:			
Noble Computer Services (Private) Limited		-	1,241
Habib METRO Pakistan (Private) Limited		-	110
Pakistan Industrial Aids (Private) Limited		-	701

20. SHORT-TERM INVESTMENTS

At fair value through statement of profit or loss

	Note	2021	2020
Treasury Bills	20.1	927,603	-
Atlas Money Market Fund		300,611	200,158
UBL Liquidity Plus Fund		200,570	200,171
Alfalah GHP Money Market Fund		247,603	100,025
NBP Money Market Fund		300,554	200,162
MCB Cash Management Optimizer Fund		350,663	100,104
HBL Cash Fund	20.2	274,337	200,307
ABL Cash Fund		200,324	200,238
		1,874,662	1,201,165
		2,802,265	1,201,165

- 20.1 These carry yield to maturity ranging from 7.15% to 7.33% per annum having maturity latest by August 2021.
- 20.2 Mutual fund units amounting to Rs. 124.120 million (2020: Nil) are under lien as margin for security against State Bank of Pakistan's Temporary Economic Refinance Facility from a commercial bank.

	Note	2021	2020
		(Rupees in '000)	
21. CASH AND BANK BALANCES			
Cash in hand		638	172
Bank balances			
Current accounts	21.1 & 21.2	276,863	188,962
Term Deposit Receipts	21.3 & 21.4	1,159,370	2,205,950
Deposit accounts		659,502	660,295
		2,095,735	3,055,207
		2,096,373	3,055,379

- 21.1 These carry interest at rates ranging from 6.55% to 9.00% (2020: 6.50% to 9.80%) per annum having maturity latest by September 2021.
- 21.2 TDR amounting to Rs. 145.950 million (2020: Rs. 145.950 million) is under lien against a letter of guarantee issued by a commercial bank on behalf of the Company.
- 21.3 These carry interest at rates ranging from 5.50% to 5.80% (2020: 6.50%) per annum.

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

	Note	2021	2020
		(Rupees in '000)	
22. ASSETS CLASSIFIED AS HELD FOR SALE			
Assets acquired in settlement of claims	22.1	6,720	-
Less: Provision for impairment		(1,720)	-
		5,000	-

- 22.1 This represents vehicles acquired by the Company in settlement of long-outstanding dues from a customer. The Company intends to dispose off these vehicles within one year of acquisition of these vehicles.

	Note	2021	2020
		(Rupees in '000)	
22.2 Movement - Provision of impairment			
Opening balance		-	-
Charge for the year	37	1,720	-
Closing balance		1,720	-

23. SHARE CAPITAL

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

- 23.2 Issued, subscribed and paid-up capital

	2021	2020		2021	2020
	Number of ordinary shares of Rs. 5/- each			(Rupees in '000)	
	5,149,850	5,149,850	Fully paid in cash	25,750	25,750
	64,640,390	64,640,390	Issued as fully paid bonus shares	323,202	323,202
	11,239,669	11,239,669	Shares issued under the Scheme of Arrangement for Amalgamation	56,198	56,198
	81,029,909	81,029,909		405,150	405,150

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

	Note	2021	2020
		(Rupees in '000)	
24. 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		19,089,999	17,629,999
Unappropriated profit		3,158,159	1,743,690
		22,248,158	19,373,689
Gain on revaluation of investments held at fair value through OCI		245,410	115,399
		23,500,483	20,496,003

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
25. LONG-TERM DEPOSITS AND PAYABLES			
Deposits with:			
- Related Party	25.1	708	708
- Others		755	755
Payable in respect of Gas Infrastructure Development Cess	25.2	15,919	20,043
Less: Current maturity		(5,495)	(4,579)
		10,424	15,464
		11,887	16,927

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

25.2 This represents liability recorded against Gas Infrastructure Development Cess (GIDC) reclassified from trade and other payables pursuant to the decision of Honorable Supreme Court dated August 13, 2020 wherein it held that the levy of GIDC is constitutional and payable in 48 equal monthly installments.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
26. LONG-TERM BORROWING - secured			
State Bank of Pakistan's (SBP) Refinance Facility for Payment of Salaries and Wages	26.1	174,249	199,141
Less: Current maturity		(99,571)	(49,786)
		74,678	149,355
SBP's Temporary Economic Refinance Facility	26.2	99,281	-
Less: Deferred income	28	(26,703)	-
		72,578	-
SBP's Financing Scheme for Renewable Energy	26.3	47,579	-
Less: Current maturity		(9,593)	-
		37,986	-
		185,242	149,355

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

26.2 In 2020, SBP introduced Temporary Economic Refinance Facility to facilitate purchase of new plant and machinery to be used for setting up of new projects in all sectors. The total amount of the facilities from three commercial banks is Rs 1,510 million, out of which the Company has utilised Rs 99.281 million as at June 30, 2021 from two commercial banks. The facilities carry interest at rates ranging from 1.95% to 3.00% and are repayable in 32 equal quarterly installments starting from July 2023. The facilities are secured against charge against the underlying fixed assets.

26.3 In 2016, SBP introduced Refinance Scheme for Renewable Energy to encourage and facilitate purchase and installation of renewable energy facilities. Through a circular issued in 2019, the expiry period of the scheme was extended to June 30, 2022. The total amount of the facilities from two commercial banks is Rs 358 million, out of which the Company has utilised Rs 47.579 million as at June 30, 2021 from one commercial bank for installation of solar power system at one 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.

27. LEASE LIABILITIES

Opening balance	8,443	-
Impact of initial application of IFRS 16	-	14,956
Re-assessment of lease liabilities	120,334	-
Accretion of interest during the year	5,552	2,073
Less: Lease rentals paid during the year	(16,639)	(8,586)
Closing balance	117,690	8,443
Less: Current maturity	(17,140)	(8,443)
	100,550	-

28. DEFERRED INCOME

Deferred income	26,703	-
Less: Current portion of deferred income	(4,394)	-
	22,309	-

28.1 Movement - Deferred income

Opening balance	-	-
Recognition of deferred income	26,988	-
Amortisation during the year	(285)	-
Closing balance	26,703	-

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

29. TRADE AND OTHER PAYABLES

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Creditors	29.1	1,396,108	641,038
Accrued liabilities and levies		1,331,824	985,753
Additional custom duty provision	29.2	658,336	224,786
Payable to TBPK against group relief	31.1	-	50,604
Salaries payable		21,917	22,133
Warranty obligations	29.3	633,701	532,352
Advances from customers (Contract liabilities)	29.4	26,989	29,428
Royalty payable	29.5	91,581	40,492
Security deposits		1,276	2,272
Payable to retirement benefit fund		10,154	8,166
Other liabilities	29.6	163,343	131,992
		4,335,229	2,669,016

29.1 This includes amounts due to the following related parties:

Habib Insurance Company Limited	2,142	1,031
Noble Computer Services (Private) Limited	47	148
Habib METRO Pakistan (Private) Limited	-	171
Shabbir Tiles & Ceramics Limited	-	1,714
	2,189	3,064

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

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

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

	Note	2021 —(Rupees in '000)—	2020
29.3 Warranty obligations			
Opening balance		532,352	487,116
Charge for the year		117,436	58,106
Claims paid during the year		(16,087)	(12,870)
Closing balance		633,701	532,352

29.4 Revenue recognised during the period that was included in contract liabilities balance at the beginning of the year amounts to Rs. 29.428 million (2020: Rs. 8.084 million).

	Note	2021 —(Rupees in '000)—	2020
29.5 Royalty payable			
Opening balance		40,492	104,104
Charge for the year	34.2	166,861	91,955
Paid during the year		(115,772)	(155,567)
Closing balance		91,581	40,492

29.6 Other liabilities			
With holding tax payable		2,618	540
Employees Old-Age Benefits Institution		62,976	68,825
Workers' Welfare Fund		78,150	50,672
Others		19,599	11,955
		163,343	131,992

30. SHORT TERM BORROWING - Secured

This represents Export Refinance Facility obtained by the Company from two commercial banks. The total amount of the facility is Rs. 361 million (2020: Rs 145 million). It carries markup at the rate of 3% per annum (2020: 3% per annum) and is secured against a joint Pari Passu hypothecation charge on all present and future stocks and book debts of the Company. The portion of the facility utilized during the year amounted to Rs 361 million and is repayable latest by October 2021 (2020: September 2020).

	Note	2021 —(Rupees in '000)—	2020
31. INCOME TAX - net			
Group Tax Relief adjustments	31.1	(684,120)	(683,879)
Group Taxation adjustments	31.2	48,672	46,197
Income tax provision less tax payments - net	31.3	901,844	660,704
		266,396	23,022

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

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

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

31.2 In terms of provision of Section 59AA of Income Tax Ordinance, 2001 (the Ordinance), Thal Limited and certain subsidiaries have irrevocably opted to be taxed as one fiscal unit. Accordingly, the tax loss and tax transferred by these subsidiaries under group taxation opted by the Company amounted to Rs. 2.918 million (2020: Nil) and Rs. 5.393 million (2020: Rs. 30.553 million), respectively.

31.3 Includes adjustment of tax challans acquired from MHPL and TPL amounting to Rs 0.063 million (2020: Rs 0.081 million) and Rs 3.592 million (2020: Rs 5.293 million), respectively.

32. CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

32.1.1 As of June 30, 2021, the Company has no contingencies other than those disclosed in note 31.1 to these unconsolidated financial statements.

32.2 Commitments

	Note	2021 —(Rupees in '000)—	2020
32.2.1 Post dated cheques have been issued to Collector of Customs		18,866	108,275
32.2.2 Outstanding letters of credit		4,168,056	719,972
32.2.3 Letter of guarantees issued by banks on behalf of the Company in respect of financial commitments of the Company	32.2.8	3,874,935	3,996,850
32.2.4 Commitments in respect of raw material		959,051	576,655
32.2.5 Commitments in respect of capital expenditure		261,528	28,655
32.2.6 Commitments for rentals under Ijarah (lease) agreements			
Within one year		21,571	32,330
After one year but not later than five years	32.2.9	13,347	33,375
		34,918	65,705

32.2.7 Commitments in respect of investments are disclosed in notes 10.2 and 10.3 to these unconsolidated financial statements.

32.2.8 This guarantee is secured by assets disclosed in note 7.1.6 to these unconsolidated financial statements.

32.2.9 Represent Ijarah (lease) agreement entered into with a Modaraba in respect of vehicles. Total Ijarah payments due under the agreements are Rs 34.918 million and are payable in monthly installments latest by September 2023. These commitments are secured by on-demand promissory notes of Rs 65.150 million.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
33. REVENUE - net			
Export sales	33.1	1,761,339	1,271,725
Local sales	33.2	30,014,023	17,993,479
		<u>31,775,362</u>	<u>19,265,204</u>
Less:			
Sales tax		(4,441,125)	(2,659,089)
Sales discount		(22,624)	(9,180)
		<u>(4,463,749)</u>	<u>(2,668,269)</u>
Add:			
Duty drawback		5,575	3,481
		<u>27,317,188</u>	<u>16,600,416</u>
34. COST OF SALES			
Raw material consumed	34.1	19,504,005	11,424,036
Salaries, wages and benefits		1,773,850	1,558,428
Stores and spares consumed		243,466	199,236
Repairs and maintenance		131,855	95,524
Power and fuel		323,124	256,918
Rent, rates and taxes		2,611	2,401
Vehicle running and maintenance		17,900	14,009
Insurance		13,557	12,717
Communication		8,758	8,325
Travelling and conveyance		5,682	10,471
Entertainment		595	556
Printing and stationery		9,521	7,276
Legal and Professional expense		13,750	4,871
Computer accessories and software maintenance fee		13,206	10,173
Royalty	34.2	166,861	91,955
Depreciation	7.2	481,025	398,963
Amortisation	8.1	52,998	34,619
Research		778	3,021
Ijarah rentals		15,623	13,081
Technical assistance fee		3,521	12,298
Others		2,998	3,366
		<u>22,786,584</u>	<u>14,162,244</u>
Work-in-process			
Opening		377,192	263,699
Closing		(560,647)	(377,192)
		<u>(183,455)</u>	<u>(113,493)</u>
Cost of goods manufactured		<u>22,603,129</u>	<u>14,048,751</u>
Finished goods			
Opening		652,073	647,999
Closing		(606,815)	(652,073)
		<u>45,258</u>	<u>(4,074)</u>
		<u>22,648,387</u>	<u>14,044,677</u>

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
34.1 Raw material consumed			
Opening stock		4,038,282	4,452,963
Purchases		20,220,996	11,009,355
Closing stock		(4,755,273)	(4,038,282)
		<u>19,504,005</u>	<u>11,424,036</u>
34.2 Royalty			
Party Name	Registered Address	Relationship with Company or its directors	
Denso Corporation	448-8661 1-1, ShowaCho, Kariya-city, Aichi-Pref., Japan	None	75,777
Furukawa Electric Comapny Limited	1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan	None	74,043
Yazaki Corporation	4-28 1-Chome, Mita, Minato-ku Tokyo Japan	None	17,041
			<u>166,861</u>
			<u>91,955</u>
35. DISTRIBUTION AND SELLING EXPENSES			
Salaries and benefits		100,667	80,536
Vehicle running expense		6,800	5,724
Utilities		509	789
Insurance		1,749	1,681
Rent, rates and taxes		2,927	8,394
Communication		2,982	2,134
Advertisement and publicity		7,917	4,094
Travelling and conveyance		5,471	8,109
Entertainment		497	270
Printing and stationery		390	567
Legal and professional		33	-
Computer accessories		1,005	1,003
Research and development		68	29
Depreciation	7.2	1,499	1,584
Amortisation	8.1	1,134	849
Repairs and maintenance		1,335	746
Export expenses		30,114	16,313
Freight expenses		255,111	151,937
Provision for warranty obligations	29.3	117,436	58,106
Ijarah rentals		5,871	5,570
Others		1,174	792
		<u>544,689</u>	<u>349,227</u>

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
36. ADMINISTRATIVE EXPENSES			
Salaries and benefits		483,313	434,599
Vehicle running expense		14,431	14,667
Printing and stationery		3,337	3,068
Rent, rates and taxes		12,720	14,889
Utilities		7,687	6,790
Insurance		2,302	1,915
Entertainment		392	862
Subscription		1,421	1,447
Communication		4,713	4,239
Advertisement and publicity		1,148	3,475
Repairs and maintenance		17,706	7,982
Travelling and conveyance		5,056	8,861
Legal and professional advisory services		199,064	184,757
Computer accessories		10,860	8,676
Auditors' remuneration	36.1	6,219	5,816
Depreciation	7.2	35,998	19,945
Depreciation on investment property	9	5	5
Amortisation	8.1	6,741	7,654
Ijarah rentals		15,870	15,339
Charity and donations	36.2 & 36.3	45,782	23,716
Directors' fee and meeting expenses		1,875	2,260
Others		1,035	2,354
		<u>877,675</u>	<u>773,316</u>
36.1. Auditors' remuneration			
Audit fee		2,358	2,050
Half-yearly review		374	325
Taxation services		848	1,117
Other certification		2,012	1,774
Out of pocket expenses		627	550
		<u>6,219</u>	<u>5,816</u>

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
36.2 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	
Mohamedali Habib Welfare Trust	2nd Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.	Mr. Rafiq M. Habib - Trustee	
			7,090
Habib Education Trust	4th floor, United Bank building, I.I. Chundrigar Road, Karachi.	Mr. Mohamedali R. Habib - Trustee	
			2,500
Habib University Foundation	147, Block 7&8, Banglore Cooperative Housing Society, Tipu Sultan Road, Karachi.	Mr. Rafiq M. Habib - Trustee Mr. Mohamedali R. Habib - Trustee	
			15,000
Hussaini Hematology & Oncology Trust	43-Rehmat Manzil, Bhurgari Road, Numaish, Karachi.	Mr. Mohamedali R. Habib - Trustee	
			96
Anjuman -e- Behbood-Samat -e- Itefal	ABSA School 26-C National Highway, Korangi Road, Karachi.	Mrs. Rafiq M. Habib - Vice President	
			30
			8,017
			-
			-
			96
			32
36.3	There are no donees, other than already disclosed in note 36.2 to these unconsolidated financial statements, to whom donations exceed 10% of total donation or Rs 1 million, whichever is higher.		

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
37. OTHER CHARGES			
Workers' profits participation fund	19.1	179,624	126,563
Workers' welfare fund		64,636	33,099
Charge/(Reversal) of provision for impairment of property, plant & equipment	7.1.2	12,728	-
Charge/(Reversal) of provision for impairment of loan - MHPL	17.3	4,500	(1,349)
Charge/(Reversal) of provision for impairment of assets classified as held for sale	22.2	1,720	-
		<u>263,208</u>	<u>158,313</u>
38. OTHER INCOME			
Income from financial assets			
Dividend income from:			
Related parties			
Indus Motor Company Limited		361,860	246,945
Agriauto Industries Limited		12,694	14,809
Habib Insurance Company Limited		2,868	2,888
Shabbir Tiles and Ceramics Limited		-	780
Habib Metro Pakistan (Private) Limited		543,597	529,008
		<u>921,019</u>	<u>794,410</u>
Others			
Dynea Pakistan Limited		6,127	2,042
Habib Sugar Mills Limited		5,134	5,134
TPL Properties Limited		1,197	-
Allied Bank Limited		1,455	1,455
Habib Bank Limited		309	326
GlaxoSmithKline Pakistan Limited		3	3
Mutual Funds		136,931	165,512
		<u>151,156</u>	<u>174,472</u>
Interest on:			
Loan to subsidiary - Thal Boshoku Pakistan (Private) Limited		22,532	10,803
Deposit accounts		45,853	72,732
Term deposit receipts		31,531	59,285
Government treasury bills		-	1,307
		<u>99,916</u>	<u>144,127</u>
Gain on sale of Government treasury bills		77,817	61,212
Loss on revaluation of investments classified as FVPL		(28,293)	(10,207)
Gain/(loss) on disposal of investment in mutual funds		24,553	19,318
Reversal/(charge) of provision for expected credit loss		131,286	(162,309)
Exchange gain/(loss)		64,535	(4,701)
		<u>1,441,989</u>	<u>1,016,322</u>
Income from non financial assets			
Gain on disposal of operating fixed assets and intangibles		35,183	7,764
Rental income	38.1	2,832	2,714
Service income	38.2	32,400	32,400
Scrap sales		33,190	22,683
Claim from customers		46,009	31,453
Insurance claim		31,850	295
		<u>181,464</u>	<u>97,309</u>
		<u>1,623,453</u>	<u>1,113,631</u>

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
38.1 Maturity analysis of operating lease payments			
The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:			
Within one year		<u>2,832</u>	<u>2,714</u>
38.2 The Company has a service agreement with Thal Boshoku Pakistan (Private) Limited. As per the agreement, the Company provides service and support for production, plant maintenance, engineering, imports, logistics, material handling, sales administration, human resource, general administration, financial, corporate, legal and tax advisory.			
	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
39. FINANCE COSTS			
Interest on:			
- Export Refinance Scheme - Related party		10,178	1,881
- State Bank of Pakistan's Refinance Scheme for payment of salaries and wages - Related party		2,411	183
- State Bank of Pakistan's Refinance Scheme for Temporary Economic Relief		478	-
- State Bank of Pakistan's Financing Scheme for Renewable Energy		286	-
- Running finance facilities		25	-
- Workers' profit participation fund	19.1	-	1,096
- Lease liabilities	27	5,552	2,073
Amortisation of deferred income	28.1	(285)	-
		<u>18,645</u>	<u>5,233</u>
Bank charges and commission		16,172	11,675
		<u>34,817</u>	<u>16,908</u>
40. TAXATION			
Current		1,144,280	565,656
Prior		(40,744)	(22,387)
		<u>1,103,536</u>	<u>543,269</u>
Deferred		(13,866)	(38,821)
	40.1	<u>1,089,670</u>	<u>504,448</u>
40.1 Relationship between income tax expense and accounting profit			
Profit before taxation		<u>4,571,865</u>	<u>2,371,606</u>
Tax at the rate of 29% (2020: 29%)		1,325,841	687,766
Tax effects of:			
Income taxed at reduced rates on dividend and gain on disposal of investments		(221,328)	(192,482)
Income taxed under Final Tax Regime on export sales		(33,237)	(13,869)
Tax effect of inadmissible items		15,823	8,338
Tax credits		(7,231)	(2,832)
Others		9,802	17,527
		<u>1,089,670</u>	<u>504,448</u>

41. BASIC AND DILUTED EARNINGS PER SHARE	Note	2021	2020
		(Rupees in '000)	
There is no dilutive effect on the basic earnings per share of the Company, which is based on: Net profit for the year		3,482,195	1,867,158
		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		42.97	23.04
42. CASH GENERATED FROM OPERATIONS			
Profit before taxation		4,571,865	2,371,606
Adjustments for non-cash charges and other items:			
Depreciation:			
- Right of use assets		15,320	5,906
- Others		504,107	414,591
Amortisation		60,873	43,122
Finance costs on:			
- Lease liabilities		5,552	2,073
- Others		29,265	14,835
Interest income		(99,916)	(144,127)
(Gain) / loss on revaluation / redemption of investments classified at FVPL		(74,077)	(70,323)
Dividend income		(1,072,175)	(968,882)
Allowance for expected credit losses		(131,286)	162,309
Provision for retirement benefits		8,060	3,089
Charge/(reversal) of provision for impairment of property, plant and equipment		12,728	-
Charge/(reversal) of provision for impairment on loan to MHPL		4,500	(1,349)
Charge/(reversal) of provision against non-current assets held for sale		1,720	-
Gain on disposal of operating fixed assets and intangibles		(35,183)	(7,764)
		(770,512)	(546,520)
		3,801,353	1,825,086
Decrease / (increase) in current assets			
Stores, spares and loose tools		9,328	(2,445)
Stock-in-trade		(2,176,233)	81,489
Trade debts		(599,070)	(321,901)
Loans and advances		(61,104)	(20,196)
Trade deposits and short-term prepayments		(266,705)	130,617
Other receivables		(435,910)	(113,841)
		(3,529,694)	(246,277)
Increase in current liabilities			
Trade and other payables		1,664,225	200,614
Sales tax refundable		44,243	342,059
		1,708,468	542,673
		1,980,127	2,121,482
43. CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	2,096,373	3,055,379

44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Company comprise of subsidiaries, associates, retirement funds, directors and key management personnel. Detail of transactions with related parties during the year are as under:

Relationship	Nature of transactions	2021	2020
		(Rupees in '000)	
Subsidiaries	Professional services acquired	137,960	154,183
	Purchase of goods	1,296	217
	Sale of goods	117	-
	Sale of assets	-	4,413
	Service fee	32,400	32,400
	Tax loss acquired	-	51,198
Associates	Sales of goods	12,275,492	5,961,538
	Insurance premium	44,966	42,967
	Services acquired	-	8,452
	Purchase of assets	110,983	-
	Insurance claim received	35,028	3,632
	Rent received	2,832	2,714
Employee benefit plans	Contribution to provident fund	45,992	42,636
	Contribution to retirement benefit fund	8,060	3,089

44.1 Transactions with key management personnel are disclosed in note 45 to the unconsolidated financial statements.

44.2 Receivable from and payable to related parties as at June 30, 2021 are disclosed in the respective notes to the unconsolidated financial statements.

44.3 Following are the related parties of the Company with whom the Company had entered into transactions or have arrangement/agreement in place as per mutually agreed terms and conditions.

S. No	Company Name	Basis of association	Aggregate % of shareholding	Nature of transactions
1	Noble Computer Services (Private) Limited	Subsidiary (note 42.3.1)	100%	Professional services acquired
2	Pakistan Industrial Aids (Private) Limited	Subsidiary (note 42.3.1)	100%	Sale 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%	Tax profit and challans acquired and loan disbursed
5	Thal Boshoku Pakistan (Private) Limited	Subsidiary (note 42.3.1)	55%	Service fees / Mark-up on loan
6	Thal Power (Private) Limited	Subsidiary (note 42.3.1)	100%	Loan repayment received and equity investment made
7	Sindh Engro Coal Mining Company Limited	Associate (note 42.3.1)	11.90%	Equity investment
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 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	Habib Metropolitan Bank Limited	Common directorship (note 42.3.1)	-	Mark-up and bank charges paid and interest received
12	Thal Limited - Employees' Provident Fund	Retirement benefit fund	-	Contribution made
13	Thal Limited - Employees' Retirement Benefit Fund	Retirement benefit fund	-	Contribution made

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

45. REMUNERATION OF EXECUTIVES, DIRECTORS AND CHIEF EXECUTIVE

	2021			2020		
	Chief executive	Directors	Executives	Chief executive	Directors	Executives
	(Rupees in '000)					
Managerial remuneration	56,025	-	319,762	48,150	-	277,001
Bonus	9,000	-	47,097	-	-	34,090
Company's contribution to provident fund	2,429	-	12,004	1,687	-	10,780
Company's contribution to retirement benefit fund	-	-	6,022	-	-	5,761
Other perquisites	-	-	9,484	-	-	3,210
	<u>67,454</u>	<u>-</u>	<u>394,369</u>	<u>49,837</u>	<u>-</u>	<u>330,842</u>
Number of persons	<u>1</u>	<u>6</u>	<u>51</u>	<u>1</u>	<u>6</u>	<u>51</u>

45.1 The chief executive, directors and certain executives of the company are provided with free of cost use of company maintained cars.

45.2 Five non-executive directors (2020: Five) have been paid fees of Rs 1,625,000 (2020: Rs 2,100,000) for attending board and other meetings.

46. PLANT CAPACITY AND ACTUAL PRODUCTION

	2021	2020
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
Alternator (Units)	90,000	90,000
Starter (Units)	90,000	90,000
Actual Production		
Jute (Metric Tons)	26,170	23,226
Auto air conditioners (Units)	60,610	23,053
Wire harness (Units)	147,904	93,365
Paper bags (Nos. 000s)	220,663	124,137
Alternator (Units)	47,322	22,061
Starter (Units)	34,073	22,061
Reason for shortfall	Low demand	Low demand

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

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

47. PROVIDENT FUND

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

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

49.1 Operational Risk

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

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

49.2 Credit risk

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

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

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

	2021	2020
	(Rupees in '000)	
Long term loans	275,000	1,927,286
Long term deposits	20,378	16,259
Trade debts	3,231,174	2,507,538
Loans and advances	1,333	4,153
Trade deposits	415,796	138,037
Interest accrued	20,582	21,898
Other receivables	618,013	182,596
Short term investments	2,802,265	1,201,165
Bank balances	2,095,735	3,055,207
	<u>9,481,176</u>	<u>9,054,139</u>

Ageing analysis of trade debts is as follows:

Note	2021			2020		
	Due from related parties	Other parties	Total	Due from related parties	Other parties	Total
	(Rupees in '000)					
- Not overdue	906,807	1,879,375	2,786,182	170,293	1,224,188	1,394,481
- 01 to 30 days	-	246,759	246,759	-	439,120	439,120
- 31 to 60 days	-	110,504	110,504	-	147,449	147,449
- 61 to 90 days	-	57,955	57,955	-	262,522	262,522
- Past due over 90 days	-	111,894	111,894	-	477,372	477,372
Total trade debts	906,807	2,406,487	3,313,294	170,293	2,550,651	2,720,944
Allowance for expected credit losses	-	(82,120)	(82,120)	-	(213,406)	(213,406)
	<u>906,807</u>	<u>2,324,367</u>	<u>3,231,174</u>	<u>170,293</u>	<u>2,337,245</u>	<u>2,507,538</u>

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

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

Bank	Rating agency	Rating
Habib Metropolitan Bank Limited	PACRA	A1+
Bank Al Habib Limited	PACRA	A1+
Bank Alfalah Limited	PACRA	A1+
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+
Faysal Bank Limited	PACRA	A-1+
Habib Bank Limited	VIS	A-1+
Meezan Bank Limited	VIS	A-1+
National Bank of Pakistan	PACRA	A-1+
United Bank Limited	VIS	A-1+
Telenor Microfinance Bank Limited	PACRA	A1
Al Baraka Bank (Pakistan) Limited	PACRA	A-1
Industrial and Commercial Bank of China Limited	S&P	A-1

This includes rating assigned by an international rating agency to foreign bank.

49.3 Market risk

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

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

49.3.1 Foreign currency risk

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.

	2021	2020
	(FCY in '000)	
USD		
Bank balances	823	391
Trade receivables	745	131
Trade and other payables	(1,590)	(1,411)
	<u>(22)</u>	<u>(889)</u>
EUR		
Trade and other payables	(764)	(553)
JPY		
Trade and other payables	(4,854)	(70,879)
CHF		
Trade and other payables	(4)	(27)
CNY		
Trade and other payables	(3)	-

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

	2021	2020
	(Rs / FCY)	
USD	158.30	168.75
EUR	188.71	189.73
JPY	1.43	1.57
CHF	171.86	177.43
CNY	24.76	24.00

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)	
2021	+ 10	(15,532)	(11,301)
	- 10	15,532	11,301
2020	+ 10	(37,101)	(26,995)
	- 10	37,101	26,995

49.3.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loan to Thal Boshoku Pakistan (Private) Limited, cash in deposit accounts and short-term financing.

Sensitivity analysis:

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

	Increase / decrease in basis points	Effect on profit before tax
2021	+ 100	5,735
	- 100	(5,735)
2020	+ 100	7,903
	- 100	(7,903)

49.3.3 Price risk

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

As at the statement of financial position date, the exposure to listed equity securities at fair value was Rs 300,058 million. A decrease of 10% in the fair value of these securities would have a negative impact of approximately Rs 30,006 million on the equity. An increase of 10% in the prices of these securities would positively impact equity with the similar amount.

49.3.4 Liquidity risk

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

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

The maturity profile of the Company's liabilities based on contractual maturities is disclosed in note 46 to these financial statements.

50. CAPITAL RISK MANAGEMENT

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

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

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less bank balances. Total capital is calculated as equity as shown in the Statement of Financial Position plus net debt. During the year, the Company's strategy was to minimize leveraged gearing.

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. As of reporting date, the Company is financed through equity and debt.

51. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

	Note	Level 1	Level 2	Level 3	Total
(Rupees in '000)					
2021					
Assets					
- Investments carried at fair value through OCI	10	300,058	-	-	300,058
- Investments carried at fair value through profit or loss	20	-	2,802,265	-	2,802,265
2020					
Assets					
- Investments carried at fair value through OCI	10	170,047	-	-	170,047
- Investments carried at fair value through profit or loss	20	-	1,201,165	-	1,201,165

There were no transfers amongst levels during the year.

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

52. **NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors in its meeting held on September 10, 2021 has approved the following:

- (i) transfer of Rs 2,649 million from unappropriated profit to general reserve; and
- (ii) payment of cash dividend of Rs 6.00 per share for the year ended June 30, 2021 for approval of the members at the Annual General Meeting to be held on October 12, 2021.

53. **NUMBER OF EMPLOYEES**

Total number of employees

	2021	2020
Total number of Company's employees as at June 30,	4,367	4,518
Average number of Company's employees during the year	4,443	4,296

54. **GENERAL**

54.1 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, other than those disclosed in note 55, there were no significant reclassifications to report.

54.2 Figures have been rounded off to the nearest thousands.

55. **CORRESPONDING FIGURES**

For better presentation, corresponding figures have been rearranged as follows:

Transfer from	Transfer to	Rupees in '000
Short-term investments - Term Deposit Receipts	Cash and bank balances - Term Deposit Receipts	2,205,950
Other income - Claim from customers	Raw material consumed	126,286
Revenue - net - Export sales	Distribution and selling expenses - Freight expenses	59,942
Revenue - net - Local sales	Distribution and selling expenses - Freight expenses	91,995
Other charges - Allowance for expected credit loss	Other income - Reversal/(charge) of provision for expected credit loss	162,309
Other charges - Exchange loss - net	Other income - Exchange gain/(loss)	4,701

56. **DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated financial statements were authorized for issue on September 10, 2021 by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED FINANCIAL STATEMENTS

- AUDITORS' REPORT TO THE MEMBERS
- CONSOLIDATED FINANCIAL STATEMENTS



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To the members of Thal Limited

Opinion

We have audited the annexed consolidated financial statements of Thal Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2021, 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, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, 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.

Fun

Following is the Key audit matter:

Revenues	
<p>The Group earns revenue from multiple business lines which operate as distinct business units with significant volume of revenue transactions. The recognition of revenue relating to each business line depend on the nature of contractual arrangements with the customers.</p> <p>Revenue is recorded in accordance with the requirements of IFRS 15 which provides a comprehensive model of revenue recognition and requires the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers.</p> <p>We identified revenue recognition as a key audit matter due to significant volume of transactions and the amount of audit efforts in relation to this area.</p> <p>Please refer notes 6.28 and 35 to the consolidated financial statements.</p>	<p>We performed a range of audit procedures in relation to revenue including the following:</p> <ul style="list-style-type: none"> We reviewed the terms and conditions of distinct sale transactions and assessed the appropriateness of the revenue recognition policies and practices followed by the Group. We tested controls over revenue recognition and reporting process within each business unit including key IT dependent manual controls and IT general controls for the relevant IT systems used for revenue transaction processing by the Group. We performed analytical review procedures and other test of details over various revenue streams including the 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

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.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 (Rupees in '000')	2020 (Rupees in '000')
Revenue - net	35	29,636,209	17,356,402
Cost of sales	36	(24,918,319)	(15,130,515)
Gross profit		4,717,890	2,225,887
Distribution and selling expenses	37	(568,504)	(356,459)
Administrative expenses	38	(1,434,736)	(1,322,565)
Other charges	39	(415,163)	(206,348)
		2,418,403	(1,885,372)
Other income	40	3,113,125	2,811,781
Operating profit		5,412,612	3,152,296
Finance costs	41	(173,776)	(172,679)
		5,238,836	2,979,617
Share of profit after tax of associates and joint venture	11.1	2,540,815	1,347,214
Profit before taxation		7,779,651	4,326,831
Taxation	42	(1,870,122)	(1,095,094)
Net profit for the year		5,909,529	3,231,737
Attributable to			
- Equity holders of the Holding Company		5,433,698	2,886,758
- Non-controlling interest		475,831	344,979
		5,909,529	3,231,737
		(Rupees)	
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	43	67.06	35.63

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021 (Rupees in '000')	2020 (Rupees in '000')
Net profit for the year	5,909,529	3,231,737
Other comprehensive income		
Item that will not be reclassified to statement of profit or loss in subsequent periods;		
Share of actuarial gain/(loss) on remeasurement of defined benefit plans of associates - net of tax	7,082	(3,079)
Gain on revaluation equity investments at fair value through other comprehensive income	130,011	20,768
	137,093	17,689
Total comprehensive income for the year	6,046,622	3,249,426
Attributable to		
- Equity holders of the Holding Company	5,570,791	2,904,447
- Non-controlling interest	475,831	344,979
	6,046,622	3,249,426

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Share deposit money	RESERVES			Gain on revaluation of investment at fair value through other comprehensive income	Non-controlling interest	Total equity
			Capital reserves	General reserve	Unappropriated profit			
Balance as at July 1, 2019	405,150	12	67,929	15,165,374	7,031,590	94,634	6,459,266	29,223,955
Transfer to general reserve	-	-	-	2,506,500	(2,506,500)	-	-	-
Final dividend @ Rs. 8.50/- per ordinary share for the year ended June 30, 2019	-	-	-	-	(445,668)	-	-	(445,668)
Interim dividend @ Rs. 1.50/- per ordinary share for the year ended June 30, 2020	-	-	-	-	(121,544)	-	-	(121,544)
Subsidiary company	-	-	-	-	-	-	(46,184)	(46,184)
Final dividend @ Rs. 0.339/- per ordinary share for the year ended June 30, 2019	-	-	-	-	-	-	(91,960)	(91,960)
1st Interim dividend @ Rs. 0.676/- per ordinary share for the year ended June 30, 2020	-	-	-	-	-	-	(108,284)	(108,284)
2nd Interim dividend @ Rs. 0.796/- per ordinary share for the year ended June 30, 2020	-	-	-	-	-	-	(108,244)	(108,244)
3rd Interim dividend @ Rs. 0.781/- per ordinary share for the year ended June 30, 2020	-	-	-	-	(567,210)	-	(352,672)	(919,882)
Net profit for the year	-	-	-	-	2,886,758	-	344,979	3,231,737
Other comprehensive income	-	-	-	-	(3,079)	20,768	-	17,689
Total comprehensive income for the year	-	-	-	-	2,883,679	20,768	344,979	3,249,426
Balance as at June 30, 2021	405,150	12	67,929	17,671,874	6,841,559	115,402	6,451,573	31,553,499

----- (Rupees in '000) -----

Balance as at July 1, 2019

Transfer to general reserve

Final dividend @ Rs. 8.50/- per ordinary share for the year ended June 30, 2019

Interim dividend @ Rs. 1.50/- per ordinary share for the year ended June 30, 2020

Subsidiary company

Final dividend @ Rs. 0.339/- per ordinary share for the year ended June 30, 2019

1st Interim dividend @ Rs. 0.676/- per ordinary share for the year ended June 30, 2020

2nd Interim dividend @ Rs. 0.796/- per ordinary share for the year ended June 30, 2020

3rd Interim dividend @ Rs. 0.781/- per ordinary share for the year ended June 30, 2020

Net profit for the year

Other comprehensive income

Total comprehensive income for the year

Balance as at June 30, 2021



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Share deposit money	RESERVES			Gain on revaluation of investment at fair value through other comprehensive income	Non-controlling interest	Total equity
			Capital reserves	General reserve	Unappropriated profit			
Transfer to general reserve	-	-	-	1,460,000	(1,460,000)	-	-	-
Final dividend @ Rs. 3.50/- per ordinary share for the year ended June 30, 2020	-	-	-	-	(283,606)	-	-	(283,606)
Interim dividend @ Rs. 4.00/- per ordinary share for the year ended June 30, 2021	-	-	-	-	(324,120)	-	-	(324,120)
Subsidiary company	-	-	-	-	-	-	(84,705)	(84,705)
Final dividend @ Rs. 0.623/- per ordinary share for the year ended June 30, 2020	-	-	-	-	-	-	(85,067)	(85,067)
1st Interim dividend @ Rs. 0.625/- per ordinary share for the year ended June 30, 2021	-	-	-	-	-	-	(98,354)	(98,354)
2nd Interim dividend @ Rs. 0.723/- per ordinary share for the year ended June 30, 2021	-	-	-	-	-	-	(94,272)	(94,272)
3rd Interim dividend @ Rs. 0.683/- per ordinary share for the year ended June 30, 2021	-	-	-	-	(607,726)	-	(362,368)	(970,124)
Net profit for the year	-	-	-	-	5,433,698	-	475,831	5,909,829
Other comprehensive income	-	-	-	-	7,082	130,011	-	137,093
Total comprehensive income for the year	-	-	-	-	5,440,780	130,011	475,831	6,046,622
Balance as at June 30, 2021	405,150	12	67,929	19,131,874	10,214,613	245,413	6,565,006	36,629,997

----- (Rupees in '000) -----

Transfer to general reserve

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

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

Subsidiary company

Final dividend @ Rs. 0.623/- per ordinary share for the year ended June 30, 2020

1st Interim dividend @ Rs. 0.625/- per ordinary share for the year ended June 30, 2021

2nd Interim dividend @ Rs. 0.723/- per ordinary share for the year ended June 30, 2021

3rd Interim dividend @ Rs. 0.683/- per ordinary share for the year ended June 30, 2021

Net profit for the year

Other comprehensive income

Total comprehensive income for the year

Balance as at June 30, 2021

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

Note	2021	2020
	(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	3,855,264	3,273,286
Finance costs paid	(173,157)	(153,654)
Retirement benefits paid	(5,710)	(2,262)
Income tax paid	(1,399,500)	(857,972)
Long term loans - net	-	3,996
Long term deposit - net	(9,109)	5,613
Net cash generated from operating activities	2,267,788	2,269,007
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(1,122,066)	(1,398,122)
Addition to investment property	(226,217)	(118,646)
Addition to intangible assets	(11,841)	(130,813)
Proceeds from disposal of operating fixed assets	75,175	18,557
Proceeds from disposal of investment property	5,495	4,508
Long-term investment made during the year	(395,029)	(1,320,804)
Short term investments (made) / redeemed during the year - net	(1,875,217)	544,774
Dividend income received during the year	745,285	789,850
Interest income received during the year	202,722	302,552
Net cash (used in) / generated from investing activities	(2,601,693)	(1,308,144)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease rentals paid	16,234	(8,472)
Export Refinance Facility obtained	216,000	145,000
SBP's Refinance Facility for Salaries and Wages (repaid)/obtained	(24,892)	199,141
SBP's Temporary Economic Refinance Facility obtained	99,281	-
SBP's Financing Scheme for Renewable Energy obtained - net	47,579	-
Loan from Toyota Boshoku Asia Corporation Limited - NCI	-	225,000
Dividends paid	(956,075)	(914,539)
Net cash used in financing activities	(601,873)	(353,870)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(935,778)	606,993
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,449,388	2,842,395
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,513,610	3,449,388

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 In pursuance of the scheme of amalgamation approved by the Board and sanctioned by the Securities and Exchange Commission of Pakistan (SECP), the entire undertaking of A-One Enterprises (Private) Limited was amalgamated with the Holding Company effective June 30, 2020.

1.3 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	
			2021	2020	2021	2020		
			%	%	(Rupees in '000s)		(Rupees in '000s)	
Noble Computer Services (Private) Limited	1.3.1	01-07-2005	100	100	189,656	65,080	213,679	90,956
Pakistan Industrial Aids (Private) Limited	1.3.2	27-03-2006	100	100	35,081	965	34,724	1,331
Makro-Habib Pakistan Limited	1.3.3	01-05-2008	100	100	36,203	358,519	31,018	356,520
Habib METRO Pakistan (Private) Limited	1.3.4	16-12-2011	60	60	11,111,471	1,530,244	11,079,121	1,670,496
Thal Boshoku Pakistan (Private) Limited	1.3.5	03-09-2013	55	55	1,791,045	1,001,064	1,791,188	1,033,677
Thal Power (Private) Limited	1.3.6	03-07-2014	100	100	1,899,342	132	1,662,352	1,652,826
Thal Electrical (Private) Limited	1.3.7	10-04-2019	100	100	74	3	74	3

1.3.1 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.

1.3.2 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.

1.3.3 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.

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

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

On 19 September 2015, legal counsel of AWT prayed to the SOP for the restoration and hearing of the Civil Review Petition No 10 / 2010 and same was restored by SOP through an order dated 09 December 2015. Currently, said Review Petition is still pending adjudication before SOP. The legal counsel representing MHPL is of the opinion that MHPL has a reasonable case on merits, accordingly if the case is decided in MHPL's favor, it intends to restore MHPL's operations and revitalize its business plan by taking into account the current economic and market conditions.

1.3.4 Habib METRO Pakistan (Private) Limited

Habib METRO Pakistan (Private) Limited (HMPPL) was incorporated in Pakistan as a private limited company on December 16, 2011 under the Companies Ordinance, 1984. The main business of the HMPPL is to own and manage properties.

1.3.5 Thal Boshoku Pakistan (Private) Limited

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

1.3.6 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.

1.3.7 Thal Electrical Pakistan (Private) Limited

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

1.4 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 Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.

Plants:

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

Subsidiaries:

- Noble Computer Services (Private) Limited operations are located at 2nd Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae 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 Co-operative Housing Society, Shara e Faisal, Karachi.
- Habib Metro Pakistan (Private) Limited operations are located at Mezzanine Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae 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 Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.
- Thal Electrical (Private) Limited operations are located at 4th Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae 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, 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 is eliminated against the subsidiary companies' shareholders' equity in the consolidated financial statements.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

	Notes
• 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
• determining the residual values and useful lives of intangibles assets	6.3 & 9
• Assets classified as held for sale	6.5
• impairment of financial and non-financial assets	6.26
• net realizable value estimation for inventories	6.9, 6.1, 14 & 15
• allowance for expected credit losses	6.26 & 16
• provision for tax and deferred tax	6.8, 30, 33 & 42
• provision and warranty obligation	6.16 & 31.4
• contingencies	6.23 & 34
• compensated absences of employees	6.17 & 31
• determining the lease term of contracts with renewal and termination options;	6.22.3 & 28
• leases - estimating the incremental borrowing rate	6.22.4 & 28

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Improvements to Accounting Standards Issued by the IASB in December 2017

IFRS 3	- Business Combinations - Previously held Interests in a joint operation
IFRS 11	- Joint Arrangements - Previously held Interests in a joint operation
IAS 12	- Income Taxes - Income tax consequences of payments on financial instruments classified as equity
IAS 23	- Borrowing Costs - Borrowing costs eligible for capitalisation

Standard, Amendments and Interpretation

Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

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

6.2 Property, plant and equipment and investment properties

Operating fixed assets

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

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

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

An item of operating assets and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

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

Capital work-in-progress

All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use. The capital work-in-progress are stated at cost less impairment loss, if any.

Right-of-use assets

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

6.3 Intangibles assets

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

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

6.4 Investment property

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

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

Maintenance and normal repairs are charged to consolidated statement of profit or loss as and when incurred while major repairs and renewals are capitalised. Any gains or losses on disposal of an investment property are recognised in the consolidated profit or loss account in the year of disposal. The carrying values of investment properties are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the investment properties are written down to their recoverable amount.

6.5 Assets classified as held for sale

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

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

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

6.6 Investments in Associates

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

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

6.7 Joint arrangements

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

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

6.7.1 Joint ventures

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

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

6.7.2 Joint operations

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

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

6.8 Taxation

(a) Current

The charge for current taxation in respect of certain income streams of the Group is based on Final Tax Regime at the applicable tax rates and remaining income streams at current rate of taxation under the normal tax regime after taking into account tax credits and rebates available, if any, 1% of turnover or 17% alternate corporate tax, whichever is higher. The Group had also availed Group tax relief under the provisions of Section 59AA and 59B of the Income Tax Ordinance, 2001 as explained in note 33 to these consolidated financial statements.

(b) Deferred

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date.

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

6.9 Stores, spares and loose tools

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

6.10 Stock-in-trade

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

Raw and packing materials	- Purchase cost
Work-in-process	- Cost of materials, labour cost and appropriate production overheads
Finished goods	- Cost of materials, labour cost and appropriate production overheads

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

NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for slow moving and obsolete items as and when identified.

6.11 Trade debts and other receivables

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

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

6.12 Loans, advances, 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 consolidated 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.

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

6.14 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.15 Trade and other payables

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

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

6.16 Provisions

General

Provisions are recognised in the consolidated statement of financial position where the Group has a legal or constructive obligation as a result of past event, it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. When the Group expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. Provisions are reviewed at each consolidated statement of financial position 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 statement of financial position date. These are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience and estimate of probability weighted expected outcome. The estimates of warranty-related costs is reviewed annually and adjusted, if required.

6.17 Compensated absences

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

6.18 Staff retirement benefits

Defined Contribution plan

Provident fund

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

Retirement benefit fund

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

6.19 Contract liabilities

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

6.20 Unclaimed dividend

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

6.21 Unpaid dividend

This is recognised at the amount of dividend declared and claimed by shareholders but remained unpaid for the period of 3 years from the date it became due and payable.

6.22 Leases

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

6.22.1 Group as a lessee

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

6.22.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less lease incentives receivable (if any), variable lease payments that depend on an index or a rate (if any), and amounts expected to be paid under residual value guarantees (if any). The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group (if any) and payments of penalties for terminating the lease (if any), if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Group uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

6.22.4 Estimating the incremental borrowing rate.

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

6.23 Contingent Liabilities

Contingent liability is disclosed when

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measure with sufficient reliability.

6.24 Financial assets

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

Classification and measurement

Under IFRS 9 Financial assets are classified, at initial recognition, as subsequently measured at following:

- at amortised cost
- at fair value through other comprehensive income (FVOCI); and
- 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

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

(c) **At fair value through profit or loss**

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

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

Derecognition

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

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- (a) the Group has transferred substantially all the risks and rewards of the asset, or
- (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

6.25 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the 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 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 statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

6.26 Impairment of financial and non financial assets

Impairment of financial assets

The impairment model under IFRS 9 applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At each reporting date, the Group assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

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

Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in 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 statement of profit or loss and other comprehensive income.

6.27 Earnings per share

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

6.28 Revenue recognition

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

6.29 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Group and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Dividend income is recognised when the right to receive the dividend is established;
- Interest on Term Deposit Receipts is recognised on constant rate of return to maturity;
- Interest on deposit accounts is recognised on accrual basis;
- Rental income arising from investment property is accounted for on a straight-line basis over the lease term;
- Scrap sales are recognised on an accrual basis;
- Claim from customers is recognised as income when the claim is accepted by customer; and
- Service income is recognised on a straight line basis over the period that the services are provided.

6.30 Foreign currency transactions

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

6.31 Deferred income

Benefit of a loan at a below-market rate of interest is recognised as deferred income. Deferred income is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed.

6.32 Operating segments

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

6.33 Research and development expenditure

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

6.34 Ijarah rentals

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

6.35 Dividends and appropriation to reserves

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

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

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

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

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

Note	2021	2020
	(Rupees in '000')	
8.1	4,143,553	4,162,166
8.3	631,767	61,214
	<u>4,775,320</u>	<u>4,223,380</u>

8.1 Operating fixed assets

	COST		As at June 30, 2021	Depreciation Rate	As at July 01, 2020	ACCUMULATED DEPRECIATION		As at June 30, 2021	As at June 30, 2021		
	As at July 01, 2020	Additions/ Transfers (Note 8.1.1)				Disposals	Charge for On disposals/ the year/ impairment* (Note 8.1.2)			write-offs** (Note 8.1.2)	As at June 30, 2021
	----- (Rupees in '000') ----- % ----- (Rupees in '000') -----										
Freehold land	22,991	-	-	-	-	-	-	-	22,991		
Leasehold land	-	-	-	-	-	-	-	-	-		
Right of use asset - lands	194,490	-	-	5	7,346	7,391	-	14,737	179,753		
Right of use asset - office premises (Note 8.1.3)	21,626	136,901	(3,431)	25-33	9,178	20,945	(1,144)	28,979	126,117		
Factory building	1,155,446	70,758	-	10	278,437	62,991	-	341,428	884,776		
Non factory building	523,848	17,545	-	7.5-10	463,265	5,382 178*	-	468,825	72,568		
Railway siding	4,216	-	-	5-10	761	343	-	1,104	3,112		
Plant and machinery	4,168,434	93,386	(75,914)	7-33	1,679,057	357,768 12,367*	(68,127) (3,797)**	1,977,268	2,208,638		
Furniture and fittings	69,522	627	(874)	7.5-20	34,576	7,336 13*	(838)	41,087	28,188		
Vehicles	103,934	164,809	(39,521)	20-33	58,595	15,050	(12,664)	60,981	168,241		
Office and mills equipment	221,779	89,563	(955)	10-30	120,553	26,218 129*	(773)	146,127	164,260		
Computer equipment	206,113	25,499	(3,836)	33	118,676	31,552 41*	(2,957)	147,312	80,464		
Jigs and fixtures (note 8.1.4)	617,719	61,145	-	20-33	377,508	117,313	-	494,821	184,043		
Capital stores and spares	-	20,748	-	10-30	-	346	-	346	20,402		
2021	7,310,118	680,981	(124,531)		3,147,952	652,635 12,728*	(86,503) (3,797)**	3,723,015	4,143,553		

	COST		As at June 30, 2020	Depreciation Rate	As at July 01, 2019	ACCUMULATED DEPRECIATION/IMPAIRMENT		As at June 30, 2020	As at June 30, 2020		
	As at July 01, 2019	Additions/ Transfers (Note 8.1.1)				Disposals/ write-offs*/ Transfers**	Charge for On disposals/ the year/ Transfers** (Note 8.1.2)			As at July 01, 2019	As at June 30, 2020
	----- (Rupees in '000') ----- % ----- (Rupees in '000') -----										
Freehold land	22,991	-	-	-	-	-	-	-	22,991		
Leasehold land	210,935	-	(210,935)*	4-5	16,445	-	(16,445)*	-	-		
Right of use asset - lands	-	194,490	-	-	-	7,346	-	7,346	187,144		
Right of use asset - office premises	-	21,626	-	-	-	9,178	-	9,178	12,448		
Factory building	1,001,729	153,717	-	10	219,284	59,153	-	278,437	877,009		
Non factory building	479,408	45,469	(1,029)	7.5-10	460,806	3,028	(568)	463,265	60,583		
Railway siding	792	3,424	-	5-10	730	31	-	761	3,455		
Plant and machinery	3,109,094	1,060,149	(809)	7-33	1,377,186	302,680	(809)	1,679,057	2,489,377		
Furniture and fittings	61,143	8,578	(199)	7.5-20	26,670	8,080	(174)	34,576	34,946		
Vehicles	106,041	15,997	(18,104)	20-33	55,632	12,215	(9,252)	58,595	45,339		
Office and mills equipment	194,354	28,879	(1,454)	10-30	89,204	32,720	(1,371)	120,553	101,226		
Computer equipment	133,811	75,909	(3,607)	33	94,162	27,810	(3,296)	118,676	87,437		
Jigs and fixtures	532,386	85,333	-	33.33	287,910	89,598	-	377,508	240,211		
2020	5,852,684	1,693,571	(25,202)		2,628,028	551,839	(15,470) (16,445)*	3,147,952	4,162,166		

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

8.1.2 During the year, the management identified certain assets which were not in their desired operating condition due to technical defects and accordingly these assets have been fully impaired. The aggregate impairment charge on these assets amounts to Rs. 12,728 million (2020: Nil). Further, plant and machinery amounting to Rs 3,797 million has been written off due to damage caused by an incident in the factory.

8.1.3 During the year, the Group has reassessed the lease term of certain leased properties and have also entered a contract for an office space of which the lease term is expected to be at least 5 years. As a result, the lease liabilities and corresponding right-of-use assets have increased by Rs. 136,901 million.

8.1.4 Jigs and fixtures include moulds having written down value of Rs. 210,042 million (2020: Rs 86,790) in the possession of sub-contractors dispersed all over the country.

8.1.5 Operating fixed assets include fully depreciated assets amounting to Rs. 933,797 million (2020: Rs. 845,207 million) which have been fully depreciated and are still in use of the Group.

8.1.6 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 11.6 & 11.8). The amount of charge over these fixed assets is Rs 11,704,246 million (2020: Rs 11,704,246 million).

	Written Down Value 2021 (Rupees in '000')	Written Down Value 2020 (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);	104,307	76,112
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	237,828	227,793
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.	78,085	62,467
	<u>420,220</u>	<u>366,372</u>
• Plant, machinery and equipment of the Company present at the following locations:		
1) Plot number 1,2,25 and 26, Sector 22 Korangi Industrial Area (Thal Engineering Division);	445,336	508,611
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);	1,209,542	1,355,986
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	116,244	142,127
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.	218,045	243,666
	<u>1,989,167</u>	<u>2,250,390</u>

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

	Cost	Written Accumulated depreciation value	Sales proceeds	Gain/ (loss) on disposal	Mode of disposal	Particulars of buyers
	(Rupees in '000)					
Plant & machinery						
Radiator Fin Forming Machine	32,515	28,718	3,797	31,850	28,053	Insurance claim
Items having book value upto Rs 500,000	43,399	39,409	3,990	12,827	8,837	Habib Insurance Company Limited
	75,914	68,127	7,787	44,677	36,890	
Furniture and fittings						
Items having book value upto Rs 500,000	874	838	36	72	36	
Vehicles						
Toyota Corolla Altis	1,996	1,449	547	1,935	1,388	Tender
Suzuki Cultus	1,250	694	556	662	106	Employees' car scheme
Suzuki Cultus	1,250	694	556	662	106	Employees' car scheme
Toyota Corolla Altis	1,828	1,015	813	812	(1)	Employees' car scheme
Toyota Corolla Altis	3,155	879	2,276	2,569	293	Employees' car scheme
Toyota Corolla	1,424	665	759	969	210	Employees' car scheme
Toyota Corolla	1,454	291	1,163	1,239	76	Employees' car scheme
Suzuki Alto	1,235	-	1,235	1,228	(7)	Employees' car scheme
Suzuki Cultus	661	-	661	1,100	439	Employees' car scheme
Suzuki Cultus	1,136	-	1,136	1,444	308	Employees' car scheme
Toyota Corolla Altis	2,082	-	2,082	2,886	804	Employees' car scheme
Toyota Corolla	863	-	863	1,762	899	Employees' car scheme
Toyota Corolla	769	-	769	1,529	760	Employees' car scheme
Suzuki Alto	809	-	809	1,184	375	Employees' car scheme
Suzuki Cultus	1,067	-	1,067	1,671	604	Employees' car scheme
Toyota Corolla	623	-	623	1,755	1,132	Employees' car scheme
Suzuki Cultus	1,135	-	1,135	1,466	331	Employees' car scheme
Suzuki Alto	962	-	962	1,350	388	Tender
Suzuki Alto	874	-	874	1,293	419	Employees' car scheme
Suzuki Alto	874	-	874	1,293	419	Employees' car scheme
Toyota Corolla Altis Grande	1,999	-	1,999	2,653	654	Employees' car scheme
Toyota Corolla Altis Grande	1,999	-	1,999	2,660	661	Employees' car scheme
Suzuki Alto	517	-	517	918	401	Employees' car scheme
Items having book value upto Rs 500,000	9,559	6,977	2,582	30,057	27,475	
	39,521	12,664	26,857	65,097	38,240	
Office and mills equipment						
Items having book value upto Rs 500,000	955	773	182	108	(74)	

	Accumulated down		Written	Sales	Gain/	Mode of disposal	Particulars of buyers
	Cost	depreciation	value	proceeds	(loss) on disposal		
	(Rupees in '000')						
Computer equipment Items having book value upto Rs 500,000	3,836	2,957	879	868	(11)		
2021	121,100	85,359	35,741	110,822	75,081		
2020	25,202	15,470	9,732	18,555	8,823		

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

	Note	2021	2020
		(Rupees in '000')	
Cost of sales	36	608,557	522,382
Distribution and selling expenses	37	1,507	1,594
Administrative expenses	38	42,571	27,863
		<u>652,635</u>	<u>551,839</u>

8.3 Capital work-in-progress

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

	Opening balance	Additions during the year	Transfers to operating fixed assets	Closing balance
	(Rupees in '000')			
Civil Works	41,258	157,418	(182,093)	16,583
Plant and machinery	84,362	960,285	(1,041,346)	3,301
Furniture and fittings	1,379	4,246	(5,625)	-
Office and mills equipment	3,391	38,568	(8,909)	33,050
Computer equipment	7,082	2,381	(9,463)	-
Jigs and fixtures	3,075	29,441	(24,236)	8,280
2020	<u>140,547</u>	<u>1,192,339</u>	<u>(1,271,672)</u>	<u>61,214</u>

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

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

9. INTANGIBLE ASSETS

	Note	COST				ACCUMULATED AMORTIZATION				WRITTEN DOWN VALUE	
		As at July 01, 2020		As at June 30, 2021		As at July 01, 2020		As at June 30, 2021		As at June 30, 2021	
		Additions	Transfers	Disposals	Rate	Charge for the year	Transfers	Disposals	Disposals	As at June 30, 2021	As at June 30, 2021
Softwares		24,117	1,207	-	25,324	33	18,561	3,199	-	21,760	3,564
Licences		68,415	4,265	-	72,680	33	36,318	16,130	-	52,448	20,232
- Software		169,016	6,369	-	175,385	20-33	27,842	45,181	-	73,023	102,362
- Product	9.2										
2021		261,548	11,841	-	273,389		82,721	64,510	-	147,231	126,158
2020		130,740	130,813	-	261,548		36,547	46,177	(3)	82,721	178,827

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

	Note	2021	2020
Cost of sales	36	55,494	36,475
Distribution and selling expenses	37	1,256	983
Administrative expenses	38	7,760	8,719
		64,510	46,177

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 40.395 million (2020: Rs 27.145 million) which are fully amortised and still in use of the Group.

10. INVESTMENT PROPERTIES

Land and building
Capital work in progress - Building, improvements and related equipment

	Note	2021	2020
		6,247,495	6,483,280
	10.1	225,658	242,437
	10.2	6,473,153	6,725,717

10.1 Land and building

	COST		ACCUMULATED DEPRECIATION / IMPAIRMENT*		Written down value	
	As at June 30, 2021		As at July 01, 2020		As at June 30, 2021	
	Additions/ Subsequent expenditure	Disposals	Rate	Charge for the year	Disposals	As at June 30, 2021
Freehold						
Land	974,504	-	-	-	-	974,504
Building and related improvements	1,690,204	7,098	2.5 - 16	42,243	-	1,138,805
Equipment	211,245	81,735	6.6 - 20	28,244	-	121,871
Leasehold						
Land	1,657,588	-	2.17 - 3.33	48,660	-	1,119,126
Right of Use Assets - land	510,357	-	2 - 10	26,189	-	455,140
Building and related improvements	3,727,282	17,219	2.5 - 16	134,269	-	2,328,431
Equipment	476,564	-	6.6 - 20	54,663	(46,374)	109,618
2021	9,247,744	106,052		337,107	(46,374)	6,247,495
2020	8,733,169	566,796		323,884	(50,343)	6,483,280

10.1.1 The Group has recorded impairment on a boundary wall on one of its premises, which had collapsed due to torrential rains. The cost was capitalized separately and provided for accordingly.

10.1.2 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, 2021 and June 30, 2018 which amounts to Rs. 0.133 billion (2020: Rs 0.131 billion) and Rs. 20.031 billion (2020: Rs 20.031 billion), respectively. The valuation was carried out on the basis of market intelligence, indexation of the original cost, year of construction, present physical condition and location and lease term of related land. For properties valued in 2016, the management engaged an independent valuer to reassess the fair value and based on desktop valuation, it was determined that there is no material change in the fair value exercise carried out in 2016.

Note	Holding %	2021		2020	
		Rupees in '000		Rupees in '000	
Joint Ventures					
ThalNova Power Thar (Private) Limited (TNTPL) 11.7 & 11.8	26				
Opening balance		1,506,429		589,810	
Investment made during the year		213,258		916,112	
Share of (loss)/profit after tax		(10,812)		507	
Closing balance		1,708,875		1,506,429	
TOTAL OF ASSOCIATES AND JOINT VENTURE		10,217,766		7,652,262	
Listed shares - at fair value through other comprehensive income					
Habib Sugar Mills Limited		61,608		55,074	
GlaxoSmithKline (Pakistan) Limited		278		292	
GlaxoSmithKline Healthcare (Pakistan) Limited		126		137	
Dynea Pakistan Limited		180,554		88,088	
Allied Bank Limited		13,482		13,924	
Habib Bank Limited		7,968		6,308	
TPL Properties Limited		36,042		6,224	
		300,058		170,047	
TOTAL		10,517,824		7,822,309	

11.1 Share of profit after tax of associates and joint venture

Note	2021		2020	
	(Rupees in '000)			
Associates				
Indus Motor Company Limited		798,114		316,171
Habib Insurance Company Limited		4,453		3,075
Agriauto Industries Limited		60,946		(7,966)
Shabbir Tiles and Ceramics Limited	11.3	7,275		(1,648)
Sindh Engro Coal Mining Company Limited	11.6	1,680,839		1,037,075
		2,551,627		1,346,707
Joint venture				
ThalNova Power Thar (Private) Limited	11.7 & 11.8	(10,812)		507
		2,540,815		1,347,214

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, 2021.

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

	Indus Motor Company Limited		Habib Insurance Company Limited		Agriauto Industries Limited		Shabbir Tiles and Ceramics Limited		Sindh Engro Coal Mining Company Limited		ThalNova Power Thar (Private) Limited	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	31 Mar 2021	31 Mar 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Revenue	179,161,727	88,167,016	731,408	782,447	10,485,027	5,244,651	6,366,731	7,282,830	36,283,399	35,424,013	-	-
Profit/(loss) after taxation	12,828,592	5,082,027	96,163	66,413	529,684	(108,438)	557,683	(128,249)	14,124,696	8,714,920	(41,585)	1,948
Other comprehensive income/(loss)	19,882	11,355	126,235	(67,179)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	12,848,474	5,093,382	222,398	(766)	529,684	(108,438)	557,683	(128,249)	14,124,696	8,714,920	(41,585)	1,948
Cash and cash equivalents	71,477,141	41,865,898	1,537	(92,113)	455,215	574,195	738,989	128,096	23,980,159	10,334,689	54,098	803,189
Non-current assets	19,194,251	16,661,342			2,350,556	2,247,843	2,660,896	3,129,394	81,493,096	74,719,108	31,805,988	8,282,561
Current assets	114,711,565	63,617,222			4,767,872	3,945,931	3,988,656	2,592,286	57,970,011	37,578,807	295,654	821,900
Total assets	133,905,816	60,278,564	3,909,004	3,754,312	7,116,428	6,193,774	6,669,362	5,721,670	139,463,107	112,297,915	32,102,642	9,104,461
Less:												
Non-current liabilities	(745,433)	(483,125)			(98,308)	(70,835)	(945,816)	(614,261)	(66,853,375)	(59,538,646)	(21,633,987)	-
Current liabilities	(84,959,918)	(38,626,048)			(1,249,116)	(1,008,799)	(3,228,314)	(3,179,870)	(37,428,841)	(23,225,403)	(1,156,566)	(255,909)
Total liabilities	(85,704,351)	(39,109,173)	(2,632,523)	(2,638,292)	(1,347,424)	(1,079,634)	(4,174,130)	(3,794,131)	(94,282,216)	(82,764,049)	(22,790,533)	(255,909)
Net assets	48,201,465	41,169,391	1,276,481	1,116,020	5,771,004	5,114,140	2,485,222	1,927,539	45,180,891	29,533,866	9,312,109	8,848,562
Less: Preference shares	-	-	-	-	-	-	-	-	(1,248,356)	(1,248,356)	-	-
Less: Advance against shares	-	-	-	-	-	-	-	-	-	-	(2,875,436)	(2,990,401)
Adjusted net assets	48,201,465	41,169,391	1,276,481	1,116,020	5,771,004	5,114,140	2,485,222	1,927,539	43,934,535	28,285,510	6,636,673	5,858,151
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	2,998,131	2,560,736	59,101	51,672	424,169	375,889	32,308	25,058	5,228,210	3,366,214	1,725,535	1,523,119
Recognition of investment at fair value	(257,360)	(257,456)	944	943	(18,732)	(18,732)	(911)	(938)	43,059	42,445	(16,660)	(16,660)
Others												
Carrying amount	2,740,771	2,303,280	60,045	52,615	405,409	357,157	31,397	24,122	5,271,269	3,408,659	1,709,875	1,506,429

	2021	2020
	(Rupees in '000)	
11.5 Share in contingent liabilities of associated companies	515,555	465,230
Share in commitments of associated companies	9,197,774	15,701,990

11.6 This represents investment in an associate established for the construction of coal mine. Although the Group has less than 20% equity interest in the associate, the management believes that it has significant influence due to the contractual agreement with the shareholders. The Group undertook to invest a total of USD 25.6 million to expand the mine to 7.6 mtpa. Phase I of the Project achieved commercial operations in July 2019 and Phase II achieved financial close in December 2019. As on the statement of financial position date the Group has invested Rs. 2,547.082 million acquiring 171,867,851 ordinary shares having face value of Rs. 10 each, at a price of Rs. 14.82 per share. The balance commitment of the investment is USD 4.3 million.

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 (2020: 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% (2020: 26%) equity interest in TNTPL comprising 153,453,275 shares (2020: 153,453,275 shares) at Rs. 10/- each and has joint control under the terms of the Joint Venture Agreement.

11.8 The Group, through 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 Group developing a coal based power plant. Upto the statement of financial position date it has invested Rs. 1,534.533 million in TNTPL acquiring 153,453,275 ordinary shares having face value of Rs. 10 each. During the year the Group invested Rs 213.258 million in TNTPL as advance against issue of share capital. The balance commitment of the investment is USD 21.3 million in PKR equivalent. TNTPL achieved its financial close on September 30, 2020 and expects to achieve Commercial Operations Date (COD) in 2022.

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

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

To secure the Group's commitment as above, a commercial bank has issued a guarantee in favour of the Group amounting to Rs. 3,509.893 million (2020: Rs. 3,729.053 million).

12. LONG-TERM DEPOSITS

	Note	2021	2020
		(Rupees in '000)	
Security deposits		14,236	12,016
Utilities		9,144	7,267
Others		1,423	1,148
		24,803	20,431

13. LONG TERM PREPAYMENT

		2021	2020
		(Rupees in '000)	
Advance rent	13.1	50,671	50,671
Provision against advance rent		(28,170)	(28,170)
		22,501	22,501

13.1 This represents unamortised portion of advance rent paid to Army Welfare Trust for the lease of land. Pending the resolution of the matter, as referred to in note 1.3 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.

14. STORES, SPARES AND LOOSE TOOLS

		2021	2020
		(Rupees in '000)	
Stores			
- In hand		43,275	33,524
- In transit		-	847
		43,275	34,371
Spares		187,455	187,975
Loose tools		180	122
Less: Provision for obsolescence	14.1 & 14.2	(72,601)	(80,317)
		158,309	142,151

14.1 Movement - Provision for obsolescence

	2021	2020
Opening balance	80,317	53,232
(Reversal)/Charge for the year - net	(7,716)	27,085
Closing balance	72,601	80,317

14.2 Aggregate cost of stores, spares and loose tools which have been provided for based on obsolescence amount to Rs. 152.477 million (2020: Rs. 121.981 million). Accordingly, net realisable value of such inventory amounts to Rs 79.876 million (2020: Rs. 41.664 million).

15. STOCK-IN-TRADE

		2021	2020
		(Rupees in '000)	
Raw material			
- In hand	15.1	4,977,029	4,390,214
- In transit		2,164,918	699,877
		7,141,947	5,090,091
Work-in-process		560,647	377,192
Finished goods			
- In hand		635,944	676,153
- In transit		987	-
Less: Provision for obsolescence	15.2 & 15.3	(220,910)	(197,666)
		8,118,615	5,945,770

15.1 Raw materials amounting to Rs 10.887 million (2020: Rs 7.706 million) are held with the sub-contractors.

	Note	2021	2020
		(Rupees in '000)	
15.2 Movement - Provision for obsolescence			
Opening balance		197,666	230,282
Charge/(Reversal) for the year - net		23,244	(32,616)
Closing balance		220,910	197,666

15.3 Aggregate of raw material, work-in-process and finished goods which have been provided for based on obsolescence amount to Rs. 639.444 million (2020: Rs. 268.299 million), Rs. 24.354 million (2020: Rs. 9.555 million) and Rs. 426.464 million (2020: Rs. 114.465 million), respectively. Accordingly, net realisable value of such stock-in-trade amounts to Rs 869.352 million (2020: Rs 194.653 million).

	Note	2021	2020
		(Rupees in '000)	
16. TRADE DEBTS			
Considered good	16.1 & 16.2	3,546,670	2,855,951
Allowance for expected credit losses	16.3	(83,633)	(216,155)
		3,463,037	2,639,796

16.1 This includes amount due from the following related parties:

	2021	2020
Indus Motor Company Limited	1,064,082	254,396
Agriauto Industries Limited	247	444
Shabbir Tiles and Ceramics Limited	12,041	18,015
	1,076,370	272,855

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

	Note	2021	2020
		(Rupees in '000)	
Indus Motor Company Limited		1,064,128	741,944
Agriauto Industries Limited		5,929	673
Shabbir Tiles and Ceramics Limited		28,563	20,561

16.3 Movement - Allowances for expected credit losses

	Note	2021	2020
Opening balance		216,155	53,210
(Reversal)/Charge for the year	40	(132,522)	163,588
Bad debts written off		-	(643)
Closing balance		83,633	216,155

	Note	2021	2020
		(Rupees in '000)	

17. LOANS AND ADVANCES

Loans - Considered good

Employee - secured

Current portion of long-term loan	17.1	-	3,996
		-	3,996

Advances - considered good - unsecured

Suppliers		109,432	34,538
Employees		2,395	1,515
Others		1,503	10,132
		113,330	46,185
		113,330	50,181

17.1 The loan was secured against mortgage of property. The maximum aggregate amount due from employee at the end of any month during the year was Rs. 3.996 million (2020: Rs 7.992 million).

	Note	2021	2020
		(Rupees in '000)	

18. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits

Tender / performance guarantee		487	487
Margin against letter of credit		198,371	72,399
Deposit against custom duty		7,182	7,182
Container deposits		215,539	59,577
Others		30	516
	18.1	421,609	140,161

Short-term prepayments

Rent		2,709	-
Insurance	18.2	20,725	22,070
Others		21,539	29,697
		44,973	51,767
		466,582	191,928

18.1 These deposits are interest free.

18.2 This includes prepayments amounting to Rs 12.366 million (2020: Rs 15.553 million) paid to Habib Insurance Company Limited, a related party.

	Note	2021	2020
		(Rupees in '000)	

19. OTHER RECEIVABLES

Tooling income receivable		47,246	45,190
Duty drawback		2,006	2,413
Custom duty reimbursable	31.3	659,608	147,451
Insurance claims		-	51
Receivable from Workers' Profit Participation Fund	31.7.1	-	2,937
Others	19.1 & 19.2	10,775	5,485
		719,635	203,527

19.1 This includes receivable from the following related parties:

Indus Motor Company Limited		418	-
Agriautos Industries Limited		104	-
Shabbir Tiles and Ceramics Limited		118	684
		640	684

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

	Note	2021	2020
		(Rupees in '000)	
Indus Motor Company Limited		418	4,101
Agriautos Industries Limited		104	1,491
Shabbir Tiles and Ceramics Limited		118	395

20. SHORT-TERM INVESTMENTS

At fair value through profit or loss

Treasury Bills

Term Finance Certificates (TFCs)

Mutual funds

ABL Cash Fund

Alfalah GHP Income Fund

Alfalah GHP Money Market Fund

Al-Meezan Rozana Amdani Fund

Atlas Money Market Fund

Faysal Money Market Fund

HBL Cash Fund

HBL Money Market Fund

MCB Cash Management Optimizer Fund

NBP Money Market Fund

NIT Money Market Fund

UBL Liquidity Plus Fund

Note	2021 (Rupees in '000)	2020 (Rupees in '000)
20.1	1,591,814	1,127,229
20.2	242,000	245,000
	740,736	789,127
	29,320	27,821
	743,300	635,037
	160,752	67,043
	405,532	264,521
	105,224	-
20.3	892,551	628,157
	-	966
	575,113	100,104
	701,451	792,131
	165,009	-
	754,885	471,192
	5,273,873	3,776,099
	7,107,687	5,148,328

20.1 These carry effective yield of 7% to 8% (2020: 8.1% to 13.08%) per annum, having maturity latest by August 2021.

20.2 This represents participation in private placement of TFCs carrying interest rate at the rate of 3 month KIBOR + 1.6% (2020: 3 month KIBOR + 1.6%) per annum. These TFCs do not have any fixed maturity date and are perpetual in nature.

20.3 Mutual fund units amounting to Rs. 124.120 million (2020: Nil) are under lien as margin for security against State Bank of Pakistan's Temporary Economic Refinance Facility from a commercial bank.

Note	2021 (Rupees in '000)	2020 (Rupees in '000)
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21. CASH AND BANK BALANCES

Cash in hand

Bank balances in:

Current accounts

Term Deposit Receipts (TDRs)

Savings accounts

Note	2021 (Rupees in '000)	2020 (Rupees in '000)
	638	172
21.1 & 21.2	277,670	193,023
21.3 & 21.4	1,351,597	2,358,100
	1,050,869	1,191,093
	2,680,136	3,742,216
	2,680,774	3,742,388

21.1 These carry interest at rates ranging from 5.5% to 12.7% (2020: 5% to 12.7%) per annum having maturity latest by September 2021.

21.2 These include a TDR amounting to Rs. 145.950 million (2020: Rs. 145.950 million) is under lien against a letter of guarantee issued by a commercial bank on behalf of the Group and a TDR amounting to Rs. 2.227 million (2020: Rs. 2.227 million) provided as security against guarantee in favour of Sui Southern Gas Company Limited.

21.3 These carry interest at rates ranging from 5.00% to 6.50% (2020: 5% to 7.5%) per annum.

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

22. ASSETS CLASSIFIED AS HELD FOR SALE

Assets acquired in settlement of claims

Less: Provision for impairment

Note	2021 (Rupees in '000)	2020 (Rupees in '000)
22.1	6,720	-
	(1,720)	-
	5,000	-

22.1 This represents vehicles acquired by the Holding Company in settlement of long-outstanding dues from a customer. The Holding Company intends to dispose off these vehicles within one year of acquisition of these vehicles.

22.2 Movement - Provision of impairment

Opening balance

Charge for the year

Closing balance

Note	2021 (Rupees in '000)	2020 (Rupees in '000)
	-	-
39	1,720	-
	1,720	-

23. SHARE CAPITAL

23.1 Authorized Capital

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

23.2 Issued, Subscribed and paid-up capital

2021
2020
Number of ordinary
shares of Rs. 5/- each

5,149,850	5,149,850
64,640,390	64,640,390
11,239,669	11,239,669
81,029,909	81,029,909

Fully paid in cash

Issued as fully paid bonus shares

Shares issued under the Scheme of

Arrangements for Amalgamation

2021 (Rupees in '000)	2020 (Rupees in '000)
25,750	25,750
323,202	323,202
56,198	56,198
405,150	405,150

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

24. RESERVES

Capital reserves

Reserve on merger of former Pakistan Jute and

Synthetics Limited and former Thal Jute Mills Limited

Premium on issue of share capital

Reserve on merger of former Pakistan Paper Sack

Corporation Limited and former Khyber Papers (Private) Limited

Revenue reserves

General reserve

Unappropriated profit

Gain on revaluation of investments held at fair value through OCI

Other comprehensive (loss) / income of associates

2021 (Rupees in '000)	2020 (Rupees in '000)
13,240	13,240
12,225	12,225
42,464	42,464
67,929	67,929
19,131,874	17,671,874
10,201,193	6,835,221
29,333,067	24,507,095
245,413	115,402
13,420	6,338
29,659,829	24,696,764

	Note	2021	2020
		(Rupees in '000)	
25. NON-CONTROLLING INTEREST			
Habib Metro Pakistan (Private) Limited		6,151,272	6,077,497
Thal Boshoku Pakistan (Private) Limited		413,734	374,076
		<u>6,565,006</u>	<u>6,451,573</u>
26. LONG TERM DEPOSITS AND PAYABLES			
Deposits with:			
- Related Party	26.1	290,615	291,806
- Others	26.2	38,548	37,054
Payable in respect of Gas Infrastructure Development Cess	26.3	15,919	20,043
Less: Current maturity		(5,495)	(4,579)
		<u>10,424</u>	<u>15,464</u>
		<u>339,587</u>	<u>344,324</u>

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

	Note	2021	2020
		(Rupees in '000)	
Indus Motor Company Limited		326	326
Shabbir Tiles and Ceramics Limited		783	1,974
Metro Pakistan (Private) Limited		289,506	289,506
		<u>290,615</u>	<u>291,806</u>

26.2 These deposits are utilisable as per agreement with customers. However, none of these were utilised by the Group during the year.

26.3 This represents liability recorded against Gas Infrastructure Development Cess (GIDC) reclassified from trade and other payables pursuant to the decision of Honorable Supreme Court dated August 13, 2020 wherein it held that the levy of GIDC is constitutional and payable in 48 equal monthly installments.

27. LONG-TERM BORROWINGS

	Note	2021	2020
		(Rupees in '000)	
Secured			
State Bank of Pakistan's (SBP) Refinance Facility for Payment of Salaries and Wages	27.1	174,249	199,141
Less: Current maturity		(99,571)	(49,786)
		<u>74,678</u>	<u>149,355</u>
SBP's Temporary Economic Refinance Facility	27.2	99,281	-
Less: Deferred income	29	(26,703)	-
		<u>72,578</u>	<u>-</u>
SBP's Financing Scheme for Renewable Energy	27.3	47,579	-
Less: Current maturity		(9,593)	-
		<u>37,986</u>	<u>-</u>
Unsecured			
Toyota Boshoku Asia Corporation Limited - NCI	27.4	225,000	225,000
Exchange loss thereon		4,949	20,283
		<u>229,949</u>	<u>245,283</u>
		<u>415,191</u>	<u>394,638</u>

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

27.2 In 2020, SBP introduced Temporary Economic Refinance Facility to facilitate purchase of new plant and machinery to be used for setting up of new projects in all sectors. The total amount of the facilities from three commercial banks is Rs 1,510 million, out of which the Holding Company has utilised Rs 99.281 million as at June 30, 2021 from two commercial banks. 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.

27.3 In 2016, SBP introduced Refinance Scheme for Renewable Energy to encourage and facilitate purchase and installation of renewable energy facilities. Through a circular issued in 2019, the expiry period of the scheme was extended to June 30, 2022. The total amount of the facilities from two commercial banks is Rs 358 million, out of which the Holding Company has utilised Rs 47.579 million as at June 30, 2021 from one commercial banks for installation of solar power system at one location. The facilities carries interest at rates ranging from 2.45% to 3.45% and are repayable in 40 equal quarterly installments. The facilities are secured against charge against the underlying fixed assets.

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

	Note	2021	2020
		(Rupees in '000)	
28. LEASE LIABILITIES			
Opening balance		882,702	-
Impact of initial application of IFRS 16		-	838,123
Re-assessment of lease liabilities		136,901	-
Additions during the year		-	34,420
Accretion of interest		115,430	108,602
Less: Lease rentals paid		(108,916)	(98,443)
Balance at the end of the year		<u>1,026,117</u>	<u>882,702</u>
Less: Current portion of lease liability against right-of-use assets		(120,223)	(103,648)
Long-term lease liabilities		<u>905,894</u>	<u>779,054</u>

29. DEFERRED INCOME

	Note	2021	2020
Deferred income	29.1	26,703	-
Less: Current portion of deferred income	29.2	(4,394)	-
		<u>22,309</u>	<u>-</u>
29.1 Movement - Deferred income			
Opening balance		-	-
Recognition of deferred income		26,988	-
Amortisation during the year		(285)	-
Closing balance		<u>26,703</u>	<u>-</u>

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

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
30. DEFERRED TAX LIABILITY - net			
Taxable temporary differences arising:			
Accelerated depreciation		307,935	313,158
Investment in associates		478,613	165,945
		<u>786,548</u>	<u>479,103</u>
Deductible temporary differences arising on:			
Provisions		(440,418)	(545,390)
Lease liabilities		(34,129)	(2,448)
Unused tax losses carried forward		(47,229)	-
Unused tax credit carried forward		(12,693)	-
Unrealized loss on investments classified as FVPL		(8,943)	(4,699)
		<u>(543,412)</u>	<u>(552,537)</u>
		<u>243,136</u>	<u>(73,434)</u>
31. TRADE AND OTHER PAYABLES			
Creditors	31.1	1,476,859	710,419
Accrued liabilities and levies	31.2	1,574,517	1,232,200
Additional custom duty provision	31.3	735,027	247,309
Salaries payable		24,844	25,060
Warranty obligations	31.4	670,297	558,644
Advance from customer (Contract liabilities)	31.5	28,711	42,313
Royalty payable	31.6	106,636	43,667
Payable to provident fund		459	326
Payable to retirement benefit fund		11,710	9,360
Security deposits		13,083	6,391
Other liabilities	31.7	231,323	300,407
		<u>4,873,466</u>	<u>3,176,096</u>
31.1 This includes amounts due to related parties:			
Habib Insurance Company Limited		2,142	1,031
Shabbir Tiles & Ceramics Ltd.		-	1,714
Indus Motor Company Limited		100	-
METRO Pakistan (Private) Limited		436	171
		<u>2,678</u>	<u>2,916</u>
31.2 This includes amounts due to the following related party:			
Toyota Boshoku Asia Corporation Limited		6,056	2,118
Habib Insurance Company Limited		363	-
		<u>6,419</u>	<u>2,118</u>
31.3 Last year the Federal Board of Revenue vide its SRO dated June 28, 2019 imposed additional custom duty on the imports of certain items specified in the First Schedule to the Customs Act, 1969. The Group aggrieved by the notification is contesting its applicability by filing appeal before the Appellate Tribunal Customs Karachi (ATC) where the hearing is currently pending.			
In order to secure the Group's commitment as above, a commercial bank has issued a guarantee in favour of the Group amounting to Rs. 109.416 million.			
With reference to the above Indus Motor Company Limited (IMC), a related party, committed to reimburse the Group for any outflow that it may incur on account of additional customs duty paid on goods imported for supplies made to IMC. Accordingly, a reimbursement asset is recorded as disclosed in note 19 to the consolidated financial statements.			

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
31.4 Warranty obligations			
Balance at the beginning of the year		558,644	510,852
Charge for the year	37	127,740	60,661
Claims paid during the year		(16,087)	(12,869)
Balance at end of the year		<u>670,297</u>	<u>558,644</u>
31.5 Revenue recognised during the period that was included in contract liabilities balance at the beginning of the year amounts to Rs. 42.313 million (2020: Rs. 8.084 million).			
31.6 Royalty payable			
Balance at the beginning of the year		43,667	115,804
Charge for the year	36	192,588	98,977
Paid during the year		(129,619)	(171,114)
Balance at the end of the year		<u>106,636</u>	<u>43,667</u>
31.7 Other liabilities			
Provision against municipal utility charges		32,801	32,801
Withholding tax payable		5,249	4,266
Employees Old-Age Benefits Institution (EOBI)		62,998	68,825
Workers' Profit Participation Fund	31.7.1	2,942	-
Workers' Welfare Fund	31.7.2	83,891	153,522
Licence fee received in advance		13,795	19,514
Others		29,647	21,479
		<u>231,323</u>	<u>300,407</u>
31.7.1 Workers' Profit Participation Fund (WPPF)			
Payable to WPPF at the beginning of the year		(2,937)	6,332
Interest on funds utilised in the Company's business		-	1,096
Allocation for the current year	39	182,942	126,563
		<u>180,005</u>	<u>133,991</u>
Paid during the year		(177,063)	(136,928)
Payable to WPPF at the end of the year		<u>2,942</u>	<u>(2,937)</u>
31.7.2 During the year ended June 30, 2015, C124 the Officer Inland Revenue issued notice of demand amounting to Rs. 63.99 million for recovery of WWF for tax years 2012 - 2014 to Habib Metro Pakistan (Private) Limited (HMPL). HMPL obtained stay order from the High Court of Sindh against demand orders and also filed an appeal with Commissioner Inland Revenue Appeals. During financial year 2017, the Honorable Supreme Court of Pakistan (SCP) declared the amendments made in WWF through Finance Act as null and void. However, a review petition has been filed against the above order of SCP by the Federal Board of Revenue. Further, during the preceding year, Assistant Commissioner Inland Revenue (ACIR) issued notices of demand for the aforesaid periods amounting to Rs. 63.99 million against which the HMPL has submitted reply reiterating their stay order obtained from the High Court of Sindh. No further notice has been received by the HMPL as of the statement of financial position date.			

The management, based on the opinion of legal advisor, is confident that the HMPL would not be liable to pay any amount in respect of this matter. However, as a matter of prudence and abundant caution, the management of the HMPL has decided to keep the provision for WWF in these financial statements, without prejudice, and without admitting liability, until the final verdict of the SCP on the review petition.

	Note	2021	2020
		(Rupees in '000)	
32. SHORT-TERM BORROWINGS			
Export Refinance Scheme	32.1	361,000	145,000
Running finance facilities	32.2	167,164	293,000
		<u>528,164</u>	<u>438,000</u>

32.1 This represents Export Refinance Facility obtained by the Holding Company from a commercial bank. The total amount of the facility is Rs. 361 million (2020: Rs 145 million). It carries markup at the rate of 3% per annum (2020: 3% per annum) and is secured against a joint Pari Passu hypothecation charge on all present and future stocks and book debts of the Holding Company. The portion of the facility utilized during the year amounted to Rs 361 million and is repayable latest by October 2021 (2020: September 2020).

32.2 These facilities have been obtained from various banks which carry mark up at the rates ranging from 3-month KIBOR plus 0.75% to 1-month KIBOR plus 0.1% per annum (2020: 3-month KIBOR plus 0.75% to 1-month KIBOR plus 0.1% per annum). They are secured by way of Pari Passu hypothecation charge over the Group's current assets amounting to Rs. 229 million (2020: Rs. 229 million) and charge against the Group's fixed assets amounting to Rs. 567 million (2020: Rs. 567 million).

	Note	2021	2020
		(Rupees in '000)	
33. INCOME TAX - net			
Group Tax Relief adjustments	33.1	(685,888)	(683,879)
Group Taxation adjustments	33.2	48,672	46,197
Income tax provision less tax payments - net	33.3	<u>1,050,054</u>	<u>898,236</u>
		<u>412,838</u>	<u>260,554</u>

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 2008-2010 by acquiring the losses of its subsidiary company and consequently an aggregate sum of Rs. 632.681 million equivalent to the tax value of the losses acquired has 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 10th June 2011 and 11th July 2011 has held that the Holding Company is entitled to Group Relief under section 59B of the Ordinance. However, the tax department filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the Commissioner Inland Revenue (Appeal) (CIR) Order. The ATIR has passed an order in favour of the Holding Company for the above tax years; the Tax department filed reference application / appeal against the order of ATIR before the Sindh High Court and with the Chairman ATIR which are under the process of hearings.

33.2 In terms of provision of Section 59AA of Income Tax Ordinance, 2001 (the Ordinance), the Holding Company and certain subsidiaries have irrevocably opted to be taxed as one fiscal unit. Accordingly, the tax loss and tax transferred by these subsidiaries under group taxation opted by the Group amounted to Rs. 2.918 million (2020: Nil) and Rs. 5.393 million (2020: Rs. 30.553 million), respectively.

33.3 Includes adjustment of tax challans acquired from MHPL and TPL amounting to Rs 0.063 million (2020: Rs 0.081 million) and Rs 3.592 million (2020: Rs 5.293 million), respectively.

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 06 April 2016. The exparte under Section 161/205/182(1) of the Income Tax Ordinance, 2001 were passed on 14 April 2016 and tax of Rs. 142.596 million for the tax years from 2011 to 2014, was determined inclusive of default surcharge and penalty. MHPL being aggrieved with the order of Assessing Officer, filed an appeal before the Commissioner Inland Revenue (Appeals) through combined appellate order dated 23 May 2016 for the tax years 2011 to 2014 maintained the decision of OIR.

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

Further, during the year 2017, OIR challenged the order of the ATIR in the Honorable High Court of Sindh (HCS) and the case is still pending before the Honourable High Court of Sindh. Based on the opinion of the tax advisor the position of MHPL is sound on technical basis and eventual outcome ought to be in favour of MHPL. Pending the resolution of the matters stated above, no provision has been made in these consolidated financial statements.

	Note	2021	2020
		(Rupees in '000)	
34.2 Commitments			
34.2.1 Post dated cheques issued to Collector of Custom		18,866	121,437
34.2.2 Outstanding letters of credit		4,452,809	770,899
34.2.3 Letter of guarantees issued by banks on behalf of the Group in respect of financial commitments of the Group.	34.2.8	7,425,033	7,752,355
34.2.4 Commitments in respect of raw material		959,051	576,655
34.2.5 Commitments in respect of capital expenditure		324,043	157,989
34.2.6 Commitments for rentals under Ijarah lease agreements in respect of vehicles.			
Within one year		26,472	38,979
Later one year but not later than five years		18,744	51,002
		<u>45,216</u>	<u>89,981</u>

34.2.7 Commitment in respect of investment is disclosed in note 11 to these consolidated financial statements.

34.2.8 This guarantee is secured by assets disclosed in note 8.1.6 to these consolidated financial statements.

34.2.9 Represent Ijarah (Islamic term finance) agreement entered into with a Modaraba in respect of vehicles. Total Ijarah payments due under the agreements are Rs. 45.216 million and are payable in monthly installments latest by September, 2023. These commitments are secured by on-demand promissory notes of Rs. 65.150 million.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
35. REVENUE - net			
Export sales		1,761,339	1,271,725
Local sales		32,468,760	18,624,157
		34,230,099	19,895,882
Less:			
Sales tax		(4,798,061)	(2,750,802)
Sales discount		(22,624)	(9,180)
		(4,820,685)	(2,759,982)
		29,409,414	17,135,900
Add:			
Service income	35.1	221,220	217,021
Add:			
Duty drawback		5,575	3,481
		29,636,209	17,356,402

35.1 Service income is presented net of sales tax of Rs. 45.167 million (2020: Rs. 48.661 million).

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
36. COST OF SALES			
Raw material consumed	36.1	21,007,348	11,825,251
Salaries, wages and benefits		2,194,792	1,927,370
Stores and spares consumed		279,546	217,075
Repairs and maintenance		150,886	118,690
Power and fuel		339,763	266,618
Rent, rates and taxes		4,554	8,227
Vehicle running and maintenance		56,455	27,996
Insurance		16,778	17,216
Communication		18,124	16,165
Travelling and conveyance		29,030	29,362
Entertainment		2,449	3,516
Printing and stationery		12,059	9,828
Legal and professional		13,750	19,175
Computer accessories		17,581	13,715
Royalty	36.2	192,588	98,977
Depreciation	8.2	608,557	522,382
Amortization	9.1	55,494	36,475
Research and development		3,886	13,992
Ijarah rentals		15,778	14,029
Technical Assistance fee		3,521	32,999
Others		4,777	5,101
		25,027,716	15,224,159
Work-in-process			
Opening		377,192	263,699
Closing		(560,647)	(377,192)
		(183,455)	(113,493)
Cost of goods manufactured		24,844,261	15,110,666
Finished goods			
Opening stock		676,153	674,691
Purchases		33,849	21,311
Closing stock		(635,944)	(676,153)
		74,058	19,849
		24,918,319	15,130,515

			2021 (Rupees in '000)	2020 (Rupees in '000)
36.1 Raw material consumed				
Opening stock			4,390,214	4,559,674
Purchases			21,594,163	11,655,791
Closing stock			(4,977,029)	(4,390,214)
			21,007,348	11,825,251
36.2 Royalty				
Party Name	Registered Address	Relationship with Directors		
Denso Corporation	448-8661 1-1, ShowaCho, Kariya-city, Aichi-Pref., Japan.	None	75,777	75,777
Furukawa Electric Company Limited	1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan.	None	44,942	74,043
Toyota Boshoku Japan Corporation	88, Kanayama, Kamekubi-cho Toyotam Aichi, 470-0395 Japan.	Shareholder of a subsidiary	17,041	7,022
			166,861	98,977

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
37. DISTRIBUTION AND SELLING EXPENSES			
Salaries and benefits		103,738	83,314
Vehicle running expense		6,800	5,730
Utilities		509	789
Insurance		1,801	1,712
Rent, rates and taxes		2,927	8,394
Communication		3,019	2,138
Advertisement and publicity		7,934	4,111
Travelling and conveyance		5,551	8,175
Entertainment		497	270
Printing and stationery		390	568
Legal and professional		33	-
Computer accessories		1,005	1,003
Research and development		68	29
Depreciation	8.2	1,507	1,594
Amortization	9.1	1,256	983
Repairs and maintenance		1,358	769
Export expenses		30,114	16,313
Freight expenses		265,032	153,465
Provision for warranty claims	31.4	127,740	60,661
Ijarah rentals		5,871	5,570
Others		1,354	871
		568,504	356,459

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
38. ADMINISTRATIVE EXPENSES			
Salaries and benefits		618,257	556,633
Vehicle running expense		14,813	15,132
Printing and stationery		3,939	3,708
Rent, rates and taxes		28,694	28,526
Utilities		95,532	84,476
Insurance		3,441	2,865
Entertainment		906	1,296
Subscription		2,355	2,002
Communication		5,876	5,327
Advertisement and publicity		1,982	5,475
Repairs and maintenance		48,320	47,232
Travelling and conveyance		7,578	13,776
Legal and professional advisory services		107,799	108,715
Computer accessories		13,389	10,758
Auditors' remuneration	38.1	8,489	8,116
Depreciation	8.2	42,571	27,863
Amortization	9.1	7,760	8,719
Depreciation on investment property	10.1	337,107	323,884
Ijarah rentals		15,870	15,339
Charity and donations	38.2 & 38.3	61,314	40,111
Directors' Fee & meeting expenses		1,875	2,260
General contracted services		1,417	1,277
Others		5,452	9,075
		<u>1,434,736</u>	<u>1,322,565</u>
38.1 Auditors' remuneration			
Audit fee		3,998	3,611
Half-yearly review		374	325
Taxation services		848	1,117
Other certifications		2,257	2,104
Out of pocket expenses		1,012	959
		<u>8,489</u>	<u>8,116</u>

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	2021 (Rupees in '000)	2020 (Rupees in '000)
Mohamedali Habib Welfare Trust	2nd Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.	Mr. Rafiq M. Habib - Trustee	17,090	15,020
Ghulaman-e-Abbas School	Ghulaman-e-Abbas School, Bab-e-Ali, Al-alamdar Building, Near Lyari Expressway, Mauripur Road, Karachi	Mr. Rafiq M. Habib - Trustee	-	9,000
Habib Education Trust	4th floor, United Bank building, I.I. Chundrigar Road, Karachi.	Mr. Mohamedali R. Habib - Trustee	7,000	10,000
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	15,000	7,500
Masoomen Hospital Trust	Atmaram Pritamdas Road, Moosa Lane Miranpir, Karachi.	Mr. Rafiq M. Habib - Trustee	-	2,000
Anjuman -e- Behbood Samat -e- Itfal	ABSA School 26-C National Highway, Korangi Road, Karachi.	Mrs. Rafiq M. Habib - Vice President	30	32
Hussaini Heamotology & Oncology Trust	43-Rehmat Manzil, Bhurgari Road, Numaish, Karachi.	Mr. Mohamedali R. Habib - Trustee	96	96

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

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
39. OTHER CHARGES			
Workers' profits participation fund	31.7.1	182,942	126,563
Workers' welfare fund		65,963	33,099
Bad debts written off		10,136	46,686
Provision for impairment of property, plant and equipment		12,728	-
Provision for impairment of investment property		141,674	-
Provision for impairment on assets classified as held for sale		1,720	-
		<u>415,163</u>	<u>206,348</u>

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
40. OTHER INCOME			
Income from financial assets			
Dividend income from:			
- Dynea Paklatan Limited		6,127	2,042
- Habib Sugar Mills Limited		5,134	5,134
- TPL Properties Limited		1,197	-
- Allied Bank Limited		1,455	1,455
- Habib Bank Limited		309	326
- GlaxoSmithKline Pakistan Limited		3	3
- Mutual funds		353,638	515,488
		<u>367,863</u>	<u>524,448</u>
Interest on:			
- Bank balances		75,279	127,969
- Term deposit receipts		42,622	132,594
- Government treasury bills		12,340	50,910
- Term finance certificates (TFCs)		22,850	36,186
		<u>153,091</u>	<u>347,659</u>
Gain on sale of treasury bills		127,196	149,930
Gain on disposal of investment in mutual funds		24,553	19,318
Loss on revaluation of investments classified at FVPL		(31,208)	(6,432)
Reversal/(charge) of allowance for expected credit loss		132,522	(163,588)
Exchange gain/(loss) - net		83,730	(24,836)
Liabilities no longer payable written back		105,894	-
		<u>595,778</u>	<u>322,051</u>
Income from non financial assets			
Gain on disposal of property, plant and equipment		43,231	8,823
Gain on disposal of investment property		5,495	2,630
Gain on termination of lease arrangements		151	-
Rental income	40.1 & 40.2	1,916,846	1,827,792
Scrap sales of inventory and investment property		40,739	24,281
Claim from suppliers/customers		46,009	31,453
Rent from sign boards, utilities and others		60,543	61,465
Promotional activities		4,056	8,187
Insurance claim		31,850	295
Commission income		32	230
Others		532	126
		<u>2,149,484</u>	<u>1,965,282</u>
		<u>3,113,125</u>	<u>2,811,781</u>

40.1 Maturity analysis of operating lease payments

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

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
- Within one year		1,866,044	1,709,939
- After one year but not more than five years		7,452,848	6,748,080
- More than five years		1,837,689	3,350,930
		<u>11,156,581</u>	<u>11,808,949</u>

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.

40.3 Short-term rental concessions have been allowed due to COVID situation. These concessions are only in respect of one year contracts and the total impact of such concessions amount to Rs. 26.988 million (2020: Rs. 46 million), which have been adjusted from the rental income.

41. FINANCE COSTS

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Interest on:			
- Export Refinance Scheme		10,178	1,881
- State Bank of Pakistan's Refinance Scheme for payment of salaries and wages		2,411	183
- State Bank of Pakistan's Refinance Scheme for Temporary Economic Relief		478	-
- State Bank of Pakistan's Financing Scheme for Renewable Energy - Related Party		286	-
- Loan from Thal Boshoku Asia Corporation Limited - NCI		1,623	1,832
- Running finance facilities		15,212	40,494
- Workers' profit participation fund	31.7.1	-	1,096
- Lease liabilities		115,430	108,602
Amortisation of deferred income		(285)	-
		<u>145,333</u>	<u>154,088</u>
Bank charges and commission		28,443	18,591
		<u>173,776</u>	<u>172,679</u>

42. TAXATION

Current		1,616,260	1,050,094
Prior		(62,708)	(22,278)
		<u>1,553,552</u>	<u>1,027,816</u>
Deferred		316,570	67,278
		<u>1,870,122</u>	<u>1,095,094</u>

42.1 Relationship between income tax expense and accounting profit

Profit before taxation and share of profit of associates		<u>5,238,836</u>	<u>2,979,617</u>
Tax at the rate of 29% (2020: 24% - 29%)		1,519,263	863,054
Tax effects of:			
Income taxed at reduced rates on dividend and gain on disposal of investments		346,409	142,266
Income taxed under Final Tax Regime on export sales		(32,642)	(13,446)
Tax effect of inadmissible items		55,587	88,416
Tax credits		(7,231)	(2,832)
Others		(11,264)	17,636
		<u>1,870,122</u>	<u>1,095,094</u>

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:

	2021 (Rupees in '000)	2020 (Rupees in '000)
Net profit for the year attributable to the equity holders of the Holding Company	5,433,698	2,886,758
	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	67.06	35.63

Note

	2021 (Rupees in '000)	2020 (Rupees in '000)
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44. CASH GENERATED FROM OPERATIONS

Profit before taxation

Adjustments for non-cash charges and other items:

Depreciation on:

- Right of use assets

- Investment properties

- Others

Amortisation

Finance costs on:

- Lease liabilities

- Others

Interest income

Share in profit of associates

Liabilities no longer payable written back

(Gain) / loss on revaluation / redemption / disposal of investments classified at FVPL

Dividend income

Allowance for expected credit losses

Bad debts written off

Provision for impairment of property, plant and equipment

Provision for impairment of investment property

Charge/(reversal) of provision against assets classified as held for sale

Provision for retirement benefits

Unrealised exchange (gain)/loss on long-term loan

(Gain) / loss on disposal of investment properties

Gain on disposal of operating fixed assets

Increase in current assets

Stores, spares and loose tools

Stock-in-trade

Trade debts

Loans and advances

Trade deposits and short-term prepayments

Other receivables

Sales tax refundable

Increase in current liabilities

Trade and other payables

Sales tax payable

	2021 (Rupees in '000)	2020 (Rupees in '000)
Profit before taxation	7,779,651	4,326,831
Adjustments for non-cash charges and other items:		
Depreciation on:		
- Right of use assets	49,973	42,713
- Investment properties	337,107	323,884
- Others	602,662	509,126
Amortisation	64,510	46,177
Finance costs on:		
- Lease liabilities	115,430	108,602
- Others	58,346	64,077
Interest income	(153,091)	(347,659)
Share in profit of associates	(2,540,815)	(1,347,214)
Liabilities no longer payable written back	(105,894)	-
(Gain) / loss on revaluation / redemption / disposal of investments classified at FVPL	(120,541)	(162,816)
Dividend income	(367,863)	(524,448)
Allowance for expected credit losses	(132,565)	163,588
Bad debts written off	10,136	46,686
Provision for impairment of property, plant and equipment	12,728	-
Provision for impairment of investment property	141,674	-
Charge/(reversal) of provision against assets classified as held for sale	1,720	-
Provision for retirement benefits	8,060	3,089
Unrealised exchange (gain)/loss on long-term loan	(15,334)	20,283
(Gain) / loss on disposal of investment properties	(5,495)	(2,630)
Gain on disposal of operating fixed assets	(43,231)	(8,823)
	(2,082,483)	(1,065,365)
	5,697,168	3,261,466
Increase in current assets		
Stores, spares and loose tools	(16,158)	(7,648)
Stock-in-trade	(2,172,845)	(157,734)
Trade debts	(707,532)	(418,630)
Loans and advances	(63,149)	(21,957)
Trade deposits and short-term prepayments	(274,654)	139,587
Other receivables	(518,252)	(119,968)
Sales tax refundable	125,083	251,776
	(3,627,507)	(334,574)
Increase in current liabilities		
Trade and other payables	1,801,290	301,663
Sales tax payable	(15,687)	44,731
	1,785,603	346,394
	3,855,264	3,273,286

45. CASH AND CASH EQUIVALENTS

Cash and bank balances

Short-term borrowings

Note	2021 (Rupees in '000)	2020 (Rupees in '000)
21	2,680,774	3,742,388
32	(167,164)	(293,000)
	2,513,610	3,449,388

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 are as under:

Relationship	Nature of transactions	2021 (Rupees in '000)	2020 (Rupees in '000)
Associates	Sales	14,119,747	6,155,248
	Professional services rendered	221,412	200,122
	Rental income on properties	1,712,467	1,585,917
	Licence fee, signage and others	-	7,002
	Services acquired	-	8,452
	Franchising fee	25,825	7,022
	Insurance premium paid	49,529	62,898
	Insurance claim received	35,028	3,753
	Supplies purchased	1,133,771	660,528
	Purchase of assets	114,212	3,602
Retirement benefit funds	Purchase of goods	-	137
	Sale of assets	-	-
	Contribution to provident fund	57,596	49,557
	Contribution to retirement benefit fund	8,060	3,161

46.1 There are no transactions with the directors and key management personnel other than under the terms of employment as disclosed in note 46 to these consolidated financial statements.

46.2 The receivable / payable balances with related parties as at June 30, 2021 are disclosed in the respective notes to these 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.

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
5	Sindh Engro Coal Mining Company Limited	Associate (note 46.3.1)	11.90%	Equity investment
6	Thal Limited - Employees' Provident Fund	Retirement benefit fund	-	Contribution made
7	Thal Limited - Employees' Retirement Benefit Fund	Retirement benefit fund	-	Contribution made
8	Makro-Habib Pakistan Limited Limited - Employees' Provident Fund	Retirement benefit fund	-	Contribution made
9	Noble Computer Services (Private) Limited - Employees' Provident Fund	Retirement benefit fund	-	Contribution made
10	Habib Metro Pakistan (Private) Limited - Employees' Provident Fund	Employees' fund	-	Contribution made
11	Thal Boshoku Pakistan (Private) Limited - Employees' Provident Fund	Employees' fund	-	Contribution made
12	ThalNova Thar Power (Private) Limited	Joint Venture	-	Investment made
13	Metro Cash & Carry International Holdings B.V.	Associate of subsidiary	-	Dividend paid
14	METRO Pakistan (Private) Limited	Associate of subsidiary	-	Rental income

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 EXECUTIVES, DIRECTORS AND CHIEF EXECUTIVE

	2021			2020		
	Chief executive	Directors	Executives	Chief executive	Directors	Executives
	(Rupees in '000)					
Managerial remuneration:	56,025	-	607,487	48,150	-	570,466
Bonus:	9,000	-	91,352	-	-	72,748
Group's contribution to provident fund	2,429	-	17,527	1,687	-	18,277
Group's contribution to retirement fund	-	-	6,123	-	-	5,853
Other perquisites	-	-	9,484	-	-	3,210
	<u>67,454</u>	<u>-</u>	<u>731,973</u>	<u>49,837</u>	<u>-</u>	<u>670,554</u>
Number of persons	<u>1</u>	<u>6</u>	<u>77</u>	<u>1</u>	<u>6</u>	<u>77</u>

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 Five non-executive directors (2020: Five) have been paid fees of Rs 1,625,000 (2020: Rs 2,100,000) 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.

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:

	Rating agency	Rating
Bank Balances		
Habib Metropolitan Bank Limited	PACRA	A1+
Bank Al Habib Limited	PACRA	A1+
Bank Alfalah Limited	PACRA	A1+
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+
Faysal Bank Limited	PACRA	A-1+
Habib Bank Limited	VIS	A-1+
Meezan Bank Limited	VIS	A-1+
National Bank of Pakistan	PACRA	A-1+
United Bank Limited	VIS	A-1+
Telenor Microfinance Bank Limited	PACRA	A1
Al Baraka Bank (Pakistan) Limited	PACRA	A-1
Industrial and Commercial Bank of China Limited	S&P	A-1
Short term investments		
TFCs	VIS	A-1+

This includes rating assigned by an international rating agency to foreign bank.

51.3 Market risk

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

Under market risk the Group is exposed to currency risk, price risk and liquidity risk.

51.3.1 Foreign currency risk

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.

	2021	2020
	————(FCY in '000)————	
USD		
Bank balances	823	391
Trade receivables	745	131
Trade and other payables	(1,590)	(1,411)
Long-term loan	(1,453)	(1,459)
	<u>(1,475)</u>	<u>(2,348)</u>
EUR		
Trade and other payables	(764)	(553)
JPY		
Trade and other payables	(4,854)	(70,879)
CHF		
Trade and other payables	(4)	(27)
CNY		
Trade and other payables	(3)	-

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

	2021	2020
	————(Rs / FCY)————	
USD	158.30	168.75
EUR	188.71	189.73
JPY	1.43	1.57
CHF	171.86	177.43
CNY	24.76	24.00

Sensitivity analysis:

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

	Change	Effect on profit before tax	Effect on equity
	%	————(Rupees in '000)————	
2021	+ 10	(38,527)	(28,032)
	- 10	<u>38,527</u>	<u>28,032</u>
2020	+ 10	(61,722)	(44,909)
	- 10	<u>61,722</u>	<u>44,909</u>

51.3.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the loan from Toyota Boshoku Asia Corporation, cash and deposit and savings accounts and short term borrowings (export refinance scheme).

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

	Increase / decrease in basis points	Effect on profit before tax
2021	+ 100	5,348
	- 100	<u>(5,348)</u>
2020	+ 100	7,498
	- 100	<u>(7,498)</u>

51.3.3 Price risk

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

As at the statement of financial position date, the exposure to listed equity securities at fair value was Rs 300.058 million. A decrease of 10% in the fair value of these securities would have a negative impact of approximately Rs 30.006 million on equity. An increase of 10% in the prices of these securities would positively impact equity with the similar amount.

51.3.4 Liquidity risk

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

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

The maturity profile of the Group's liabilities based on contractual maturities is disclosed in note 50 to these consolidated financial statements.

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 net debt divided by total capital. Net debt is calculated as total borrowings less bank balances. Total capital is calculated as equity as shown in the Statement of Financial Position plus net debt. During the year, the Group's strategy was to minimize leveraged gearing.

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. As of reporting date, the Group is financed through equity and debt.

53. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different level have been defined as follows:

- Quoted prices (unadjusted) 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).

2021

Assets

- Listed shares at fair value through OCI
- Short-term investments in mutual funds
- Short-term investments in treasury bills and TFCs

	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
	300,058	-	-	300,058
	-	5,273,873	-	5,273,873
	-	1,833,814	-	1,833,814

2020

- Listed shares at fair value through OCI
- Short-term investments in mutual funds
- Short-term investments in treasury bills and TFCs

	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
	170,047	-	-	170,047
	-	3,776,099	-	3,776,099
	-	1,372,229	-	1,372,229

There were no transfers amongst levels during the year.

The market prices of listed shares have been obtained from Pakistan Stock Exchange and the market prices of mutual funds and TFCs have been obtained from Mutual fund association of Pakistan.

54. OPERATING SEGMENTS

54.1 Segment analysis

	2021				2020			
	Engineering	Building Materials and Allied Products	Real estate management & others	Total	Engineering	Building Materials and Allied Products	Real estate management & others	Total
Sales revenue - external	18,273,012	11,108,360	254,837	29,636,209	8,619,176	8,492,251	244,975	17,356,402
- Internal	-	-	151,814	(151,814)	-	-	159,054	(159,054)
Rental income	-	-	1,978,613	1,978,613	-	-	1,894,730	1,894,730
Total segment revenue	18,273,012	11,108,360	2,385,264	31,614,822	8,619,176	8,492,251	2,298,759	19,251,132
Segment result	2,587,276	1,873,489	1,174,751	5,635,516	814,881	1,040,427	1,220,667	3,076,064
Unallocated (expenses) / income:				(1,008,389)				(877,145)
Administrative and distribution costs				(248,905)				(159,662)
Other charges				1,034,390				1,113,039
Other income				5,412,612				3,152,296
Operating profit				(173,776)				(172,679)
Finance cost				2,540,815				1,347,214
Share of profit after tax of associates and joint venture				(1,870,122)				(1,095,094)
Taxation				5,909,529				3,231,737
Segment assets	9,560,103	8,404,775	13,295,887	31,760,331	6,843,710	6,908,554	13,039,361	25,309,627
Corporate assets				13,025,660				11,774,102
Unallocated assets				44,785,991				37,217,851
Segment liabilities	4,110,827	1,765,759	1,730,630	7,051,147	2,719,256	1,130,675	3,482,540	5,069,813
Corporate liabilities				274,667				222,536
Unallocated liabilities				830,180				372,003
				8,155,994				5,664,352

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

The Building material and allied products segment includes jute, papersack and laminate operations.

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

54.2 Geographical Information of customers Revenues from customers (Country wise)

	2021	2020
	(Rupees in '000)	
Pakistan	27,869,295	16,081,196
Australia	125,623	48,483
Belgium	6,903	-
Egypt	-	321,666
Greece	11,931	4,442
Indonesia	30,950	-
Italy	62,152	80,351
Jordan	32,885	12,415
Kuwait	-	4,731
Malaysia	2,332	3,731
Netherlands	57,286	-
New Zealand	60,112	4,363
Oman	1,112	-
Qatar	3,127	-
Saudi Arabia	2,894	2,797
Sudan	-	5,911
Switzerland	183,916	51,315
Tanzania	23,124	-
Turkey	162,980	239,904
Turkmenistan	-	106,955
Uganda	3,771	-
United Arab Emirates	987,031	382,458
United Kingdom	2,205	-
United States of America	6,580	3,332
Others	-	2,352
	<u>29,636,209</u>	<u>17,356,402</u>

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

54.3. Revenue from one customer amounted to Rs. 13,995 million (2020: Rs. 6,087 million), arising from sales in the Engineering Segment.

54.4. All non current assets of the group as at June 30, 2021 (June 30, 2020) are located in Pakistan.

55. **NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors in its meeting held on September 10, 2021 has approved the following:

(i) transfer of Rs. 2,649 million from unappropriated profit to general reserve; and

(ii) payment of cash dividend of Rs. 6.00 per share for the year ended June 30, 2021 for approval of the members at the Annual General Meeting to be held on October 12, 2021.

56. **NUMBER OF EMPLOYEES**

56.1 Total number of employees

	2021	2020
Total number of Company's employees as at June 30,	4,704	4,821
Average number of Company's employees during the year	4,763	4,544

57. **GENERAL**

57.1 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications to report.

57.2 Figures have been rounded off to the nearest thousands.

58. **CORRESPONDING FIGURES**

For better presentation, corresponding figures have been rearranged as follows:

Transfer from	Transfer to	Rupees in '000
Short-term investments - Term Deposit Receipts	Cash and bank balances - Term Deposit Receipts	2,358,100
Other income - Claim from customers	Raw material consumed	126,286
Revenue - net - Export sales	Distribution and selling expenses - Freight expenses	59,942
Revenue - net - Local sales	Distribution and selling expenses - Freight expenses	64,807
Other charges - Allowance for expected credit loss	Other income - Reversal/(charge) of provision for expected credit loss	163,588
Other charges - Exchange loss - net	Other income - Exchange gain/(loss)	24,836

59. **DATE OF AUTHORISATION FOR ISSUE**

These consolidated financial statements were authorized for issue on September 10, 2021 by the Board of Directors of the Holding Company.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ای۔ ڈیویڈ میٹڈ بیٹ فارم

ہم آپ کو مطلع کرنا چاہتے ہیں کہ کمپنی ایکٹ ۲۰۱۷ کے سیکشن ۲۳۲ کی شقوں کے مطابق کسی بھی لسٹڈ کمپنی کے لئے یہ لازم ہے کہ شیئر ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرونک طریقہ کار متعلقہ کے حامل شیئر 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 (ٹیکو ایسوسی ایٹس) پرائیویٹ لمیٹڈ، 8-F، نزد ہوٹل قادان، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو ارسال کریں۔

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

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

انٹرنیشنل بینک اکاؤنٹ نمبر (ٹیلی فونٹ ملاحظہ کریں) _____ پی کے _____

اکاؤنٹ نمبر _____
 برانچ کوڈ _____
 بینک کا نام _____
 بینک برانچ اور ڈاک کا مکمل پتہ _____
 سی این آئی سی نمبر (کاپی نسلک) _____
 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 کرنا رہوں گا۔

شیئر ہولڈر کے دستخط

نوٹ:

براہ مہربانی مکمل آئی پی ایس این نمبر اپنی متعلقہ برانچ کے ساتھ مکمل بینکنگ کے بعد فراہم کریں تاکہ آپ کے بینک اکاؤنٹ میں الیکٹرونک کرڈٹ کو براہ راست ممکن بنایا جاسکے۔

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

ایسے شیئر ہولڈرز جو فزیکل صورت میں شیئر ز کے حامل ہوں ان سے درخواست ہے کہ اپنا مطلوبہ ڈیویڈ میٹڈ بیٹ فارم باقاعدہ ہر کر کے متعلقہ شیئر رجسٹرار کو جمع کرائیں۔ وہ شیئر ہولڈرز جو سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں شیئر رکھتے ہیں ان سے درخواست ہے کہ وہ مطلوبہ منافع منقسمہ کا مینڈیٹ فارم باقاعدہ بھرنے کے بعد اپنے پارٹنیشن / انویسٹر اکاؤنٹ سرورسز کو جمع کرا دیں۔

Form of Proxy
 Fifty Fourth Annual General Meeting

The Secretary
 Thal Limited
 House of Habib, 4th floor
 Shahra-e-Faisal,
 Karachi - 75350

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 falling him / her _____ of _____

as my / our proxy to vote for me/us and on my/our behalf at the 55th Annual General Meeting of the Company to be held on October 12, 2021 and or any adjournment thereof.

Signed this _____ day of _____

WITNESSES:

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

۵۴ واں سالانہ اجلاس عام

سیکرٹری

تھل لمیٹڈ

ہاؤس آف حبیب، چوتھی منزل

شاہراہ فیصل، کراچی۔ ۷۴۵۰۰

میں/م

ساکن

ضلع

میں بحیثیت ممبر تھل لمیٹڈ اور ہولڈر ہايت

عام شیئرز جن کے شیئرز رجسٹرڈ نمبر

اور/یا سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر

اور ڈی اے 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 ۱۳ اکتوبر ۲۰۲۰ء کو منعقد کئے جانے والے کینی کے ۵۵ ویں سالانہ اجلاس عام میں میری/ہماری جگہ ووٹ دے سکیں۔

دستخط مورخہ ۲۰۲۱ء

گواہان:

دستخط

نام

پتہ

شناختی کارڈ نمبر

یا پاسپورٹ نمبر

دستخط

نام

پتہ

شناختی کارڈ نمبر

یا پاسپورٹ نمبر

نوٹ:

۱۔ اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا استحقاق رکھنے والا کوئی بھی ممبر کینی کے کسی دوسرے ممبر کو اپنی جگہ شرکت کرنے اور ووٹ دینے کیلئے اپنا پراکسی مقرر کر سکتا/سکتی ہے ماسوائے کارپوریٹ ادارہ جو کسی بھی ایسے فریکو پراکسی مقرر کر سکتا ہے جو کینی کا ممبر نہ ہو۔

۲۔ موثر عمل ہونے کے لئے پراکسی اجلاس کے وقت انعقاد سے کم از کم ۲۸ گھنٹے قبل کینی کے رجسٹرڈ آفس میں لازماً وصول ہو جائیں۔

۳۔ سی ڈی سی شیئرز ہولڈرز اور ان کے پراکسی لازمی طور پر اس پراکسی فارم کے ساتھ اپنے کیپیٹراٹرز ذمہ داری شناختی کارڈ یا پاسپورٹ کی تصدیق و نقل منسلک کریں۔

(دستخط نمونہ کے مطابق ہونے چاہئیں
دستخط کینی کے پاس رجسٹرڈ ہونے چاہئیں)
دستخط
مبلغ ۵ روپے
کے ڈاک ٹکٹ

ملین امریکی ڈالر کے مساوی پاک روپے کی مجموعی رقم کی منظوری دی تھی جس میں ۳۳۰ ملین امریکی ڈالر کی ایکویٹی انویسٹمنٹ، ۵۰ ملین امریکی ڈالر کی رقم برائے کاسٹ اور رین اور ۰.۸ ملین امریکی ڈالر کی رقم برائے ڈیٹ سروسنگ ریڈر LIBOR/KIBOR قسٹ وچل کے باعث قابل منہا) شامل ہے۔ ایس ای سی ایم سی ماسنگ پروجیکٹ کا فیئر-۱ 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-۱ میں ۷.۷ ملین امریکی ڈالر کی مجموعی رقم بطور ایکویٹی انویسٹمنٹ کی ہے جبکہ ایس ای سی ایم سی میں ۹.۱ 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 کرے (جیسا کہ مالیاتی دستاویزات میں واضح کیا گیا ہے) ۱۱-سینڈ بائی لیئر آف کریڈٹ فیئر-۱ کے لئے استعمال شدہ ایکویٹی کے سلسلے میں جاری کر دیا گیا ہے تاکہ اور۔ دن سپورٹ اخراجات کے معاہدہ جاتی مالی فراہمی اور ڈیٹ سروس ریڈر کا کاسٹ اپنی جگہ برقرار رکھیں اور مالیاتی دستاویزات کی شرائط کے مطابق قرض دینے والے کو طلب کیا جائے۔

ایس ای سی ایم سی کے فیئر-۱۱ کا فیصلہ کلوز ۳۱ دسمبر ۲۰۱۹ کو حاصل کیا گیا تھا۔ ایس ای سی ایم سی کے فیئر-۱۱ کیلئے قسٹ لینڈ کے بورڈ آف ڈائریکٹرز نے ۱۰.۵ ملین امریکی ڈالر کے مساوی پاک روپے کے مجموعی ایکویٹی کی منظوری دی تھی جس میں ۹.۷ ملین امریکی ڈالر کی ایکویٹی سرمایہ کاری، کاسٹ اور رین اخراجات کیلئے ۳ ملین امریکی ڈالر اور ۰.۸ ملین امریکی ڈالر برائے ڈیٹ سروسنگ ریڈر LIBOR/KIBOR قسٹ وچل کے باعث قابل منہا) شامل ہیں۔

۳۰ جون ۲۰۲۱ء کے مطابق کمپنی نے ایس ای سی ایم سی میں ۹۸۲،۰۵۳،۰۹۲ ملین روپے کی سرمایہ کاری کر کے ہر ایک ۱۰ روپے کی ظاہری مالیت کے ۸۵۱،۸۶۷،۸۶۷ عمومی شیئر ۸۴۲،۸۲۲ روپے فی شیئر کی قیمت پر حاصل کئے۔ کمپنی نے فیئر-۱۱ کیلئے ۲۰۳ ملین امریکی ڈالر کے باقی ماندہ ایکویٹی معاہدے کیلئے قرض دینے والے اداروں (لینڈرز) کے حق میں ایک سینڈ بائی لیئر آف کریڈٹ جاری کر دیا۔

فیئر-۱۱ کیلئے ایس ای سی ایم سی نے قسٹ وچل ڈیپا وچر (پرائیویٹ) لینڈ اور قرضہ زنجی لینڈ کے ساتھ بالترتیب ہر ایک ۳۳۰ روپے وچل اور پلانٹ کیلئے ۹.۹ ملین ٹن گنٹ اضافی کی فراہمی کے سلسلے میں کول پلانٹ معاہدے کئے ہیں۔

۲۰۲۰ء کی پہلی ششماہی میں COVID-19 (کوویڈ-۱۹) کی وبائی صورتحال نے فیئر-۱۱ کے لئے نام لائن کو بری طرح متاثر کیا۔ پروجیکٹ کمپنی اب ۲۰۲۲ء میں فیئر-۱۱ کے لئے تجارتی آپریشن کی تاریخ حاصل کرنے کی کوشش کر رہی ہے۔

• قسٹ وچل (پرائیویٹ) لینڈ

غیر معمولی اجلاس عام ہفتہ ۲۲ مارچ ۲۰۱۸ء میں قسٹ وچل ڈیپا وچر (پرائیویٹ) لینڈ ("قسٹ وچل") سے متعلق کاروبار کے بارے میں انٹینس کواپ ایت کرنے کے ضمن میں منظوری دی گئی تھی۔

• ایکویٹی کی شمولیت، کاروباری ادارہ پاسسر کی معاہدت

سالانہ اجلاس عام ہفتہ ۲۲ مارچ ۲۰۱۸ء میں شیئر ہولڈرز نے ۵۸ ملین امریکی ڈالر (پاس کے مساوی پاک روپے) تک کی ایکویٹی شامل کرنے اور ۳۷ ملین امریکی ڈالر (پاس کے مساوی پاک روپے) کی حد تک ایک رقم میں سینڈ بائی لیئر آف کریڈٹ کے انتظام کی منظوری دی تھی تاکہ ایکویٹی کی مالیاتی ذمہ داری کو تقاضا اور ۳۷ ملین امریکی ڈالر (پاس کے مساوی پاک روپے) کی کمرشل خطرات کی ضمانت لینے کی ذمہ داری پوری کی جائے اور اس کے ساتھ کمپنی کو ۲۳۰ ملین امریکی ڈالر (پاس کے مساوی پاک روپے) تک کے ڈیٹ سروس ریڈر سپورٹ کیلئے ای او نمیت کی معاہدت/سرمایہ کاری کے ضمن میں ہوں۔ اسپاسر کی ایس معاہدتی "سرمایہ کاری" قرض دینے والوں کے ساتھ اسپاسر سپورٹ انگریڈنٹ کے تحت عمل میں آئے گی۔ کمپنی کا ارادہ ہے کہ یہ اسپاسر سپورٹ سرمایہ کاریاں بذریعہ زرجمعی شیئرز اور یا عمومی شیئرز اور یا ایکویٹی ذمیت 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 زرجمعی شیئرز ہوں تو کلیدی شرائط ۱۱ فیصد کی ایکویٹی پر امریکی ڈالر کا منافع شامل کیا جائے گا جو اسی صورت میں مجموعی ہوگا اگر ادا نہیں کی تاریخ پر مکمل ادا نہ کیا اور کمپنی کے اختیار کے تحت قابل انشاک

(redeemable) ہوں۔

کمپنی (ذیلی کمپنیوں یا منسلک اداروں میں سرمایہ کاری) ریگولیشنز ۲۰۱۷ء کے سیکشن ۳(۲) کے مطابق معلومات:

درکار معلومات	فراہم کردہ معلومات
(اے) مجموعی منظور کردہ سرمایہ کاری	جیسا کہ اوپر درج ہے
(بی) ایک تک کی گئی سرمایہ کاری کی رقم	۳ ملین امریکی ڈالر (پاک روپے میں مساوی رقم) کی ایکویٹی شمولیت
(سی) سرمایہ کاری کی منظور کردہ مدت سے انحراف کیلئے اسباب، جہاں سرمایہ کاری کا فیصلہ مقررہ مدت میں لاگو کیا گیا تھا	قسٹ وچل پر پروجیکٹ کے فیصلہ کلوز میں مختلف وجوہات کے باعث ہونے والی ذمہ داریوں کی رقم لائن سے زائد تھی اور بعد ازاں اسے ۳۰ ستمبر ۲۰۲۰ء کو حاصل کر لیا گیا۔ تجارتی آپریشن کی تاریخ متوقع طور پر تقویمی سال ۲۰۲۲ء کی دوسری ششماہی ہے۔ ایکویٹی انٹینس ٹیول ڈیٹ کی تسہیم کو اب شامل کیا جائے گا اور توقع ہے کہ ۲۰۲۲ء میں اسے مکمل کر لیا جائے گا۔
(ڈی) منسلک کمپنی یا ذیلی ادارے کے مالیاتی حسابات میں ضروری تبدیلی سرمایہ کاری کی منظوری کیلئے خرابی کی منظوری کی تاریخ سے کی گئی	منسلک کمپنی نے آج کی تاریخ تک تمام شیئر ہولڈرز سے ۹.۳ ارب پاک روپے (یا ۶۶.۶ ملین امریکی ڈالر) کی مجموعی ایکویٹی انٹینس وصول کی ہے۔ منسلک ذیلی ادارے ۳۰ ملین امریکی ڈالر (پاک روپے میں مساوی) کی ادائیگی کے عوض ای پی سی کنٹرولنگ کیلئے رقم کا ایک محدود وٹوش جاری کیا جو فیصلہ کلوز سے قبل فیصلہ راتی کام کے آغاز کیلئے تھا۔ فیصلہ کلوز ۳۰ ستمبر ۲۰۲۰ء کو حاصل کر لیا گیا تھا اور قرض دینے والے اداروں سے قرضوں کی تسہیم کا آغاز اپریل ۲۰۲۱ء سے ہوا۔ پروجیکٹ کی تعمیر جاری ہے تاہم کوویڈ سے متعلق چیلنجوں کے باعث درمیان مشکلات کی وجہ سے پروجیکٹ کو خیر کا سامنا ہے۔ کمپنی کو توقع ہے کہ تجارتی آپریشن کا آغاز تقویمی سال ۲۰۲۲ء کی دوسری ششماہی میں ہو جائے گا۔

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ کچنی کے ممبران کا ۵۵ واں سالانہ اجلاس عام بروز منگل ۱۲ اکتوبر ۲۰۲۱ کو سر پورہ ۳۰۳ بیچے درج ذیل امور کی انجام دہی کیلئے بذریعہ الیکٹرونکس ڈیجیٹل ہولنگ منعقد کرنے کا اہتمام کیا ہے:

عمومی کارروائی

- ۱۔ ۲۰۲۱ کو ختم ہونے والے سال کیلئے کچنی کے سالانہ اڈٹ شدہ مالیاتی حسابات مع ان پروازیکٹرز اور ڈیٹریڈ کی رپورٹس کی وصولی و اخراجات اور منظوری۔
- ۲۔ سال ۲۰۲۰-۲۱ کے لئے حتمی نقد منافع تقسیم شرح ۱۲۰ فیصد (یعنی ۶۰۰ روپے فی شیئر) کی منظوری، جیسا کہ بورڈ آف ڈائریکٹرز نے سفارش کی ہے۔ یہ سلیبی سے ادا کئے جانے والے ۸۰ فیصد عبوری منافع تقسیم یعنی ۶۰۰ روپے فی شیئر کے علاوہ ہے۔ ۲۰۲۰-۲۱ کیلئے مجموعی منافع تقسیم کی رقم ۲۰۰ فیصد یعنی ۶۰۰ روپے فی شیئر ہو جائے گی۔
- ۳۔ ۲۰۲۱ کو ختم ہونے والے سال کے لئے ڈیٹریڈ کا تقسیم راداران کے معائنہ کا تہہ۔ موجودہ ڈیٹریڈ سرکاری دائی فورڈرز بورڈ، چارٹرڈ اکاؤنٹنٹس رجسٹریزور ہے ہیں اور اہل ہونے کی نام پر انہوں نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔

حسب اہم بورڈ



کچنی بیکری

کراچی: سلمان خالد

۱۰ اکتوبر ۲۰۲۱ء

ساتھ کچنی کی خریداری کے معاہدے پر بھی دستخط کئے اور پرائیویٹ پاور انفراسٹرکچر بورڈ کے ساتھ اپنی سٹیٹین ممبران سے پر دستخط کئے گئے 2022 تک قرض نووا 3306 بیلکواٹ پلانٹ خود انحصاری کے سفر کے ساتھ ہارے ملک کے کام کے لئے توانائی فراہم کرنے کا آغاز کرے گا۔

پورے سال کے دوران بناری کامیابی کے اعزاز پر ہمارے ممبران موجود تھے۔ ان کی پیشہ ورانہ پورسٹ پر پورے کاروبار میں ڈیجیٹل ٹرانسفارمیشن کی راہ آنے کے باعث خصوصی توجہ دی گئی۔ فریم ورک اور باڈی پلانے آف لائن اور آن لائن دونوں میں اپریل کے عملے اہلکاروں کے رجسٹریشن کو فروغ کو مدد دینے اور ضرورت پڑنے پر سٹینڈ کولانے میں مدد دی۔

COVID-19 (کوویڈ-۱۹) کی ایس او ایچ پر عمل کی سختی اور ان کے تھنڈ کے لئے کچنی سے عمل کرنا کی اور تمام عملے کے لئے سٹریک کے مقامات کو کچنی بنایا۔ ایک ایسا سال جس میں ہر ایک ادارے نے 99 فیصد ویکسی نیشن کو کچنی بنایا ہم نے بھی کاروبار کو جاری رکھے اور صارف کو کچنی سروسز دینے کیلئے ویکسی نیشن سے تمام حقائق انڈامات کے اور اپنے صارفین، اسٹیک ہولڈرز اور شراکت کاروں کو ایک منافع بخش حصہ فراہم کیا۔

آپ کے سامنے کہنے سے گلے سناج آپ کے بورڈ آف ڈائریکٹرز کو پیش کئے گئے۔ ان کی سپورٹ نے کچنی کی کامیابی کو کچنی بنایا اور میں ان کے مزاحمتوں پر دلی طور پر شکور ہوں۔

میں آڈٹ اور پیس ریسورس اور ڈیویڈنڈز پر بورڈ کی آڈٹ کمیٹیوں کا بھی ان کے اہم معاملات پر ان کی معاونت کیلئے شکور یہ ادا کرنا چاہوں گا۔

میں اب اپنے اشرف ممبران کی انتخاب چاہوں کہ ہمت کروں گا جنہوں نے تمام ٹھنڈ اوقات میں ہمارے لئے کام کیا۔

میں اپنے شیئر ہولڈرز، صارفین، ڈیٹریڈ اور کاروباری شراکت کار بھی دلی شکور ہوں جن کی ہم خدمت کر رہے ہیں۔ یہ ہمارا امر اور ذمہ داری ہے کہ ہم آئندہ بھی آپ کی بلند تر توقعات پر پورا اتریں۔

جیسا کہ ہم ایک اور عظیم سال کی کامیابی سنا رہے ہیں جیسا کہ کوئی تاخیر و غلطی اور محترم رہ سکے۔ اس موقع پر دعا ہے کہ اللہ تعالیٰ قرض لہانہ کیلئے عظیم تر بلندیوں کا سفر ہمیشہ جیتی بنائے۔


رشیہ ام حبیب
چیئر مین

منافع کی تقسیم و تخصیص

ڈائریکٹرز نے موجودہ سال کے منافع سے درج ذیل تخصیص کی تجویز دی ہے:

- حتمی نقد منافع منقسمہ بحساب 6.00 روپے فی شیئر، یعنی 120 فیصد کا اعلان کیا گیا ہے جو 4.00 روپے فی شیئر یعنی 80 فیصد کے عبوری منافع منقسمہ کے علاوہ ہے۔
- غیر تخصیص شدہ منافع میں سے 2,649 ملین روپے کی رقم جنرل ریزرو میں مختص کرنے کی سفارش کی جاتی ہے۔

اعتراف

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



چیف ایگزیکٹو آفیسر

کراچی:

مورخہ: 10 ستمبر 2021



ڈائریکٹر

چیئر مین کی جائزہ رپورٹ 2021

ایک سنگل جوٹل کے طور پر کام کا آغاز کرنے والی اب ایک مختلف النوع اور متنوع تر ادارے کی صورت میں قابل فخر جدت طرازی کے امتیاز کا حامل ہے۔ ہم اگلے ہو کر حالات سے نکلنے اور ملک کو استحکام کے راستے پر گامزن کرنے کیلئے کوشاں ہیں۔ آج قتل لمینڈ آٹو انجینئرنگ تعزلی سسٹمز، الیکٹریک سسٹمز اور انجن کیپٹنس میں سرگرم عمل ہے۔ سٹیٹیک اور بلڈنگ میٹریل بزنس اپنی ہم عصر کمپنیوں کے مقابلے میں برآنے والے سال میں مضبوط سے مضبوط تر ہوتے جا رہے ہیں۔

مجھے یہ رپورٹ پیش کرتے ہوئے انتہائی مسرت ہو رہی ہے کہ آپ میں سے ہر ایک نے قتل لمینڈ کے تحت ہر ایک ادارے میں غیر معمولی کارکردگی کا مظاہرہ کیا ہے۔ گروپ کا منافع بعد از ٹیکس 15.9 ارب روپے ریکارڈ کیا گیا اور سال بہ سال کے لحاظ سے انتہائی خوش آئند 83 فیصد تک بڑھا گیا۔

دیبا بھر میں جاری و باہمی صورت حال اور گزشتہ سال تمہاری پابندیوں کے باوجود ملک میں صارفین اور کاروباری اتحاد میں نمایاں اضافہ ہوا۔ یہ سب حکومت کی پالیسیوں کی وجہ سے ممکن ہوا جس کو روپے کی قدر ختم ہونے، برآمدات میں اضافے، پیداوار بڑھنے اور سخت زر مبادلہ کے ذخائر سیت زر سیلابات میں اضافہ سے مزید مدد ملی۔ بعد از آں پاکستان نے آئی ایم ایف اور عالمی بینک کے پروگرامز سے مدد لی اور اس موزوں حالات کو جاری رکھا جا سکا۔

کمپنی کا شعبہ انجینئرنگ انوپارٹس کی تیاری پر توجہ دے رہا ہے اور بڑھتی ہوئی طلب کے باعث اس کی پیکر ڈیجیٹل ہو چکی ہے۔ مارکیٹ میں نئے ادوی ایئر کے آنے سے چیلانی بھی بڑھی ہے۔ میں مسرت یہ بات کہتا ہوں کہ قتل بہت تیزی سے آگے بڑھ رہا ہے۔ آئی ٹی سیکٹر میں موزوں ترین گرو تھ وہ جدید ترین ٹیکنالوجیز کو جلد از جلد رائج کرنے کی کمپنیوں کی تنظیم پالیسی کی بدولت ممکن ہوئی اور ہماری امتیازی جدت طرازی کو برقرار رکھا گیا جس کا صارفین ہمیشہ ہم پر اعتماد کرتے ہیں۔ مزید برآں حکومت پاکستان نے الیکٹریک گاڑیوں کے لئے پرنٹیشن پالیسیوں کا اعلان کیا، ان سے امکانات کی بدولت ہمارے لئے اپنی مارکیٹ پوزیشن کو مزید منظم بنانے اور اپنی جگہ کو مزید وسیع بنا کر فروغ پانے کا ایک اور موقع حاصل ہوا۔

جوٹ ذرخون نے بھی بھاری برآمدی سیکٹر کے ذریعے مثبت نتائج ظاہر کئے اور پاکستانی اناج بریوں کی طلب میں اضافہ ہوا۔ پیکر ڈیجیٹل کاروبار کے صارف پر توجہ کی حکمت ہے۔ ایک وہیہ جوڑے گروپ میں ظاہر ہوا۔ انتظامیہ پر اعتماد ہے کہ اس صورت حال کے باعث خام جوٹ، بجلی اور موجودہ بیٹری کی صورت حال کے باوجود نتائج کی شرح کو برقرار رکھا جا سکے گا۔ آپ کی انتظامیہ پورے عزم اور یقین کے ساتھ آگے آنے والے چیلنجز کو جتنا بہتر کرنے کیلئے تیار ہے اور ہم امید ہے کہ اس کی مارکیٹ لیڈر کی حیثیت برقرار ہے گی۔ سرگرمیاں جاری ہیں اور پروڈکٹ کے معیار، پیداواری کارکردگی میں بہتری اور صارفین کا دائرہ کار وسیع کرنے کے ساتھ مقامی اور برآمدی مارکیٹوں میں پروڈکٹ پورٹ فولیو پر توجہ دینے کا سلسلہ جاری رہے گا۔

ہیج پیکی بزنس نے اپنی پروڈکٹ کے تمام شعبوں میں گروتھ ظاہر کی جبکہ بین الاقوامی مارکیٹ سے میٹریل کی قلت کا سامنا رہا۔ سینٹ بیٹز اور ٹیک او نے بیٹز نے اس شعبے کے لئے کامیابی کا راستہ ہموار کیا۔ اس مدت کے دوران عزم اور یوتھ گزشتہ سال کے مقابلے میں نمایاں حد تک بڑھے۔ یہ سال ان ہفت اخراجات بشمول خام کاغذ کے نرخوں میں بڑھنا اور چیلانی میں رکاوٹوں کے باعث ہر ایک سرمایہ پر ہی سٹیج پر بڑھتے رہے تاہم کمپنی انتہائی ہر امید ہے اور اس نے پوری پرائیمن بیک سینئر مینجمنٹ میں 1.7 ارب روپے کی سرمایہ کاری کی ہے یہ پلانٹ سینٹ اور ٹان۔ سینٹ سیکٹر میں بڑھتی ہوئی طلب کو پورا کرنے میں معاونت فراہم کرے گا اور اس سے پروڈیکٹ کو بخوبی تمہاری سٹیج پر لایا جاسکے گا۔ کمپنی شاپی حصے میں سینٹ کے ہیج پیٹرن کے پلانٹ کو اپ گریڈ کرنے کا کام بھی کر رہی ہے۔ جس سے سینٹرل اور شمالی خطوں میں ہمارے صارفین کو 48 سینٹ بیٹز کی سرورسز چاہسکیں اور ہمارے جب اور گڈان پلانٹس میں 1.75 میگا واٹ سولر پاور پلانٹ کی تحصیب سے ہمارے اسٹیک ہولڈرز، سماجی طبقات اور کاروبار کو ختم سٹیشن ملے گا۔

مقامی کمپنیوں اور مشرق وسطیٰ میں کمپنٹس بزنس فورامیت کی تین شعبوں میں طلب بڑھی ہے۔ ہم گزشتہ سال کی اسی مدت کے مقابلے میں سال کے دوران بہتر نتائج فراہم کرنے میں کامیاب رہے ہیں۔ نئی مصنوعات کے متعارف کرانے، کارکردگی میں نظم و ضبط اور وقت کی پابندی کے لئے مقامی طلب اور برآمدی ضروریات کو پورا کیا گیا۔ سٹاز کی منصوبہ بندی اور چیلانی یقین کے بندوبست سے سٹیشن میں بھی قابل قدر گروتھ کے تجارت کو آگے لے جانے میں مدد ملی۔

قتل یوشکو پاکستان (پرائیویٹ) لمیٹڈ ("قتل یوشکو") نے کامیابی کے ساتھ گرین زون میں ذرخون کے ساتھ کارکنس کی تیاری کا ایک سال مکمل کر لیا ہے۔ کاربنل کی ایک سال کی بعد اب طلب بحال ہو چکی ہے اور بتدریج عزم اور تنوع بڑھ رہا ہے۔ اس کے نتیجے میں قتل یوشکو کو انتہائی اعلیٰ معیار کی کارکنس کے ساتھ مارکیٹ میں اپنی جگہ بہتر بنانے میں کامیاب رہا اور اس کا اعتراف صارفین کی جانب سے بھی کیا گیا۔ کمپنی نے مثبت نقد بہاؤ حاصل کیا اور بہرونی قرضہ جات نے چیلنج پر گرنے کا رجحان ظاہر کیا۔

قوانا کی شعبے میں سندھ ایگریکول مائننگ کمپنی لمیٹڈ (ایس ای سی ایم سی) قمر کوئل بلاگ-11 میں پاکستان کا پہلا اوپن پٹ مائننگ پروڈیکٹ قائم کرنے میں سرگرم عمل ہے۔ 2021 کی پہلی ششماہ میں ایس ای سی ایم سی نے باسپاٹ انداز میں کام کیا اور 2 ملین ٹن کوئل سپلائی کیا اور 17.6 ارب روپے کارپوریٹ سیکر یوتھ اور 16.2 ارب روپے کا منافع بعد از ٹیکس حاصل کیا۔ آئندہ مرحلے میں ایس ای سی ایم سی نے قتل نووا پاور قمر (پرائیویٹ) لمیٹڈ ("قتل نووا") اور قمر ازبی لمیٹڈ کے ساتھ کوئلے کی فراہمی کے معاہدوں پر دستخط کئے۔ ایس ای سی ایم سی 330 میگا واٹ کے ہر ایک پاور پلانٹس کو سالانہ 1.9 ملین ٹن کوئلے فراہم کرے گی۔

قتل نووا نے 30 ستمبر 2020 کو قتل کوز حاصل کیا۔ COVID-19 (کوویڈ 19) کی نئی لہر کے زخمی کے کاموں پر اثرات کے باوجود سائنس پر تعمیراتی سرگرمیاں جاری رہیں۔ ادارے نے سینٹرل پاور پراجیکٹس کی

شیئر ہولڈنگ کا طرز بمطابق 30 جون 2021 اس رپورٹ کے ساتھ منسلک ہے۔

بورڈ نے چیف ایگزیکٹو آفیسر، چیف فنانس ایگزیکٹو آفیسر، مینٹرنل آڈٹ کے سربراہ اور کئی دیگر اہم افسران کی تعیناتی کے طور پر کیا ہے جن کا کئی کے شیئرز میں لین دین اسٹاک ایکسچینج کو رپورٹ کرنا ضروری ہے۔

ڈائریکٹرز ٹینک پر گرام

جناب رفیق ایم۔ حبیب، جناب سلمان برنی، ایس ای سی پی کی جانب سے ڈائریکٹرز کے تربیتی پروگرام سے مستثنیٰ ہیں کیونکہ ہر ایک ڈائریکٹر بورڈ پر خدمات انجام دینے کیلئے مطلوبہ قابلیت اور تجربے کے حامل ہیں۔ جناب محمد علی آ۔ حبیب، جناب عمران علی حبیب، جناب آصف قادر اور محترمہ عالیہ سعیدہ خان، پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کی جانب سے سرٹیفکیشنڈ ہیں۔

ایٹارنی اور مالیاتی رپورٹنگ فریم ورک میں کوڈ آف کارپوریٹ گورننس پر عملدرآمد کا اسٹینڈ

۱۔ کئی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹینڈ میں کئی کے معاملات، آپریشن کے نتائج، رقومات کے بہاؤ اور دیگر امور میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔

۲۔ کئی کے حسابات کیلئے کھاتوں کو درست طور پر مرتب کیا گیا ہے۔

۳۔ مالیاتی اسٹینڈ کی تیاری میں ہر جگہ حسابات کی پالیسی کو درست طور پر استعمال کیا گیا ہے اور حسابات کے تجزیے کے سلسلے میں مناسب ترین اور آشنائیدہ فیصلے کئے گئے ہیں۔

۴۔ مالیاتی اسٹینڈ، پاکستان میں ناکوئین الاقوامی مالیاتی رپورٹنگ کے معیارات کی بنیاد پر تیار کئے گئے ہیں۔

۵۔ بورڈ نے انٹرنل آڈٹ کے اسٹورجی ڈیویژن، میسرز نیشنل کمپیوٹر سروسز (پرائیویٹ) لمیٹڈ کو تفویض کئے ہیں جو اس کام کیلئے نہایت سوزوں اہلیت اور تجربے کے حامل ہیں اور کئی 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 کئی کے تمام بہران آزادانہ، ایگزیکٹو ڈائریکٹرز ہیں۔

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

۹۔ اصول و ضوابط کی نگرانی میں درج کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی بات خارج نہیں کی گئی ہے۔ ایک مشاہدہ اخلاق تیار کر کے ہر ڈائریکٹر اور ہر ملازم کو پہنچا دیا گیا ہے۔

۱۰۔ پراویڈنٹ فنڈ اور ریٹائرمنٹ فنڈ میں سرمایہ کاری کی رقم بمطابق 30 جون 2021، بالترتیب 688 ملین روپے اور 80 ملین روپے ہے۔

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

ڈائریکٹرز کی مجموعی تعداد اور درج ذیل کے مطابق (7) ہے:

۱۔	مرد	6
۲۔	خاتون	1

بورڈ ممبرز کے نام اور سال کے دوران منعقد ہونے والی 7 میٹنگز میں ان کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
1	جناب رفیق ایم۔ حبیب (چیئر مین)	7/7
2	جناب محمد علی آ۔ حبیب	7/7
3	جناب عمران علی حبیب	7/7
4	جناب آصف قادر	7/7
5	محترمہ عالیہ سعیدہ خان	6/7
6	جناب سلمان برنی	7/7
7	جناب محمد طیب احمد ترین	7/7

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

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
1	جناب آصف قادر (چیئر مین)	4/4
2	جناب محمد علی آ۔ حبیب	3/4
3	جناب عمران علی حبیب	4/4
4	جناب سلمان برنی	4/4

سال کے دوران ہیومن ریسورسز اینڈ ڈیولپمنٹ کمیٹی کا صرف ایک اجلاس ہوا اور اس میں ڈائریکٹرز کی حاضری درج ذیل رہی:

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
1	جناب آصف قادر (چیئر مین)	2/2
2	جناب محمد علی آ۔ حبیب	2/2
3	جناب سلمان برنی	2/2
4	جناب محمد طیب احمد ترین	2/2

انرجی سیکٹر میں سرمایہ کاریاں

سنہ ۱۹۸۶ اور ۱۹۸۷ کے مابین

ایس ای سی ایم سی حکومت سندھ، قلعہ، ایگریگاؤں، پاور جنریشن، سولڈ اسٹیٹ لائٹ ہاؤس، ایس ای سی ایم ایس کی سرمایہ کاریوں نے آئی سی سی کے مابین ایک جواہر ڈیجیٹل ہے۔ یہ فیکٹری بلڈنگ ۱۱ میں پاکستان کے سٹیٹ اوپن ہینڈ مینٹ پر ہجرت کو تیار کرنے میں سرگرم عمل ہے۔

ایس ای سی ایم سی ۱۰ جولائی ۲۰۱۹ کو 3.8 ملین ڈالر کی سرمایہ کاریوں (فیکٹری) کیلئے اپنے تمام آئی ٹی کے ذریعے حاصل کر چکا ہے۔ سولڈ اسٹیٹ لائٹ ہاؤس (پرائیویٹ) لائٹنگ کی جانب سے ۲x330 کم کردہ 2 میگا واٹ پاور جنریشن پلانٹ کیلئے کوآپریٹو کر رہا ہے۔

تقویمی سال 2021 کی پہلی ششماہ میں ایس ای سی ایم سی نے باآسانی کام کرتے ہوئے 2 ملین ڈالر فراہم کیا اور 17.6 ارب روپے کی سیکرٹریوں کو فراہم کیا اور 6 ارب روپے کا بعد از گیس منافع حاصل کیا۔ اس کے ساتھ ایس ای سی ایم سی نے اس مدت کے دوران مثبت پیش قدمیوں کو حاصل کیا یہ پروجیکٹ کی تکمیل کی تاریخ (PCD) کے حصول تک اپنے تمام سہ ماہیوں کے تحت کسی بھی منافع مختصر کے اعلان سے متوجہ قرار دی گئی ہے جو "ٹرو اپ" (Trueup) اور ایس ای سی ایم سی کی ایڈجسٹڈ پرفیکٹ کی پیشین گوئی سے مشروط ہے، جو فیکٹری اور انرجی بورڈ کی جانب سے جاری کی گئی ہے۔ ایس ای سی ایم سی کی انتظامیہ تقریباً سال 2022 میں اپنی ہی ڈی کی حصول میں سہولت کیلئے ریگولیٹرز کے ساتھ رابطے میں ہے۔

ایس ای سی ایم سی نے کامیابی کے ساتھ 31 دسمبر 2019 کو 7.6 mtpa کے لئے اپنے کان کنی کے آپریشن کی توسیع کیلئے فنڈنگ حاصل کر لیا۔ فیکٹری 11 کے لئے ایس ای سی ایم سی قلعہ نوآباد پاور (پرائیویٹ) لائٹنگ اور انرجی لائٹنگ کے ساتھ کول پلانٹیڈ ایگریگیشن کر رہی ہے جو باقی چھ ماہوں میں ایک 330 میگا واٹ پاور پلانٹ کیلئے انسانی 1.9 ملین ڈالر کی سرمایہ کاریوں کے سلسلے میں ہیں۔

COVID-19 (کوروناء وائرس) کی عالمی وبا کی صورتحال نے ترقی کے عمل کو بڑی حد تک متاثر کیا ہے۔ اس کے باوجود پروجیکٹ تکمیل تقریباً سال 2022 میں فیکٹری 11 کے لئے تمام آئی ٹی کے حصول کیلئے کوشاں ہے۔

تین ایس ای سی ایم سی میں 11.9 فیصد تقوی شیئر ہولڈنگ کی حاصل ہے۔

قلعہ پاور (پرائیویٹ) لائٹنگ

قلعہ پاور پاور پراجیکٹ لائٹنگ "قلعہ نوآباد" قلعہ پاور پراجیکٹ لائٹنگ نوآباد پاور جنریشن (نوآباد لائٹنگ کے ذیلی ادارے) اور سولڈ اسٹیٹ لائٹنگ ایک شیئرڈ کمپنی ہے جو سندھ میں واقع 330 میگا واٹ مائن ڈاکٹر کول فائرڈ پاور جنریشن پلانٹ قائم کرنے کیلئے ہے۔ یہ پاور پلانٹ ایس ای سی ایم سی کی جانب سے چھانڈ جانے والی مائن سے نکالے جانے والے دسی کوکس سے چلایا جائے گا۔

چارج سٹیشنری اینڈ انجینئرنگ کارپوریشن ("سی ایم ای سی") کو ای سی سی کے ساتھ پاور پراجیکٹ کے ساتھ ایک شیئرڈ کمپنی کے طور پر ایکٹیو ایس ای سی ایم سی کے ساتھ مل کر لیا گیا۔ قلعہ نوآباد ایس ای سی ایم سی کے ساتھ سالانہ 1.9 ملین ڈالر کی سرمایہ کاریوں کیلئے کول پلانٹیڈ ایگریگیشن (سی ایم ای سی) پر دستخط کے ہیں۔ اس نے سینٹرل پاور پراجیکٹ (کارتھ) لائٹنگ (سی پی بی اے) کے ساتھ پاور پراجیکٹ کے ساتھ پاور انجینئرنگ (پی بی اے) اور پرائیویٹ پاور انجینئرنگ (پی بی آئی بی) کے ساتھ ایگريگیشن ایگریگیشن ("آئی اے") بھی کیا ہے۔

قلعہ نوآباد 30 دسمبر 2020 میں فنڈنگ حاصل کیا اور ترقی کی پہلی قسط پر پیل 2021 میں وصول کی۔

سالانہ پراجیکٹ کی سرگرمیاں COVID-19 (کوروناء وائرس) کی ترقی کے ترقیاتی عمل میں جاری اثرات کے باوجود جاری ہیں۔ پروجیکٹ کے بارے میں امید ہے کہ تقریباً سال 2022 میں آؤٹ لائن ہو جائے۔

یونین ریگولیشن

قلعہ لائٹنگ میں تمام عالمی وسائل کی طاقت پر یقین رکھتے ہیں۔ ہمارے 4 ہزار سے زائد محکمہ عملے کے اندر ہر ایک ملازم ہمارا قیمتی سرمایہ ہے اور ہم ان کی صلاحیتوں میں اضافے اور ان کی مہارتوں کو چمکانے کی کوششیں جاری رکھیں گے۔ ان سکھانے اور چیلنجنگ صورتحال کے دوران یونین کی بہترین کارکردگی اور ان کی صلاحیتوں کا فروغ کسی بھی دیگر کوشش کے مقابلے میں ایک سال کے اندر کامیابی کی ایک دوڑ کی مثال ہے۔

ملازمین کی شمولیت، پرفیکشن، اور مہارتوں کے بہتر مفہوم کے ٹیچر کے ساتھ مل کر یونین اور سینئر ملازمین ہمارے لئے باعث فخر ہیں۔ ہماری ایچ آر ٹیم کی مرکزی سطح پر یونٹ کے فروغ کا فریم ورک تشکیل دیا گیا ہے جو کہ ہمارے ملازمین کو بہتر بنانے، ان کے فروغ، فعالیت اور ان کو برقرار رکھنے میں معاون ہے۔ بہترین کارکردگی، پائیدار ادارے کو تشکیل دینے کے وقتوں کے ذریعے تنظیم کو سہما سہما اور آپریٹنگ ایبل اور آپریٹنگ ایبل کو برقرار رکھنے کے ساتھ اغراض و مقاصد سے ہم آہنگ ہے اور کئی کارکنوں کو ملازمین اور اس کے ذیلی اداروں میں اپنی بہترین خدمات فراہم کر رہا ہے۔

انتظامیہ کی سطح پر کارکردگی کے معیار کا جائزہ لینے کیلئے اور کاروبار کے تمام پیمانوں میں امتیازی کارکردگی کا سلسلہ جاری رکھنے کیلئے ایک ایگزیکٹو کمیٹی فریم ورک تشکیل دیا گیا ہے۔ یہ فریم ورک عوام کیلئے رہنما ہدایات اور ایک پروفیکٹو تشکیل دیتا ہے جو ان کے کام کی قدر اور ہمارے اصولوں کو واضح کرتا ہے۔ کارکردگی کے لئے کام کی صلاحیت جانچنے اور اس کے لئے مرامات دینے کے نظام کی تشکیل کے ذریعے ہم یہ کہتے ہیں کہ ملازمین کو نئے چیلنجوں سے غلطیوں اور بہترین صورتحال کا سامنا کرنے کے لئے ہر موقع کا مقابلہ کرنے کی اپنی صلاحیتیں بڑھانے کی ضرورت ہے۔

ہر ایک ملازم ہماری کامیابی میں اپنا حصہ داتا ہے اور ہم نے COVID-19 (کوروناء وائرس) کی جاری وبائی صورتحال کے دوران بھی آؤٹ لائن اور آؤٹ لائن ویدوز طریقوں سے اس کا جائزہ لیا ہے۔ قلعہ کی بہترین کارکردگی کا پھر برقرار رکھنے کے ضمن میں پرفیکشن فریم ورک میں بہترین کارکردگی کے ساتھ کاروبار کے لئے ایک ایگزیکٹو کمیٹی فریم ورک تشکیل دیا گیا ہے۔ یہ فریم ورک عوام کیلئے رہنما ہدایات اور ایک وبائی صورتحال کے دوران روابط کے کئی پیمانوں کو ملازمین، مینیجر اور حکام کے درمیان برقرار رکھنے کے ضمن میں دستیاب ہے اس گزشتہ سال میں غلطیوں کو برطرف سے تیار رکھنے کے لئے آؤٹ لائن تربیت دی گئی تاکہ وہ کام کے ہمارے شیول میں تازہ ترین ڈیولپمنٹس کو یقین دہانے میں مدد کر سکیں اور وہ گھریا سائنٹ پر مبنی طور پر کام انجام دے سکیں اور اس حوالے سے بہت بہت ڈیولپمنٹس حاصل ہوئے۔ ہم کامیابی سے آؤٹ لائن ٹیکنیکل ٹیم انجام دے رہے ہیں جس میں عملے کو سائنٹیکل ڈیولپمنٹس کو مزید 80 فیصد درست نتائج کے ساتھ تربیت کی سہولت فراہم کی جارہی ہے۔ قلعہ کے پورے ادارے میں ہماری ہیڈ ریسورسز کی ٹیمیں COVID-19 (کوروناء وائرس) کی صورتحال کے حوالے سے اپنی اہمیت کو سمجھ رہی ہیں۔ ہر ایک کوشش نے 99 فیصد ویکسی نیشن اور کام کے محفوظ ترین ماحول کی فراہمی کو یقینی بنانے کے ذریعے ملازمین کے تحفظ کو یقینی بنایا ہے۔

منصوبہ بندی ایسی کی جارہی ہے اور ایک جدید ٹیکنی دنیا کی جانب پیش قدمی کر رہے ہیں بشمول ہمارے مربوط فریم ورکس اور پالیسیوں پر تشکیل نو نیز عالمی رجحانات کے جائزے پر توجہ ہے تاکہ کام کے تمام پہلوؤں میں مستقلی اور ترقیاتی ضروریات پر مشتمل کام کی رفتار کو برقرار رکھا جائے

صحت، تحفظ اور ماحولیات (HSE)

تین فیکٹری کے ساتھ ایک ایسا ماحول تشکیل دینی ہے جس میں حفاظت اور بہترین ترجیح ہے۔ کوشش کے مقاصد میں تصورات سے تشنہ اور کام کیلئے محفوظ ماحول کو برقرار رکھنا شامل ہے۔ پورے سال کے دوران کوشش نے حفاظت کے انتظامیہ طریقہ کار پر عملدرآمد کیا جس کے نتیجے میں کوشش نے 7.9 ملین محفوظ افرادی قوت کے حامل گئے اور کام کے کسی نقصان والے دن کے بغیر 790 محفوظ ایام کار حاصل کئے۔

مزید برآں قلعہ انجینئرنگ میں بین الاقوامی معیار سے ہم آہنگ، کوششیں، سسٹمز پر توجہ دینے کا سلسلہ برقرار رکھا جس میں آئی کے تشکیل کیلئے اور بین الاقوامی ایس او 45001 (ISO-45001) شامل ہیں۔ کوشش ایسی ہائیڈریشن آؤٹ پاکستان کی جانب سے باقاعدہ تسلیم شدہ ہے اور پرفیکشن و سیکورٹی کے ساتھ 2020-2021 OSH&E کے لئے بہترین پرفیکشن ایوارڈ کی تکمیل میں دوسری پوزیشن حاصل کی۔

اس کے علاوہ کوشش نے تمام ترمیمیں، پراجیکٹس اور حفاظت مقامات پر فوری رد عمل دینے والے جدید ترین ٹیکنالوجی اور ڈیوائسز کو استعمال کیا اور ڈیوائسز کو سنبھال کر رکھے ہیں۔ ان کوششوں پر غور کرتے ہوئے فائر ہیکلین ایسی آؤٹ پاکستان نے قلعہ انجینئرنگ کو ریسنی ایوارڈ 2020-21 تقویٰ کیا۔

قلعہ انجینئرنگ نے سالانہ HSE رپورٹ بھی بنایا۔ اس سال COVID-19 (کوروناء وائرس) کی ویکسی نیشن کی اہمیت کام کے مقامات پر ڈیجی اور پیار ہونے سے تشنہ اور سٹیبل وینٹس کے معاملات کے بڑھتے ہوئے شعور پر توجہ دی گئی۔

ہم ایک سماجی ذمہ دار ادارے کی حیثیت سے ماحولیات کے ضمن میں بھی کوشش کی ذمہ داری سے بخوبی آگاہ ہیں۔ پورے سال کے دوران اس شعبے پر خصوصی توجہ مرکوز کی گئی۔ قلعہ انجینئرنگ 2 فیصد کے بڈجٹ کے برخلاف 4 فیصد تک کاربن کے اثرات کم کرنے میں کامیاب رہا۔ کوششوں نے ماحولیات اور صحت کیلئے ان بہترین کوششوں کا اعتراف کیا اور قلعہ انجینئرنگ کو انوائرمنٹ ایکٹیویٹس ایوارڈ 2020-21 تقویٰ کیا۔

بیج سیک برٹس

بیج سیک برٹس نے اپنی پروڈکٹ کے تمام شعبوں بالخصوص سینٹ میں نمایاں گروتھ حاصل کی جس میں فصل بیج سیک 4 دہائیوں سے زائد عرصے سے سرکردہ پوزیشن کا حامل اور مارکیٹ لیڈر ہے۔

اس مدت کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں حجم اور آمدنی دونوں میں نمایاں حد تک اضافہ ہوا۔ ان بات اخراجات بالخصوص ہمارے مرکزی خام مال بیج نے بھی عالمی سیلابی میں کمی کے باعث سہ ماہی فیاد پر تیزی کا رحمان ظاہر کیا۔

حکومت نے تعمیراتی صنعت کیلئے ایک ریٹیفیکیشن کا اعلان کیا جس سے سینٹ کے تھیلوں کیلئے طلب پر مثبت اثرات مرتب ہوئے۔ دیگر شعبوں مثلاً فوڈ گریٹریٹیز اور صنعتی یورپوں کے حجم بھی ریسنورٹمنس کی جانب سے ٹیک۔ اوے اور ہوم ڈیپور میں اضافے کے سبب بڑھ گئے۔

برٹس کے تمام شعبوں میں منافع کی شرح برقی جس کی وجہ بلند ترجمہ، بہتر آپریشن کنٹرول اور وسائل کا کفایت استعمال تھا۔

کمپنی نے سینٹ اور نان۔ سینٹ سیکٹرز میں پوری پرائیمن بیکز کیلئے مارکیٹ میں اپنی اہمیت کے پیش نظر دو دن پوری پرائیمن بیکز میں پورے حجم فیسیلیٹی میں 1.7 ارب روپے کی سرمایہ کاری کی ہے۔ یہ پروڈیکٹ چینل کے مراحل میں ہے

اور ہم پراہم وہیں کہ اس کی تکمیل اور کھرٹا کریشن بروقت ہوگی۔ کمپنی ہارتھ میں اپنی بیج سیک کمپنی کو بھی اپ گریڈ کر رہی ہے جس سے ہم سینٹرل اور ناٹھر ریجن میں اپنے صارفین کو بہتر خدمات کی فراہمی میں مزید معاونت فراہم کر سکیں گے۔ برٹس انرجی کے بڑھتے ہوئے اخراجات کو کم کرنے میں مدد دینے کی غرض سے جب اور گروپ میں اپنے پائش میں مجموعی 1.75 میگا واٹ پاور کی تحویل کیلئے بھی سرمایہ کاری کر رہا ہے۔

آؤٹ لک

بڑھتے ہوئے خام مال کے نرخوں کی وجہ سے آنے والے سال کا ہمیں منظر چشمنگ ہے تاہم ہمیں امید ہے کہ سینٹ کی یورپوں اور دیگر شعبوں میں طلب مثبت رجحان ظاہر کرے گی۔ انتظامیہ پاکفایت پیداواری عمل، مارکیٹ کی طلب میں اضافے اور ملازمین کے لئے کام کے کھوکھلا محول کی فراہمی پر توجہ دیتی رہے گی۔ تاہم زرمبادلہ کے نرخوں میں آہر چڑھاؤ، پاور ٹیرف میں اضافے اور بین الاقوامی مارکیٹ میں کانفڈ کے بڑھتے ہوئے نرخ آنے والے مہینوں کے دوران کاروبار کے لئے بدستور چشمنگ کا باعث ہے رہیں گے۔

لیمپٹنس برٹس

لیمپٹنس برٹس تین اہم شعبوں میں "نورمٹ" کے برائے نام کے تحت سرگرم عمل ہے یہ تین شعبے ایچ بی ایل (ہائی پریڈر لیمپٹنس)، کمپیکٹ لیمپٹنس اور لیمپٹنس بورڈز ہیں۔ ہر ماہ اپنے معیار اور کارپوریٹ ویلجے کے لئے انفر اہمیت کیلئے معروض ہے۔

سال کے ابتدائی حصے میں COVID-19 (کوویڈ 19) کی پہلی لہر کے بعد مارکیٹ نے بہتری ظاہر کی تھی۔ اس کے نتیجے میں لیمپٹنس برٹس نہ صرف سال کے دوران مقامی سیکڑ گرتھ برقرار رکھنے میں کامیاب رہا بلکہ اس نے برآمدات کے ضمن میں مشرق وسطیٰ کی مارکیٹوں میں اپنے کلائنٹس کو بھی برقرار رکھا۔ مزید برآں اس نے مقامی اور برآمدی مارکیٹوں دونوں میں سے معیاری و تنظیم صارفین کا بھی اضافہ کیا۔

پاکفایت پیداواری عمل پر توجہ، بہتر سٹور اور سیلابی برقرار رکھنے کی منصوبہ بندی کے باعث لیمپٹنس برٹس نے سال کے دوران بہتر نتائج فراہم کئے جو گزشتہ سال کی اسی مدت کے مقابلے میں نمایاں حد تک مثبت تھے۔ عالمی مارکیٹوں اور خام مال کی سپلائی کی صورت حال بدستور پرائسنگ اور چینک ٹائم لائنز کے ضمن میں بے یقینی کا شکار ہیں جس کے سبب خام مال کے کھوکھلا سٹاکس کی ضرورت پہلے سے زیادہ ہو چکی ہے۔

آؤٹ لک

حالہ چند ماہ کے دوران حجم اور نرخوں کے لحاظ سے مارکیٹ سست روی کا شکار رہا ہے۔ اس کے علاوہ فرٹس میں اضافہ اور روپے کی قدر میں کمی نے برٹس کیلئے لاگت کا چشمنگ سامنے رکھا ہے۔

پلانٹ کی کارکردگی بہتر بنانے کیلئے برٹس نے معیار بہتر بنانے، مجموعی کلائنٹ برھانے اور ڈیلیوری ٹائم لائنز میں بہتری کے لئے مختلف پروڈیکٹس کا آغاز کیا ہے۔ ان جاری کردہ اقدامات کے باعث ہمیں یقین ہے کہ لیمپٹنس کا کاروبار مستقبل قریب کے لئے ایک منافع بخش برٹس کے طور پر جاری رہے گا۔

ذیلی ادارے

فصل بیج سیک پاکستان (پرائیویٹ) لمیٹڈ

سال 2020-21 کے دوران کمپنی کی سیکڑ میں گزشتہ سال کے مقابلے میں کمی گنا اضافہ ہوا۔ سیکڑ میں اضافہ بنیادی طور پر پورے سال کے دوران سٹ پیلانٹ کے آپریشنز کے سبب ہوا جس کا آغاز جون 2020 سے کیا گیا تھا۔

مزید برآں گزشتہ سال کے آخر میں COVID-19 (کوویڈ 19) کے لاک ڈاؤن کے باعث سرگرمیاں نمایاں حد تک بند ہونے کی مدت کے بعد رواں سال کے لئے حجم نمایاں حد تک بڑھ گیا جس کے نتیجے میں سیکڑ اور منافع کی شرح میں اضافہ ہوا۔

حجم، نرخوں میں اضافے اور پروڈکٹ کے فروغ کے ساتھ کمپنی مارکیٹ میں اپنی موجودہ پوزیشن کو بہتر بنانے اور داخلی معیاری کلائنٹس تیار کرنے کی ملاحیت حاصل کرنے میں کامیاب رہی جس کو صارفین کی جانب سے گھر پور پڑ پرائی ٹی۔ کمپنی نے مثبت کلائنٹس کو حاصل کیا اور اپنی ٹیکو پڈریشن پوزیشن کو بہتر بنانے کے ساتھ بروٹی قرضہ جات پر اھتھار کو کم سے کم کرنا یا۔

آپریشن کی موجودہ جانب پر تمام صارفین کی سپلائی کی ضروریات "زیر ہاتھ رکھنے" کے ساتھ پوری کی گئی ہے اور پورے سال کے دوران برٹس کو صارفین کی جانب سے "مگرین ڈون" میں دکھا گیا۔ پیداواری کفایت کو بہتر بنانے کا یقین اور ہمارے پیج ممبران کیلئے کام کرنے کے سہولیات اور محفوظ ماحول فراہم کرنے کے ضمن میں توجہ کا سلسلہ بھی برقرار ہے۔

کمپنی کے مستقبل کیلئے خوش نظر مقامی معیشت کے مستقبل دباؤ کے باعث چشمنگ نظر آتا ہے۔ تاہم آؤٹ سیکڑ اور ای ایم سے طلب کی کمی چند صورتوں میں بھی دکھائی دیں۔ اس کے علاوہ سٹے اور ای ایم کمپنیوں نے مقامی پروڈیکٹس کا آغاز کیا جس سے صارفین کا وائر کاروبار چھانے کیلئے مزید مواقع پیدا ہوئے۔ کمپنی کاروبار کے فروغ میں بھی موثر شہور پر سرگرم عمل ہے اور نہ امید ہے کہ آنے والے سالوں میں نئے کاروباروں کو مزید تھیل حاصل ہوگا۔

صیب سیکڑ پاکستان (پرائیویٹ) لمیٹڈ

صیب سیکڑ پاکستان (پرائیویٹ) لمیٹڈ (ایچ ایم بی ایل) کا مرکزی کاروبار چارجیو اور کی ملکیت اور اس کا انتظام ہے۔ کمپنی کیش اینڈ کیوری ریشیل ریشیل برٹس کے فروغ اور اپنے اسٹور کی لوکیشن سے کاروباری قدر و قیمت بڑھانے کیلئے مختلف کاروباری مواقع تلاش کر رہی ہے۔

سال کے دوران فصل لمیٹڈ کو 544 ملین روپے کی مجموعی اہمیت کے منافع مقررہ کی ادارہ جاتی کمی گئی۔

ٹیکو۔ صیب پاکستان لمیٹڈ

معزز عدالت عظمیٰ پاکستان نے صدر اسٹور کے لئے ایم ایچ بی ایل کی نظر ثانی پیشین مسترد کر دی تھی اور اس کے نتیجے میں ایم ایچ بی ایل کا صدر اسٹور 11 ستمبر 2015 کو بند کر دیا گیا تھا۔

9 دسمبر 2015 کو ہونے والی پیش رفت ہونے کے بعد سپریم کورٹ آف پاکستان نے آری ویلیٹیڈ ٹرسٹ (اے ڈی وی ٹی) کی درخواست برائے نظر ثانی پیشین کی سہ ماہی منظور کر لی۔ 2 فروری 2016 کو اس کی سماعت میں معزز جج جسٹس نے ٹیکو، کیا کر چوکیا۔ اے ڈی وی ٹی کی نظر ثانی پیشین میں ایم ایچ بی ایل اور وزارت دفاع کو بھی میرٹ پر بحث کا موقع ملنا چاہئے کیونکہ وہ بھی اے ڈی وی ٹی کی پیشین میں جواب داران ہیں۔

اے ڈی وی ٹی کی نظر ثانی درخواست کی سماعت کیلئے نئے چیٹج سے قبل 17 اکتوبر 2017 کی تاریخ مقرر کی گئی تھی تاہم شری اور کے ڈی وی ایس بی کی نمائندگی کرنے والے کونسل کی جانب سے الطواہکی درخواست کے باعث کوئی کارروائی انجام نہیں دی جا سکی۔ یہ چیٹج فصل لمیٹڈ کا مکمل ملکیتی ادارہ ہے۔

معاہدے کی آئندہ سماعت کی کوشش کی جاری ہے اور کمپنی کسی مناسب حل کیلئے کوششیں جاری رکھے گی۔

توش کیمپ ٹرسٹوز (پرائیویٹ) لمیٹڈ

کمپنی انٹرنل ڈنٹ، آئی ٹی، ایڈوائزر، ایچ آر اور دیگر انتظامی خدمات سے متعلق ٹرسٹوز باؤس آف صیب کی گروپ کمپنیوں کو فراہم کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ یہ چیٹج فصل لمیٹڈ کا مکمل ملکیتی ادارہ ہے۔

پاکستان انڈسٹریل ایڈز (پرائیویٹ) لمیٹڈ

اپنے جمہوری آپریشنز کے ذریعے کمپنی نے آؤٹ پائش اور ایڈز کنڈیشننگ ٹیس کی آن سو پائل ایسبلو اور آؤٹ پائش اینڈ ٹیکسٹائل کو فراہم کر کے اپنا کاروبار جاری رکھا ہے۔ یہ فصل لمیٹڈ کا مکمل ملکیتی ادارہ ہے۔

شعبہ انجینئرنگ

کئی کا شعبہ انجینئرنگ ٹھیک اور انجینئر کے اجراء کے کاروبار اور انجینئرنگ سسٹم پرنسپل پر مشتمل ہے۔ ان کاروباروں نے اپنی بنیادی توجہ ٹیکنالوجی اور انجینئرنگ کے لئے پائلٹ کی تیاری پر مرکوز کر رکھی ہے۔

انجینئرنگ کے شعبے نے گزشتہ سال کی 8,108 ارب روپے کی بیلز کے مقابلے میں اس سال 16,209 ارب روپے کی بیلز بیکارڈ کی اور 100 فیصد اضافہ حاصل کیا جبکہ پاکستان آٹوموٹو نیویگیٹو ریگریٹو انجینئرنگ ("بی اے ایم اے") کی پوروش کے مطابق انجینئرنگ کی بیلز میں 56.7 فیصد اضافے کے ذریعے مجموعی ٹیکنالوجی اور انجینئرنگ کے شعبے میں اضافہ ہوا۔

سال 2020-21: ٹیکنیکل کیلئے نمایاں حد تک بحالی کا سال رہا۔ اس کی بیدار شدہ سببوں کا تعارف اور نئے مارکیٹ کے اداروں مثلاً ہنڈائی ٹیکنالوجی (ہانڈائی ٹیکنالوجی) اور ماسٹر موٹر کارپوریشن (ہانڈائی ٹیکنالوجی) مارکیٹ میں صارفین کے لئے نئے آپشن فراہم کئے۔ صارفین نے کم شرح سود کے باعث 2020-21 میں اپنی گاڑیوں کی خریداری پر خصوصی توجہ دی کیونکہ ٹیکنالوجی اور پالیسی کے تحت ٹیکس میں کمی کی گئی تھی۔

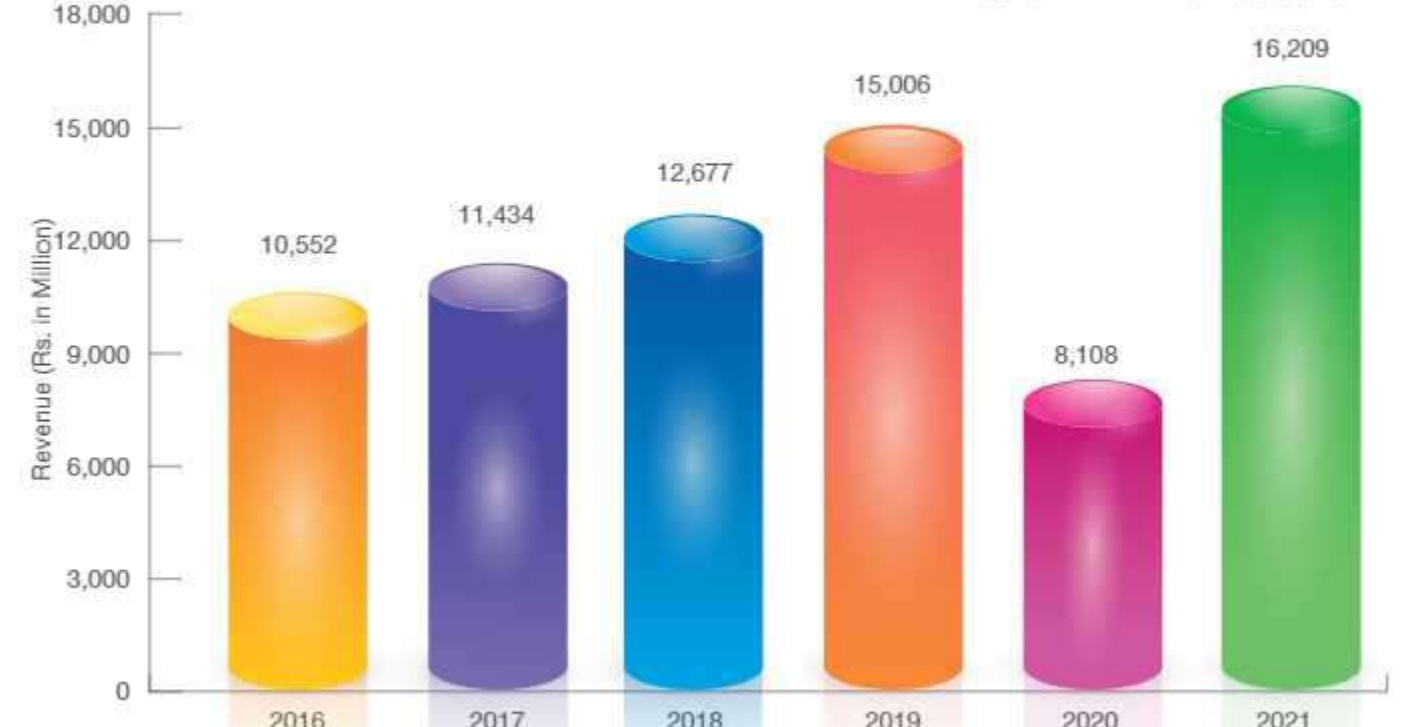
معیشت پر COVID-19 (کوویڈ 19) کی دہائی صورتحال کے اثرات اور مقامی صنعت کی صورتحال جولائی 2021 کے بعد تیز ہو گئی کیونکہ حکومت پاکستان ("پی او پی") کی جانب سے لاگ ڈاؤن میں نرمی کی گئی تھی۔ حکومت پاکستان کی جانب سے فراہم کردہ مراعات بشمول کم شرح سود کے باعث مقامی صنعت نے اپنی رفتار بحالی کی اور صارفین بھی مارکیٹوں میں دوبارہ لوٹ آئے۔ ہم توقع کرتے ہیں کہ صارفین کی طلب میں اضافہ آتا رہے گا۔

انتظامیہ نے کاروباری توسیع پر توجہ دینے کا سلسلہ برقرار رکھا اور اس کے ساتھ ساتھ مختلف آپریشنل کوڈز کو برقرار رکھنے کے لئے مقامی تیاری اور لاگوں پر بھی توجہ دی گئی۔ مزید برآں سرگرمیوں کو کئی بنانے اور کوویڈ 19 کے پھیلاؤ کو روکنے کیلئے انتظامیہ نے بین الاقوامی اور مقامی رجسٹریڈ اڈا کیلئے ایجنڈا روڈ آپریشن پروگرامز ("ایس او پی") اور ایجنڈا روڈ آپریشن پروگرامز ("ایس او پی") اور ایجنڈا روڈ آپریشن پروگرامز ("ایس او پی") کی پیکسی پیش کرائی۔

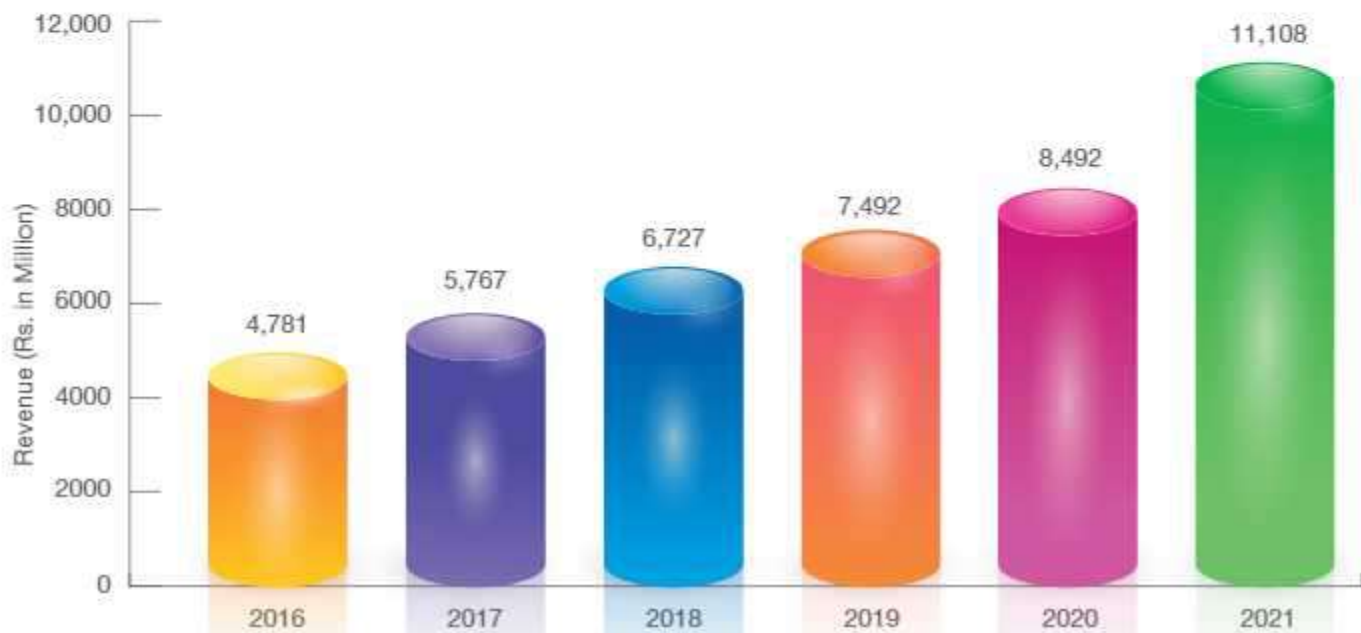
آگے بڑھتے ہوئے انتظامیہ اور جیٹل ایجنڈا روڈ آپریشن پروگرامز ("ایس او پی") کو اپنی پالیسی بنائے، ناجائزاتی اقدامات کی بہتر فراہمی اور نئے ادائیگی مثلاً ہنڈائی ٹیکنالوجی اور ایجنڈا روڈ آپریشن پروگرامز ("ایس او پی") سے کاروبار کے حصول پر توجہ دینی رہے گی جبکہ مستقبل بہتری کے عمل کے ذریعے باکلیت پیداواری عمل بڑھایا جائے گا۔

آڈٹ لگ

آنے والے مالی سال کے دوران آڈٹنگ میں صارفین کی بڑھتی ہوئی طلب کے پیش نظر بہتری کا امکان ہے۔ مختلف بندرگاہوں پر رش کے باعث سیلابی کی صورتحالی بری طرح متاثر ہوئی ہے اور یہ نظر آتا ہے کہ ای ٹی ڈی میں تاخیر اور دہائی سامان کی ای ٹی ڈی اے 2022 کے وسط تک برقرار رہے گی۔



جانے والے سال کے دوران اس شعبے نے سال بہ سال کی بنیاد پر 31 فیصد (11.0 ارب روپے بمقابلہ گزشتہ سال 8.5 ارب روپے) شرح نمو حاصل کی۔



جوٹ پرنس

اللہ تعالیٰ کے فضل و کرم سے جوٹ ڈویژن نے کامیابی کا سفر برقرار رکھا ہے اور پاکستان کی جوٹ انڈسٹری میں نمایاں حیثیت سے اپنی پوزیشن کو برقرار رکھا۔ جون 2021 کو ختم ہونے والے مالیاتی سال میں کاروباری ترن اور ادوار نتائج کو بہتری کی جانب بڑھتے دیکھا گیا جس کی وجہ بہتر برآمدی بیلز اور مقامی طلب میں اضافہ تھا۔

کئی نے معیار لاگت کو باکلیت دینے میں نمایاں سرمایہ کاری کا سلسلہ جاری اور گھاس کے لحاظ سے پیچیکس پرنس کے لیے پیچیکس بہتر بنانے پر توجہ دی۔

بلگدیش اور بھارت میں جوٹ کی فصل خراب ہونے کی وجہ سے خام جوٹ کی مالیت میں نمایاں حد تک اضافہ ہوا۔ بجلی، گھاس اور دیگر اخراجات میں بھی پاکستانی روپے کی قدر میں کمی اور مقامی سطح پر اخراجات میں اضافے کی وجہ سے اضافہ ہو گیا۔

یہ صورتحال کاروبار کی طویل مدتی مالیت مسابقت کے لئے ایک بڑا چیلنج بن چکی ہے۔

کاروبار نے امریکی اخراجات میں بڑھتے ہوئے اضافے کو کم کرنے کی غرض سے سولر جزییشن میں بھی سرمایہ کاری کی ہے۔ جون 2021 میں ٹیکس بھگت ایک بیج ڈاٹ کی گھاس لائی گئی۔

آڈٹ لگ

آپ کی انتظامیہ پروڈکٹ کے معیار کو بہتر بنانے کیلئے موثر طور پر کوشاں ہے اور طویل مدتی مسابقت کو یقینی بنانے کیلئے باکلیت پیداواری عمل پر توجہ دینی رہے گی۔

آنے والے سال میں انتظامیہ بین الاقوامی مارکیٹ میں خام جوٹ کے نرخوں میں دوبارہ تیزی کے رجحان کی توقع رکھتی ہے کیونکہ بلگدیش اور بھارت میں کارخانے (جن میں بیشتر خام مال کی قلت کے باعث گزشتہ سال کے دوران بند پڑے تھے) اپنے خام مال کی انٹینسٹی کا دوبارہ آغاز کر دیں گے۔ اس حوالے سے واضح پوزیشن آئندہ سہ ماہی میں ظاہر ہوگی تاہم منافع کو برقرار رکھنے اور آنے والے بحرانوں کا سامنا پورے موسم کے ساتھ کرنے کیلئے کوششیں جاری رکھی جائیں گی۔

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

ہم بورڈ آف ڈائریکٹرز کی جانب سے لہات سمرٹ کے ساتھ پیش کی 55 ویں سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گزشتہ سال کے برائے سال 30 جون 2021 پیش کر رہے ہیں۔

معاشی جائزہ

مالیاتی سال 2021 کا اختتام COVID-19 (گورننگ ڈائری) کے بحران کے نتیجے میں ضمنی پیداوار پر پڑنے والے اثرات کی نمایاں حد تک دی۔ عمل میں بحالی کے ساتھ صارفین میں اٹھانے اور کاروباری اہتمام کے ساتھ ہوا۔

جی ڈی پی گرتھ گزشتہ سال کی 0.47 فیصد کمی کے بعد 2.1 فیصد کے جف کے برخلاف 3.94 فیصد سی۔ زرعی شعبے نے 2.77 فیصد ترقی کی۔ صنعتی شعبے نے گزشتہ سال کی 3.77 فیصد کمی متفق شرح نمو کے مقابلے میں 3.57 فیصد کمی گرتھ حاصل کی۔ سروس سیکٹر شرح نمو کارکن کی کردار پاجیہا کر اس نے 4.43 فیصد کمی گرتھ حاصل کی۔ حکومت پاکستان نے 2021-2022 کے مالیاتی سال کیلئے 4.8 فیصد کمی جی ڈی پی گرتھ کا جف طے کیا ہے جیہا کہ COVID-19 (گورننگ ڈائری) کی وہی صورت حال کے بعد بحالی کی جانب گامزن ہے۔

سال کے دوران معیشت کے حوالے سے چند کلیدی خصوصیات کا ذیل میں جائزہ دیا گیا ہے:

- مائٹری پالیسی اور فراہور: شرح سود پورا سال 7 فیصد پر برقرار رہا جبکہ گزشتہ سال 13.75 فیصد کی بلند ترین سطح پر بھی پہنچ گیا تھا۔ اسی دوران فراہور پر مضمون سٹاکس پر اس اثر کیس پورے مالیاتی سال کے دوران 8.9 فیصد پر برقرار رہا۔
- غیر ملکی زرمبادلہ: پاکستانی روپے نے مالیاتی سال 2021 کے دوران امریکی ڈالر کے مقابلے میں اپنی قدر 6 فیصد بہتر بنائی۔ تاہم جون 2021 کے بعد پاکستانی روپیہ ہڈا کا فائدہ اور امریکی ڈالر کے مقابلے میں اس کی قدر کم ہوگی۔ برآمدات کے لئے ایک بہتر پس منظر اور موزوں ترین ٹیکس و ٹرانزیکشنوں کے قوانین کو برقرار رکھنے میں مددگار ثابت ہوگا۔
- غیر ملکی زرمبادلہ کے ذخائر: ایس بی پی کے غیر ملکی زرمبادلہ کے ذخائر 17.2 ارب امریکی ڈالر پر بند ہوئے جبکہ تجارتی جنگوں کے ذخائر 7.1 ارب امریکی ڈالر (مجموعی طور پر 24.3 ارب امریکی ڈالر) پر موجود تھے۔ بیرون ملک مستقیم پاکستانوں کے لئے روٹن ڈیٹیل کاؤنٹ کا اقدام جو کہ 10 ستمبر 2020 کو حصار کر دیا گیا تھا اس نے لگ بھگ 1.8 ارب امریکی ڈالر کے لئے مالیاتی ہڈا کا راستہ پیدا کیا۔ پاکستان نے پورے ہڈا کے اس اجراء کے ذریعے 3.8 ارب امریکی ڈالر، چین نے ایک ارب امریکی ڈالر، آئی ایم ایف کی جانب سے 500 ملین امریکی ڈالر کی تقسیم اور ورلڈ بینک سے 440 ملین امریکی ڈالر کا قرض حاصل کیا۔ ملک کے غیر ملکی زرمبادلہ کے ذخائر کی پوزیشن بیرونی قناسک کی حساب دہتیاں کے باعث بہتری کا سلسلہ برقرار رہے گا امکان ہے۔
- کرنٹ اکاؤنٹ: کرنٹ اکاؤنٹ خسارے میں 58.4 فیصد کمی لایا گیا ہے اور یہ مالیاتی سال 2021 کے دوران 4.5 ارب امریکی ڈالر (جی ڈی پی میں 1.7 فیصد) کے خسارے کے برخلاف 1.9 ارب امریکی ڈالر (جی ڈی پی میں 0.6 فیصد) تک پہنچ گیا جس کی بنیادی وجہ زریعات کا بہتر بہاؤ سے جو تین ماہ 29.4 ارب امریکی ڈالر (گزشتہ سال 23.1 ارب امریکی ڈالر) اور برآمدات میں 13.7 فیصد تک اضافہ ہے۔ جبکہ برآمدات تاریخ کی بلند ترین سطح 25 ارب امریکی ڈالر تک پہنچ گئیں۔ مالی سال 2021 میں درآمدی مل 26.5 فیصد تک بڑھ کر 56.4 ارب امریکی ڈالر ہو گیا جو کہ گزشتہ سال 44.6 ارب امریکی ڈالر رہا تھا۔ مالی سال 2021 میں سالانہ تجارتی خسارہ گزشتہ سال کے 23.2 ارب امریکی ڈالر کے مقابلے میں 30.8 ارب امریکی ڈالر ہو گیا۔ تجارتی خلیا کی بنیادی وجہ درآمدات میں نمایاں اضافہ اور اس کے مقابلے میں برآمدات میں سست رہنا درگزر تھی۔

معاشی سرگرمیوں کے دوبارہ آغاز اور یکسی نیشن کے عمل میں بہتری کے باعث مالیاتی سال 2022 میں شرح نمو میں مزید بہتری آنے کا امکان ہے۔ اس صورتحال میں بجٹ میں اعلان کردہ اقدامات موزوں مائٹری صورتحال اور اہلیت بینک آف پاکستان اور آئی آئی آر ایف فیڈریشن کے تحت سرمایہ کاری اور دیگر دی۔ ٹرانس کی سہولتوں کے تحت تقسیم سے مزید مدد ملے گی۔ تاہم COVID-19 (گورننگ ڈائری) کی جاری چیلنجی اثرات وجہ سے پاکستان میں پائی جانے والی بے یقینی اور ڈی کمیشن کی دنیا بھر میں آمد سے مناسب مائٹری پالیسی کے ذریعے مستثنیٰ بحالی کی جانب زور دینا چاہئے گا۔

مالیاتی نتائج کا جائزہ

سال کے دوران کمپنیز کا سیکرٹریوں نے سال پر سال 65 فیصد تک بڑھ کر 27 ارب روپے ہو گیا۔ منافع بعد از ٹیکس 3.5 ارب روپے (سال پر سال 87 فیصد تک بڑھا) ریکارڈ کیا گیا 2019-2020 کے دوران 1.8 ارب روپے رہا تھا۔

مالیاتی کارکردگی

(روپے ملین میں)				
کنسولٹیڈ		اسٹینڈ الون		
2019-20	2020-21	2019-20	2020-21	
17,203	29,636	16,600	27,317	خالص آمدنی
4,327	7,780	2,372	4,572	قبل از ٹیکس منافع
1,095	1,870	504	1,090	محصول کی ادائیگی
3,232	5,910	1,867	3,482	بعد از ٹیکس منافع
35.63	67.06	23.04	42.97	نی شیئر آمدنی، روپے میں

Sales and Profitability



















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