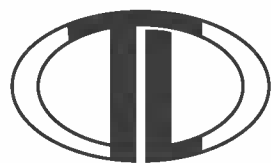


Thal Limited

2018

Annual Report

Thal Limited | 2018 Annual Report



THAL LIMITED

4th Floor, House of Habib,
3 Jinnah cooperative Housing Society, Block-7/8,
Shahrah-e-Faisal, Karachi - 75350, Pakistan.
Tel: 92 (21) 3431 2030 / 3431 2185

Design & Produced: R-Square



ALL ABOUT SUCCESS

This year's theme is all about success. It comes with an appreciation of the fact that our employees, customers and associated stakeholders depend on us to succeed as an organization, so that we may continue on the mission we have undertaken as agents of change, driven towards translating ideas in to meaningful outcomes.

At Thal Limited, we are focused on success, but only if it can be attained within the ambit of integrity and social responsibility; values that have long been the guiding principles of our organization. Employees, customers and shareholders increasingly demand that businesses proactively promote environmental and social responsibility across their operations and supply chains and we at Thal are proud of always having risen to the occasion and responding to the call, achieving success along the way while never compromising on our lofty ideals. We strongly believe that the success we achieve by leveraging our core business strengths should be translated in to driving the success of Pakistan's economy.

This year we will continue to focus on building a future where our brand is a synonym for success, the epitome of the Pakistani dream. We are committed to treating our employees and communities with respect, and solving all business and societal challenges with collaboration and ingenuity. Going forward, we at Thal Limited will focus exclusively on creating a cohesive and seamless relationship, founded on mutual trust, with every stakeholder in our eco-system including our customers, employees and shareholders, but also further beyond to our economy and our country.

We'll do so with a renewed purpose, with refreshed vigour and with reinforced principles that are all about success, striving towards a better today for us and a brighter tomorrow for our future generations.

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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.

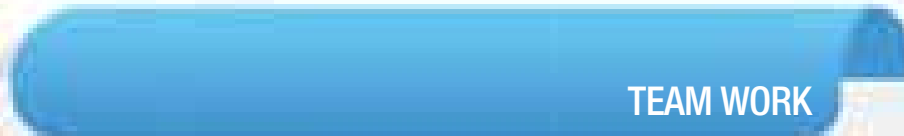


OUR VALUES



HUMILITY & RESPECT

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



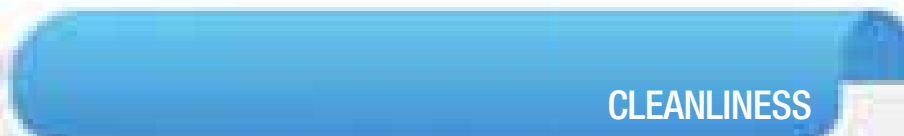
TEAM WORK

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



JUSTICE & INTEGRITY

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



CLEANLINESS

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



ENTREPRENEURSHIP

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



OPTIMUM USE OF RESOURCES

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

CORPORATE INFORMATION

Board of Directors

Rafiq M. Habib	Chairman
Mazhar Valjee	Chief Executive
Asif Qadir	Independent Director
Sohail P. Ahmed	Non-Executive Director
Ali S. Habib	Non-Executive Director
Mohamedali R. Habib	Non-Executive Director
Salman Burney	Non-Executive Director

Chief Financial Officer

Shahid Saleem

Company Secretary

Umair Riaz Siddiqi

Audit Committee

Asif Qadir	Chairman - Independent
Sohail P. Ahmed	Member
Mohamedali R. Habib	Member
Salman Burney	Member

Human Resources & Remuneration Committee

Asif Qadir	Chairman - Independent
Salman Burney	Member
Mazhar Valjee	Member
Ali S. Habib	Member

External Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisors

A. K. Brohi & Co., Karachi
K. A. Wahab & Co., Karachi
Fazal-e-Ghani Advocates, Karachi

Tax Advisors

EY Ford Rhodes
Chartered Accountants

Bankers

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
National Bank of Pakistan
Habib Metropolitan Bank Limited
Meezan Bank Limited
Albaraka Islamic Bank
Bank Al-Habib Limited
Faysal Bank Limited
Industrial & Commercial Bank of China Limited

Registered Office

4th Floor, House of Habib
3-Jinnah Cooperative Housing Society, Block 7/8
Sharaf 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 and 3242-8310
Email: info.shares@famco.com.pk
Website: www.famco.com.pk

KEY FIGURES

Sales Revenue

Rs. in million
2016-17 17,124
2017-18 19,293

12.66%

Market capitalization

Rs. in million
2016-17 49,107
2017-18 38,694

-21.20%

Profit After Tax

Rs. in million
2016-17 3,966
2017-18 2,686

-32.28%

Market price per share

2016-17 606
2017-18 477

-21.20%

Earnings Per Share

Rs.
2016-17 48.95
2017-18 33.15

-32.28%

Dividend per share

Rs.
2016-17 19.75
2017-18 13.50

-31.65%

Total Assets

Rs. in million
2016-17 17,427
2017-18 18,917

8.55%

Contribution to national exchequer

Rs. in million
2016-17 4,747
2017-18 5,469

15.20%

Total Equity

Rs. in million
2016-17 15,433
2017-18 16,438

6.51%

Capital expenditure

Rs. in million
2016-17 499
2017-18 600

20.23%

THAL LIMITED GROWTH WITH A PURPOSE

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 a 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 and has more than 50 subsidiaries/companies in twenty countries. Moreover during the course of the past 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 have enabled 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 Mills Limited. 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.

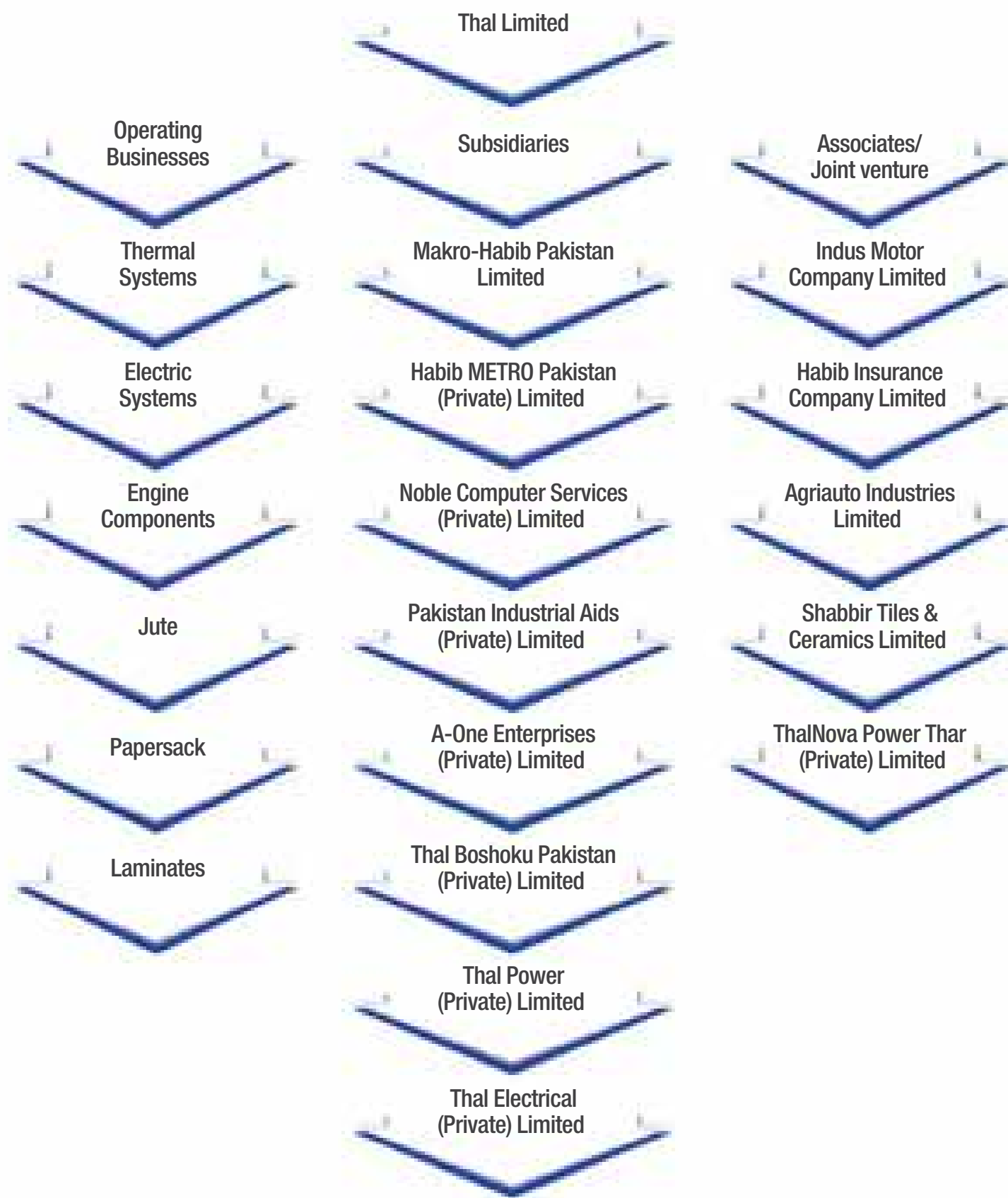
The Laminates business was established in 1980 as the first of its kind manufacturing unit for the production of high-pressure decorative laminates in Pakistan under the brand name of FORMITE. Today, the Company remains a market leader for its range of decorative and electrical grade compact laminates. 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, A-One Enterprises (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.

COMPANY STRUCTURE



AWARDS AND RECOGNITION

Received 33rd MAP Award for excellence in Corporate Management in Automotive category (2018)
Received Certificate of Merit for the Best Presented Annual Report by the South Asian Federation of Accountants (2018)
Awarded the Environment Excellence Award (2017) by Honda Atlas Cars Pakistan
Awarded the Suppliability Award (2017) by Pak Suzuki Motor Company
Received the Employers Federation of Pakistan Best Practices Award on OSH&E in processing and allied sector category (2017)
Received the 14th Annual Environment Excellence Award from National Forum for Environment and Health (2017)
Awarded the 7th Annual Fire Safety Award 2017 by National Forum for Environment & Health (2017)
Received the 3rd Prize for "Living the Global Compact Business Excellence Award" in the category of Large National Companies by UNGC (2017)
Recognized for "HR Best Practices" by Employers Federation of Pakistan in the 5th Employer of the year Award Contest (2017)

ALL ABOUT STABILITY

CORPORATE GOVERNANCE



BOARD OF DIRECTORS

1. Rafiq M Habib

Chairman

2. Mazhar Valjee

Chief Executive

3. Asif Qadir

Independent Director

4. Sohail P. Ahmed

Non-Executive Director

5. Ali S. Habib

Non-Executive Director

6. Mohamedali R. Habib

Non-Executive Director

7. Salman Burney

Non-Executive Director



DIRECTORS' PROFILE



Rafiq M Habib | Chairman

Mr. Rafiq M. Habib is one of the founding members and Chairman of Thal Ltd. 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 Ltd.

He provided his visionary leadership to many public Limited Companies including the iconic Toyota- Indus Motor Company Ltd. and served as a consultant to Habib Bank AG Zurich.



Asif Qadir | Independent Director

Mr. Asif Qadir joined the Board in March 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 OICCI.

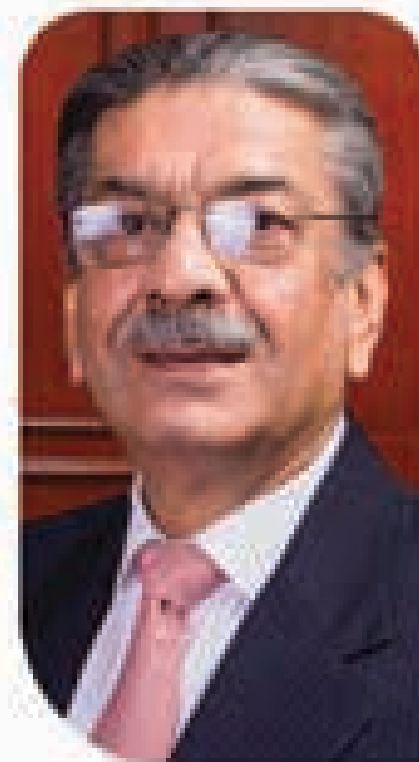
He also serves as Director on the boards of Tripack Films, Descon Oxychem, Unicol Limited, Cherat Cement and Liaquat National Hospital.



Mazhar Valjee | Chief Executive Officer

Mazhar Valjee rejoined as Director and CEO of Thal Limited on July 28, 2017. He has in the past served for twenty-two years on the Board of (the formerly) Thal Jute Mills Limited and Thal Limited as Executive Director, CEO and non-executive Director. He has also served as CEO of Indus Motor Company Ltd, Pakistan Jute & Synthetics Ltd, Habib Metro Pakistan (Pvt) Ltd; Makro Habib Pakistan Ltd and has headed several other businesses of the House of Habib. Outside the group Mazhar has served as CEO of Schneider Electric Pakistan (former Areva T&D Pakistan).

He has been an active member of advisory and professional bodies that include the Indigenization Committee of the EDB, Energy committee of the OICCI, the Pakistan Jute Mills Association, the Pakistan German Business Forum, Pakistan France Business Alliance, AIESEC, YPO and not for profit Karawan-e- Hayat & FESF. He acquired business education from the IBA, Karachi and executive education from the Stanford-NUS program and the Yale School of Management.



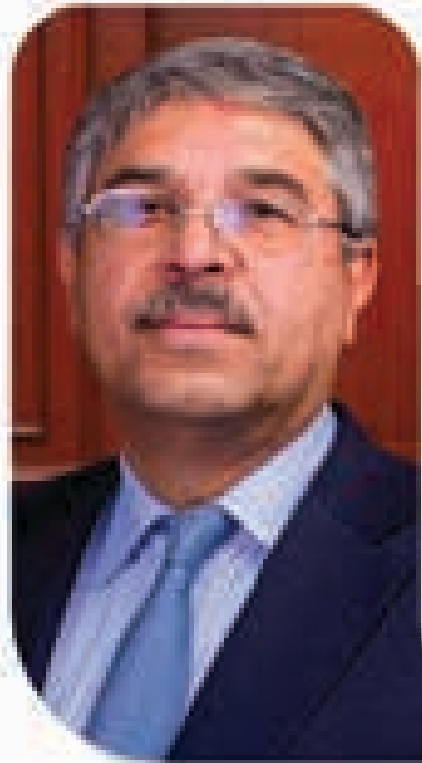
Sohail P. Ahmed | Non-Executive Director

Mr. Sohail P. Ahmed joined the Board in July 1997. He has been the Chief Executive of Naya Daur Motors and Mack Trucks under the Ministry of Production as well as several private sector enterprises including Allwin Engineering and Agriauto Industries Ltd.

Mr. Ahmed also serves as the Chairman of the Pakistan Auto Sector Skill Development Company and of the Vocational Training Centre for Women Korangi. He has served as director on many boards in public and private sectors including PIDC and Pakistan Steel. He is also the Founder Chairman of Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM).

He has been a member of the Senate of Dawood College of Engineering & Technology as well as the Syndicate of NED University Karachi. He did AMP from INSEAD, France and is also a certified Director from Pakistan Institute of Corporate Governance.

DIRECTORS' PROFILE



Ali S Habib | Non-Executive Director

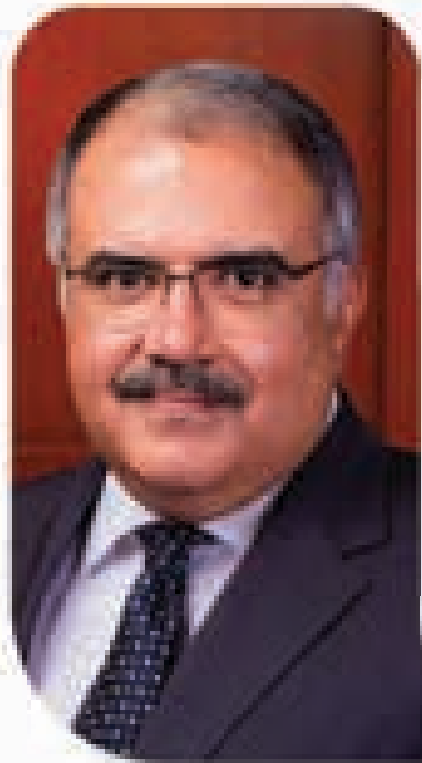
Mr. Ali S. Habib was appointed as the Director of Thal Limited in February 1980. He also serves as the Chairman of Indus Motor Company Ltd. and as a member of the Board of Directors of Shabbir Tiles & Ceramics Ltd and Habib Metropolitan Bank Ltd.

He is a graduate in Mechanical Engineering from the University of Minnesota, USA. He has also attended the PMD Program at Harvard University.



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.



Mohamedali R Habib | Non-Executive Director

Mr. Mohamedali R. Habib was appointed as the Director of Thal Limited in December 1990. Since 2004, he has been an Executive Director of Habib Metropolitan Bank Limited. He also serves as a member on the Board of Indus Motors Company Limited and Habib Insurance Company Limited. He was appointed as Joint-President & Division Head (Asia) & Member of General Management of Habib Bank AG Zurich in 2011.

He is a graduate in Business Management – Finance from Clark University, USA.

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 of directors of the company shall determine the terms of reference of the audit committee. The board of directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall be explicitly documented and shall also include the following:

- 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 the 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 feels the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. 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. Salman Burney– Member
Mr. Sohail P. Ahmed – 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:

- i) recommend to the board for consideration and approval a policy framework for determining remuneration of

- directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- ii) undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- iii) recommending human resource management policies to the board
- iv) recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v) consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi) 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. Salman Burney – Member
Mr. Ali S. Habib – Member
Mr. Mazhar Valjee - 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 an 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 2018

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

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

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

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

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

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

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

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

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

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



Rafiq M Habib
Chairman



ALL ABOUT PROFICIENCY

DIRECTORS' REPORT



DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to present the Fifty Second Annual Report along with the Audited Financial Statements of the Company for the year ended June 30, 2018.

Economic Highlights

The country's GDP grew at 5.79% in 2017-18 which was the highest growth achieved over the last 13 years. This growth was largely led by the Service and Industry sectors, which grew by 6.43% and 5.8% respectively. The growth was assisted by macroeconomic factors such as subdued inflation, and rising private sector credit. Serious concern however remains regarding the increasing current account deficit that is being created by a growing imbalance between imports and exports of the country. Coupled with a devaluation of the Pak Rupee on the back of rapidly reducing exchange reserves, this phenomenon has the potential to adversely affect consumer confidence and performance of the economy in the coming years.

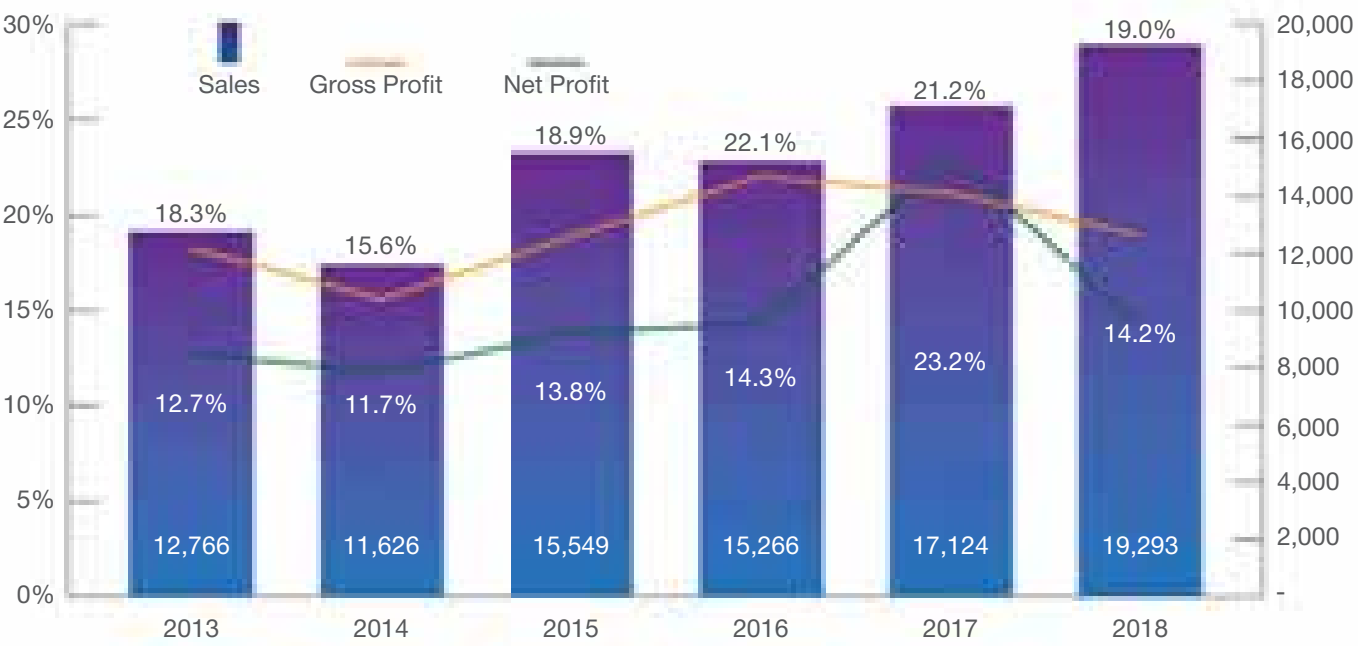
Initiatives under China Pakistan Economic Corridor (CPEC) continues to attract foreign direct investment (FDI) which in turn continues to sustain the confidence of local businesses. Both China and Pakistan are committed to complete infrastructure and energy projects under CPEC. We believe that under the CPEC umbrella, foreign investments will continue to be made which shall help in bolstering economy of Pakistan and keeping its GDP growth steady in the coming years.

Overview of Financial Results

The Company's performance during 2017-18 remained stable despite the country facing increasingly difficult challenges on the economic front. Sales revenue grew from Rs 17.12 billion to Rs 19.30 billion registering a growth of 12.7%. Compared to the prior year, the Company's other income was lower by Rs 1.65 billion primarily due to

recognition of a one-time gain of Rs 1.84 billion in the previous year realized on divestment of shares in Metro Habib Cash & Carry Pakistan (Private) Limited. Overall Profit after Tax for the year was accordingly Rs 2.69 billion as opposed to Rs 3.97 billion in the comparative period.

Sales and Profitability



Financial Performance

	Rupees in Million			
	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Net Revenue	19,293	17,124	20,308	18,137
Profit Before Taxes	3,804	5,447	5,100	7,243
Taxation	1,118	1,481	1,547	1,740
Profit After Taxes	2,685	3,966	3,552	5,503
Earnings Per Share - Rupees	33.15	48.95	39.14	63.52

OVERVIEW OF BUSINESS SEGMENTS

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

Engineering Segment

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

The turnover of the Engineering Segment for the year is Rs 12.6 billion, registering a growth of 10.8% compared to Rs 11.4 billion in the previous year.

The domestic auto industry volumes registered a growth of 21.2% for cars and light commercial vehicles manufactured in FY17-18 as compared to FY16-17 on the back of successful launches of new models by the local auto assemblers and increase in auto leasing due to availability of attractive financing rates.

Import of used vehicles continues to rise sharply, exhibiting an increase of about 20.3% in total used automobiles imported as compared to FY 16-17. The overall increase in demand for cars can also be credited to an increasing popularity of taxi hailing apps throughout the country along with an increase in auto-financing by local financial institutions.

The government continues to negotiate Free Trade Agreements (FTAs) with China, Thailand and Turkey. In this respect, the Company's management has put forward its opinion to the government with a view to provide a level playing field to the auto vendor industry and will continue its engagement on this issue.

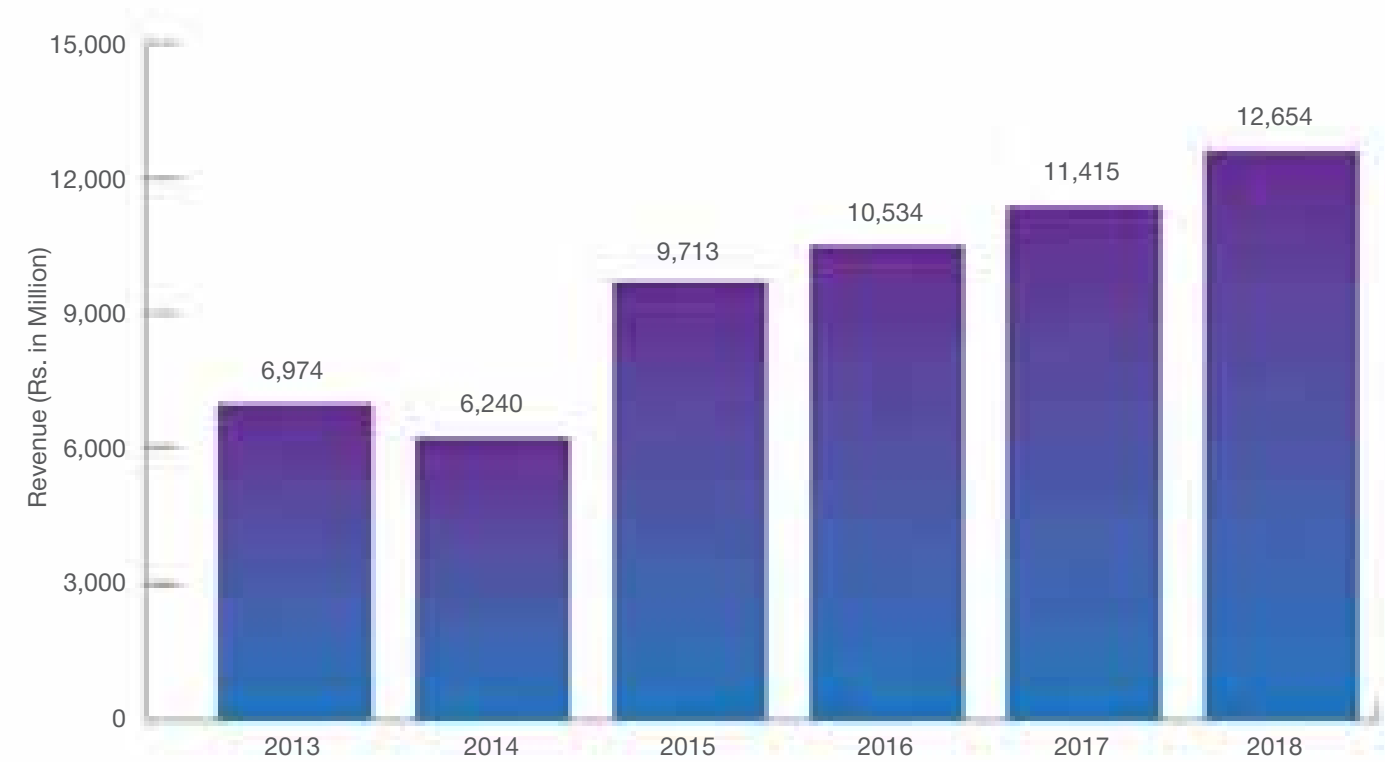
The aftermarket segment through strong customer focus has performed well during the year, exhibiting a growth of 11% over the previous year. Within the aftermarket segment, our solutions in respect of the commercial vehicle sector performed particularly well with the business providing innovative products and services for both local and imported vehicles through tailor made customized solutions.



Outlook

With continued improved economic activity in the country on the back of CPEC projects, the auto industry is expected to grow, particularly in the commercial vehicle segment, leading to an increase in demand for all our products in the coming year. The Automotive Development Policy 2016-21, which provides lucrative incentives for new automotive entrants,

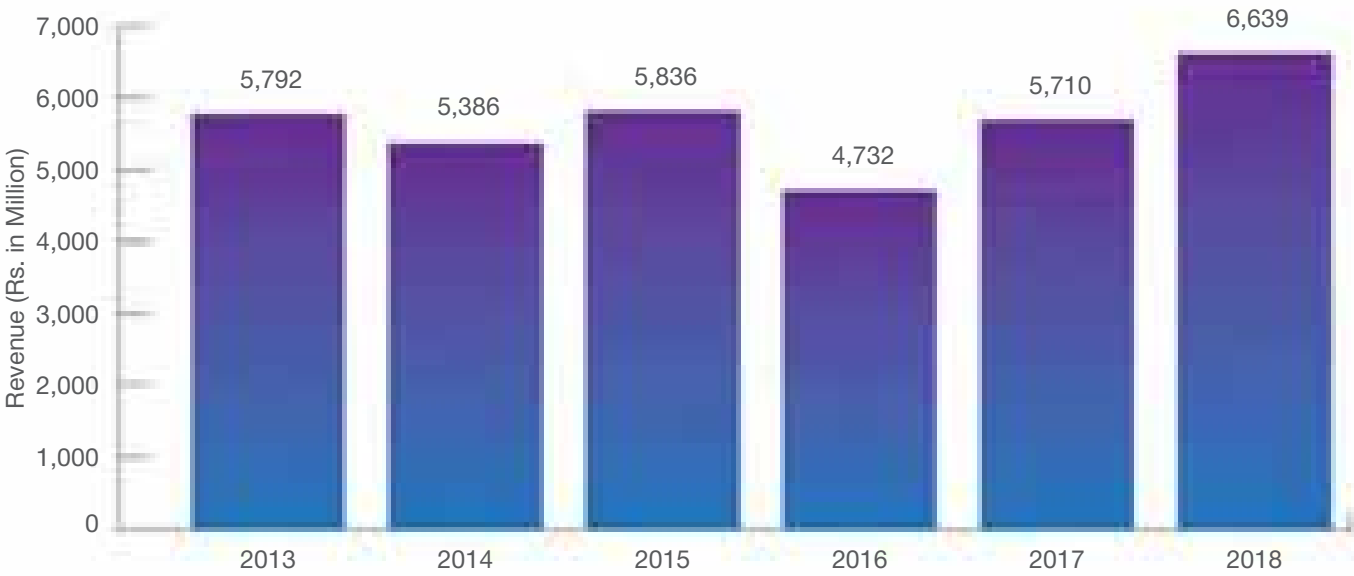
has generated strong interest for global automotive companies and a number of OEMs have started work on setting up their assembling operations in the country. These are expected to achieve fruition over the next few years and will fare well in particular for the auto vendors having tie up with technology providers in the medium to long run.



Building Materials & Allied Products Segment

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

Turnover of the segment for the year was Rs 6.6 Billion as compared to Rs 5.7 Billion the year before, a growth of 16.3%.



JUTE BUSINESS

The Jute Business continued to perform well during the year and Thal Jute retained its standing as a premier manufacturer and supplier of jute goods in the country. Improvement in business performance is attributable to higher sales as a result of growth in demand in the local market. The strategic decision of your Management to invest in the manufacturing process for improving productivity and quality left the Business well positioned to capitalize on the increased demand.

Accordingly, the Jute Business continued to improve its local market share and add new customers to its portfolio. Demand during the year for grain sacks from Government Procurement Agencies remained strong due to less carryover stocks of empty wheat bags from the year 2016-17. The enhanced PGS (Pakistan Grain Sacks) business, along with efficiency gains made as a result of modernization and effective cost control, contributed positively to business results.

Outlook

The jute crop size assessments for the upcoming year is not encouraging in both Bangladesh as well as India, which may result in short supply and a possible increase in prices of raw jute. Your Management plans to tackle this challenge by timing its procurement of raw jute at optimum prices and securing its shipment in a timely manner during the coming year.

While we continue to work towards meeting the expectations of our existing customers, we remain focused on gaining a foothold in new markets. We intend to continue our efforts to expand our business operations to include diverse and innovative packaging solutions.



PAPERSACK BUSINESS

The year was a challenging one for the Papersack Business. Despite stiff competition from woven polypropylene sack manufacturers, the Papersack Business was able to retain its market position and increase its revenue on back of a healthy growth of 14% in the domestic Cement Industry. However, due to adverse exchange rate movement coupled with increasing paper prices, the business could not maintain its margins.

In order to diversify and expand its product portfolio, the Business has chosen to invest in the Carrier Bags segment. After overcoming some equipment related issues in the initial stages, the Business is rapidly expanding its customer base. The Business has further diversified into primary packaging of food industry and is now poised to deliver world quality and food hygiene standard products, making it a preferred supplier for global food chains operating in the country

In compliance of primary packaging requirements, the Business has acquired ISO 22000 certification, which was audited and re-certified during the year. The continued addition of global and local fast food chains to our food bags segment is a reward of our efforts and acknowledgement of quality.

Outlook

The demand from the cement industry will continue to grow with additional cement capacities coming on line. The management is optimistic about sustained results in the coming years. Strong global demand for paper is posing challenges in both price and availability of raw material. However, the Business is focused on introducing new sources of supply to overcome the same. The industrial sack, food bag and food packaging segments are expected to show a healthy growth trend that the company is geared to capitalize on. The Business is optimistic about the Carrier bags market and our outlook for the future remains positive.



LAMINATES BUSINESS

The Business continues to uphold its Principles of full compliance with all required tax and other regulations despite competing with undocumented competitors that places it at a disadvantage in terms of pricing. Rupee devaluation and increase in raw material prices further compounded by impact of sales tax, did not allow us to recover the full cost impact from the market, resulting in lower margins.

To counter the same, the Business has ventured into development of value added products and has also invested in new finishes and colors to enhance its brand appeal. Some new machinery was procured and installed to expand the product range.

During the year, the Business sharpened its focus on maintaining lean inventories and reducing receivables to enhance its competitiveness.

Balochistan Laminates continues to strengthen the image of its Brand “Formite” as the most reliable and dependable in terms of quality, transparent policies and transactions giving peace of mind to its customers.

Outlook

The Business plans to re-open its third outlet in Lahore to enhance its market presence besides creating new distributors for its products to enhance its reach. Investment in new machinery will continue to enhance operational efficiency and economics. The addition of new products, textures and colors is expected to create further excitement in the brand, and to make it a major differentiation factor especially for the those aiming to reflect good aesthetic judgment.



SUBSIDIARIES

Thal Boshoku Pakistan (Private) Limited

During the year, Sales Revenue for the Company registered a decline vis-à-vis last year as a result of lower off-take in volumes by customers. Continuing devaluation of Rupee against major foreign currencies including USD and JPY is placing constant pressure on profitability for the Company. However, with effective cost control measures, and efficient inventory management, the Company managed to limit the negative impact on margins. Further, the Company continued to enforce strict controls across its value chain and ensured adherence to prudent corporate practices.

Construction of the new manufacturing facility site is on schedule and management is endeavoring to completing the facility within stipulated time.

On the operations side, all requirements of customers were met in time with ZERO DEFECT, and the customers rated the business in the “GREEN ZONE” throughout the year. Emphasis remained on providing a healthy and safe working environment to all employees while performing Kaizen in all areas of operations.

Thal Limited holds 55% of the shareholding in Thal Boshuko Pakistan (Pvt) Ltd while 35% is held by Toyota Boshoku Corporation Japan and a further 10% shares are held by Toyota Tsusho Corporation Japan. During the year ended 30 June 2018, the Company increased its authorized share capital to PKR 1,000 million in order to enable generation of funds for the construction of the new manufacturing facility. The Company approved the issuance of 50 million Right Shares at a par value of PKR 10 each for this purchase, and received funds from the shareholders before the year ended 30 June 2018. At the time of the offer of Rights, Toyota Boshoku Corporation Japan renounced the Right Shares in favor of its 100% owned subsidiary Toyota Boshoku Asia Corporation. Once the shares are formally allotted, the shareholding pattern for Thal Limited and Toyota Tsusho Corporation Japan will remain the same, whereas the ownership of Toyota Boshoku Corporation Japan will be reduced to 9.6% whereas, Toyota Boshoku Asia Corporation shall own 25.4% of the Company.

Outlook for the future of the Company looks encouraging as the auto industry expects to grow, with the announcements

by new entrants under the current Auto Policy. In addition to setting up a new seat plant, the Company is also taking steps towards increasing its product offering by working to increase its localized product portfolio.

Makro-Habib Pakistan Limited

The Honorable Supreme Court of Pakistan dismissed the Review Petition of MHPL 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 request of Army Welfare Trust’s (AWT) 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.

Habib METRO Pakistan (Private) Limited

The main business of Habib METRO Pakistan (Private) Limited (HMPL) is to own and manage properties. Thal Limited holds 60% shareholding in the subsidiary. The company is exploring various business opportunities to complement the cash & carry retail rental business and to enhance enterprise value from its store locations. In 2017-18, HMPL approved interim dividends for payment to Thal Limited amounting to a total of Rs. 357 million.

Noble Computer Services (Private) Limited

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

Pakistan Industrial Aids (Private) Limited

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

A-One Enterprises (Private) Limited

A-One Enterprises Private Limited is a fully owned subsidiary of Thal Limited. During the prior year, the Company had disposed of its real estate property. It is currently evaluating new investments options.

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. The project achieved its Financial close on April 4, 2016.

The project is under construction and presently the progress is ahead of schedule. To date 91 BCM of overburden has been removed and the mine has reached a depth of 148 meters. Related infrastructure projects of Effluent Disposal Line and Left Bank Outfall Drainage Scheme are expected to come online as per schedule.

For the first phase of the project, the Board of Directors of Thal Limited approved a total exposure of Pak Rupee equivalent of US\$ 36.1 million, which includes equity investment of US\$ 24.3 million, US\$ 5 million for cost over-run and US\$ 6.8 million for debt servicing reserve. To date the Company has invested Rs. 1,398 million equivalent to US\$ 13.24 million.

For the second phase of the project, the Board of Directors of Thal Limited have approved a total exposure of Pak Rupee equivalent of US\$ 7.1 million, which includes equity investment of US\$ 4.6 million, US\$ 1.3 million for cost over-run and US\$ 1.2 million for debt servicing reserve (adjustable upwards due to LIBOR/KIBOR movement).

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

Thal Power (Private) Limited

The Company has entered into a Joint Venture Agreement with Novatex Limited, for collaboration to develop a 330 MW mine mouth coal-fired power generation plant located at Thar, Sindh. This power plant will be based on lignite coal extracted from the mine operated by Sind Engro Coal Mining Company (SECMC).

The Company through its wholly owned subsidiary, Thal Power (Private) Limited has incorporated a JV project company, i.e., ThalNova Power Thar Private Limited (“ThalNova”), to develop the project.

ThalNova has obtained the Letter of Intent (LOI) and the Letter of Support (LOS) from the Private Power Infrastructure Board (PPIB). National Electric Power Regulatory Authority (NEPRA) has issued the Generation License and awarded the Upfront Tariff on Thar coal to the project company. ThalNova has also been issued a No Objection Certificate (NOC) by the Sindh Environmental Protection Agency (SEPA). China Machinery & Engineering Corporation has been appointed as the EPC Contractor. ThalNova has entered into Coal Supply Agreement (CSA) with SECMC to supply 1.9 million tons per annum lignite. It has also entered into a Power Purchase Agreement (PPA) with the Central Power Purchase Agency (Guarantee) Ltd. and the Implementation Agreement (“IA”) with PPIB, China Development Bank (“CDB”) and Habib Bank Limited (“HBL”) have been engaged for arrangement of foreign and local currency project debt respectively.

Whilst the project has sound fundamentals being based on indigenous resources and enjoys good support and encouragement from the respective governments, it also presents significant challenges in achieving timely financial close. ThalNova is actively engaged in concluding all project agreements and securing financial close for the project.

Human Resources

At Thal Limited we attribute our continued success to our people. Our employees are our enduring advantage and it is our ability to create high performance teams in a culture of inclusiveness, professionalism and excellence that drives our growth. To maintain our HR competitiveness, we remain focused on areas of talent management, learning & development; succession planning, and the development of a robust Management Trainee Program.

To meet employee and organizational needs, we have developed a long-term strategy to increase our bench strength whilst developing a well-rounded standardized talent development framework, comprising of various training interventions necessary to guide and equip our employees to realize their full potential. Through the year, we continued to provide opportunities for acquisition of knowledge for technical and managerial skills through various classrooms and on the job learning exercises.

Owing to this commitment, we launched “Learning Fair” as a platform to Educate, Evolve and Enlighten our employees. Through this training intervention, we aim to create a learning oriented culture that not only encourages employees to take a high degree of ownership for self-development but also offers them the practical resources to learn, grow and rise together at Thal Limited. During this one-week training event, 139 employees from all the subsidiaries of Thal Limited were a part of 12 different trainings, which included both technical skills development and soft skills development.

Moreover, to support the Company’s objective of acquiring the best talent, our recruitment system deploys variety of online talent assessment methods. We deploy one of the world’s leading accurate leadership, intelligence, cognitive ability and behavioural assessment systems. We have recalibrated our Management Trainee Program to make it dynamic in its offerings to students allowing them to challenge their potential in our all-new recruitment process. By providing graduating students with an exhilarating route to enter our Management Trainee and Graduate Trainee Engineering programs, we aim to find the best talent that would build the company-wide pipeline of emerging leaders and also to be part of our enterprising organizational culture.

Health, Safety & Environment (HSE)

Across all our business segments, we desire a working environment in which safety is deeply embedded in the operations and business culture. Our goal is to prevent any injuries and ensure that Thal Limited is a safe place to work. Throughout the year the businesses undertook significant initiatives to incorporate a strong consideration for the safety of our people, plants and the planet at large and consequently we were able to reach 8.2 million safe man hours.

Moreover, we maintained our focus on safety management systems keeping in view international best practices including Occupational Safety and Health Administration (OSHAS) and DuPont Workplace Safety Standards amongst others. This was recognized by Employers Federation of Pakistan, who awarded Thal Engineering the 2nd prize on ‘Best Practices award for OSH&E 2017’ in the Processed & Allied sectors.

We are also cognizant of our responsibility to the planet both as a socially caring organization and as an entity that is signatory to the United National Global Compact. Throughout the year, by maintaining focus on this area, we were able to reduce our Carbon Footprint at Thal Engineering by 5.7% as against a targeted reduction of 5%.

Corporate Social Responsibility

As part of our continuing commitment towards improving the quality of life of our stakeholders, our communities and the underprivileged sections of the society, we contributed PKR 45.4 million under our social investments commitments in 2017-18, as compared to PKR 61.1 million in 2016-17. These programs, which span across all our business segments are primarily focused in the broad areas of education, healthcare, employee welfare, community development, environment and disaster relief.

In the category of education, we continued to support our flagship Habib University Foundation that offered scholarships and financial aid to a large number of deserving students. In addition, the various business segments continued to support institutions including TCF, Kaghan School, NED, Sir Syed Trust and HELP amongst others to

help improve provision of education to under-privileged sections of the society.

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

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

Information Technology (IT)

Connected systems with external interfaces, gives rise to increased vulnerabilities to networks. Thal Limited Businesses and IT department accordingly recognized the growing need to Information Security. The IT team of Thal Limited in order to guard its network against cybercrimes realized the need to conduct network penetration test and deployment of intrusion detection and prevention system. Latest Firewalls, anti-malware, and anti-spyware software were deployed to monitor incoming Internet traffic for unwanted traffic or malware like spyware, adware, or Trojans. Additionally, in order to create secure communication channels TCP/IP protocols and encryption protocols like a Secure Sockets Layer (SSL), or a Transport Layer Security (TLS) were also deployed on required ? servers.

During the year, the Company engaged external consultants to conduct SAP process reviews in addition to business process reviews across the entire organization. The review was focused mainly to identify processes that are configured in SAP and are in use, identify processes that are configured but not in practice by business, identify processes where automated workflows are required to be developed to introduce paperless environment as well as processes that require new modules or Add-ons. The entire exercise will

help the company and its IT department to identify gaps and plan improvements in SAP utilization in the near future.

In order to facilitate the top management for taking real time decisions, business oriented management dashboards and alerts were configured. This empowers management in getting improved visibility of business performance, helps in forecasting future business requirements and enables timely availability of information for real time strategic decisions.

The Company also identified a project of integrating plant machinery with SAP. Real-time capturing of shop-floor information like material shortages, machine breakdowns were made possible with SAP that resulted in cost savings and operational efficiencies.

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 in order 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 expectation. Detailed examinations are also carried out by the internal audit function which reviews adherence to internal control processes as well as laid out procedures and report its findings to the Board Audit Committee.

Forward-looking Statement

Given the prevailing economic and business environment, corporates are faced with numerous challenges. However, despite uncertainties, there are some promising developments that should fuel economic growth and create conducive business opportunities in the country.

To gear up for these opportunities, Thal Limited is striving to reposition itself in order to take advantage of these growth opportunities in the coming years. The Company is already diversified into various product-manufacturing sectors, each

having their own dynamics in different market segments.

The largest business segment of the Company is its Engineering segment. Under the current Auto Investment Policy, several new OEM entrants have started work on establishing their assembling plants in Pakistan. While in the medium term, the auto vendor industry will remain pressured as the new entrants are not required to localize, in the long term, the Segment remains well-poised to enhance its market share.

Besides the Engineering Segment, its Building & Allied Products Segment plays a significant role in the growth of the Company. The Jute Business of the Segment is faced with rising raw material prices as a consequence of Rupee devaluation as well as lower than usual crop size in both Bangladesh and India. The Segment’s other business, Papersack Division which although is expected to grow in line with growth in the cement industry, also remains pressured to maintain competitiveness versus low cost polypropylene bags despite rising paper costs. The business is gearing up to increase its production capabilities by undertaking further investment in plant & machinery. The third business in the Segment is its Laminates Business involved in the production of laminated boards and the prestigious brand “FORMITE”. As the construction industry in the country is expected to grow, the business is expected to improve its growth momentum, especially through its corporate clients.

The Company sees huge potential in the power sector, especially with the launch of China-Pakistan Economic Corridor (CPEC). To exploit this opportunity, it is engaged in developing Pakistan’s first open pit coal mining project at Thar by acquiring shareholding in Sindh Engro Coal Mining Company (SECMC). To further explore investment in the power sector, the Company has executed a joint venture agreement with M/S Novatex Limited and is pursuing financial close in respect of 330 MW coal-fired power generation plant at Thar, Sindh.

Risks and Uncertainties facing the Company

The Management is cognizant that the Company faces various types of risks both internal and external to the business. The Company has in place a system of Enterprise Risk Management (ERM). 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 risk.

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
- 5. Health Safety and Environment

Mitigating strategies are in place in respect of these risks.

Contribution to National Exchequer

During the year 2017-18, the Company contributed a sum of Rs. 5.47 billion (2016-17, Rs. 4.75 billion) towards the National Exchequer by way of taxation (including super tax), custom duties, levies, excise duty and WWF.

Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is approved by the Board.

Auditors

The current auditors Messrs. EY Ford Rhodes, Chartered Accountants, retire and being eligible offered themselves for re-appointment as auditors for the year 2018-19. Their

reappointment has also been recommended by the Board Audit Committee.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2018 is attached to this report.

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

Reconstitution of the Board’s Sub Committee

Mr Asif Qadir (Independent Director) was appointed as Chairman of the Board HR Committee with effect from January 01, 2018.

Directors training program

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

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

- The financial statements prepared by the Management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.

- The Board has outsourced the internal audit function to M/s. Noble Computer Services (Pvt) Ltd., who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedure of the Company.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- All members of the Audit Committee are 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 fund stands at Rs. 583 million and Rs. 57 million respectively as at June 30, 2018.
- The key operating & finance data for the last 6 years are annexed to the report.

The names of the Board members during the year are as below along with their respective attendance during the 6 convened Board meetings that were held during the year:

Sr. No.	Names of Directors	Meeting Attended
1	Mr. Rafiq M. Habib (Chairman)	4/6
2	Mr. Sohail P. Ahmed	6/6
3	Mr. Ali S. Habib	6/6
4	Mr. Mohamedali R. Habib	4/6
5	Mr. Asif Qadir	5/6
6	Mr. Salman Burney	6/6
7	Mr. Mazhar Valjee	5/6
8	Ms. Roshan B. Mehri (Alternate Director)	2/6

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

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

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

Sr. No.	Names of Directors	Meeting Attended
1	Mr. Asif Qadir (Chairman Appointed January 01, 2018)	1
2	Mr. Ali S. Habib	1
3	Mr. Salman Burney	1
4	Mr. Mazhar Valjee	1

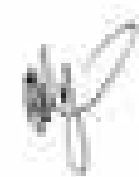
Dividend and Appropriations

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

- Final cash Dividend declared of Rs.8.5 per share, i.e., 170% in addition to interim dividends of Rs 5.00 per share, i.e., 100%.
- Recommends appropriating a sum of Rs 1,592 million from un-appropriated profits to General Reserve.

Acknowledgement

On behalf of the Board of Directors and the management, I wish to express sincere gratitude to our shareholders, customers, dealers and business partners for their continuing patronage and trust. I want to extend special thanks to our JVA partner, Toyota Boshoku Corporation and Toyota Tsusho Corporation of Japan and our TAA partners, Denso Corporation, Furukawa Electric Company and Yazaki Corporation of Japan for their strong support and assistance. I would also like to thank all regulatory authorities for their guidance and support. Last but not least, the Board of Directors extends its sincere appreciation to its entire staff members for their significant contribution to the growth of our company under challenging business conditions.



Mazhar Valjee
Chief Executive Officer

Karachi.
Dated: September 13, 2018.

STATEMENT OF VALUE ADDITION

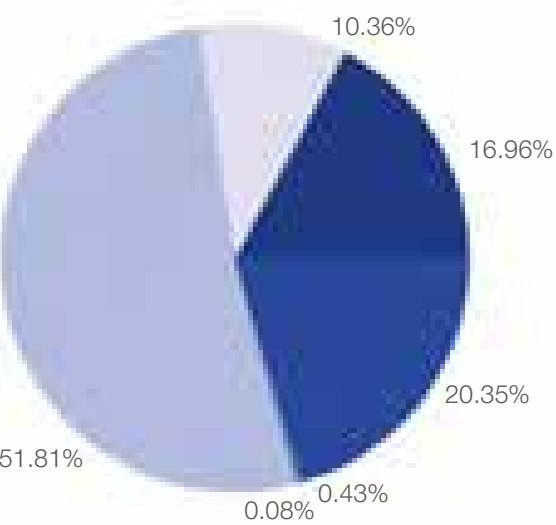
WEALTH GENERATED

	2018		2017	
	Rs. 000	%	Rs. 000	%
Gross Revenue	22,181,339	93.88%	19,688,530	86.41%
Other Income	1,446,166	6.12%	3,095,347	13.59%
	23,627,505	100.00%	22,783,877	100.00%
Bought in Material, Services and Other Expenses	13,070,864	55.32%	11,979,390	52.58%
	10,556,641	44.68%	10,804,487	47.42%

WEALTH DISTRIBUTED

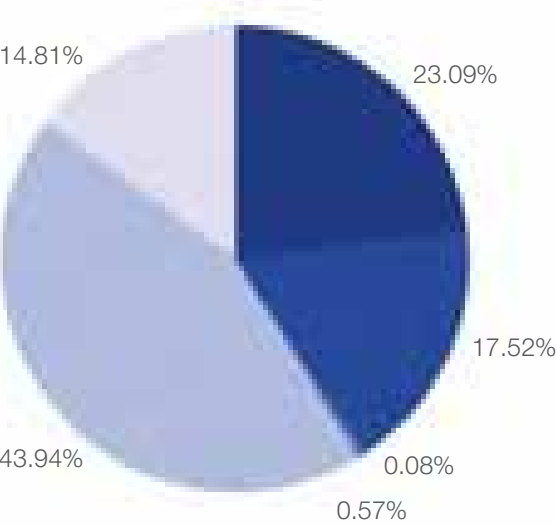
	Rs. 000	%	Rs. 000	%
Employees				
Salaries, Wages & Other Benefits and WPPF	2,148,690	20.35%	1,892,433	17.52%
Society				
Donations towards Education, Health and Environment	45,414	0.43%	61,141	0.57%
Providers of Finance				
Finance Costs	8,869	0.08%	8,511	0.08%
Government				
Contribution to National Exchequer	5,469,091	51.81%	4,747,397	43.94%
Shareholders				
Dividend	1,093,906	10.36%	1,600,341	14.81%
Retained within the Business for Future Growth	1,790,671	16.96%	2,494,664	23.09%
	10,556,641	-	10,804,487	-

Wealth Distribution - 2018



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

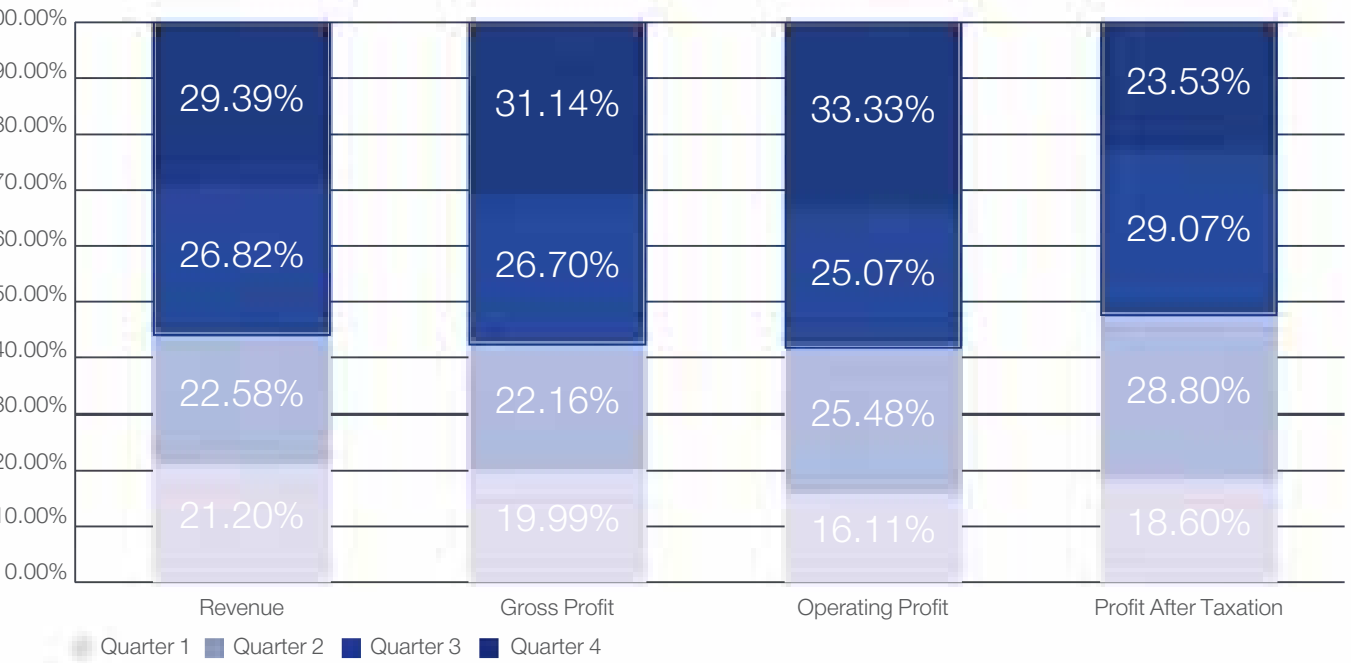
Wealth Distribution - 2017



QUARTERLY ANALYSIS

Variance Analysis of Results Reported in Interim Reports with Annual Financial Statements

	Quarter ended Sep 30, 2017		Quarter ended Dec 31, 2017		Quarter ended Mar 31, 2018		Quarter ended Jun 30, 2018	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Revenue - net	4,090,615		4,357,017		5,175,118		5,670,209	
Gross Profit	732,001	17.9%	811,344	18.6%	977,684	18.9%	1,140,253	20.1%
Operating Profit	656,498	16.0%	1,038,244	23.8%	1,021,282	19.7%	1,357,939	23.9%
Profit After Taxation	499,552	12.2%	773,606	17.8%	780,859	15.1%	631,953	11.1%
Earnings Per Share (Rs.)	6.17		9.55		9.64		7.80	



Revenue:

Owing to market demand and cyclical nature of the business, revenue continued to be on the higher side and grew each quarter. It showed an average increase of Rs. 526.5 million, 12% each quarter.

Gross Profit (GP):

Gross profit continued to increase during the year. It ranged from 17.9% to 20.1%, mainly due to increase in sales volume of both segments.

Operating Profit (OP):

Operating profit decreased mainly due to exercise of put option on shares of MHCCP in the comparative year, resulting in a total gain of Rs. 1.836 billion.

Profit After Taxation (PAT):

Profit after tax continued to increase in first three quarters except slight dip in the fourth quarter.

FINANCIAL PERFORMANCE

SIX YEARS AT A GLANCE

Summary of Balance Sheet

Property, Plant and Equipment
Intangible Assets
Investment Property
Long Term Investments
Long Term Loans
Long Term Deposits
Long Term Prepayments
Deferred Tax Asset
Net Current Assets

Non-Current Liabilities

Long Term Deposits

Net Assets Employed

Financed by

Issued , Subscribed and Paid-up Capital
Reserves

Shareholders' Equity

Summary of Profit & Loss

Sales
Gross Profit
Profit Before Taxation
Profit After Taxation

Summary of Cash Flows

Cash Flows from Operating Activities
Cash Flows from Investing Activities
Cash Flows from Financing Activities
Cash and Cash Equivalents at Year End

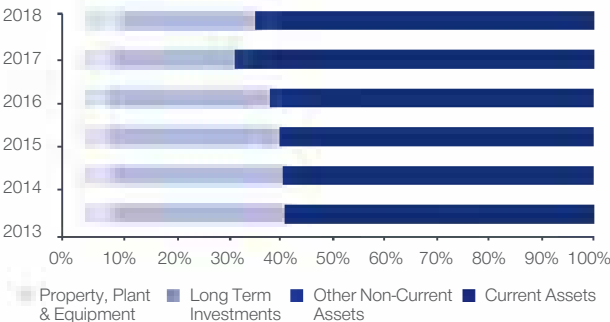
	2018	2017	2016	2015	2014	2013
Property, Plant and Equipment	1,410	1,019	651	599	609	612
Intangible Assets	15	10	9	8	-	-
Investment Property	1	1	1	1	1	1
Long Term Investments	4,938	4,144	4,342	4,065	3,654	3,521
Long Term Loans	788	411	60	5	5	4
Long Term Deposits	13	14	8	8	6	6
Long Term Prepayments	-	-	-	-	4	8
Deferred Tax Asset	191	187	298	84	46	22
Net Current Assets	9,084	9,649	6,860	6,003	5,096	4,867
	16,440	15,435	12,229	10,774	9,421	9,042
Non-Current Liabilities						
Long Term Deposits	2	2	2	2	2	-
	2	2	2	2	2	-
Net Assets Employed	16,438	15,433	12,227	10,772	9,419	9,042
Financed by						
Issued , Subscribed and Paid-up Capital	405	405	405	405	405	405
Reserves	16,033	15,028	11,822	10,367	9,014	8,637
Shareholders' Equity	16,438	15,433	12,227	10,772	9,419	9,042
Summary of Profit & Loss						
Sales	19,293	17,124	15,266	15,549	11,626	12,766
Gross Profit	3,661	3,633	3,369	2,944	1,810	2,341
Profit Before Taxation	3,804	5,447	2,979	2,945	1,776	2,227
Profit After Taxation	2,686	3,966	2,179	2,149	1,361	1,624
Summary of Cash Flows						
Cash Flows from Operating Activities	244	1,664	759	1,951	220	1,270
Cash Flows from Investing Activities	(2,251)	66	398	303	1,387	(308)
Cash Flows from Financing Activities	(1,677)	(802)	(705)	(793)	(998)	(1,059)
Cash and Cash Equivalents at Year End	1,282	4,970	4,043	3,591	2,129	1,520

GRAPHICAL PRESENTATION

SIX YEARS AT A GLANCE

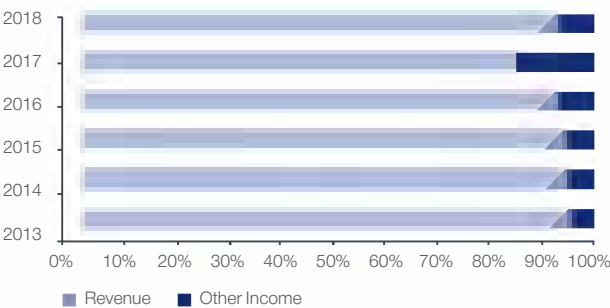
Balance Sheet Analysis

Assets (%)

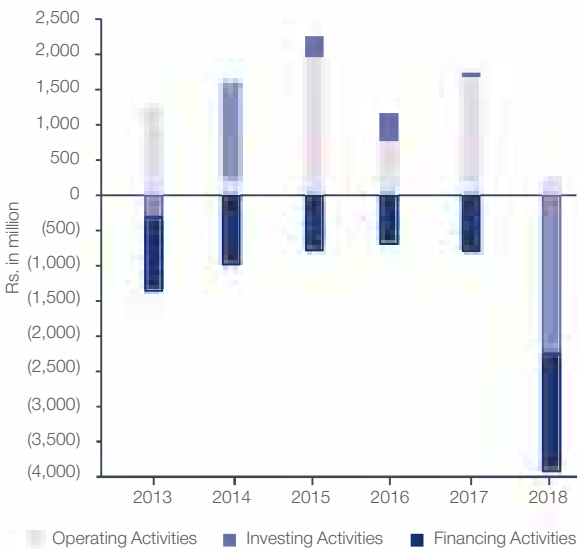


Profit & Loss Analysis

Income (%)

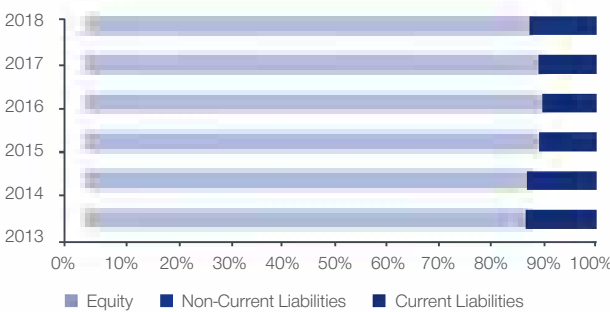


Cash Flow Analysis



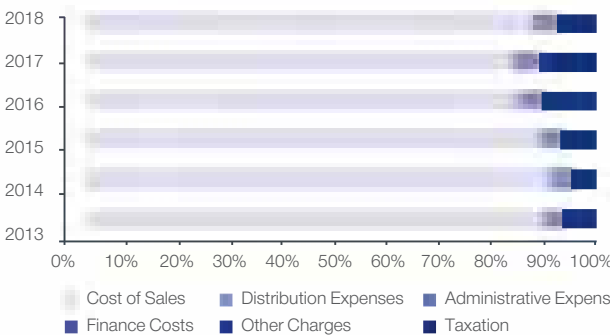
Balance Sheet Analysis

Equity & Liabilities (%)



Profit & Loss Analysis

Expenses (%)



Equity, Paid-Up Capital & Accumulated Dividend



HORIZONTAL ANALYSIS

	2018		2017		2016		2015		2014		2013	
	Rs in million	18 Vs. 17 %	Rs in million	17 Vs. 16 %	Rs in million	16 Vs. 15 %	Rs in million	15 Vs. 14 %	Rs in million	14 Vs. 13 %	Rs in million	13 Vs. 12 %
BALANCE SHEET												
EQUITY AND LIABILITIES												
Equity	16,438	6.5%	15,433	26.2%	12,228	13.5%	10,772	14.4%	9,419	4.2%	9,042	12.7%
Non-Current Liabilities	2	0.0%	2	0.0%	2	0.0%	2	0.0%	2	0.0%	-	-100.0%
Current Liabilities	2,477	24.4%	1,992	36.7%	1,456	7.4%	1,356	-8.9%	1,489	2.7%	1,450	-27.5%
Total Equity & Liabilities	18,917	8.5%	17,427	27.3%	13,686	12.8%	12,130	11.2%	10,910	4.0%	10,492	4.6%
	-		-		-		-		-		-	
ASSETS												
Non-Current Assets	7,358	27.2%	5,786	7.8%	5,370	12.5%	4,771	10.3%	4,326	3.6%	4,175	1.5%
Current Assets	11,559	-0.7%	11,641	40.0%	8,316	13.0%	7,359	11.8%	6,584	4.2%	6,317	6.8%
Total Assets	18,917	8.5%	17,427	27.3%	13,686	12.8%	12,130	11.2%	10,910	4.0%	10,492	4.6%
	-		-		-		-		-		-	
PROFIT AND LOSS ACCOUNT												
Turnover - net	19,293	12.7%	17,124	12.2%	15,266	-1.8%	15,549	33.7%	11,626	-8.9%	12,766	-6.7%
Cost of Sales	15,632	15.9%	13,491	13.4%	11,897	-5.6%	12,605	28.4%	9,816	-5.8%	10,425	-5.2%
Gross Profit	3,661	0.8%	3,633	7.8%	3,369	14.4%	2,944	62.7%	1,810	-22.7%	2,341	-12.8%
Distribution Costs	219	18.1%	186	-25.5%	249	25.6%	199	25.6%	158	-10.2%	176	50.0%
Administrative Expenses	814	9.8%	742	29.5%	573	20.3%	476	29.4%	368	7.8%	341	0.1%
Other Income	(1,446)	-53.3%	(3,096)	165.1%	(1,168)	30.1%	(898)	43.7%	(625)	6.3%	(588)	29.3%
Other Charges	262	-24.3%	345	-52.8%	732	236.7%	217	69.8%	128	-25.9%	173	3.1%
Operating Profit	3,812	-30.1%	5,456	82.9%	2,983	1.1%	2,950	65.6%	1,781	-20.5%	2,239	-11.0%
Finance Costs	9	-1.5%	9	135.6%	4	-19.6%	5	3.0%	5	-63.3%	13	-89.4%
Profit Before Taxation	3,804	-30.2%	5,447	82.8%	2,979	1.2%	2,945	65.8%	1,776	-20.2%	2,226	-7.1%
Taxation	1,118	-24.5%	1,481	85.0%	800	0.5%	796	92.1%	414	-31.2%	602	-18.5%
Profit After Taxation	2,686	-32.3%	3,966	82.0%	2,179	1.4%	2,149	57.8%	1,362	-16.1%	1,624	-2.0%

VERTICAL ANALYSIS

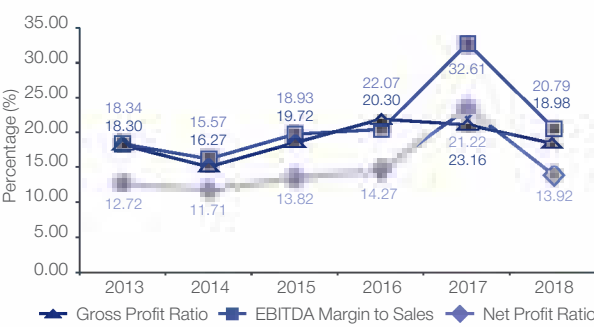
	2018		2017		2016		2015		2014		2013	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
BALANCE SHEET												
EQUITY AND LIABILITIES												
Equity	16,438	94.3%	15,433	88.6%	12,228	89.3%	10,772	88.8%	9,419	86.3%	9,042	86.2%
Non-Current Liabilities	2	0.0%	2	0.0%	2	0.0%	2	0.0%	2	0.0%	-	0.0%
Current Liabilities	2,477	14.2%	1,992	11.4%	1,456	10.6%	1,356	11.2%	1,487	13.6%	1,450	13.8%
Total Equity & Liabilities	18,917	108.5%	17,427	100.0%	13,686	100.0%	12,130	100.0%	10,908	100.0%	10,492	100.0%
	-		-		-		-		-		-	
ASSETS												
Non-Current Assets	7,358	42.2%	5,786	33.2%	5,370	39.2%	4,771	39.3%	4,324	39.6%	4,175	39.8%
Current Assets	11,559	66.3%	11,641	66.8%	8,316	60.8%	7,359	60.7%	6,584	60.4%	6,317	60.2%
Total Assets	18,917	108.5%	17,427	100.0%	13,686	100.0%	12,130	100.0%	10,908	100.0%	10,492	100.0%
	-		-		-		-		-		-	
PROFIT AND LOSS ACCOUNT												
Turnover - net	19,293	100.0%	17,124	100.0%	15,266	100.0%	15,549	100.0%	11,626	100.0%	12,766	100.0%
Cost of Sales	15,632	91.3%	13,491	78.8%	11,897	77.9%	12,605	81.1%	9,816	84.4%	10,425	81.7%
Gross Profit	3,661	21.4%	3,633	21.2%	3,369	22.1%	2,944	18.9%	1,810	15.6%	2,341	18.3%
Distribution Costs	219	1.3%	186	1.1%	249	1.6%	199	1.3%	158	1.4%	176	1.4%
Administrative Expenses	814	4.8%	742	4.3%	573	3.8%	476	3.1%	368	3.2%	341	2.7%
Other Income	(1,447)	-8.5%	(3,096)	-18.1%	(1,167)	-7.6%	(898)	-5.8%	(625)	-5.4%	(588)	-4.6%
Other Charges	262	1.5%	345	2.0%	732	4.8%	217	1.4%	128	1.1%	173	1.4%
Operating Profit	3,813	22.3%	5,456	31.9%	2,983	19.5%	2,950	19.0%	1,780	15.3%	2,239	17.5%
Finance Costs	9	0.1%	9	0.1%	4	0.0%	5	0.0%	5	0.0%	13	0.1%
Profit Before Taxation	3,804	22.2%	5,447	31.8%	2,979	19.5%	2,945	18.9%	1,776	15.3%	2,227	17.4%
Taxation	1,118	6.5%	1,481	8.6%	800	5.2%	796	5.1%	414	3.6%	602	4.7%
Profit After Taxation	2,686	15.7%	3,966	23.2%	2,179	14.3%	2,149	13.8%	1,361	11.7%	1,624	12.7%

SIX YEARS' RATIO ANALYSIS

		2018	2017	2016	2015	2014	2013
Profitability Ratios							
Gross Profit	%	18.98	21.22	22.07	18.93	15.57	18.34
EBITDA Margin to Sales	%	20.79	32.61	20.30	19.72	16.27	18.30
Net Profit Margin	%	13.92	23.16	14.27	13.82	11.71	12.72
Return on Equity	%	16.34	25.70	17.82	19.95	14.45	17.96
Return on Capital Employed	%	23.19	35.35	24.39	27.38	18.90	24.77
Liquidity Ratios							
Current Ratio	times	4.67	5.84	5.71	5.43	4.43	4.36
Quick Ratio	times	3.02	4.33	3.75	3.67	2.29	2.61
Cash to Current Liabilities	times	0.52	2.49	2.78	2.65	1.43	1.05
Cash Flow from Operations to Sales	times	0.01	0.10	0.05	0.13	0.07	0.16
Activity/Turnover Ratios							
Inventory Turnover	times	4.55	4.75	4.70	4.68	3.54	3.89
Inventory Turnover	days	80.18	76.81	77.61	77.99	103.15	93.81
Inventory Turnover - Finished Goods	times	31.10	27.89	33.36	35.54	30.42	36.13
Inventory Turnover - Finished Goods	days	11.74	13.09	10.94	10.27	12.00	10.10
Inventory Turnover - Raw Material	times	4.85	5.27	5.29	4.86	3.64	3.85
Inventory Turnover - Raw Material	days	75.21	69.23	68.96	75.07	100.31	94.73
Debtors Turnover	times	17.32	19.25	16.62	17.85	14.03	15.67
Average Collection Period	days	21.07	18.96	21.96	20.45	26.02	23.30
Creditors Turnover	times	31.98	50.12	49.29	38.15	31.60	25.35
Payable Turnover	days	12.03	7.43	7.53	8.93	12.24	14.13
Operating Cycle	days	89.23	88.34	92.04	89.50	116.92	102.97
Total Assets Turnover	times	1.02	0.98	1.12	1.28	1.07	1.22
Fixed Assets Turnover	times	13.54	16.64	23.12	25.60	19.10	20.84
Investment/Market Ratios							
Earnings Per Share	Rs.	33.15	48.95	26.89	26.52	16.80	20.05
Price Earnings Ratio	times	14.41	12.38	10.53	10.76	12.34	6.36
Cash Dividend Per Share	Rs.	13.50	19.75	10.00	12.50	7.50	10.00
Dividend Yield	%	2.83	3.26	3.53	4.38	3.62	7.84
Dividend Payout	%	40.73	40.35	37.19	47.13	44.64	49.89
Dividend Cover	times	2.46	2.48	2.69	2.12	2.24	2.00
Market Value Per Share - June 30	Rs.	477.53	606.03	283.02	285.43	207.39	127.49
Market Value Per Share - High	Rs.	590.23	697.12	321.99	329.62	218.00	141.01
Market Value Per Share - Low	Rs.	477.53	317.81	230.98	187.33	107.15	92.01
Market Capitalization	Rs. 000	38,694,212	49,106,556	22,933,085	23,128,367	16,804,793	10,330,503
Breakup Value - Net Assets Per Share							
- Without Surplus on Revaluation	Rs.						
on Fixed Assets		202.86	190.46	150.90	132.94	116.24	111.59
Capital Structure Ratios							
Financial Leverage	%	15.09	12.92	11.92	12.61	15.81	16.04
Debt Equity Ratio	%	0.01	0.01	0.01	0.02	0.02	-
Interest Cover	times	429.85	640.99	780.85	621.18	386.13	178.11

GRAPHICAL PRESENTATION OF RATIOS

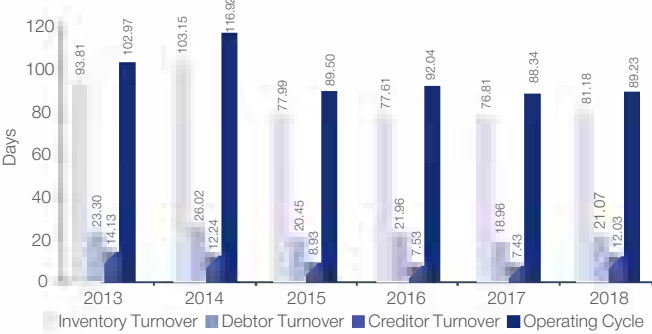
Profitability Ratios



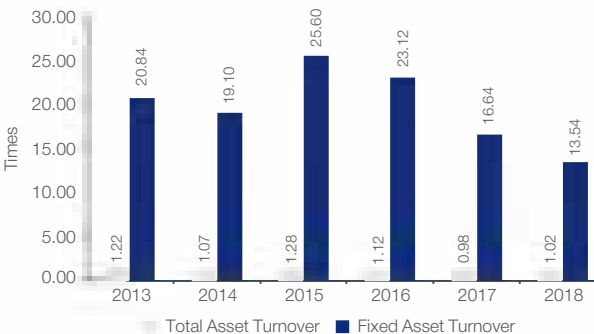
Profitability Ratios



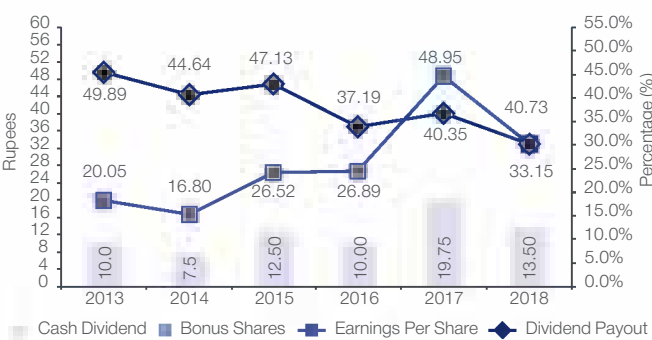
Acitivity / Turnover Ratios



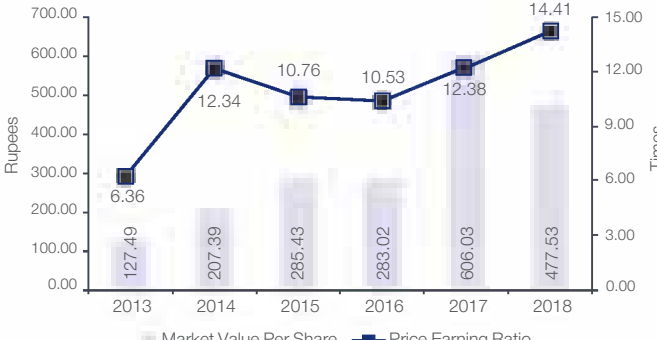
Acitivity / Turnover Ratios



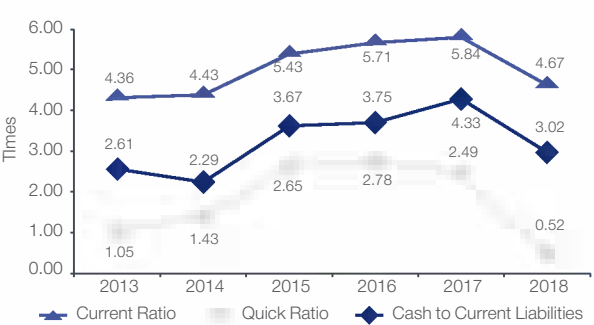
Investment / Market Ratios



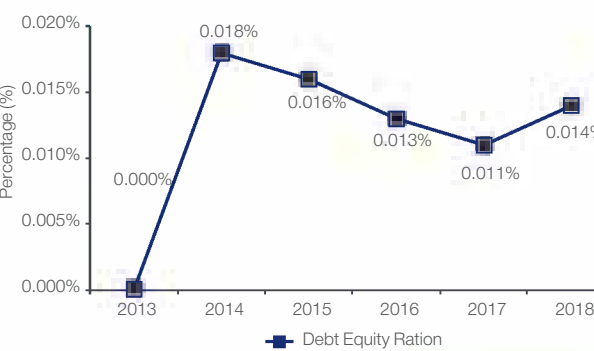
Investment / Market Ratios



Liquidity Ratios



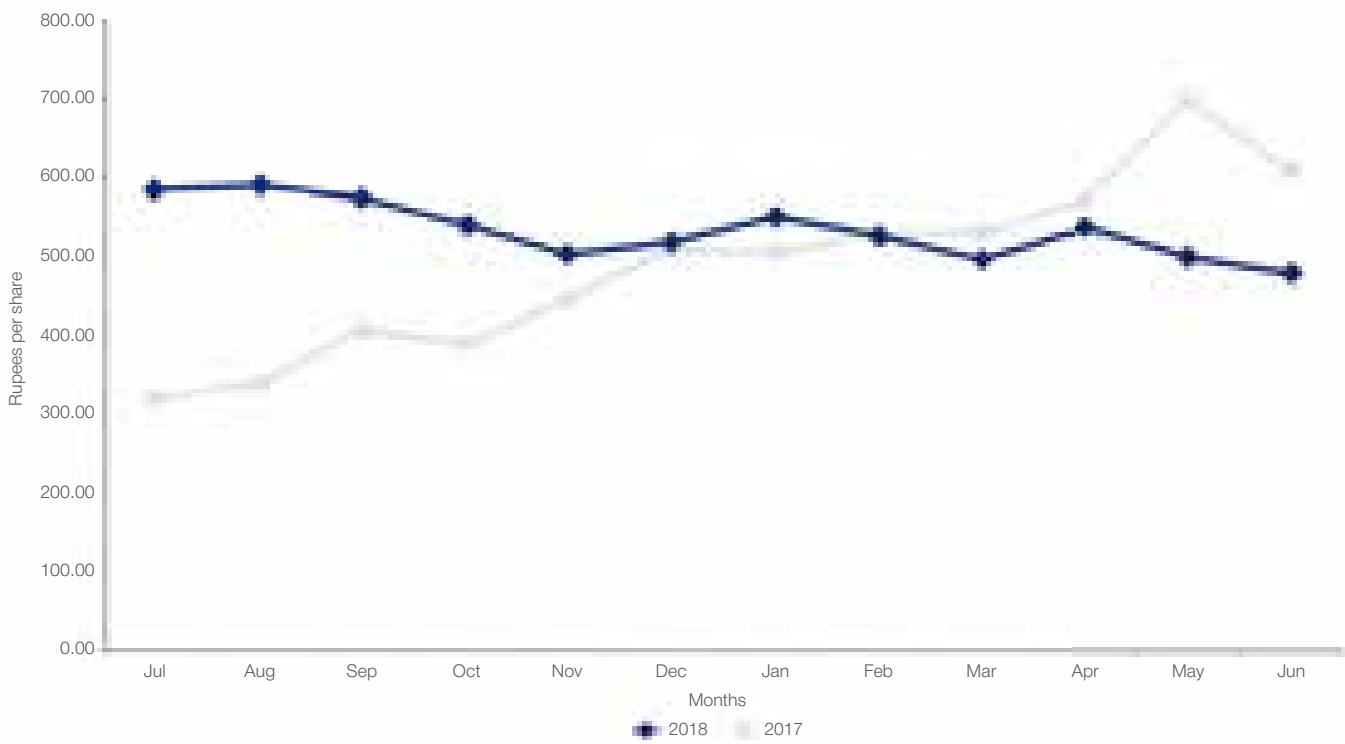
Capital Structure Ratio



DUPONT ANALYSIS-2018 VS 2017



AVERAGE MARKET PRICE PER SHARE



ALL ABOUT OPPORTUNITY

SHAREHOLDER INFORMATION



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty-second Annual General Meeting of the Members of the Company will be held on Monday, October 22, 2018 at 09:30 AM at the Institute of Chartered Accountants of Pakistan (ICAP) Auditorium, Clifton, Karachi to transact the following business:

A. ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the year ended June 30, 2018 together with the Reports of the Directors' and Auditors' Report and Chairman's review Report thereon.
2. To approve a final cash dividend of 170% (i.e. Rs. 8.50 per share) for the year 2017-18 as recommended by the Board of Directors. This is in addition to the Interim Dividend, of 100% i.e. Rs 5.00 per share already paid. The total dividend for 2017-18 will thus amount to 270% i.e. Rs 13.50 per share.
3. To appoint Auditors for the year 2018-19 and to fix their remuneration. The present auditors – Messrs EY Ford Rhodes, Chartered Accountants, being eligible offer themselves for reappointment.

B. SPECIAL BUSINESS

4. To consider, and if thought fit, pass the following as an Ordinary Resolution, with or without modification, to obtain consent from the members for the transmission of Annual Audited Accounts of the Company in electronic form:

“RESOLVED that the consent and approval of the members of the Company be and is hereby accorded for transmission of annual reports including annual audited accounts, auditor's report and directors' report, notices of annual general meetings and other information contained therein of the Company to the members for future years through CD/DVD/USB instead of transmitting the same in hard copies

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

5. To consider, and if thought fit, pass the following resolutions as Special Resolution, with or without modification, to obtain consent from the Members for investment by the Company in its associated company, Sindh Engro Coal Mining Company Limited (SECMC):

RESOLVED as and by way of Special Resolution THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for the Company to invest an amount not exceeding the Pak Rupees equivalent of US Dollar 13.66 million in the Company's associated company, Sindh Engro Coal Mining Company Limited (SECMC) to satisfy its aggregate equity commitment under the Amended and Restated Sponsor Support Agreement and the Company is authorized to make good such commitment by subscribing the appropriate number of ordinary shares in SECMC and to arrange Standby Letter(s) of Credit in an amount not exceeding US Dollar 12.28 million in favour of the lenders of SECMC, as required by the Amended and Restated Sponsor Support Agreement to be executed between inter alia the Company and the lenders of SECMC, and to create security on the assets of the Company as may be required by the relevant lenders that will issue the requisite Standby Letter(s) of Credit and THAT CEO and any Director of the Compa-

ny be and are hereby jointly authorized to take all actions and to execute, sign and deliver all such agreements and documents required for and in connection with and in relation to and for the purposes of the aforesaid.

RESOLVED as and by way of Special Resolution THAT that the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for the Company to extend a loan in an amount not exceeding the Pak Rupees equivalent of US Dollars 6.31 million to the Company's associated company, Sindh Engro Coal Mining Company Limited (SECMC) or to invest such amount in SECMC for the purpose of satisfying and funding shortfall / cost overrun obligation (pursuant to the Amended and Restated Sponsor Support Agreement), including but not limited to making payments of any amounts whatsoever to the lenders of SECMC (the “Cost Overrun Obligation”) and if required by the lenders of SECMC, to arrange a Standby Letter of Credit in an amount not exceeding US Dollars 6.31 million in favour of the lenders of SECMC, securing the Cost Overrun Obligation, and to create security on the assets of the Company as may be required by the relevant lenders that will issue the Standby Letter of Credit and THAT CEO and any Director of the Company be and are hereby jointly authorized to take all actions and to execute, sign and deliver all such agreements and documents required for and in connection with and in relation to and for the purposes of the aforesaid.

RESOLVED as and by way of Special Resolution THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for the Company to extend a loan in an amount not exceeding the Pak Rupees equivalent of US Dollars 8.02 million to the Company's associated company, Sindh Engro Coal Mining Company Limited (SECMC) subject to fluctuations in applicable interest rates and exchange rate or to invest such amount in SECMC by subscribing to the shares of SECMC, for the purpose of satisfying its commitment to fund the Payment Service Reserve Account (PSRA) for Company's agreed percentage of 11.9% of the Initial PSRA Shortfall Amount (as defined in the Amended and Restated Sponsor Support Agreement), including but not limited to making payments of any amounts whatsoever to the lenders of SECMC and if required by the lenders of SECMC, to arrange one or multiple Standby Letters of Credit in favour of the lenders of SECMC in an amount not exceeding Pak Rupees equivalent of US Dollars 8.02 million for the purpose of providing debt service reserve support and to create security on the assets of the Company as may be required by the relevant lenders that will issue the requisite letter(s) of credit and THAT CEO and any Director of the Company be and are hereby jointly authorized to take all actions and to execute, sign and deliver all such agreements and documents required for and in connection with and in relation to and for the purposes of the aforesaid.

RESOLVED as and by way of Special Resolution THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 to assign the Company's rights in respect of any investment made in the Company's associated company, Sindh Engro Coal Mining Company Limited (SECMC) by way of loan (which loan is to be treated as subordinated debt to the lenders of SECMC) in favour of the lenders of SECMC.

RESOLVED as and by way of Special Resolution THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017, to make such other investments in the Company's associated company, Sindh Engro Coal Mining Company Limited (SECMC) of the nature, for the period, of the amount and on the terms and conditions specified in the Amended and Restated Sponsor Support Agreement and any other related agreement or instrument as approved by the Board and THAT CEO and any Director of the Company be and are hereby jointly authorized to take all actions and to execute, sign and deliver all such agreements and documents required for and in connection with and in relation to and for the purposes of the aforesaid.

STATEMENT UNDER SECTION 134(3)(B) OF THE COMPANIES ACT, 2017 REGARDING THE SPECIAL BUSINESS:

This statement sets out the material facts concerning the special business, given in agenda item No.4 & 5 of the notice, intended to be transacted at the Annual General Meeting of Thal Limited to be held on October 22, 2018.

Item # 4 of the Notice

The directors of the Company have recommended the resolution which will give the members the option to receive annual balance sheet, profit & loss account, auditor's report and directors' report etc. ("annual audited accounts") through CD/D-VD/USB at their registered address and to bring about and implement the Securities and Exchange Commission of Pakistan's directive communicated through Notification # SRO 470(1)12016 dated 31 st May 2016.

The Directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors' Report.

Item # 5 of the Notice

The Government of Sindh (‘GOS’) and Engro Powergen Limited ('Engro') entered into a joint venture agreement dated September 8, 2009 to inter alia form a joint venture company to carry out a feasibility study of a coal mining project in Thar ("Detailed Mining Feasibility Study") and if deemed appropriate to develop the coal mining project in Block 2, District Tharparkar in Sindh (“Mining Project”). Sindh Engro Coal Mining Company Limited (SECMC) was subsequently incorporated for this purpose with Engro subscribing to 60% of its initial share capital and the GOS, 40% of its initial share capital. On March 8, 2013 the Economic Coordination Committee of the Federal Cabinet of the Government of Pakistan approved the issuance of a Sovereign Guarantee for the debt of SECMC provided that the GOS owns at least 51% of the issued and paid up capital of SECMC. Notwithstanding the same, the GOS has agreed with Engro that subject to (unless otherwise agreed by the GOS) Engro (directly or through its Affiliates) retaining shareholding of not less than 26% of the paid up capital of SECMC, the management control of SECMC shall remain with Engro and its Affiliates.

In light of the foregoing, the GOS and Engro amended and restated the terms of the joint venture agreement dated September 8, 2009 and entered into an amended and restated joint venture agreement dated January 24, 2014 (the "JVA").

SECMC is currently setting up a 3.8 Mt/annum mine in Thar Block II (the “Initial Project”). The Initial Project is currently progressing ahead of schedule and is expected to achieve Commercial Operations in June 2019. The Company and the lenders of SECMC have already executed a Sponsor Support Agreement dated February 26, 2016, in respect of the Company’s sponsor support obligations towards SECMC and its lenders for the Initial Project.

SECMC is planning to expand the capacity of mine to 7.6 Mt/annum (the “Expansion Project”) to cater to the two additional 330 MW IPPs being set up by ThalNova Power Thar (Pvt.) Limited and Thar Energy Limited (TEL). SECMC has achieved the following important milestones required for Financial Close of the Expansion Project:

- EPC contract signed
- Tariff for Phase II filed with Thar Coal and Energy Board (TCEB)
- Coal Supply Agreements signed with Phase II IPPs
- Funding Plan has been finalized and agreed with Lenders

Engro, Thal, HBL, Hubco and a wholly owned subsidiary of CMEC entered into a Master Shareholders Agreement on August 17, 2015 whereby, Thal has agreed to invest the Pak Rupees equivalent of US Dollars 24.3 million (equivalent Pak Rupees 1,649 million already invested) at or soon after Financial Close or at such later time or times as required by the Financing Agreements at a share price of Pak Rupees 14.82 per share. The Company has already obtained its board approval in the Company's Board Meeting held on 15th December 2015 for making an investment in SECMC of an amount not exceeding the Pak Rupee equivalent of US Dollars 24.3 Million by way of subscription of shares at the rate of Pak Rupee 14.82 per share, of which an amount equal to Pak Rupees 1,649 million (approx. US Dollar 15.26 million) has been invested in SECMC. The board of the Company has also approved the provision of a standby letter of credit to cover for the equity investment of US Dollars 15.6 Million which shall be reduced as equity is injected. Due to expansion of SECMC Mine to 7.6 Mt/a, Thal is

required to provide additional equity of Pak Rupees equivalent of US Dollars 4.62 million making a total equity commitment of Pak Rupees equivalent of US Dollars 28.92 million. Thal is also required to provide a standby letter of credit to cover for the equity investment of US Dollars 3.23 million for the expansion of the mine. As such, approval of the members of Thal is required to invest an amount not exceeding the Pak Rupee equivalent of US Dollars 13.66 million and to provide standby letter(s) of credit to cover for the equity investment of US Dollars 12.28 million.

In the event of any cost overrun in the development of the Initial Project after Financial Close, the Sponsors (namely, GOS, Engro, Thal, Hubco, HBL, and CMEC), pursuant to the Sponsor Support Agreement, agree to provide funding for the purposes of cost overrun to SECMC as requested by SECMC or the Inter creditor Agent, if at any time prior to the Project Completion Date, there is funding shortfall. Each Sponsor is obligated to pay the cost overrun amount in cash, by way of subscription of SECMC shares or at the option of the Sponsors collectively, by way of a subordinated debt to SECMC. The obligation of the Company under the Sponsor Support Agreement is a contractual obligation to make available, if required, a monetary amount in Pak Rupees equivalent to US Dollars 5.03 million. The obligation of the Company to provide cost overrun support shall be released in full, upon the Project Completion Date. The aforementioned approval was taken at the Board Meeting held on 15th December 2015. Due to expansion of SECMC Mine to 7.6 Mt/a, Thal is required to provide additional Cost Overrun support of Pak Rupees equivalent of US Dollars 1.28 million making a total contractual commitment of Pak Rupees equivalent of US Dollars 6.31 million. As such, approval of the members is required to invest an amount not exceeding the Pak Rupee equivalent of US Dollars 6.31 million by way of cost overrun support.

As for Debt Service Reserve Account ('DSRA') on the Initial DSRA Test Date, being the date falling one month prior to the First Repayment Date, if there is an Initial DSRA Shortfall, each Sponsor shall procure and issue a DSRA Letter of Credit (LC) in proportion to its shareholding of Ordinary shares in SECMC. The DSRA Shortfall is the amount of one repayment instalment less the amount available in the DSRA and can therefore be up to the amount of one repayment instalment of all the finances obtained by SECMC. That amount can also vary, depending on the then prevailing LIBOR / KIBOR rate, so the estimation is that, Thal's share will not exceed US Dollars 6.8 Million, though it can be slightly higher or lower. Due to expansion of SECMC Mine to 7.6 Mt/a, Thal is required to provide additional DSRA support of Pak Rupees equivalent of US Dollars 1.22 million making a total contractual commitment of Pak Rupees equivalent of US Dollars 8.02 million.

Upon a demand being made for payment under the DSRA LC and receiving such payment, the said amount may be treated as equity or at the option of the Sponsors collectively, subordinated debt advanced in favour of SECMC in an amount equal to such portion of the DSRA LC that is called upon, for which approval was obtained at the Board Meeting held on 15th December 2015.

The Initial Project is expected to achieve commercial operations in June 2019. The Expansion Project is anticipated to reach completion and achieve commercial operations by December 2021. The expected return is 20% in IRR terms. The Initial Project is expected to generate returns one year after successful commencement of commercial operations. The Expansion Project is expected to generate returns one year after successful commencement of commercial operations.

To secure SECMC's debt, the Company will also pledge it's shares in SECMC with the lenders of SECMC.

The aforementioned enhanced sponsor obligations due to expansion of the SECMC Mine to 7.6 Mt/a are reflected in an Amended and Restated Sponsor Support Agreement, which seeks to amend and restate that Sponsor Support Agreement already executed between the Company and the lenders of SECMC and which has been approved by the Thal Board of Directors in the meeting held on 7th August 2018 and the Company now plans to enter into.

In compliance of the requirements of the Companies (Investment in Associated Companies and Associated Undertakings) Regulations, 2017 (the “Regulations”) the information appearing in the following tables is required to be annexed with the notice of the EGM for approval of the investment for the purpose of Section 199 of the Companies Act, 2017.

C. **STATEMENT UNDER REGULATION 4(2) OF THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATION 2017**

In the extraordinary general meeting held on March 22, 2018, the members of the Company had approved investment in ThalNova Power Thar (Private) Limited ("ThalNova"), to enable the Company to fulfil its sponsor support obligations towards the lenders of ThalNova. The lenders are financing the development and construction of a 330MW coal-fired power project being established by ThalNova (the "ThalNova Project"). The investment approved by the members (in the extraordinary general meeting held on March 22, 2018) to be made directly in ThalNova has not yet been made. The ThalNova Project has experienced delay in achieving financial close versus earlier envisaged target date of July 2018 primarily because of slow progress from Chinese financial institutions which are providing foreign currency loans to the Project Company. The Project Company is in advance stage of negotiation for financing documents with local and Chinese lenders and is putting all efforts to finalize and close these documents at the earliest.

Karachi.
Dated: September 13, 2018

By Order of the Board



Umair Riaz Siddiqi
Company Secretary

NOTES:

- (i) The Share Transfer Books of the Company will remain closed from October 15, 2018 to October 22, 2018 (both days inclusive) and the final dividend will be paid to the Members whose names will appear in the Register of Members on, October 13, 2018. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Share Registrar of the Company M/S. FAMCO Associates (Private) Ltd., 8-F, Next to Hotel Faran, Nursery, Block-6, PECHS, Sharea Faisal Karachi. Tel:0092-21-34380101-5,0092-21-34384621-3 (Ext-103) Fax: 0092-21-34380106. All the Members holding the shares through the CDC are requested to please update their addresses and Zakat status with their Participants.
- (ii) A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
- (iii) **CDC Accounts Holders** will further have to follow the guidelines as laid down in Circular 1 dated the January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

A. For Attending the Meeting

- (a) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the Regulations, shall authenticate their identity by showing his/ her original National Identity Card ("CNIC") or original passport at the time of attending the meeting.
- (b) In case of corporate entity, Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

B. For Appointing Proxies

- (a) In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- (b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (c) Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (d) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- (e) In case of corporate entities, board of directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.

(iv) CNIC / NTN Number on Dividend Warrant (Mandatory)

As has already been notified from time to time, the Securities and Exchange Commission of Pakistan (SECP) vide Notification S.RO. 275(1)/2016 dated March 31, 2016 read with Notification S.RO. 19(1)/2014 dated January 10, 2014 and Notification S.RO. 831 (1)/2012 dated July 5, 2012 required that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

(v) Withholding Tax on Dividend (Mandatory)

Pursuant to the provisions of the Finance Act 2017 effective July 1, 2017, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

(a) For filers of income tax returns	15%
(b) For non-filers of income tax returns	20%

Shareholders who are filers, 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 non-filers and tax on their cash dividend will be deducted at the rate of 20% instead of 15%.

(vi) **Withholding Tax on Dividend in case of Joint Account Holders**

- (a) According to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.
- (b) In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder(s)	
			Name & CNIC No.	Shareholding Proportion (No.of Shares)	Name & CNIC No.	Shareholding Proportion (No.of Shares)

- (c) The required information must reach our Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).
- (d) As per FBR Circulars C. No.1 (29) WHT/2006 dated 30 June 2010 and C. No.1 (43) DG (WHT)/2008-Vol. II -66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part -IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.
- (e) For any query/problem/information, the investors may contact the Company Secretary at phone: 021-34312030 and email address tl@hoh.net and/or FAMCO Associates (Pvt.) Ltd. at phone 021-34380101-5 and email address: info.shares@famco.com.pk
- (f) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or FAMCO Associates (Pvt.) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers

(vii) **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, alongwith the Auditor’s report, director review report etc. (“Annual Report”) and the notice of Annual General Meeting (“Notice”) to its shareholders by email. Shareholders of the Company who wish to receive the Company’s Annual Report and Notice of Annual General Meeting by E-mail are requested to provide the complete Electronic Communication Consent Form (available at the Company’s Website) to the Company’s Share Registrar, FAMCO Associates (Private) Limited.

(viii) **Payment of Cash Dividend Electronically (Mandatory)**

In accordance with the provision of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants.

SECP has advised in their Circular No. 18 of 2017 dated August 01, 2017 to all listed companies to ensure that with effect from November 01, 2017 (as also provided in the Companies (Distribution of Dividends) Regulations, 2017 (as amended from time to time) cash dividends shall be paid through electronic mode only. Therefore, shareholders are requested to provide the details of their bank mandate specifying: (a) title of account (b) account number (c) IBAN number (d) bank name and (e) branch name, code and address to the Company or Share Registrar. Those shareholders who hold shares with participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant / CDC.

Please note that as per Section 243(3) of the Companies Act, 2017, listed companies are entitled to withhold payment of dividend, if necessary information is not provided by shareholders.

For the convenience of shareholders e-Dividend Mandate Form is available on Company's website <http://www.thallimited.com>.

(ix) **Unclaimed / Unpaid Shares and Dividends**

In accordance with the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it is due and payable, the Company shall give ninety days notices to the shareholders to file claim, if no claim is made before the Company by the shareholders, the Company shall proceed to deposit the unclaimed or unpaid Shares / Dividends with the Federal Government in compliance with the Section 244 of the Companies Act, 2017.

In this regard, a Notice dated December 28, 2017 was sent by Registered AD due on the last known addresses of the shareholders to submit their claims within 90 days to the Company. In compliance of Section 244(1)(b) of the Companies Act, 2017 a Final Notice had also been published on March 31, 2018 in two daily newspapers i.e. (i) Business Recorder and (ii) Daily Nawaiwaqt in English and Urdu respectively.

In case no claim is received within the given period from the aforesaid Notice, the Company shall proceed to deposit the unclaimed / unpaid amount with the Federal Government pursuant to the provisions of sub-section (2) of Section 244 of the Companies Act, 2017.

(x) **E-Voting**

Shareholders can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

(xi) **Video Conference**

Pursuant to SECP Circular No 10 of 2014 dated May 21, 2014, if the Company receives consent from shareholders holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide the following information to the Share Registrar Office of the Company i.e. Messrs. FAMCO Associates (Pvt) Ltd., 8-F, Next to Hotel Faran, Nursery, Block-6, PECHS, Shakra-e-Faisal, Karachi Telephone No. 0092-21-34380101-5, 0092-21-34384621-3 (Ext-103), Fax: 0092-21-34380106 and email info.shares@famco.com.pk.

I/We, of being a shareholder of Thal Limited holder of Ordinary Share(s) as per Register Folio No. _____ hereby opt for video conference facility at (Please insert name of the City)

Information pursuant to Section 3 - Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the “Regulations”)

Equity Investment

Information Required	Information Provided										
Name of associated company or associated undertaking	Sindh Engro Coal Mining Company Limited (“SECMC”)										
Basis of relationship with associated undertaking	Thal Limited (the Company), owns 11.9% ordinary shares in SECMC. Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting.										
Earnings per share for the last three years of the associated undertaking	<table><tr><th>Year</th><th>Earnings / (Loss) per share in Pak Rupees</th></tr><tr><td>2017</td><td>(0.02)</td></tr><tr><td>2016</td><td>(0.03)</td></tr><tr><td>2015</td><td>0.13</td></tr></table>	Year	Earnings / (Loss) per share in Pak Rupees	2017	(0.02)	2016	(0.03)	2015	0.13		
Year	Earnings / (Loss) per share in Pak Rupees										
2017	(0.02)										
2016	(0.03)										
2015	0.13										
Break-up value per share, based on latest audited financial statements of the associated undertaking	Pak Rupees 14.40										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table><tr><th>As at June 30, 2018:</th><th>In Pak Rupees in Millions</th></tr><tr><td>Total Assets</td><td>50,367</td></tr><tr><td>Total Equity</td><td>11,895</td></tr><tr><td>Total Liabilities</td><td>38,472</td></tr><tr><td>Loss after Taxation</td><td>(16.58)</td></tr></table>	As at June 30, 2018:	In Pak Rupees in Millions	Total Assets	50,367	Total Equity	11,895	Total Liabilities	38,472	Loss after Taxation	(16.58)
As at June 30, 2018:	In Pak Rupees in Millions										
Total Assets	50,367										
Total Equity	11,895										
Total Liabilities	38,472										
Loss after Taxation	(16.58)										
In the case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely: <ul style="list-style-type: none">• Description of the project and its history since conceptualization;• Starting date and expected date of completion of work;• Time by which such project shall become commercially operational;• Expected time by which the project shall start paying return on investment; and• Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	Please see introduction above.										
Maximum amount of investment to be made	Pak Rupees equivalent of US Dollars 13.66 million.										
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	SECMC has been incorporated to develop Pakistan’s first open pit mining project at Thar Coal Block II. (‘Project’). As a condition precedent to making finance facilities available to SECMC for the purposes of the Project, the Company is required to provide to the lenders certain forms of security and sponsor support, including equity support (as discussed in the introduction) Investment in SECMC is anticipated to generate a return of 20% in IRR terms.										

Information Required	Information Provided
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: <ul style="list-style-type: none">• Justification for investment through borrowings;• Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and• Cost benefit analysis.	Self-generated funds and borrowings in respect of any funding shortfall (if required): <ul style="list-style-type: none">i. Investment via borrowing shall enhance the return of investor due to lower cost of debt versus cost of equity. Borrowing shall also be used where there is funding shortfall from self-generated cashii. Mortgage over land and building and hypothecation over plant and machinery of the Company.iii. Investment in SECMC is anticipated to generate a return of 20% in IRR terms
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment.	The investment is proposed to be made pursuant to a sponsor support agreement, executed between inter alia SECMC, the Company and the lenders of SECMC. Please see introduction above for salient features of agreement.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Thal Limited (the Company), owns 11.9% of the ordinary share capital in SECMC. Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting. He shall hold 1 qualifying share. Interest of the shareholders is restricted to the extent of their shareholding
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs.	Please see introduction above.
Any other important details necessary for members to understand the transaction	NIL
Maximum price at which securities will be acquired	Pak Rupees 14.82 per share
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Pak Rupees 14.82 per share being latest offer price.
Maximum number of securities to be acquired	Number of securities would be determined by converting the value of support requested into Pak Rupees on the date of subscription and dividing the same by Pak Rupees 14.82.
Number of securities and percentage thereof held before and after the proposed investment	At present the Company holds 111,254,177 shares in SECMC that represents approximately 11.9% of the ordinary share capital of SECMC. The Company has undertaken to invest Pak Rupees equivalent of US Dollars 13.66 million in SECMC. The number of securities would be determined based on the conversion on the date of subscription. The Company’s percentage ownership of SECMC’s ordinary shares is to be approximately 11.9%.

Information Required	Information Provided
Current and preceding twelve weeks weighted average market price where investment is proposed to be made in tlisted securities	N/A
And fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	Pak Rupees 14.82 per share being latest offer price.

Cost overrun support – in the form of equity

Information Required	Information Provided										
Name of associated company or associated undertaking	Sindh Engro Coal Mining Company Limited (“SECMC”)										
Basis of relationship with associated undertaking	Thal Limited (the Company), owns 11.9% of the ordinary share capital in SECMC. Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting.										
Earnings per share for the last three years of the associated undertaking	<table> <tr> <th>Year</th><th>Earnings / (Loss) per share in Pak Rupees</th></tr> <tr> <td>2017</td><td>(0.02)</td></tr> <tr> <td>2016</td><td>(0.03)</td></tr> <tr> <td>2015</td><td>0.13</td></tr> </table>	Year	Earnings / (Loss) per share in Pak Rupees	2017	(0.02)	2016	(0.03)	2015	0.13		
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Break-up value per share, based on latest audited financial statements of the associated undertaking	Pak Rupees 14.40										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table> <tr> <th>As at June 30, 2018:</th><th>In Pak Rupees in Millions</th></tr> <tr> <td>Total Assets</td><td>50,367</td></tr> <tr> <td>Total Equity</td><td>11,895</td></tr> <tr> <td>Total Liabilities</td><td>38,472</td></tr> <tr> <td>Loss after Taxation</td><td>(16.58)</td></tr> </table>	As at June 30, 2018:	In Pak Rupees in Millions	Total Assets	50,367	Total Equity	11,895	Total Liabilities	38,472	Loss after Taxation	(16.58)
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Total Assets	50,367										
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Total Liabilities	38,472										
Loss after Taxation	(16.58)										
In the case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely: <ul style="list-style-type: none"> Description of the project and its history since conceptualization; Starting date and expected date of completion of work; Time by which such project shall become commercially operational; Expected time by which the project shall start paying return on investment; and Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts. 	Please see introduction above.										
Maximum amount of investment to be made	Pak Rupees equivalent of US Dollars 6.31 million.										
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of tinvestment	SECMC has been incorporated to develop Pakistan’s first open pit mining project at Thar Coal Block II. (‘Project’). As a condition precedent to making finance facilities available to SECMC for the purposes of the Project, the Company is required to provide to the lenders certain forms of security and sponsor support, including cost overrun support (as discussed in the introduction) Investment in SECMC is anticipated to generate a return of 20% in IRR terms.										

Information Required	Information Provided
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: <ul style="list-style-type: none"> Justification for investment through borrowings; Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and Cost benefit analysis. 	Self-generated funds and borrowings in respect of any funding shortfall (if required): <ol style="list-style-type: none"> Investment via borrowing shall enhance the return of investor due to lower cost of debt versus cost of equity. Borrowing shall also be used where there is funding shortfall from self-generated cash Mortgage over land and building and hypothecation over plant and machinery of the Company. Investment in SECMC is anticipated to generate a return of 20% in IRR terms
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment.	The investment is proposed to be made pursuant to a sponsor support agreement, executed between inter alia SECMC, the Company and the lenders of SECMC. Please see introduction above for salient features of agreement.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Thal Limited (the Company), owns 11.9% of the ordinary share capital in SECMC. Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting. He shall hold 1 qualifying share. Interest of the shareholders is restricted to the extent of their shareholding
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs.	Please see introduction above.
Any other important details necessary for members to understand the transaction	NIL
Maximum price at which securities will be acquired	Pak Rupees 14.82 per share
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Pak Rupees 14.82 per share being latest offer price.
Maximum number of securities to be acquired	Number of securities would be determined by converting the value of cost overrun support requested into Pak Rupees on the date of subscription and dividing the same by Pak Rupees 14.82.
Number of securities and percentage thereof held before and after the proposed investment	At present the Company holds 111,254,177 shares in SECMC which represents approximately 11.9% of the ordinary share capital of SECMC. The Company has undertaken to invest Pak Rupees equivalent of US Dollars 6.31 million in SECMC. The number of securities would be determined based on the conversion on the date of subscription. The Company’s percentage ownership of SECMC’s ordinary shares is to be approximately 11.9%.

Information Required	Information Provided
Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities	N/A
And fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	Pak Rupees 14.82 per share being latest offer price.

Cost overrun support – in the form of subordinated debt

Information Required	Information Provided										
Name of associated company or associated undertaking	Sindh Engro Coal Mining Company Limited (“SECMC”)										
Basis of relationship with associated undertaking	Thal Limited (the Company), owns 11.9% of the ordinary share capital in SECMC. Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting.										
Earnings per share for the last three years of associated undertaking	<table> <tr> <th>Year</th><th>Earnings / (Loss) per share in Pak Rupees</th></tr> <tr> <td>2017</td><td>(0.02)</td></tr> <tr> <td>2016</td><td>(0.03)</td></tr> <tr> <td>2015</td><td>0.13</td></tr> </table>	Year	Earnings / (Loss) per share in Pak Rupees	2017	(0.02)	2016	(0.03)	2015	0.13		
Year	Earnings / (Loss) per share in Pak Rupees										
2017	(0.02)										
2016	(0.03)										
2015	0.13										
Break-up value per share, based on latest audited financial statements of the associated undertaking	Pak Rupees 14.40										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table> <tr> <th>As at June 30, 2018:</th><th>In Pak Rupees in Millions</th></tr> <tr> <td>Total Assets</td><td>50,367</td></tr> <tr> <td>Total Equity</td><td>11,895</td></tr> <tr> <td>Total Liabilities</td><td>38,472</td></tr> <tr> <td>Loss after Taxation</td><td>(16.58)</td></tr> </table>	As at June 30, 2018:	In Pak Rupees in Millions	Total Assets	50,367	Total Equity	11,895	Total Liabilities	38,472	Loss after Taxation	(16.58)
As at June 30, 2018:	In Pak Rupees in Millions										
Total Assets	50,367										
Total Equity	11,895										
Total Liabilities	38,472										
Loss after Taxation	(16.58)										
In the case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely: <ul style="list-style-type: none"> • Description of the project and its history since conceptualization; • Starting date and expected date of completion of work; • Time by which such project shall become commercially operational; • Expected time by which the project shall start paying return on investment; and • Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts. 	Please see introduction above.										
Maximum amount of investment to be made	Pak Rupees equivalent of US Dollars 6.31 million.										

Information Required	Information Provided
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	SECMC has been incorporated to develop Pakistan’s first open pit mining project at Thar Coal Block II. (‘Project’). As a condition precedent to making finance facilities available to SECMC for the purposes of the Project, the Company is required to provide to the lenders certain forms of security and sponsor support, including cost overrun support (as discussed in the introduction) Investment in SECMC is anticipated to generate a return of 20% in IRR terms.
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: <ul style="list-style-type: none"> • Justification for investment through borrowings; • Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and • Cost benefit analysis. 	Self-generated funds and borrowings in respect of any funding shortfall (if required): <ol style="list-style-type: none"> Investment via borrowing shall enhance the return of investor due to lower cost of debt versus cost of equity. Borrowing shall also be used where there is funding shortfall from self-generated cash Mortgage over land and building and hypothecation over plant and machinery of the Company. Investment in SECMC is anticipated to generate a return of 20% in IRR terms
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	The investment is proposed to be made pursuant to a sponsor support agreement, executed between inter alia SECMC, the Company and the lenders of SECMC. Please see introduction above for salient features of agreement.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Thal Limited (the Company), owns 11.9% of the ordinary share capital in SECMC. Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting. He shall hold 1 qualifying share. Interest of the shareholders is restricted to the extent of their shareholding.
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	Please see introduction above.
Any other important details necessary for members to understand the transaction	NIL
Category-wise amount of investment	Pak Rupees equivalent of US Dollars 6.31 million to be extended as a loan.
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case maybe, for the relevant period.	3 month KIBOR plus 0.75%
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	Higher than the mark-up payable by the Company on its borrowing of like or similar maturities at the time of disbursement.

Information Required	Information Provided
Particulars of collateral or security to be obtained in relation to the proposed investment	None. The loan will be treated as debt subordinated to that of the lenders of SECMC.
If the investment carried conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	NIL
Repayment schedule and terms conditions of loans or advances to be given to the associated company or associated undertaking.	To be finalized with lenders of SECMC at the time when (and if) a loan is required to be extended. However, it is expected that the term will be at least as long as the loans/finances to be provided by the lenders which is 14 years from the date of effectiveness of their loan agreements. Repayment of both the principal and markup payable by SECMC will be subordinated to the principle/interest/mark-up and other payments due to the lenders of SECMC under the terms of their financing documents.

DSRA – if demand for payment under DSRA is in the form of equity

Information Required	Information Provided										
Name of associated company or associated undertaking	Sindh Engro Coal Mining Company Limited (“SECMC”)										
Basis of relationship with associated undertaking	Thal Limited (the Company), owns 11.9% of the ordinary share capital in SECMC. Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting.										
Earnings per share for the last three years of the associated undertaking	<table> <tr> <th>Year</th><th>Earnings / (Loss) per share in Pak Rupees</th></tr> <tr> <td>2017</td><td>(0.02)</td></tr> <tr> <td>2016</td><td>(0.03)</td></tr> <tr> <td>2015</td><td>0.13</td></tr> </table>	Year	Earnings / (Loss) per share in Pak Rupees	2017	(0.02)	2016	(0.03)	2015	0.13		
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Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table> <tr> <th>As at June 30, 2018:</th><th>In Pak Rupees in Millions</th></tr> <tr> <td>Total Assets</td><td>50,367</td></tr> <tr> <td>Total Equity</td><td>11,895</td></tr> <tr> <td>Total Liabilities</td><td>38,472</td></tr> <tr> <td>Loss after Taxation</td><td>(16.58)</td></tr> </table>	As at June 30, 2018:	In Pak Rupees in Millions	Total Assets	50,367	Total Equity	11,895	Total Liabilities	38,472	Loss after Taxation	(16.58)
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In the case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely: <ul style="list-style-type: none"> • Description of the project and its history since conceptualization; • Starting date and expected date of completion of work; • Time by which such project shall become commercially operational; • Expected time by which the project shall start paying return on investment; and • Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts. 	Please see introduction above.										

Information Required	Information Provided
Maximum amount of investment to be made	Pak Rupees equivalent of US Dollars 8.02 million (subject to fluctuation in applicable interest rates and exchange rate).
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	SECMC has been incorporated to develop Pakistan’s first open pit mining project at Thar Coal Block II. (‘Project’). As a condition precedent to making finance facilities available to SECMC for the purposes of the Project, the Company is required to provide to the lenders certain forms of security and sponsor support, including debt service reserve support (as discussed in the introduction) Investment in SECMC is anticipated to generate a return of 20% in IRR terms.
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: <ul style="list-style-type: none"> • Justification for investment through borrowings; • Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and • Cost benefit analysis. 	Self-generated funds and borrowings in respect of any funding shortfall (if required): <ol style="list-style-type: none"> Investment via borrowing shall enhance the return of investor due to lower cost of debt versus cost of equity. Borrowing shall also be used where there is funding shortfall from self-generated cash Mortgage over land and building and hypothecation over plant and machinery of the Company. Investment in SECMC is anticipated to generate a return of 20% in IRR terms
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment.	The investment is proposed to be made pursuant to a sponsor support agreement, executed between inter alia SECMC, the Company and the lenders of SECMC. Please see introduction above for salient features of agreement.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Thal Limited (the Company), owns 11.9% of the ordinary share capital in SECMC. Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting. He shall hold 1 qualifying share. Interest of the shareholders is restricted to the extent of their shareholding
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs.	Please see introduction above.
Any other important details necessary for members to understand the transaction	NIL
Maximum price at which securities will be acquired	Pak Rupees 14.82 per share
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Pak Rupees 14.82 per share being latest offer price.

Information Required	Information Provided
Maximum number of securities to be acquired	Number of securities would be determined by converting the value of debt service support requested into Pak Rupees on the date of subscription and dividing the same by Pak Rupees 14.82.
Number of securities and percentage thereof held before and after the proposed investment	At present the Company holds 111,254,177 shares in SECMC that approximates 11.9% of the ordinary share capital. The Company has undertaken to invest Pak Rupees equivalent of US Dollars 8.02 million in SECMC. The number of securities would be determined based on the conversion on the date of subscription. The Company's percentage ownership of SECMC's ordinary shares is to be approximately 11.9%.
Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities	N/A
And fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	Pak Rupees 14.82 per share being latest offer price.

DSRA – if demand for payment under DSRA is deemed subordinated debt

Information Required	Information Provided										
Name of associated company or associated undertaking	Sindh Engro Coal Mining Company Limited ("SECMC")										
Basis of relationship with associated undertaking	Thal Limited (the Company), owns 11.9% of the ordinary share capital in SECMC. Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting.										
Earnings per share for the last three years of associated undertaking	<table> <tr> <th>Year</th><th>Earnings / (Loss) per share in Pak Rupees</th></tr> <tr> <td>2017</td><td>(0.02)</td></tr> <tr> <td>2016</td><td>(0.03)</td></tr> <tr> <td>2015</td><td>0.13</td></tr> </table>	Year	Earnings / (Loss) per share in Pak Rupees	2017	(0.02)	2016	(0.03)	2015	0.13		
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Information Required	Information Provided
In the case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely: <ul style="list-style-type: none"> • Description of the project and its history since conceptualization; • Starting date and expected date of completion of work; • Time by which such project shall become commercially operational; • Expected time by which the project shall start paying return on investment; and • Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts. 	Please see introduction above.
Maximum amount of investment to be made	Pak Rupees equivalent of US Dollars 8.02 million (subject to fluctuation in applicable interest rates and exchange rate).
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	SECMC has been incorporated to develop Pakistan's first open pit mining project at Thar Coal Block II. ('Project'). As a condition precedent to making finance facilities available to SECMC for the purposes of the Project, the Company is required to provide to the lenders certain forms of security and sponsor support, including debt service reserve support (as discussed in the introduction) Investment in SECMC is anticipated to generate a return of 20% in IRR terms.
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Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	The investment is proposed to be made pursuant to a sponsor support agreement, executed between inter alia SECMC, the Company and the lenders of SECMC. Please see introduction above for salient features of agreement.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	<p>Thal Limited (the Company), owns 11.9% of the ordinary share capital in SECMC.</p> <p>Mr. Muhammad Salman Burney, a director on the Board of the Company will be appointed as director on the Board of SECMC between the date of circulation of this notice and the date of the Annual General Meeting, thereby rendering SECMC an associated undertaking of Thal Limited at the time of the Annual General Meeting.</p> <p>He shall hold 1 qualifying share.</p> <p>Interest of the shareholders is restricted to the extent of their shareholding.</p>

Information Required	Information Provided
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	Please see introduction above.
Any other important details necessary for members to understand the transaction	NIL
Category-wise amount of investment	Pak Rupees equivalent of US Dollars 8.02 million to be extended by way of a loan to SECMC.
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case maybe, for the relevant period.	3 month KIBOR plus 0.75%
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	Higher than the markup payable by the Company on its borrowing of like or similar maturities at the time of disbursement.
Particulars of collateral or security to be obtained in relation to the proposed investment	None. The loan will be subordinated to the debt of the lenders of SECMC.
If the investment carried conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	NIL
And repayment schedule and terms conditions of loans or advances to be given to the associated company or associated undertaking.	To be finalized with lenders of SECMC at the time when (and if) a loan is required to be extended. However, it is expected that the term will be at least as long as the loans/finances to be provided by the lenders which is 14 years from the date of effectiveness of their loan agreements. Repayment of both the principal and markup payable by SECMC will be subordinated to the principle/interest/mark-up and other payments due to the lenders under the terms of their financing documents.

The Amended & Restated Sponsor Support Agreement to be executed by the Company and as approved by the Board, is available for inspection at the registered office of the Company during office hours.

The aforementioned notice and the statements of material facts have been dispatched to the head office of the Securities and Exchange Commission of Pakistan, through fax or e-mail and courier service on the same day it was dispatched to the members.

The Directors of the Company have carried out the necessary due diligence for the purposes of this investment in SECMC and is available with the Company for review by the Members.

The duly signed recommendations of the due diligence report will be made available for members inspection in the general meeting called for approval of the Special Resolutions for investment in SECMC pursuant to section 199 of the Companies Act 2017.

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2018

No. of Shareholders	Size of Holding		Total Shares Held
	From	To	
1,414	1	100	50,036
1,297	101	500	338,378
563	501	1000	399,154
878	1001	5000	1,861,469
177	5001	10000	1,282,489
64	10001	15000	812,988
36	15001	20000	622,070
16	20001	25000	342,219
18	25001	30000	507,392
13	30001	35000	423,198
13	35001	40000	487,330
5	40001	45000	214,606
12	45001	50000	573,616
10	50001	55000	528,245
4	55001	60000	230,728
4	60001	65000	252,427
2	65001	70000	132,951
1	70001	75000	74,800
3	75001	80000	231,250
3	80001	85000	245,271
2	85001	90000	173,751
2	90001	95000	187,432
4	95001	100000	394,650
3	100001	105000	309,791
2	110001	115000	222,313
6	115001	120000	708,072
2	120001	125000	246,183
4	130001	135000	530,715
4	135001	140000	546,238
1	140001	145000	140,900
1	145001	150000	146,333
2	150001	155000	308,929
1	155001	160000	157,986
2	165001	170000	336,623
1	175001	180000	177,889
1	180001	185000	181,766
1	185001	190000	190,000
2	195001	200000	400,000
1	200001	205000	200,530
4	220001	225000	889,698
1	225001	230000	227,168
1	230001	235000	230,434
3	235001	240000	717,229
2	255001	260000	515,230
3	275001	280000	834,150
2	280001	285000	561,430
2	295001	300000	598,800
1	300001	305000	304,386
2	305001	310000	613,791

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2018

No. of Shareholders	Size of Holding		Total Shares Held
	From	To	
2	315001	320000	634,480
6	330001	335000	1,987,887
1	345001	350000	346,800
1	350001	355000	350,896
1	365001	370000	367,334
1	370001	375000	374,668
1	375001	380000	377,550
1	385001	390000	388,231
1	390001	395000	393,098
5	420001	425000	2,108,547
1	480001	485000	484,044
2	495001	500000	995,629
1	505001	510000	507,587
1	585001	590000	585,007
1	600001	605000	601,052
2	605001	610000	1,214,735
1	625001	630000	628,600
1	710001	715000	711,503
1	725001	730000	726,392
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	945001	950000	949,800
2	1095001	1100000	2,198,016
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	2395001	2400000	2,398,908
1	2890001	2895000	2,894,306
4	3790001	3795000	15,170,103
1	4145001	4150000	4,145,050
1	5390001	5395000	5,394,050
4,650			81,029,909

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2018

No.	Categories of Shareholders	No. of Shares Held	Category-wise No. of Folios / CDC Accounts	Category-wise Shares Held	Percentage (%)
1	Individuals		4,357	18,047,008	22.27
2	Investment Companies		4	3,334	0.00
3	Joint Stock Companies		39	1,086,602	1.34
4	Directors, Chief Executive Officer and Their Spouse and Minor Children		18	6,506,199	8.03
	ALI SULEMAN ALI HABIB	2,091,099			
	JAMILA RAFIQ	961,231			
	MOHAMEDALI R. HABIB	1,566,834			
	MUHAMMED SALMAN BURNEY	5,000			
	MUNIZEH ALI HABIB	200,530			
	RAFIQ HABIB	1,340,202			
	RUBINA SOHAIL	2,500			
	SAYYEDA MOHAMED ALI	280,715			
	SOHAIL P. AHMED	32,334			
	MAZHAR VALJEE	20,754			
	ASIF QADIR	5,000			
5	Executives		7	30,868	0.04
6	Associated Companies, Undertakings and Related Parties		2	476,800	0.59
	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		35	11,119,048	13.72
	Financial Institutions	5,823,918			
	Insurance Companies	4,854,351			
	Modaraba	21,038			
	Pension Funds	419,741			
	Holding 5% or more voting intrest				
	JUBILEE LIFE INSURANCE COMPANY LIMITED	4,145,050			
	NATIONAL BANK OF PAKISTAN	5,394,050			
9	Mutual Funds		59	7,672,284	9.47
	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	8,900			
	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	9,700			
	CDC - TRUSTEE ABL STOCK FUND	95,750			
	CDC - TRUSTEE AKD INDEX TRACKER FUND	7,171			
	CDC - TRUSTEE AKD OPPORTUNITY FUND	275,500			
	CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	628,600			

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2018

	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	213			
	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	133,200			
	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	377,550			
	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1			
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	50			
	CDC - TRUSTEE APF-EQUITY SUB FUND	8,000			
	CDC - TRUSTEE ASKARI EQUITY FUND	800			
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	104,900			
	CDC - TRUSTEE FIRST HABIB ASSET ALLOCATION FUND	900			
	CDC - TRUSTEE FIRST HABIB STOCK FUND	1,650			
	CDC - TRUSTEE HBL - STOCK FUND	278,650			
	CDC - TRUSTEE HBL EQUITY FUND	12,900			
	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	9,800			
	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	51,400			
	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	75,450			
	CDC - TRUSTEE HBL MULTI - ASSET FUND	5,000			
	CDC - TRUSTEE HBL PF EQUITY SUB FUND	13,000			
	CDC - TRUSTEE JS ISLAMIC DEDICATED EQUITY FUND (JSIDEF)	53,800			
	CDC - TRUSTEE JS ISLAMIC FUND	76,000			
	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	15,500			
	CDC - TRUSTEE JS LARGE CAP. FUND	47,000			
	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	14,900			
	CDC - TRUSTEE LAKSON EQUITY FUND	103,150			
	CDC - TRUSTEE LAKSON TACTICAL FUND	19,331			
	CDC - TRUSTEE MEEZAN ISLAMIC FUND	7			
	CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	7,050			
	CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	62,396			
	CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	29,550			
	CDC - TRUSTEE NAFA MULTI ASSET FUND	13,186			
	CDC - TRUSTEE NAFA STOCK FUND	177,889			
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	2,398,908			
	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	136,800			
	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	45,900			

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING

AS AT JUNE 30, 2018

	CDC - TRUSTEE PICIC GROWTH FUND	258,750			
	CDC - TRUSTEE PICIC INVESTMENT FUND	136,100			
	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	37,550			
	CDC - TRUSTEE UBL DEDICATED EQUITY FUND	600			
	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	44,500			
	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	298,800			
	CDC - TRUSTEE UNIT TRUST OF PAKISTAN	48,150			
	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	80,150			
	CDC-TRUSTEE HBL ISLAMIC STOCK FUND	135,000			
	CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	26,000			
	GOLDEN ARROW SELECTED STOCKS FUND	4,149			
	GOLDEN ARROW SELECTED STOCKS FUND LIMITED	280,000			
	M C F S L-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	400			
	MC FSL - TRUSTEE JS GROWTH FUND	11,500			
	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	54,050			
	MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND	25,000			
	MCBFSL - TRUSTEE JS VALUE FUND	80,850			
	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	1,800			
	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	38,250			
	SAFE WAY FUND LIMITED	810,233			
10	Foreign Investors		59	33,962,029	41.91
	Holding 5% or more voting intrest				
	ASAD LIMITED	7,517,613			
	ALI REZA LIMITED	7,561,504			
	MUSTAFA LIMITED	8,282,214			
	SHAKIR LIMITED	5,397,558			
11	Co-Operative Socities		2	6,814	0.01
12	Charitable Trust		19	1,141,284	1.41
13	Others		51	673,253	0.83
	TOTAL		4,653	81,029,909	100.00

ALL ABOUT RELIABILITY

SHAREHOLDER INFORMATION



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of Company: Thal Limited
Year ended: June 30, 2018

01. The company has complied with the requirements of the Regulations in the following manner:

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

Male	7
Female	None (exempted from the requirement for the current term)

02. The composition of board is as follows:

Independent Directors	1
Other Non-Executive Director	5
Executive Director	1

03. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

04. 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.

05. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

06. 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 Act and these Regulations.

07. 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.

08. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

09. All of the Directors of the Company have undertaken Directors' Training Program or are exempted from the same by SECP.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

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

Audit Committee	
Mr. Asif Qadir	Chairman
Mr. Mohamedali R. Habib	Member
Mr. Sohail P. Ahmed	Member
Mr. Salman Burney	Member

Human Resource and Remuneration Committee	
Mr. Asif Qadir	Chairman
Mr. Salman Burney	Member
Mr. Ali S. Habib	Member
Mr. Mazhar Valjee	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:

Audit Committee	4 meetings
HR and Remuneration Committee	1 meeting

15. The board has outsourced the internal audit function to Noble Computer Services (Private) Limited 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 ICAP and

registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 other requirements of the Regulations have been complied with.

Karachi


Rafiq M Habib
Chairman



EY Ford Rhodes
Chartered Accountants
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To the members of Thal Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Thal Limited (the Company) for the year ended 30 June 2018 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 2018.

Chartered Accountants

Place: Karachi

Date: 13 September 2018

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STANDALONE FINANCIAL STATEMENTS

- AUDITORS' REPORT TO THE MEMBERS
- STANDALONE FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To the members of Thal Limited (the Company)

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Thal Limited (the Company), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 2018 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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Following are the Key audit matter(s):

Key audit matters	How the matter was addressed in our audit
<p>1. Revenue recognition</p> <p>The Company earns revenue from multiple business lines which operate as distinct business units with significant volume of revenue transactions. The recognition of revenue relating to each business line depends on the nature of contractual arrangements with the customers.</p> <p>We identified the revenue recognition and its proper reporting in the financial statements 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 to note 5.18 and 29 for relevant disclosures in respect of revenue.</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 recognised in the appropriate accounting period. We also assessed the adequacy of the disclosures made in respect of revenue in accordance with the financial reporting standards.
<p>2. Contingency</p> <p>As disclosed in note 21.1 to the financial statements, the Company opted for group tax regime as available in the tax laws. The relief under the regime for years 2008 to 2010, is dependent on the outcome of the matter pending adjudication at the Honorable Sindh High Court.</p> <p>Due to inherent uncertainties involved in relation to ultimate outcome of this matter and significance of the impact it may have on the financial statements, we identified this matter as a key audit matter.</p>	<p>Our key audit procedures in respect of the tax contingency receivable included discussions with relevant management personnel regarding the status of the subject case and their assessment of the legal position, review of correspondence with tax authorities including the orders/assessments made by different appellate tax forums on this matter.</p> <p>We also circularized confirmation to the legal advisor of the Company in this regard. Further, we also considered the appropriateness and adequacy of the related disclosure made in the Company's financial statements.</p>

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3. The new Companies Act, 2017 and its impact on the financial statements	
<p>As referred to in note 2 to the accompanying financial statements, the Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to in note 2 to the financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes to the financial statements from the transition to the new reporting requirements under the Act.</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act.</p> <p>We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.</p> <p>We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements.</p>

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.

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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.

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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 and other 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: 13 September 2018

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STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018 ----- (Rupees in '000') -----	2017 ----- (Rupees in '000') -----
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,410,212	1,019,171
Intangible assets	8	15,094	9,788
Investment property	9	1,002	1,009
Long-term investments	10	4,938,387	4,143,986
Long-term loans	11	788,428	411,425
Long-term deposits	12	13,396	13,964
Deferred tax asset	13	191,151	186,642
		<u>7,357,670</u>	<u>5,785,985</u>
Current assets			
Stores, spares and loose tools	14	131,572	101,460
Stock-in-trade	15	3,953,914	2,913,980
Trade debts	16	1,519,728	1,041,399
Loans and advances	17	91,907	63,911
Trade deposits and short-term prepayments	18	141,318	78,321
Interest accrued		2,088	1,683
Other receivables	19	16,400	76,738
Short-term investments	20	4,847,238	6,707,942
Income tax - net	21	62,828	72,269
Sales tax refundable		91,517	61,254
Cash and bank balances	22	701,283	522,284
		<u>11,559,793</u>	<u>11,641,241</u>
TOTAL ASSETS		<u>18,917,463</u>	<u>17,427,226</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
200,000,000 (2017: 100,000,000) ordinary shares of Rs.5/- each	23	<u>1,000,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	23	405,150	405,150
Reserves	24	<u>16,032,520</u>	<u>15,027,930</u>
		<u>16,437,670</u>	<u>15,433,080</u>
NON-CURRENT LIABILITIES			
Long-term deposits	25	2,379	1,624
CURRENT LIABILITIES			
Trade and other payables	26	2,318,998	1,910,831
Unaudited dividend		49,712	39,101
Unpaid dividend		47,954	33,452
Short-term running finance	27	60,750	9,137
Accrued markup		-	1
		<u>2,477,414</u>	<u>1,992,522</u>
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		<u>18,917,463</u>	<u>17,427,226</u>

The annexed notes from 1 to 50 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees in '000') -----	2017 ----- (Rupees in '000') -----
Revenue - net	29	19,292,959	17,124,373
Cost of sales	30	(15,631,677)	(13,491,348)
Gross profit		<u>3,661,282</u>	<u>3,633,025</u>
Distribution costs	31	(219,219)	(185,653)
Administrative expenses	32	(814,266)	(741,843)
Other charges	33	(261,582)	(345,370)
		<u>(1,295,067)</u>	<u>(1,272,866)</u>
Other income	34	1,446,166	3,095,347
Operating profit		<u>3,812,381</u>	<u>5,455,506</u>
Finance costs	35	(8,869)	(8,511)
Profit before taxation		<u>3,803,512</u>	<u>5,446,995</u>
Taxation	36	(1,117,542)	(1,480,711)
Profit after taxation		<u>2,685,970</u>	<u>3,966,284</u>
		<u>----- (Rupees) -----</u>	
Basic and diluted earnings per share	37	<u>33.15</u>	<u>48.95</u>

The annexed notes from 1 to 50 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	2018 ----- (Rupees in '000') -----	2017 ----- (Rupees in '000') -----
Profit after taxation for the year	2,685,970	3,966,284
Other comprehensive income		
Item to be reclassified to profit and loss account in subsequent periods:		
Gain on revaluation of available-for-sale investments - net of tax	20,251	49,517
Total comprehensive income for the year	<u>2,706,221</u>	<u>4,015,801</u>

The annexed notes from 1 to 50 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS


FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees in '000') -----	2017 ----- (Rupees in '000') -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	1,364,842	2,837,654
Finance costs paid		(8,870)	(8,552)
Retirement benefits paid		(4,038)	(987)
Income tax paid		(1,112,610)	(1,162,766)
Long-term loans		2,997	4,021
Long-term deposits - net		1,323	(5,845)
Net cash generated from operating activities		<u>243,644</u>	<u>1,663,525</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(599,751)	(498,854)
Proceeds from disposal of operating fixed assets		14,149	3,979
Long-term investments made during the year		(774,150)	(36,362)
Proceeds from disposal of investment in an associate - MHCCP		-	2,120,000
Short-term investments made during the year		(1,854,877)	(2,145,251)
Long-term loans to subsidiaries - net		(380,000)	(355,000)
Dividends received during the year		1,102,243	771,346
Interest received during the year		236,857	206,427
Net cash (used in) / generated from investing activities		<u>(2,255,529)</u>	<u>66,285</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,676,518)	(802,339)
Net cash used in financing activities		<u>(1,676,518)</u>	<u>(802,339)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		<u>(3,688,403)</u>	<u>927,471</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>4,970,397</u>	<u>4,042,926</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	39	<u>1,281,994</u>	<u>4,970,397</u>

The annexed notes from 1 to 50 form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

Issued, subscribed and paid-up capital	RESERVES				Total equity
	Capital reserves	General reserves	Unappropriated profit	Gain on revaluation of available-for-sale investments	

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

Balance as at June 30, 2016	405,150	55,704	9,796,999	1,875,317	94,408	12,227,578
Transfer to general reserve	-	-	1,368,500	(1,368,500)	-	-
Final dividend @ Rs. 6.25/- per share for the year ended June 30, 2016	-	-	-	(506,437)	-	(506,437)
Interim dividend @ Rs. 3.75/- per share for the year ended June 30, 2017	-	-	-	(303,862)	-	(303,862)
	-	-	-	(810,299)	-	(810,299)
Profit for the year	-	-	-	3,966,284	-	3,966,284
Other comprehensive income	-	-	-	-	49,517	49,517
Total comprehensive income for the year	-	-	-	3,966,284	49,517	4,015,801
Balance as at June 30, 2017	405,150	55,704	11,165,499	3,662,802	143,925	15,433,080
Transfer to general reserve	-	-	2,366,000	(2,366,000)	-	-
Final dividend @ Rs. 16/- per share for the year ended June 30, 2017	-	-	-	(1,296,479)	-	(1,296,479)
First interim dividend @ Rs. 2.50/- per share for the year ended June 30, 2018	-	-	-	(202,576)	-	(202,576)
Second interim dividend @ Rs. 2.50/- per share for the year ended June 30, 2018	-	-	-	(202,576)	-	(202,576)
	-	-	-	(1,701,631)	-	(1,701,631)
Profit for the year	-	-	-	2,685,970	-	2,685,970
Other comprehensive income	-	-	-	-	20,251	20,251
Total comprehensive income for the year	-	-	-	2,685,970	20,251	2,706,221
Balance as at June 30, 2018	405,150	55,704	13,531,499	2,281,141	164,176	16,437,670

The annexed notes from 1 to 50 form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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 jute goods, engineering goods, papersack and laminate sheets. The registered office of the Company is situated at 4th Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.

1.2 Geographical location and address of business units

Head Office

The registered office of the Company is situated at 4th Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.

Plants:

The Jute operations are located at Muzaffargarh, Punjab.

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

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

Laminates operations are located at Hub, Balochistan.

- 1.3 These financial statements are separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest and are not consolidated or accounted for by using equity method of accounting.

- 1.4 The following significant events and transactions occurred during the year:

- The Company has invested Rs. 275 million by subscribing right issue of shares by its subsidiary Thal Boshoku Pakistan (Private) Limited.
- The Company has invested Rs. 499.150 million in Sindh Engro Coal Mining Company Limited (refer note 10.3)
- The Company has extended a loan of Rs. 380 million to its wholly owned subsidiary, Thal Power (Private) Limited (refer note 11.2)
- The authorized share capital of the Company has increased from Rs. 500 million to Rs. 1 billion. (refer note 23)

2. STATEMENT OF COMPLIANCE

- 2.1 These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
 - Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provision of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 During the year, the Act has become applicable and brought certain changes with regard to the preparation and presentation of these unconsolidated financial statements. The significant changes include changes in nomenclature of the primary statements, disclosure of significant transactions and events (note 1.4), management's assessment of sufficiency of tax provision (note 36.2), and disclosure requirements for related parties (note 40.3) etc.

3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value as required under IAS – 39 “Financial Instruments: Recognition and Measurement” as disclosed in note 10 and 20 to these financial statements.

- 3.2 These financial statements are presented in Pak Rupees which is also the Company's functional currency.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, management has made the following judgments, estimates and assumptions which are significant to the financial statements:

	Notes
• determining the residual values, useful lives and impairment of property, plant and equipment and investment property	5.2, 5.4, 7 & 9
• determining the residual values, useful lives and impairment of intangibles assets	5.3 & 8
• impairment of financial and non-financial assets	5.5
• Net Realizable value estimation	5.7, 5.8, 14 & 15
• provision for doubtful debts and other receivables	5.9 & 16
• provision for tax and deferred tax	5.12, 13, 21 & 36
• provision and warranty obligation	5.17 & 26.3
• contingencies	28

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following revised standard, amendments and interpretations of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure initiative - (Amendments)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above accounting standards and interpretations did not have any material effect on the financial statements.

5.2 Property, plant and equipment

Operating assets

These are stated at cost less accumulated depreciation / amortisation and impairment loss, if any, except for freehold land and capital work-in-progress which are stated at cost.

Depreciation / amortisation is charged to the profit and loss account applying the reducing balance method except for computer equipment and jigs and fixtures which are depreciated / amortised on straight line method at the rates specified in note 7 to the financial statements. Depreciation / amortisation on additions is charged from the month of addition and in case of deletion, up to the month preceding the month of disposal.

Leasehold land is amortised in equal installments over the lease period.

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

An item of property, plant and equipment 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 profit and loss account when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment 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.

5.3 Intangibles

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 financial statements.

5.4 Investment property

Investment property is stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged on reducing balance method at the rate specified in note 9 to the financial statements.

5.5 Impairment

Non-financial assets

The carrying values of assets are reviewed 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 assets or related cash-generating units are written down to their recoverable amount.

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment assets are recognized in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognized.

5.6 Investments

Subsidiaries and associates

Investment in shares of the Company's subsidiaries and associates is stated at cost. Provision is made for impairment, if any, in the carrying value of the investment.

Others

Held-to-maturity

These represent non-derivative financial assets with fixed or determinable payments and fixed maturities in respect of which the Company has the positive intent and ability to hold till maturity. These investments are recognized initially at fair value plus directly attributable costs and are subsequently measured at amortized cost using effective interest rate method. Gains and losses are recognized in profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

At fair value through profit or loss

Investments at fair value through profit or loss are initially recognized at fair value. Subsequently, these are measured at fair value whereas effects of changes in fair value are taken to the profit and loss account.

Available-for-sale

These are non-derivative financial assets which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates.

Quoted

These investments are initially measured at fair value plus transaction costs and subsequently carried at fair value. Changes in fair value are taken to a separate component of other comprehensive income until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss recorded in other comprehensive income is recognized in profit and loss account.

Un-Quoted

These investments are recorded at cost less accumulated impairment loss, if any.

5.7 Stores, spares and loose tools

Stores, spares and loose tools are stated at cost which is determined by the weighted moving average cost method except for those in transit which are valued at actual cost. Provision is made for slow moving and obsolete items.

5.8 Stock-in-trade

Stock-in-trade, except goods-in-transit, is stated at the lower of Net Realisable Value (NRV) and cost determined as follows:

Raw and packing materials

- Purchase cost on weighted moving average basis

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 purchase price, freight value and other charges incurred thereon upto the balance sheet 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.

5.9 Trade debts and other receivables

Trade debts originated by the Company are recognized and carried at original invoice amount less provision for impairment. Provision for doubtful debts is based on the management's assessment of customers' outstandings and creditworthiness. Bad debts are written-off as and when identified.

Other receivables are carried at cost less provision for doubtful receivables, if any.

5.10 Ijarah rentals

Ijarah payments for assets under Ijarah (lease) agreements are recognised as an expense in the profit and loss account on a straight line basis over the Ijarah term.

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 short-term borrowings. 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 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 59B of the Income Tax Ordinance, 2001 as explained in note 21 to the financial statements.

(b) Deferred

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date.

5.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at 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.

5.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalised as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

5.15 Staff retirement benefits

Defined Contribution plan

Provident fund

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

Retirement benefit fund

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

5.16 Compensated absences

Accrual is made for employees' compensated absences on the basis of accumulated leaves and the last drawn pay. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact is not material.

5.17 Provisions

General

Provisions are recognised in the balance sheet 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. Provisions are reviewed at each balance sheet 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 balance sheet date. These are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is reviewed annually and adjusted, if required.

5.18 Revenue recognition

Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which is usually on dispatch of the goods.

Other income

- 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 bank deposits are recognised on accrual basis.
- Rental income arising from investment property is accounted for on a straight-line basis over the lease term.

5.19 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak 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 profit and loss account of the current period.

5.20 Financial instruments

Financial assets and financial liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provision of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are de-recognised when obligation is discharged, cancelled or expired.

Any gain or loss on de-recognition of the financial asset and liability is recognized in the profit and loss account of the current period.

Offsetting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set off and the Company intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements.

5.21 Research and development expenditure

Research expenditure is recognised as an expense as 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 as incurred.

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

The following amendments and interpretations with respect 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 (annual periods beginning on or after)
IFRS 2 – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	01 January 2018
IFRS 9 – Financial Instruments	01 July 2018
IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	01 January 2019

Not yet finalized

IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) Contracts – (Amendments)	
IFRS 15 – Revenue from Contracts with Customers	01 July 2018
IFRS 16 – Leases	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IAS 40 – Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	01 January 2019

The Company expects that the adoption of the above standards and amendments would not impact the Company's financial statements in the period of initial application other than IFRS 9 and IFRS 15 for which the Company is currently assessing the impact on its financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

	Note	2018 ----- (Rupees in '000) -----	2017
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	1,218,787	928,841
Capital work-in-progress	7.5	191,425	90,330
		<u>1,410,212</u>	<u>1,019,171</u>

	COST			ACCUMULATED DEPRECIATION / AMORTIZATION			WRITTEN DOWN VALUE
	As at July 01, 2017	Additions (Note 7.1.1)	Disposals (Rupees in '000')	As at June 30, 2018	Rate %	Charge for the year (Rupees in '000')	As at June 30, 2018
Land							
• Freehold	5,012	-	-	5,012	-	-	5,012
• Leasehold	21,829	-	-	21,829	3	499	16,157
Building on freehold land							
• Factory building	315,293	38,393	-	353,686	10	14,245	156,401
• Non factory building	62,486	-	-	62,486	5-10	3,035	27,296
Railway sliding	792	-	-	792	5	3	66
Plant and machinery	1,441,633	377,363	(1,878)	1,817,118	10-30	111,990	843,191
Furniture and fittings	30,609	1,326	-	31,935	15-20	2,015	11,039
Vehicles	64,230	2,828	(10,137)	56,921	20	4,572	18,596
Office and mills equipment	98,946	41,769	(751)	139,964	10-30	10,664	81,079
Computer equipment	85,151	7,285	(1,055)	91,381	33.33	12,826	15,392
Jigs and fixtures	230,536	17,427	-	247,963	33.33	31,792	44,558
2018	2,356,517	486,391	(13,821)	2,829,087		191,641	1,218,787

	COST			ACCUMULATED DEPRECIATION / AMORTIZATION			WRITTEN DOWN VALUE
	As at July 01, 2016	Additions (Note 7.1.1)	Disposals (Rupees in '000')	As at June 30, 2017	Rate %	Charge for the year (Rupees in '000')	As at June 30, 2017
Land							
• Freehold	5,012	-	-	5,012	-	-	5,012
• Leasehold	21,829	-	-	21,829	3	492	16,656
Building on freehold land							
• Factory building	271,935	43,358	-	315,293	10	10,366	132,253
• Non factory building	62,486	-	-	62,486	5-10	3,370	30,331
Railway sliding	792	-	-	792	5	4	69
Plant and machinery	1,102,552	339,081	-	1,441,633	10-30	60,796	578,192
Furniture and fittings	26,244	4,398	(33)	30,609	15-20	1,514	11,728
Vehicles	69,367	895	(6,032)	64,230	20	6,010	24,144
Office and mills equipment	81,858	17,551	(463)	98,946	10-30	7,490	50,339
Computer equipment	75,899	14,527	(5,275)	85,151	33.33	12,686	21,194
Jigs and fixtures	180,183	50,353	-	230,536	33.33	20,868	58,923
2017	1,898,157	470,163	(11,803)	2,356,517		123,596	928,841

7.1.1 Additions include transfers from capital work-in-progress amounting to Rs. 345.640 million (2017: Rs. 369.685 million).

7.1.2 Jigs and fixtures include moulds having written down value of Rs. Nil (2017: 24.213) in the possession of sub-contractors dispersed all over the country.

7.2 Operating fixed assets include fully depreciated assets amounting to Rs. 221.856 million (2017: Rs. 186.326 million).

7.3 The depreciation / amortization charge for the year has been allocated as follows:

	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Cost of sales	30	179,633	110,682
Distribution costs	31	1,959	1,360
Administrative expenses	32	10,049	11,554
		<u>191,641</u>	<u>123,596</u>

7.4 The following operating fixed assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation value	Written down value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
(Rupees in '000)							
Vehicles							
Vehicle-Toyota Altis	2,416	997	1,419	1,419	-	Transfer upon transfer of employee	Noble Computer Services (Private) Limited, a related party
Vehicle-Toyota Altis	2,302	1,163	1,139	1,139	-	Sold under Company's Car Scheme	Mr. Asif Rizvi - Former CEO
Items having book value upto Rs. 500,000	5,419	4,173	1,246	10,566	9,320	Various	Various
	10,137	6,333	3,804	13,124	9,320		
Office and mills equipment							
Items having book value upto Rs. 500,000	751	386	365	196	(169)	Various	Various
Plant and machinery							
Items having book value upto Rs. 500,000	1,878	1,504	374	568	194	Various	Various
Computer equipment							
Items having book value upto Rs. 500,000	1,055	794	261	261	-	Various	Various
2018	<u>13,821</u>	<u>9,017</u>	<u>4,804</u>	<u>14,149</u>	<u>9,345</u>		
2017	<u>11,803</u>	<u>10,419</u>	<u>1,384</u>	<u>3,979</u>	<u>2,595</u>		

7.5 Capital Work-In-Progress
Civil Works
Plant and machinery
Office and mills equipment
Furniture and fittings
Vehicles
Computer equipment
Jigs and fixtures

Note	2018 (Rupees in '000')	2017 (Rupees in '000')
	124,661	-
	18,998	67,544
	1,349	6,822
	49	-
	3,190	7,500
	5,881	1,364
	37,297	7,100
	<u>191,425</u>	<u>90,330</u>

7.6 Details of the Company's immovable fixed assets

S. No.	Locations	Land Area (square yards) (In '000')	Building Covered Area (square feet)
1	Thal Limited (Jute Division), D.G. Khan Road, Muzaffargarh, Punjab	862	647
2	Plot #448 & 449 Sundar Industrial Estate Raiwin Road, Lahore, Punjab.	8	39
3	Plot 1, 2, 25 & 26 Sector 22 Korangi Industrial Area Karachi, Sindh.	51	229
4	DSU-14 sector II Downstream Industrial estate Bin Qasim, Karachi, Sindh.	24	-
5	Shop number 6, Clifton Pride, G-3/18, Clifton, Karachi, Sindh.	-	0.484
6	Plot # 35, 36, 37, 38, 39, 39A, 40, 40A, 41, 42, 69, 69A, 70 and 71, Zila Moza Pathra, Hub, Balochistan	92	211
7	Plot C-49-58, Sector C, Hub Industrial Area, Hub, Balochistan	6	12
8	Plot # 38, Road # 3, Industrial Estate, Gaddoon Amazai, Swabi, Khyber Pakhtunkhwa.	29	40

8. INTANGIBLE ASSETS

	COST			ACCUMULATED AMORTIZATION			WRITTEN DOWN VALUE	
	As at July 01, 2017	Additions	Disposals	As at June 30, 2018	Charge for the year	On disposals	As at June 30, 2018	As at June 30, 2018
	(Rupees in '000')			(Rupees in '000')			(Rupees in '000')	
Softwares Licenses	9,085	78	-	9,163	5,413	2,144	7,557	1,606
	10,750	12,187	-	22,937	4,634	4,815	9,449	13,488
2018	19,835	12,265	-	32,100	10,047	6,959	17,006	15,094
2017	13,871	5,964	-	19,835	4,931	5,116	10,047	9,788

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

	Note	2018	2017
		----- (Rupees in '000') -----	
Cost of sales	30	1,834	2,670
Distribution costs	31	18	23
Administrative expenses	32	5,107	2,423
		<u>6,959</u>	<u>5,116</u>

9. INVESTMENT PROPERTY

		COST		ACCUMULATED DEPRECIATION			
		As at June 30, 2017	As at July 01, 2017	Charge for the year (Note 32)	As at June 30, 2018	Written down value as at June 30, 2018	Depreciation Rate %
----- (Rupees in '000) -----							
Freehold land		891	-	-	-	891	-
Building on freehold land		694	576	7	583	111	5
2018	9.1	<u>1,585</u>	<u>576</u>	<u>7</u>	<u>583</u>	<u>1,002</u>	
2017	9.1	<u>1,585</u>	<u>567</u>	<u>9</u>	<u>576</u>	<u>1,009</u>	

9.1 Investment property comprises of a godown held at Multan. The forced sales value of the property determined on the basis of a valuation carried out by an independent professional valuer, as at June 30, 2018 amounts to Rs. 93.371 million (2017: Rs. 69.136 million). The valuation was arrived on the basis of market intelligence, indexation of the original cost, year of construction and present physical condition and location.

9.2 Details of the Company's immovable investment property

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	2018 Holding %	2017 Holding %	2018	2017
				----- (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 (HMPL)		60	60	2,789,223	2,789,223
A-One Enterprises (Private) Limited (A-One)		100	100	61,395	61,395
Thal Power (Private) Limited		100	100	100	100
Thal Boshoku Pakistan (Private) Limited		55	55	104,500	104,500
Advance against issuance of Shares of Thal Boshoku Pakistan (Private) Limited	10.1			275,000	-
Makro-Habib Pakistan Limited (MHPL)		100	100	223,885	223,885
Less: Provision for impairment				(223,885)	(223,885)
				<u>-</u>	<u>-</u>
				3,241,304	2,966,304
Associates – at cost	10.2				
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>
Other investments - Available for sale					
Quoted - At fair value					
Habib Sugar Mills Limited				75,610	69,916
GlaxoSmithKline (Pakistan) Limited				278	430
GlaxoSmithKline Healthcare (Pakistan) Limited				203	-
Dynea Pakistan Limited				103,839	82,156
Allied Bank Limited				18,755	16,295
Habib Bank Limited				10,839	17,526
TPL Properties Limited				9,300	12,250
				<u>218,824</u>	<u>198,573</u>
Un- Quoted - At cost					
Sindh Engro Coal Mining Company Limited (SECMC)	10.3			1,398,011	898,861
TOTAL				<u>4,938,387</u>	<u>4,143,986</u>

10.1 During the year, the Company has subscribed an amount of Rs.275 million to its subsidiary Thal Boshoku (Private) Limited, against right issue of shares by the subsidiary company.

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

10.3 The Company undertook to invest USD 24.3 million in PKR equivalent and upto the balance sheet date it has invested Rs. 1,398.011 million acquiring 94,332,725 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 11.06 million.

10.4 All investments have been made in accordance with the provisions of the Section 199 of the Companies Act, 2017 and the rules promulgated for this purpose.

11. LONG-TERM LOANS - considered good

	Note	2018 ----- (Rupees in '000)-----	2017 ----- (Rupees in '000)-----
Employees - secured			
Interest free	11.1	11,988	15,010
Current portion	17	(3,996)	(4,021)
		<u>7,992</u>	<u>10,989</u>
Wholly owned subsidiaries - unsecured			
Thal Power (Private) Limited	11.2 & 11.3	<u>780,436</u>	<u>400,436</u>
		<u>788,428</u>	<u>411,425</u>

11.1 The loan is secured against mortgage of property. The maximum aggregate amount due from employees at the end of any month during the year was Rs. 14.652 million (2017: Rs. 18.673 million). During, the year an amount of Rs. 3.022 million was repaid to the Company.

11.2 The maximum aggregate amount due from Thal (Power) Private Limited at the end of any month during the year was Rs. 780.436 million (2017: Rs. 400.436 million). During the year, an amount of Rs. 380 million was disbursed to Thal Power (Private) Limited.

11.3 Represents interest free loan given for purchase of shares of ThalNova Power Thar (Private) Limited (ThalNova). The loan is likely to be converted into Share Capital based on the progress achieved by ThalNova for its underlying project.

	2018 ----- (Rupees in '000)-----	2017 ----- (Rupees in '000)-----
12. LONG-TERM DEPOSITS		
Security deposits	8,068	8,646
Utilities	4,837	4,837
Others	491	481
	<u>13,396</u>	<u>13,964</u>

12.1 These deposits are interest free.

13. DEFERRED TAX ASSET

Deferred tax asset arising in respect of provisions
Deferred tax liability arising due to accelerated tax depreciation allowance

293,002	271,208
(101,851)	(84,566)
<u>191,151</u>	<u>186,642</u>

14. STORES, SPARES AND LOOSE TOOLS

Stores		
· In hand	32,477	19,005
· In transit	4,030	6,616
	<u>36,507</u>	<u>25,621</u>
Spares in hand	94,851	75,734
Loose tools	214	105
	<u>131,572</u>	<u>101,460</u>

Note 2018 2017

(Rupees in '000)-----

15. STOCK-IN-TRADE

Raw material			
· In hand	15.1	2,586,886	1,868,669
· In transit		639,192	384,306
		<u>3,226,078</u>	<u>2,252,975</u>
Work-in-process		226,833	156,863
Finished goods	15.2	<u>501,003</u>	<u>504,142</u>
		<u>3,953,914</u>	<u>2,913,980</u>

15.1 Raw materials amounting to Rs. 8.342 million (2017: Rs. 7.582 million) are held with the sub-contractors.

15.2 Includes items amounting to Rs. 38.284 million (2017: Rs. 690.797 million) carried at net realisable value. [Cost Rs. 93.422 million (2017: Rs. 734.922 million)].

16. TRADE DEBTS - unsecured

Considered good	16.1	1,519,728	1,041,399
Considered doubtful		16,284	13,941
Provision for doubtful debts	16.2	(16,284)	(13,941)
		<u>-</u>	<u>-</u>
		<u>1,519,728</u>	<u>1,041,399</u>

16.1 This includes amount due from following related parties:

Indus Motor Company Limited	508,551	249,233
Shabbir Tiles and Ceramics Limited	23,076	19,067
Auvitronics Limited	-	7
	<u>531,627</u>	<u>268,307</u>

16.2 Reconciliation of provision for doubtful debts:

Balance at the beginning of the year	13,941	81,199
Charge / (reversal) for the year	2,787	(66,207)
Bad debts written off during the year	(444)	(1,051)
Balance at the end of the year	<u>16,284</u>	<u>13,941</u>

16.3 The maximum aggregate amount due from the related parties at the end of any month during the year outstanding was Rs. 746.755 (2017: Rs. 893.672 million)

	Note	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
17. LOANS AND ADVANCES			
Loans			
Considered good - secured			
Employees - interest free	17.1	20,000	20,000
Current portion of long term loans	11 & 17.2	3,996	4,021
		23,996	24,021
Considered doubtful - unsecured			
Makro-Habib Pakistan Limited (MHPL)	17.3	264,552	282,756
Provision for doubtful loan		(264,552)	(282,756)
		-	-
		23,996	24,021
Advances - considered good - unsecured			
Suppliers		43,240	38,588
Customer		19,211	-
Employees	17.4	5,460	1,302
		67,911	39,890
		91,907	63,911

17.1 The loan is secured against mortgage of property. The maximum aggregate amount due from employees at the end of any month during the year was Rs. 20 million (2017: Rs. 20 million).

17.2 The maximum aggregate amount due from employees at the end of any month during the year was Rs. 3.996 million (2017: Rs. 4.021 million). During, the year an amount of Rs. 3.022 million was repaid to the Company.

17.3 The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 282.756 million (2017: Rs. 286.508 million). During the year, an amount of Rs. 18.204 million was repaid to the Company.

17.4 These advances are interest free.

18. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits			
Tender / Performance guarantee		78,710	44,834
Margin against letter of credit		2,227	285
Deposit against custom duty		7,182	7,182
Container deposits		24,065	12,245
	18.1	112,184	64,546
Short-term prepayments			
Insurance	18.2	14,023	5,757
Others		15,111	8,018
		29,134	13,775
		141,318	78,321

18.1 These deposits are interest free.

18.2 This includes prepayments amounting to Rs. 11.604 million (2017: Rs. 5.757 million) made to Habib Insurance Company Limited, a related party.

	Note	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
19. OTHER RECEIVABLES			
Duty drawback		2,106	2,140
Dividend receivable		-	73,055
Insurance claims		7	-
Receivable from A-One under group taxation	21	4,625	97
Workers' Profit Participation Fund	26.5	-	382
Others	19.1	9,662	1,064
		16,400	76,738
19.1 This includes receivable from the following related parties which are neither past due nor impaired:			
Pakistan Industrial Aids (Private) Limited		-	192
Indus Motor Company Limited		-	10
Agriautos Industries Limited		4	131
Habib Metro Pakistan Private Limited		2,568	-
Noble Computer Services (Private) Limited		4,550	126
Thal Boshoku Pakistan (Private) Limited		583	283
		7,705	742

19.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 11.594 million (2017: Rs. 3.680 million).

20. SHORT-TERM INVESTMENTS

	Note	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
Held-to-maturity - at amortised cost			
Term deposit receipts	20.1 & 20.3	346,737	3,471,851
Accrued interest		1,217	21,395
		347,954	3,493,246
Treasury bills	20.2 & 20.3	295,762	986,400
Accrued interest		3,683	7,124
		299,445	993,524
Designated at fair value through profit and loss account			
Atlas Money Market Fund		54,897	52,048
UBL Liquidity Plus Fund		805,388	382,270
NAFA Money Market Fund		822,424	879,272
NAFA Government Securities Liquid Fund		301,426	-
ALFALAH Money Market Fund		177,873	-
MCB Cash Optimizer Fund		479,201	20,058
HLB Cash Fund		720,152	762,361
ABL Cash Fund		838,478	105,133
Al-Meezan Cash Fund		-	20,030
		4,199,839	2,221,172
		4,847,238	6,707,942

20.1 These include deposits amounting to Rs. 1.081 million (2017: Rs. 1,257.408 million) with Habib Metropolitan Bank Limited, a related party and carry interest rate ranging from 4.35% to 6.20% (2017: 3.48% to 6.25%) per annum and having maturity ranging from September 09, 2018 to November 30, 2018. Included in the above investment, Rs. 346.737 million (2017: Rs. 521.851 million) is under lien against a letter of guarantee issued by the banks on behalf of the Company.

20.2 These carry interest at the rate of 6.22% to 6.24% (2017: 5.99%) per annum and having maturity ranging from July 05, 2018 to July 19, 2018.

20.3 Includes short-term investments amounting to Rs. 641.461 million (2017: Rs. 4,457.250 million) having maturity up to three months.

	Note	2018 ----- (Rupees in '000) -----	2017
21. INCOME TAX - net			
Group Tax Relief adjustments	21.1	593,466	593,466
Group Taxation adjustments	21.2	512	10,040
Income tax provision less tax payments - net	21.3	(531,150)	(531,237)
		<u>62,828</u>	<u>72,269</u>

21.1 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 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 has 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 10th June 2011 and 11th 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; 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.

21.2 In terms of the provision of Section 59AA of the Income Tax Ordinance, 2001 (the Ordinance), the Company, MHPL and A-One have irrevocably opted to be taxed as one fiscal unit with effect from tax year 2017. Accordingly, the tax loss of MHPL for the tax year 2018 has been adjusted against the taxable income of the Company which resulted in a reduction of tax liability of Rs. 5.653 million (2017: Rs. 17.763 million) for the current year. Moreover, the tax charge transferred by A-One to the Company amounted to Rs. 5.141 million (2017: Rs. 7.723 million).

21.3 Includes adjustment of tax challans acquired from MHPL and A-One amounting to Rs. 0.291 million (2017: Rs. 0.492 million) and Rs. 2.651 million (2017: Rs. 7.626 million) respectively.

Note
2018
----- (Rupees in '000) -----
2017

22. CASH AND BANK BALANCES

In hand		2,162	2,399
With banks in:			
Current accounts	22.1	198,062	109,296
Deposit accounts	22.2	501,059	410,589
		<u>699,121</u>	<u>519,885</u>
		<u>701,283</u>	<u>522,284</u>

22.1 These include accounts maintained with Habib Metropolitan Bank Limited, a related party amounting to Rs. 50.887 million (2017: Rs. 46.778 million).

22.2 These include accounts maintained with Habib Metropolitan Bank Limited, a related party amounting to Rs. 323.154 million (2017: Rs.349.620 million) and carry markup ranging from 4.25% to 5.75% (2017: 4.25% to 4.75%) per annum.

23. SHARE CAPITAL

23.1 Authorized Capital

During the year, the Company has increased its authorised capital from 100 million ordinary shares of Rs. 5/- each amounting to Rs.500 million to 200 million ordinary shares of Rs. 5/- each amounting to Rs. 1,000 million.

23.2 Issued, subscribed and paid-up capital

2018	2017		2018	2017
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
		Shares issued under the Scheme of Arrangement for Amalgamation	56,198	56,198
<u>11,239,669</u>	<u>11,239,669</u>		<u>405,150</u>	<u>405,150</u>
<u>81,029,909</u>	<u>81,029,909</u>			

23.3 As at June 30, 2018, 7,013,869 (2017: 7,041,589) ordinary shares are held by related parties.

2018
----- (Rupees in '000) -----
2017

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
	<u>55,704</u>	<u>55,704</u>

Revenue reserves

General reserve	13,531,499	11,165,499
Unappropriated profit	2,281,141	3,662,802
	<u>15,812,640</u>	<u>14,828,301</u>
Gain on revaluation of available-for-sale investments	164,176	143,925
	<u>16,032,520</u>	<u>15,027,930</u>

25. LONG-TERM DEPOSITS

Includes security deposits from Thal Boshoku Pakistan (Private) Limited (TBPL), a subsidiary company, amounting to Rs. 1.624 million (2017: Rs. 1.624 million) in respect of office space provided.

	Note	2018 (Rupees in '000)	2017 (Rupees in '000)
26. TRADE AND OTHER PAYABLES			
Creditors	26.1	573,820	302,398
Accrued liabilities	26.2	1,043,210	900,968
Custom duty payable		51,176	67,982
Payable to MHPL against group taxation	21	1,328	6,766
Unclaimed salaries		5,627	3,901
Warranty obligations	26.3	395,825	320,615
Royalty payable	26.4	87,393	150,102
Workers' profit participation fund	26.5	1,255	-
Workers' welfare fund		56,059	80,319
Security deposits		2,578	1,568
Payable to retirement benefit fund		7,117	6,188
Advance against sale of land		3,000	-
Other liabilities	26.7	90,610	70,024
		<u>2,318,998</u>	<u>1,910,831</u>
26.1 This includes amounts due to the following related parties:			
Auvitronics Limited		-	4,586
Pakistan Industrial Aids (Private) Limited		109	2,343
Habib Insurance Company Limited		4,749	594
Indus Motor Company Limited		1,538	-
Noble Computer Services (Private) Limited		90	-
Metro Habib Cash and Carry Pakistan (Private) Limited		807	-
		<u>7,293</u>	<u>7,523</u>
26.2 This includes amounts due to the following related party:			
Habib Insurance Company Limited		<u>4,370</u>	<u>914</u>
26.3 Warranty obligations			
Balance at the beginning of the year		320,615	249,384
Charge for the year	31	89,396	83,235
Claims paid during the year		(14,186)	(12,004)
Balance at end of the year		<u>395,825</u>	<u>320,615</u>
26.4 Royalty payable			
Opening balance		150,102	101,683
Charge for the year	30	157,910	170,881
Paid during the year		(220,619)	(122,462)
Balance at the end of the year		<u>87,393</u>	<u>150,102</u>
26.5 Workers' profit participation fund			
(Receivable from) / payable to WPPF at the beginning of the year		(382)	28
Interest on funds utilised in the Company's business		-	10
Allocation for the current year	33	<u>203,255</u>	<u>289,618</u>
		202,873	289,656
Paid during the year		(201,618)	(290,038)
Payable to / (Receivable from) WPPF at the end of the year		<u>1,255</u>	<u>(382)</u>

	Note	2018 (Rupees in '000)	2017 (Rupees in '000)
26.6 Other liabilities			
Tax deducted at source		4,896	3,770
Employees Old-Age Benefits Institution (EOBI)		47,875	33,909
Sales Tax payable		5,458	-
Advances from customers		21,999	22,570
Others		10,382	9,775
		<u>90,610</u>	<u>70,024</u>
27. SHORT TERM RUNNING FINANCE - secured			
Related party		58,579	5,473
Others		2,171	3,664
	27.1	<u>60,750</u>	<u>9,137</u>
27.1 Available limits of the running finance facilities amounts to Rs. 2,498 million (2017: Rs. 2,698 million). The facilities carry mark-up at rates ranging from one month to three months' KIBOR plus spreads of 0.5% to 0.75% (2017: 0.5% to 0.75%) per annum. The facilities are secured by way of joint pari passu charge against hypothecation of the Company's stock-in-trade and trade debts. The facilities have a maturity till May 31, 2019.			
28. CONTINGENCIES AND COMMITMENTS			
28.1 Contingencies			
28.1.1 There were no contingencies other than the tax contingency which is disclosed in note 21.1 to the financial statements.			
28.2 Commitments			
28.2.1 Post dated cheques have been issued to Collector of Custom in respect of differential duty between commercial and concessional rate of duty, duty and tax remission on exports and safe transport requirement under various SRO's.		<u>24,545</u>	<u>103,974</u>
28.2.2 Letters of credit outstanding for raw material and spares		<u>1,708,273</u>	<u>725,450</u>
28.2.3 Letter of guarantees issued by bank on behalf of the Company in respect of financial commitments of the Company.		<u>1,424,711</u>	<u>2,151,283</u>
28.2.4 Commitments in respect of capital expenditure		<u>7,515</u>	<u>66,817</u>
28.2.5 Commitments for rentals under Ijarah (lease) agreements			
Within one year		16,084	10,691
After one year but not later than five years		13,103	10,733
		<u>29,187</u>	<u>21,424</u>
Represent Ijarah (lease) agreement entered into with a Modaraba in respect of vehicles. Total Ijarah payments due under the agreements are Rs. 29.187 million and are payable in monthly installments latest by February, 2021. These commitments are secured by on-demand promissory notes of Rs. 60.487 million.			
28.2.5 Commitment in respect of investment is disclosed in note 10.3 to these financial statements.			

	Note	2018 (Rupees in '000)	2017 (Rupees in '000)
29. REVENUE - net			
Export sales	29.1 & 29.2	436,245	261,892
Local sales	29.3	21,740,788	19,425,416
		<u>22,177,033</u>	<u>19,687,308</u>
Less: Sales tax		2,888,380	2,564,157
Sales discount		2,602	2,463
		<u>2,890,982</u>	<u>2,566,620</u>
Add: Duty drawback		6,908	3,685
		<u>19,292,959</u>	<u>17,124,373</u>

29.1 Export sales are stated net of export related freight and other expenses of Rs. 14.832 million (2017: Rs. 9.170 million).

29.2 Gross Export Sales

Confirmed LCs	29.2.1	2,608	177,297
Contract	29.2.1	448,469	93,765
		<u>451,077</u>	<u>271,062</u>

29.2.1 The geographical details of sales through confirmed LCs and Contract are as below:

	Confirmed LCs (Rupees in '000)		Contract (Rupees in '000)	
	2018	2017	2018	2017
Bangladesh	2,608	7,412	-	-
Australia	-	-	26,576	17,029
Egypt	-	-	11,922	-
Turkmenistan	-	-	41,069	48,296
Italy	-	-	66,492	42,623
Malaysia	-	-	5,449	1,320
Spain	-	-	762	616
Switzerland	-	-	5,695	-
Turkey	-	-	9,239	-
United Arab Emirates	-	-	135,329	69,043
Oman	-	1,589	2,044	-
Kuwait	-	-	2,998	2,075
Afghanistan	-	-	5,967	23,104
Saudi Arabia	-	-	-	2,702
Europe	-	-	1,152	-
Others	-	-	133,775	55,253
	<u>2,608</u>	<u>9,001</u>	<u>448,469</u>	<u>262,061</u>

29.3 Local sales are stated net of freight and other expenses of Rs. 100.618 million (2017: Rs. 73.741 million).

30. COST OF SALES

	Note	2018 (Rupees in '000)	2017 (Rupees in '000)
Raw material consumed	30.1	13,294,331	11,442,949
Salaries, wages and benefits		1,405,964	1,152,647
Stores and spares consumed		168,263	147,749
Repairs and maintenance		128,499	133,958
Power and fuel		267,232	247,268
Rent, rates and taxes		7,047	6,761
Vehicle running and maintenance		11,902	8,954
Insurance		8,998	8,588
Communication		6,246	4,811
Travelling and conveyance		11,504	12,497
Entertainment		697	214
Printing and stationery		7,711	5,079
Legal and professional		14,677	2,756
Computer accessories		6,599	4,551
Royalty	30.2	157,910	170,881
Depreciation / amortisation	7.3	179,633	110,682
Amortisation	8.1	1,834	2,670
Research and development		6,770	7,207
Ijarah rentals		9,365	4,892
Technical Assistance fee		114	-
Others		3,212	2,000
		<u>15,698,508</u>	<u>13,477,114</u>

Work-in-process			
Opening		156,863	213,115
Closing		(226,833)	(156,863)
		<u>(69,970)</u>	<u>56,252</u>

Cost of goods manufactured

Finished goods			
Opening		504,142	463,305
Stock destroyed		-	(1,181)
Closing		(501,003)	(504,142)
		<u>3,139</u>	<u>(42,018)</u>
		<u>15,631,677</u>	<u>13,491,348</u>

30.1 Raw material consumed

Opening stock		1,868,669	1,629,607
Purchases		14,012,548	11,682,011
Closing stock		(2,586,886)	(1,868,669)
		<u>13,294,331</u>	<u>11,442,949</u>

30.2 Royalty

Party Name	Registered Address	Relationship with Directors		
Denso Corporation	448-8661 1-1, ShowaCho, Kariya-city, Aichi-Pref., Japan	None	82,991	100,067
Furukawa Automotive Systems	1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan	None	74,919	70,814
			<u>157,910</u>	<u>170,881</u>

31. DISTRIBUTION COSTS

Note	2018 (Rupees in '000)	2017 (Rupees in '000)
Salaries and benefits	74,194	59,192
Vehicle running expense	3,859	3,050
Utilities	1,676	1,735
Insurance	1,927	1,787
Rent, rates and taxes	12,241	8,339
Communication	2,304	1,895
Advertisement and publicity	11,170	8,872
Travelling and conveyance	5,616	5,698
Entertainment	370	227
Printing and stationery	391	318
Legal and professional	251	-
Computer accessories	509	473
Research and development	190	252
Depreciation	7.3 1,959	1,360
Amortisation	8.1 18	23
Provision for doubtful debts	16.2 2,787	-
Repairs and maintenance	1,691	2,564
Export expenses	5,216	5,233
Provision for warranty claims	26.3 89,396	83,235
Ijarah rentals	2,734	813
Others	720	587
	<u>219,219</u>	<u>185,653</u>

32. ADMINISTRATIVE EXPENSES

Salaries and benefits	465,277	390,976
Vehicle running expense	12,955	10,483
Printing and stationery	4,964	4,016
Rent, rates and taxes	25,322	12,732
Utilities	7,209	6,291
Insurance	371	719
Entertainment	1,351	1,518
Subscription	1,842	597
Communication	4,579	3,439
Advertisement and publicity	1,241	2,447
Repairs and maintenance	26,322	54,162
Travelling and conveyance	19,367	19,503
Legal and professional	157,860	144,231
Computer accessories	4,601	2,952
Auditors' remuneration	32.1 4,958	4,692
Depreciation / amortization	7.3 10,049	11,554
Depreciation on investment property	9 7	9
Amortisation	8.1 5,107	2,423
Ijarah rentals	9,471	4,786
Charity and donations	32.2 & 32.3 45,414	61,141
Directors' fee and meeting expenses	1,990	1,465
Others	4,009	1,707
	<u>814,266</u>	<u>741,843</u>

32.1 Auditors' remuneration

Audit fee	2,345	2,169
Half-yearly review	324	324
Taxation services	1,197	1,323
Other certification	607	425
Out of pocket expenses	485	451
	<u>4,958</u>	<u>4,692</u>

32.2 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		
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 Mr. Ali S. Habib - Trustee	12,820	17,724
Habib Education Trust	4th floor, United Bank building, I.I. Chundrigar Road, Karachi.	Mr. Ali S. Habib - Trustee Mr. Mohamedali R. Habib - Trustee	12,536	8,500
Habib University Foundation	147, Block 7&8, Banglore Cooperative Housing Society, Tipu Sultan Road, Karachi.	Mr. Rafiq M. Habib - Trustee Mr. Ali S. Habib - Trustee Mr. Mohamedali R. Habib - Trustee	5,000	14,999
Anjuman -e- Behbood Samat -e- Itetal	ABSA School 26-C National Highway, Korangi Road, Karachi.	Mrs. Rafiq M. Habib - Vice President	34	36
Hussaini Hematology & Oncology Trust	43-Rehmat Manzil, Bhurgari Road, Numaish, Karachi.	Mr. Mohamedali R. Habib - Trustee	96	96
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 Mr. Ali S. Habib - Trustee	-	500
Masoomen Hospital Trust	Atmaram Pritamdas Road, Moosa Lane Miranpir, Karachi.	Mr. Rafiq M. Habib - Trustee Mr. Ali S. Habib - Trustee	-	2,000

32.3 Charity and donations include the following donees to whom donations exceed Rs. 0.50 million other than already disclosed above:

Name of donee	Name of directors/spouse		
Thar Foundation	None	2,000	3,000
Masoomen Hospital Trust	None	-	2,000
Patients Aid Foundation	None	-	3,000
The Citizens Foundation	None	3,000	-
Northern Eye Hospital	None	1,000	1,500
HELP	None	1,274	-
School of Leadership	None	990	-
The Indus Hospital	None	2,000	2,000
		<u>10,264</u>	<u>11,500</u>

	Note	2018 (Rupees in '000)	2017 (Rupees in '000)
33. OTHER CHARGES			
Workers' profits participation fund	26.5	203,255	289,618
Workers' welfare fund		58,327	55,752
		<u>261,582</u>	<u>345,370</u>
34. OTHER INCOME			
Income from financial assets			
Dividend income from:			
Related parties			
Indus Motor Company Limited.		635,700	586,800
Agriauto Industries Limited		24,329	18,512
Habib Insurance Company Limited		4,302	10,037
Habib METRO Pakistan (Private) Limited		356,641	219,636
		<u>1,020,972</u>	<u>834,985</u>
Others			
Dynea Pakiatan Limited		3,268	2,042
Habib Sugar Mills Limited		3,267	5,134
Allied Bank Limited		1,318	1,318
Habib Bank Limited		358	912
GlaxosmithKline Pakistan Limited		5	10
		<u>8,216</u>	<u>9,416</u>
Interest on:			
Deposit accounts		33,196	25,987
Term deposit receipts		122,288	144,571
Government treasury bills		58,159	48,525
		<u>213,643</u>	<u>219,083</u>
Gain on revaluation / redemption of investments at fair value through profit and loss		123,827	76,922
Reversal of provision for doubtful debts		-	66,207
Liabilities no longer payable written back		68	27
Reversal of provision for impairment of loan - MHPL		18,204	3,752
Exchange gain - net		1,780	1,051
		<u>1,386,710</u>	<u>1,211,443</u>
Income from non financial assets			
Gain on disposal of property, plant and equipment	7.4	9,345	2,595
Gain on disposal of investment in associate - MHCCP		-	1,835,895
Rental income		5,451	5,276
Service income	34.1	27,720	27,742
Scrap sales		10,408	7,154
Claim from suppliers		6,525	5,032
Insurance claim		7	210
		<u>59,456</u>	<u>1,883,904</u>
		<u>1,446,166</u>	<u>3,095,347</u>

34.1 The Company has entered into a service agreement with Thal Boshoku Pakistan (Private) Limited, a subsidiary company. As per the agreement, the Company will provide service and support for production engineering, plant maintenance and engineering, imports, logistics & material handling, sales administration, HR and general administration and financial corporate legal and tax advisory.

	Note	2018 (Rupees in '000)	2017 (Rupees in '000)
35. FINANCE COSTS			
Mark-up on Short-term running finance:			
- Related party		182	47
- Others		39	105
		<u>221</u>	<u>152</u>
Workers' profit participation fund		-	10
Bank charges and guarantee commission		8,648	8,349
		<u>8,869</u>	<u>8,511</u>
36. TAXATION			
Current		1,029,836	1,415,946
Prior		92,215	(46,233)
Deferred		(4,509)	110,998
	36.1	<u>1,117,542</u>	<u>1,480,711</u>
36.1 Relationship between income tax expense and accounting profit			
Profit before taxation		<u>3,803,512</u>	<u>5,446,995</u>
Tax at the rate of 30% (2017: 31%)		1,141,054	1,688,568
Super tax @ 3% of taxable income		112,785	144,792
		<u>1,253,839</u>	<u>1,833,360</u>
Tax effects of:			
Income taxed at reduced rates		(187,583)	(283,949)
Income tax under Final tax regime		(12,896)	(8,660)
Tax effect of inadmissible items		(28,033)	(13,807)
Prior years		92,215	(46,233)
		<u>1,117,542</u>	<u>1,480,711</u>
36.2 Adequate provision for tax has been provided in these financial statements for the current year. A comparison of last three years of income tax provision with tax assessed is presented below:			
	Note	Provision for Taxation (Rupees in '000)	Tax assessed
2017	36.2.1	1,437,594	1,437,594
2016	36.2.1	726,918	726,918
2015		<u>843,948</u>	<u>843,948</u>

36.2.1 The Company and its wholly owned subsidiaries, Makro-Habib Limited and A-One Enterprises (Private) Limited, irrevocably opted to be taxed as one fiscal unit in the year 2017 and the Company and its wholly owned subsidiary, Makro-Habib Limited, irrevocably opted to be taxed as one fiscal unit in the year 2016. The provision for taxation includes the impact of group taxation.

37. BASIC AND DILUTED EARNINGS PER SHARE

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

Profit after taxation

Weighted average number of ordinary shares of Rs. 5/- each in issue

Basic and diluted earnings per share

Note

	2018	2017
	(Rupees in '000)	
	2,685,970	3,966,284
Number of shares in thousands	81,030	81,030
	(Rupees)	
	33.15	48.95

38. CASH GENERATED FROM OPERATIONS

Profit before taxation

Adjustments for non-cash charges and other items:

Depreciation and amortisation

Finance costs

Interest income

Liabilities no longer payable written back

Gain on revaluation / redemption of investments at fair value through profit and loss

Dividend income

Provision / (reversal of provision) for doubtful debts - net

Provision for retirement benefits

Reversal of provision for impairment on loan to MHPL

Gain on disposal of investment in an associate - MHCCP

Gain on disposal of operating fixed assets

(Increase) / decrease in current assets

Stores, spares and loose tools

Stock-in-trade

Trade debts

Loans and advances

Trade deposits and short-term prepayments

Sales tax refundable

Other receivables

Increase in current liabilities

Trade and other payables

39. CASH AND CASH EQUIVALENTS

Cash and bank balances

Short-term investments

Short-term running finance

22

20

27

	2018	2017
	3,803,512	5,446,995
	198,607	128,721
	8,869	8,511
	(213,643)	(219,083)
	(68)	(27)
	(123,827)	(76,922)
	(1,029,188)	(844,401)
	2,787	(66,207)
	4,967	2,088
	(18,204)	(3,752)
	-	(1,835,895)
	(9,345)	(2,595)
	(1,179,045)	(2,909,562)
	2,624,467	2,537,433
	(30,112)	(18,337)
	(1,039,934)	(149,651)
	(481,116)	28,754
	(9,792)	(19,508)
	(62,997)	(40,973)
	(30,263)	(40,887)
	(12,717)	64
	(1,666,931)	(240,538)
	407,306	540,759
	1,364,842	2,837,654
	701,283	522,284
	641,461	4,457,250
	(60,750)	(9,137)
	1,281,994	4,970,397

40. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Company comprise of subsidiaries, associates, and companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the year, other than those which have been disclosed in note 41 and elsewhere in these financial statements, are as follows:

Relationship	Nature of transactions	2018	2017
		(Rupees in '000)	
Subsidiaries	Professional Services acquired	142,050	123,924
	Purchase of assets	3,907	
	Purchase of goods	7,852	3,827
	Sale of goods	318	
	Supplies purchased	943	2,979
	Rent received	5,451	5,276
	Sale of assets	1,761	
	Service Fee	27,720	27,742
Associates	Sales of goods	10,394,197	10,191,738
	Insurance premium	37,367	29,797
	Purchase of assets	1,744	2,400
	Supplies purchased	53,770	16,236
	Purchase of goods	65,051	125,646
	Insurance claim received	689	2,959
	Mark-up and bank charges paid	3,154	2,129
	Profit received on deposits	77,112	104,310
	Ijarah rentals	21,835	10,491
	Rent paid	1,623	863
Employee benefit plans	Contribution to provident fund	35,634	30,190
	Contribution to retirement benefit fund	4,967	2,750

40.1 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 41 to the financial statements.

40.2 The receivable / payable balances with related parties as at June 30, 2018 are disclosed in the respective notes to the financial statements.

40.3 Following are the related parties of the Company with whom the Company had entered into transactions or have arrangement/agreement in place.

S. No	Company Name	Basis of association	Aggregate % of shareholding	Nature of transactions
1	Noble Computer Services (Private) Ltd.	Subsidiary	100%	Professional Services acquired / Purchase of Assets / Sale of Assets / Sale of goods
2	Pakistan Industrial Aids (Private) Limited	Subsidiary	100%	Purchase of goods
3	Makro-Habib Pakistan Limited	Subsidiary	100%	Supplies purchased / Purchase of Assets / Sale of Assets / Tax loss and challans acquired
4	A-One Enterprises (Private) Limited	Subsidiary	100%	Tax profit and challans acquired
5	Habib Metro Pakistan (Private) Limited	Subsidiary	60%	Purchase of assets
6	Thal Boshoku Pakistan (Private) Limited	Subsidiary	55%	Rent received / Service fee
7	Thal Power (Private) Limited	Subsidiary	100%	Loan to Subsidiary
8	Indus Motor Company Limited	Associate	6.22%	Sales of goods
9	Shabbir Tiles and Ceramics Limited	Associate	1.30%	Sales of goods / Supplies purchased
10	Habib Insurance Company Limited.	Associate	4.63%	Insurance premium / Insurance claim received
11	Metro Habib Cash and Carry Pakistan (Private) Limited	Associate of Subsidiary Company	-	Purchase of assets / Supplies purchased
12	Habib Metropolitan Bank Limited	Common Directorship	-	Mark-up and bank charges paid / Profit received
13	First Habib Modaraba	Subsidiary of an associate	-	Ijarah rentals
14	Thal Limited - Employees' Provident Fund	Employees' funds -		Contribution made
15	Thal Limited - Employees' Retirement Benefit Fund	Employees' funds -		Contribution made

	2018			2017		
	Chief executive	Directors	Executives	Chief executive	Directors	Executives
	(Rupees in '000)					
Managerial remuneration	20,257	-	237,319	28,601	-	176,668
Bonus	7,290	-	24,691	9,031	-	31,911
Company's contribution to provident fund	807	-	9,719	855	-	8,397
Company's contribution to retirement benefit fund	-	-	4,676	-	-	3,463
Other perquisites	-	-	1,226	-	-	1,804
	28,354	-	277,631	38,487	-	222,243
Number of persons	1	6	36	1	6	29

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

41.2 Five non executive directors (2017: Four) have been paid fees of Rs. 1,870,000 (2017: Rs. 1,175,000) for attending board and other meetings.

42. PLANT CAPACITY AND ACTUAL PRODUCTION

	2018	2017
Annual Capacity		
Jute (Metric Tons)	33,800	33,800
Auto air conditioners (Units)	90,000	90,000
Paper bags (Nos. 000s)	* 251,000	140,000
Alternator (Units)	90,000	90,000
Starter (Units)	90,000	90,000
Actual Production		
Jute (Metric Tons)	26,748	22,474
Auto air conditioners (Units)	63,914	77,363
Wire harness (Units)	148,447	131,263
Paper bags (Nos. 000s)	117,243	105,202
Alternator (Units)	51,134	53,669
Starter (Units)	51,134	53,380
Reason for shortfall	Low demand	Low demand

* New product lines were commissioned during the year.

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

42.2 The production capacity of Laminate Operations depends on the relative proportion of various types of products.

43. PROVIDENT FUND

Size of the fund
Percentage of investments made
Fair value of investments
Cost of investments made

	2018 Unaudited (Rupees in '000)	2017 Audited (Rupees in '000)
Size of the fund	602,455	600,599
Percentage of investments made	96.84%	99.24%
Fair value of investments	583,397	596,006
Cost of investments made	577,869	545,692

43.1 Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2018 (Unaudited)		2017 (Audited)	
	Investments (Rs '000)	Investment as a % of size of the fund	Investments (Rs '000)	Investment as a % of size of the fund
Government securities	13,396	2.22%	128,684	21.43%
Term finance certificates and Sukus	-	0.00%	73,737	12.28%
Term deposit receipts and call deposits	393,030	65.24%	236,581	39.39%
Listed securities and mutual fund units	176,971	29.37%	157,004	26.14%
	<u>583,397</u>	<u>96.84%</u>	<u>596,006</u>	<u>99.24%</u>

43.2 Investments out of provident fund have been made in accordance with the provisions of the Companies Act, 2017 and the rules formulated for this purpose.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial instruments are subject to credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The Board of Directors oversees policies for managing each of these risks which are summarised below.

44.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is mainly exposed to credit risk on trade debts, short-term investments and bank balances. The Company seeks to minimize the credit risk exposure through having exposure only to customers considered credit worthy and obtaining securities where applicable.

Quality of financial assets

The credit quality of financial assets is analyzed as under:

Trade debts

The analysis of trade debts is as follows:

Neither past due nor impaired [includes Rs. 524.373 million
(2017: Rs. 266.183 million) receivable from related parties.]

Past due but not impaired

• Less than 90 days [includes Rs. 7.254 million
(2017: Rs. 2.124 million) receivable from related parties.]

• 91 to 180 days

• 181 to 360 days

Bank balances

Ratings

A1+

A-1+

*A1

* This includes rating assigned by an international rating agency to foreign banks.

Short term investments

Ratings

A1+

A-1+

AM2+

AA(f)

AA+(f)

AA-(f)

AM1

AM2++

	2018 (Rupees in '000)	2017 (Rupees in '000)
Trade debts	1,191,146	905,436
Bank balances	290,359	100,297
	35,532	33,153
	2,691	2,513
	<u>1,519,728</u>	<u>1,041,399</u>
Bank balances	578,358	460,472
Ratings	120,740	59,369
A1+	23	44
A-1+	<u>699,121</u>	<u>519,885</u>
Short term investments	150,628	2,709,026
Ratings	496,771	1,777,744
A1+	-	52,048
AM2+	3,241,339	1,269,794
AA(f)	657,074	-
AA+(f)	301,426	-
AA-(f)	-	879,272
AM1	-	20,058
AM2++	<u>4,847,238</u>	<u>6,707,942</u>

Financial assets other than trade debts, bank balances and short-term investments, are not exposed to any material credit risk.

44.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with the financial instruments. To guard against the risk, the Company has diversified funding sources and the assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
Year ended June 30, 2018					
Long term deposits	-	-	-	2,379	2,379
Trade and other payables	1,866,098	-	-	-	1,866,098
Short-term running finance - secured	60,750	-	-	-	60,750
	<u>1,926,848</u>	<u>-</u>	<u>-</u>	<u>2,379</u>	<u>1,929,227</u>
Year ended June 30, 2017					
Long term deposits	-	-	-	1,624	1,624
Trade and other payables	1,452,168	-	-	-	1,452,168
Short-term running finance - secured	9,137	-	-	-	9,137
Accrued markup	1	-	-	-	1
	<u>1,461,306</u>	<u>-</u>	<u>-</u>	<u>1,624</u>	<u>1,462,930</u>

44.3 Foreign Currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Company's exposure to foreign currency risks is as follows:

	2018	2017
	(Rupees in '000)	
Trade receivables (US Dollars)	52,246	15,458
Trade receivables (AED)	-	-
Trade and other payables (US Dollars)	2,127,134	37,714
Trade and other payables (EUR)	519,502	112,835
Trade and other payables (JPY)	-	2,855
Trade and other payables (CHF)	-	10
Total (AED) - receivables	-	-
Total (CHF) - payables	-	10
Total (JPY) - payables	-	2,855
Total (EUR) - payables	519,502	112,835
Total (US Dollars) - payables	2,074,888	22,256
The following significant exchange rates have been applied at the balance sheet date:		
US Dollars	121.50	104.85
AED	-	-
EUR	141.58	119.63
JPY	-	0.94
CHF	-	109.41

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar, AED, EUR, JPY and CHF's exchange rate, with all other variables held constant, of the Company's profit before tax and the Company's equity.

	Change in US dollars, AED, JPY & CHF's rate	Effect on profit or (loss) before tax	Effect on equity
	%	(Rupees in '000)	
2018	+ 10	(32,564)	(22,996)
	- 10	32,564	22,996
2017	+ 10	(1,584)	(1,154)
	- 10	1,584	1,154

44.4 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 short-term borrowings and cash in deposit account. The interest rates on these financial instruments are disclosed in the respective notes to the financial statements.

Sensitivity Analysis:

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

	Increase / decrease in basis points	Effect on profit before tax
2018		
KIBOR	+ 100	4,403
KIBOR	- 100	(4,403)
2017		
KIBOR	+ 100	4,015
KIBOR	- 100	(4,015)

44.5 Equity price risks

Equity 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 Company's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Company's Board of Directors on a regular basis. The Board of Directors review and approve all equity investment decisions.

45. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing its operations through equity and working capital.

46. 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 between market participants at the measurement date. Investment in subsidiary companies and associates are carried at cost. The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from their book value.

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).

	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
2018				
Assets				
• Available for sale investments	218,824	-	-	218,824
• Short-term investments	4,199,839	-	-	4,199,839
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
2017				
Assets				
• Available for sale investments	198,573	-	-	198,573
• Short-term investments	2,221,172	-	-	2,221,172

There were no transfers amongst levels during the year.

47. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on September 13, 2018 has approved the following:

- transfer of Rs. 1,592 million from unappropriated profit to general reserve; and
- payment of cash dividend of Rs. 8.5 per share for the year ended June 30, 2018 for approval of the members at the Annual General Meeting to be held on October 22, 2018.

48. NUMBER OF EMPLOYEES

Total number of employees

Total number of Company's employees as at June, 30

Number of Factory Employees

Average number of Company's employees during the year

Average number of factory employees during the year

	2018	2017
Total number of Company's employees as at June, 30	4,671	4,134
Number of Factory Employees	4,286	3,928
Average number of Company's employees during the year	4,532	3,898
Average number of factory employees during the year	4,265	3,475

49. GENERAL

49.1 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications to report.

49.2 Figures have been rounded off to the nearest thousands.

50. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 13, 2018 by the Board of Directors of the Company.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To the members of Thal Limited (the Group)

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Thal Limited (the Group) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss and 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 2018, 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 *Auditors' 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 the 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.

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Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition The Group earns revenue from multiple business lines which operate as distinct business units with significant volume of revenue transactions. The recognition of revenue relating to each business line depends on the nature of contractual arrangements with the customers. We identified the revenue recognition and its proper reporting in the consolidated financial statements as a key audit matter due to significant volume of transactions, and the amount of audit efforts in relation to this area. Please refer to note 6.18 and 33 for relevant disclosures in respect of revenue.	We performed a range of audit procedures in relation to revenue including the following: <ul style="list-style-type: none"> • We reviewed the terms and conditions of distinct sale transactions and assessed the appropriateness of the revenue recognition policies and practices followed by the Group. • 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 recognised in the appropriate accounting period. • We also assessed the adequacy of the disclosures made in respect of revenue in accordance with the financial reporting standards.
2. Contingency As disclosed in note 29.1 to the financial statements, certain companies in the Group opted for group tax regime as available in the tax laws. The relief under the regime for years 2008 to 2010, is dependent on the outcome of the matter pending adjudication at the Honorable Sindh High Court. Due to inherent uncertainties involved in relation to ultimate outcome of this matter and significance of the impact it may have on the financial statements, we identified this matter as a key audit matter.	Our key audit procedures in respect of the tax contingency receivable included discussions with relevant management personnel regarding the status of the subject case and their assessment of the legal position, review of correspondence with tax authorities including the orders/assessments made by different appellate tax forums on this matter. We also circularized confirmation to the legal advisors of the Group in this regard. Further, we also considered the appropriateness and adequacy of the related disclosure made in the Group's consolidated financial statements.

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3. The new Companies Act, 2017 and its impact on the financial statements

As referred to in note 2 to the accompanying consolidated financial statements, the Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Group's annual financial statements for the year ended 30 June 2018.

The Act forms an integral part of the statutory financial reporting framework as applicable to the Group and amongst others, prescribes the nature and content of disclosures in relation to various elements of the consolidated financial statements.

In the case of the Group, specific additional disclosures and changes to the existing disclosures have been included in the consolidated financial statements as referred to in note 2 to the consolidated financial statements.

The above changes and enhancements in the consolidated financial statements are considered important and a key audit matter because of the volume and significance of the changes to the consolidated financial statements from the transition to the new reporting requirements under the Act.

We assessed the procedures applied by the management for identification of the changes required in the consolidated financial statements due the application of the Act.

We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.

We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the consolidated financial statements.

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 the 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 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.



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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.



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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Arslan Khalid.

Chartered Accountants

Place: Karachi

Date: 13 September 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

Note	2018	2017
	----- (Rupees in '000') -----	
ASSETS		
Non-current assets		
Property, plant and equipment	8 1,947,728	1,201,577
Intangible assets	9 17,521	10,249
Investment properties	10 6,702,921	6,845,446
Long-term investments	11 4,624,862	3,533,232
Long-term loans	12 9,048	10,989
Long-term deposits	13 21,433	17,746
Long-term prepayments	14 22,501	22,501
Deferred tax asset - net	15 191,145	187,551
	<u>13,537,159</u>	<u>11,829,291</u>
Current assets		
Stores, spares and loose tools	16 137,465	107,905
Stock-in-trade	17 4,047,147	2,992,333
Trade debts	18 1,593,086	1,094,863
Loans and advances	19 105,905	71,198
Trade deposits and short-term prepayments	20 151,110	89,063
Interest accrued	2 2,451	2,198
Other receivables	21 30,400	5,943
Short-term investments	22 9,069,237	10,510,173
Income tax - net	-	33,395
Sales tax refundable	105,163	66,822
Cash and bank balances	23 <u>1,325,900</u>	<u>842,399</u>
	<u>16,567,864</u>	<u>15,816,292</u>
TOTAL ASSETS	<u>30,105,023</u>	<u>27,645,583</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
200,000,000 (2017: 100,000,000) ordinary shares of Rs. 5/- each	24 <u>1,000,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	24 <u>405,150</u>	<u>405,150</u>
Share deposit money	12	12
Reserves	25 19,957,969	18,447,119
Equity attributable to equity holders of the Holding Company	20,363,131	18,852,281
Non-controlling interest	26 <u>6,484,082</u>	<u>6,116,611</u>
Total equity	<u>26,847,213</u>	<u>24,968,892</u>
NON-CURRENT LIABILITIES		
Long term deposits	27 319,720	316,762
CURRENT LIABILITIES		
Trade and other payables	28 <u>2,672,579</u>	<u>2,271,212</u>
Unclaimed dividend	49,712	39,101
Unpaid dividend	47,954	33,452
Income tax - net	29 96,923	-
Short-term running finance	30 60,750	9,137
Deferred income	31 <u>10,172</u>	<u>7,026</u>
Accrued markup	-	1
	<u>2,938,090</u>	<u>2,359,929</u>
CONTINGENCIES AND COMMITMENTS	32	
TOTAL EQUITY AND LIABILITIES	<u>30,105,023</u>	<u>27,645,583</u>

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees in '000') -----	2017 ----- (Rupees in '000') -----
Revenue - net	33	20,308,071	18,136,903
Cost of sales	34	(16,282,991)	(14,167,064)
Gross profit		4,025,080	3,969,839
Distribution costs	35	(225,757)	(192,674)
Administrative expenses	36	(1,616,652)	(1,539,021)
Other charges	37	(271,159)	(360,575)
		(2,113,568)	(2,092,270)
Other income	38	2,257,252	4,503,523
Operating profit		4,168,764	6,381,092
Finance costs	39	(10,206)	(9,348)
		4,158,558	6,371,744
Share of net profit of associates and joint venture - after tax	11.1	941,177	871,024
Profit before taxation		5,099,735	7,242,768
Taxation	40	(1,547,656)	(1,740,022)
Profit after taxation		3,552,079	5,502,746
Attributable to			
• Equity holders of the Holding Company		3,171,847	5,146,953
• Non-controlling interest		380,232	355,793
		<u>3,552,079</u>	<u>5,502,746</u>
		----- (Rupees) -----	
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	41	<u>39.14</u>	<u>63.52</u>

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	2018 ----- (Rupees in '000') -----	2017 ----- (Rupees in '000') -----
Profit after taxation for the year	3,552,079	5,502,746
Other comprehensive income		
Items to be reclassified to profit and loss account in subsequent periods:		
Gain on revaluation of available-for-sale investments	20,251	49,517
Items not to be reclassified to profit and loss account in subsequent periods:		
Share of actuarial gains / (loss) on remeasurement of defined benefit plans of associates - net of tax	20,383	(492)
Total comprehensive income for the year	3,592,713	5,551,771
Attributable to		
- Equity holders of the Holding Company	3,212,481	5,195,978
- Non-controlling interest	380,232	355,793
	<u>3,592,713</u>	<u>5,551,771</u>


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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	42	2,653,837	4,525,858
Finance costs paid		(10,207)	(9,389)
Retirement benefits paid		(4,038)	(987)
Income tax paid		(1,420,932)	(1,515,679)
Long term loans		1,941	4,021
Long term deposit - net		(729)	1,857
Net cash generated from operating activities		1,219,872	3,005,681

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure		(1,106,646)	(461,752)
Proceeds from disposal of operating fixed assets		18,824	353,496
Dividends received		745,602	551,710
Interest received		384,496	339,468
Long-term investments made during the year		(774,150)	(318,858)
Proceeds from disposal of investment in an associate		-	2,120,000
Short-term investments made during the year		(2,285,683)	(3,133,364)
Net cash used in investing activities		(3,017,557)	(549,300)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid		(1,914,279)	(916,209)
Advance against issue of shares		225,000	-
Net cash used in financing activities		(1,689,279)	(916,209)

NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS

		(3,486,964)	1,540,172
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CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR

		7,541,508	6,001,336
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CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

		4,054,544	7,541,508
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The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Balance as at June 30, 2016		5,907,241	20,373,843
Transfer to general reserve		-	-
Final dividend @ Rs. 6.25/- per share for the year ended June 30, 2016		-	(506,437)
Interim dividend @ Rs. 3.15/- per share for the year ended June 30, 2017		-	(303,862)
Subsidiary company		-	-
1st Interim Dividend @ Rs. 0.357/- per share for the year ended June 30, 2017		-	(48,535)
for the year ended June 30, 2017		-	(49,186)
2nd Interim Dividend @ Rs. 0.362/- per share		-	(48,702)
for the year ended June 30, 2017		-	(956,722)
3rd Interim Dividend @ Rs. 0.355/- per share		-	(355,793)
for the year ended June 30, 2017		-	(49,025)
Profit for the year		49,517	5,551,771
Other comprehensive loss for the year		49,517	355,793
Total comprehensive income for the year		99,034	5,907,564
Balance as at June 30, 2017		6,116,611	24,968,892
Transfer to general reserve		-	-
Final dividend @ Rs. 16/- per share for the year ended June 30, 2017		-	(1,296,479)
1st Interim dividend @ Rs. 2.50/- per share		-	(202,576)
for the year ended June 30, 2018		-	(202,576)
2nd Interim dividend @ Rs. 2.50/- per share		-	(202,576)
for the year ended June 30, 2018		-	-
Subsidiary company		-	-
Final Dividend @ Rs. 0.304/- per share for the year ended June 30, 2017		-	(41,303)
1st Interim Dividend @ Rs. 0.500/- per share		-	(68,014)
for the year ended June 30, 2018		-	(65,508)
2nd Interim Dividend @ Rs. 0.482/- per share		-	(62,936)
for the year ended June 30, 2018		-	(227,761)
3rd Interim Dividend @ Rs. 0.463/- per share		-	(225,000)
for the year ended June 30, 2018		-	(380,232)
Advance against issuance of shares		-	3,552,079
Profit for the year		20,251	40,634
Other comprehensive income for the year		20,251	3,992,713
Total comprehensive income for the year		40,502	6,484,082
Balance as at June 30, 2018		6,157,374	26,847,213

Balance as at June 30, 2016

Transfer to general reserve
Final dividend @ Rs. 6.25/- per share for the year ended June 30, 2016
Interim dividend @ Rs. 3.15/- per share for the year ended June 30, 2017
Subsidiary company
1st Interim dividend @ Rs. 0.357/- per share for the year ended June 30, 2017
for the year ended June 30, 2017
2nd Interim dividend @ Rs. 0.362/- per share
for the year ended June 30, 2017
3rd Interim dividend @ Rs. 0.355/- per share
for the year ended June 30, 2017

Profit for the year
Other comprehensive loss for the year
Total comprehensive income for the year
Balance as at June 30, 2017

Transfer to general reserve
Final dividend @ Rs. 16/- per share for the year ended June 30, 2017
1st Interim dividend @ Rs. 2.50/- per share
for the year ended June 30, 2018
2nd Interim dividend @ Rs. 2.50/- per share
for the year ended June 30, 2018

Subsidiary company
Final Dividend @ Rs. 0.304/- per share for the year ended June 30, 2017
1st Interim Dividend @ Rs. 0.500/- per share
for the year ended June 30, 2018
2nd Interim Dividend @ Rs. 0.482/- per share
for the year ended June 30, 2018
3rd Interim Dividend @ Rs. 0.463/- per share
for the year ended June 30, 2018

Advance against issuance of shares
Profit for the year
Other comprehensive income for the year
Total comprehensive income for the year
Balance as at June 30, 2018

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. THE HOLDING COMPANY AND ITS OPERATIONS

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

- 1.2 The Group comprises of the Holding Company and the following subsidiaries that have been consolidated in these financial statements:

Subsidiary Companies	Note	Date of becoming subsidiary	Holding		Total assets	Total liabilities	Total assets	Total liabilities
			2018	2017	2018		2017	
			%	%	(Rupees in '000s)		(Rupees in '000s)	
Noble Computer Services (Private) Limited	1.2.1	01-07-2005	100	100	174,617	62,984	175,330	61,480
Pakistan Industrial Aids (Private) Limited	1.2.2	27-03-2006	100	100	760,944	782,887	31,563	1,767
Makro-Habib Pakistan Limited	1.2.3	01-05-2008	100	100	42,749	349,994	41,420	348,664
A-One Enterprises (Private) Limited	1.2.4	16-12-2011	100	100	879,865	17,278	874,874	12,858
Habib METRO Pakistan (Private) Limited	1.2.5	16-12-2011	60	60	9,942,822	645,757	9,766,923	469,861
Thal Boshoku Pakistan (Private) Limited	1.2.6	03-09-2013	55	55	1,084,467	65,430	1,077,497	65,236
Thal Power (Private) Limited	1.2.7	03-07-2014	100	100	760,944	782,887	787,282	780,526

1.2.1 Noble Computer Services (Private) Limited

Noble Computer Services (Private) Limited (NCSPL) was incorporated in Pakistan as a private limited company on May 8, 1983 and is a wholly owned subsidiary of Thal Limited. The NCSPL provides Internal Audit Services, I.T.related services, Advisory Services, HR Services and Management Services.

1.2.2 Pakistan Industrial Aids (Private) Limited

Pakistan Industrial Aids (Private) Limited (PIAPL) was incorporated in Pakistan on March 17, 2006 as a private limited company. The subsidiary is engaged in trading of various products.

1.2.3 Makro-Habib Pakistan Limited (MHPL)

- (a) MHPL was incorporated in Pakistan on June 29, 2005 as a public limited (unlisted) company. MHPL was an associated undertaking of the Holding Company until April 30, 2008 and became a subsidiary company with effect from May 01, 2008. The principal objective of the Company is to operate a chain of wholesale / retail cash and carry stores. The Company 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 the application filed by Army Welfare Trust in respect of the cancellation of sub-lease of the Saddar Store Land, the SCP has restored the review petition in its order dated December 9, 2015.

1.2.4 A-One Enterprises (Private) Limited

A-One Enterprises (Private) Limited (A-One) was incorporated in Pakistan on December 16, 2011 as a private limited company. The management is considering different strategic plans for the company.

1.2.5 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.

1.2.6 Thal Boshoku Pakistan (Private) Limited

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

1.2.7 Thal Power (Private) Limited

Thal Power (Private) Limited (TPPL) was incorporated in Pakistan as a private limited company on July 03, 2014. TPPL has entered into a joint venture agreement with M/s Novatex Limited for collaboration to develop a 330 MW Coal-fired Power Generation Plant at Thar, Sindh.

1.2.8 Thal Electrical Pakistan (Private) Limited

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

1.3 Geographical location and address of business units

Holding Company

The head office of the Holding Company is situated at 4th Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.

Plants:

The Jute operations are located at Muzaffargarh, Punjab.

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

Papersack operations are located at Hub and Gadoon, Balochistan & 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, Sharae Faisal, Karachi.

A- One Enterprises (Private) Limited is located at 4th Floor, House of Habib - 3-Jinnah Co-operative Housing Society, Sharae 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.

- 1.4 The following significant events and transactions occurred during the year:
- The Group has invested Rs. 499.150 million in Sindh Engro Coal Mining Company Limited (refer note 11.7).
 - The authorized share capital of the Holding Company has increased from Rs. 500 million to Rs. 1 billion. (refer note 24)

2. STATEMENT OF COMPLIANCE

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

International Financial Reporting Standards (IFRS Standards) issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
Provision of and directives issued under the Companies Act, 2017.

- 2.2 Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provision of and directives issued under the Companies Act, 2017 have been followed.

During the year, the Act has become applicable and brought certain changes with regard to the preparation and presentation of these unconsolidated financial statements. The significant changes include changes in nomenclature of the primary statements, disclosure of significant transactions and events (note 1.4), management's assessment of sufficiency of tax provision (note 40.2), and disclosure requirements for related parties (note 44.3) etc.

3. BASIS OF MEASUREMENT

- 3.1 These consolidated financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value as required under IAS – 39 "Financial Instruments: Recognition and Measurement".

- 3.2 These consolidated financial statements are presented in Pak 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 Company, 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 the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, management has made the following judgments, estimates and assumptions which are significant to the consolidated financial statements:

	Notes
• determining the residual values, useful lives and impairment of property, plant and equipment and investment property	6.2, 6.4, 8 & 10
• determining the residual values, useful lives and impairment of intangibles assets	6.3 & 9
• impairment of financial and non-financial assets	6.5
• net realizable value for inventories	6.7, 6.8, 16 & 17
• provision for doubtful debts and other receivables	6.9 & 18
• provision for tax and deferred tax	6.12, 15 & 40
• provision and warranty obligation	6.17 & 29.3
• provision for compensated absences	6.16
• contingencies	32

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1 New and amended standards and interpretations

The Group has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure initiative - (Amendments)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above accounting standards and interpretations did not have any material effect on the financial statements.

6.2 Property, plant and equipment

Operating assets

These are stated at cost less accumulated depreciation / amortisation and impairment loss, if any, except for freehold land and capital work-in-progress which are stated at cost.

Depreciation / amortisation is charged to the profit and loss account applying the reducing balance method except for computer equipment and jigs and fixtures which are depreciated / amortised on straight line method at the rates specified in note 8 to the consolidated financial statements. Depreciation / amortisation on additions is charged from the month of addition and in case of deletion, up to the month preceding the month of disposal.

Leasehold land is amortised in equal installments over the lease period.

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

An item of property, plant and equipment 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 profit and loss account when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment 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.

6.3 Intangible assets

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

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

6.4 Investment property

Investment property is stated at cost less accumulated depreciation and impairment loss, if any. Depreciation / amortization is charged on reducing balance method at the rate specified in note 10 to the consolidated financial statements.

6.5 Impairment

Non-financial assets

The carrying values of assets are reviewed 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 assets or related cash-generating units are written down to their recoverable amount.

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment assets are recognized in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognized.

6.6 Investments 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 profit and loss account 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 profit and loss account.

Joint Venture

A joint venture is a type of a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decision about the relevant activity require the unanimous consent of parties sharing control.

Investment in joint venture is accounted for using equity method of accounting in the balance sheet at cost plus post-acquisition changes in the share of net assets of the joint venture, less any impairment in value, if material. The profit and loss account reflects the investor's (Company's) share of the results of operations of the investee (joint venture) after the date of acquisition. If joint venture uses accounting policies other than those of the Company, adjustments are made to conform the joint venture's policies to those of the Company, if the impact is considered material.

Others

Held-to-maturity

These represent non-derivative financial assets with fixed or determinable payments and fixed maturities in respect of which the Group has the positive intent and ability to hold till maturity. These investments are recognized initially at fair value plus directly attributable costs and are subsequently measured at amortized cost using effective interest rate method. Gains and losses are recognized in profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

At fair value through profit or loss

Investments at fair value through profit or loss are initially recognized at fair value. Subsequently, these are measured at fair value whereas effects of changes in fair value are taken to the profit and loss account.

Available-for-sale

These are non-derivative financial assets which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates.

Quoted

These investments are initially measured at fair value plus transaction costs and subsequently carried at fair value. Changes in fair value are taken to a separate component of other comprehensive income until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss recorded in other comprehensive income is recognized in profit and loss account.

Un-Quoted

These investments are recorded at cost less accumulated impairment losses, if any.

6.7 Stores, spares and loose tools

Stores, spares and loose tools are stated at cost which is determined by the weighted moving average cost method except for those in transit which are valued at actual cost. Provision is made for slow moving and obsolete items.

6.8 Stock-in-trade

Stock-in-trade, except goods-in-transit, is stated at the lower of Net Realisable Value (NRV) and cost determined as follows:

Raw and packing materials

- Purchase cost or weighted moving average basis.

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 purchase price, freight value and other charges incurred thereon upto the balance sheet 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.

6.9 Trade debts and other receivables

Trade debts originated by the Group are recognized and carried at original invoice amount less provision for impairment. Provision for doubtful debts is based on the management's assessment of customers' outstandings and creditworthiness. Bad debts are written-off as and when identified.

Other receivables are carried at cost less provision for doubtful receivables, if any.

6.10 Ijarah rentals

Ijarah payments for assets under Ijarah arrangements are recognised as an expense in the profit and loss account on a straight line basis over the Ijarah term.

6.11 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 short-term borrowings. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

6.12 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, or 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 23 to the consolidated financial statements.

The subsidiary Thal Boshoku Pakistan (Private) Limited is entitled to tax credit, under Section 65D of the Income Tax Ordinance, 2001 (the Ordinance), equal to 100% of tax payable including minimum tax and final tax arising under any of the provisions of the Ordinance. The above tax credit is available to the Company for five years from the date of commercial production.

(b) Deferred

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date.

6.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at 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.

6.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalised as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

6.15 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 at the rate of 8.33% of basic salary i.e. 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 Holding Company operates an approved scheme for retirement benefits for all employees on the basis of defined contribution on attaining the retirement age with a minimum qualifying period of ten years which is managed by a Trust.

6.16 Compensated absences

Accrual is made for employees' compensated absences on the basis of accumulated leaves and the last drawn pay. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact is not material.

6.17 Provisions

General

Provisions are recognised in the balance sheet where the Group has a legal or constructive obligation as a result of past event, and 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. Provisions are reviewed at each balance sheet 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 balance sheet date. These are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is reviewed annually and adjusted, if required.

6.18 Revenue recognition

Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which is usually on dispatch of the goods.

For project jobs services income is recorded when services are rendered. For jobs of recurring nature the services income is recorded on accrual basis.

Other income

- 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 bank deposits are recognised on accrual basis.
- Rental income from properties is recognized as revenue as per the tenancy agreements on accrual basis.

6.19 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak 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 profit and loss account of the current period.

6.20 Financial instruments

Financial assets and financial liabilities

Financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provision of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are de-recognised when obligation is discharged, cancelled or expired.

Any gain or loss on de-recognition of the financial asset and liability is recognized in the profit and loss account of the current period.

Offsetting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements only when the Group has a legally enforceable right to set off and the Group intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the consolidated financial statements.

6.21 Research and development expenditure

Research expenditure is recognised as an expense as 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 as incurred.

6.22 Dividends and appropriation to reserves

Dividend and appropriation to reserves are recognised in the consolidated financial statements in the period in which these are approved.

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

The following amendments and interpretations with respect 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 (accounting periods beginning on or after)
IFRS 2 – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	01 January 2018
IFRS 9 – Financial Instruments	01 July 2018
IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) Contracts – (Amendments)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	01 July 2018
IFRS 16 – Leases	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IAS 40 – Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	01 January 2019

The Group expects that the adoption of the above standards and amendments would not impact the Group's consolidated financial statements in the period of initial application other than IFRS 9 and IFRS 15 for which the Company is currently assessing the impact on its financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018. The Group expects that such improvements to the standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

8. PROPERTY, PLANT AND EQUIPMENT

	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Operating fixed assets	8.1	1,534,660	1,111,247
Capital work-in-progress	8.5	413,068	90,330
		<u>1,947,728</u>	<u>1,201,577</u>

8.1 Operating fixed assets

	COST			ACCUMULATED DEPRECIATION / AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE			
	As at July 01, 2017	Additions (Note 8.1.1)	Disposals	As at June 30, 2018	Rate %	As at July 01, 2017		Charge	On disposals	As at June 30, 2018
			(Rupees in '000')					(Rupees in '000')		
Land										
- Freehold	23,641	-	-	23,641	-	-	-	-	-	23,641
- Leasehold	47,085	171,279	-	218,364	1.69-3.33	9,480	1,243	-	10,723	207,641
Building on freehold land										
- Factory building	334,321	38,393	-	372,714	10	187,227	15,729	-	202,956	169,758
- Non factory building	471,979	-	-	471,979	5-10	449,433	3,035	-	452,468	19,511
Railway sliding	792	-	-	792	5	723	3	-	726	66
Plant and machinery	1,702,234	375,220	6,275	2,071,179	10-30	1,056,152	129,900	5,719	1,180,333	890,846
Furniture and fittings	38,177	1,821	17	39,981	15-20	24,439	2,442	17	26,864	13,117
Vehicles	106,400	3,036	11,945	97,491	20	51,201	10,728	7,728	54,201	43,290
Office and mills equipment	119,503	44,703	873	163,333	10-30	59,221	12,979	619	71,581	91,752
Computer equipment	102,954	10,280	1,027	112,207	33.33	78,465	15,872	915	93,422	18,785
Jigs and fixtures	279,955	17,427	-	297,382	33.33	199,453	41,676	-	241,129	56,253
2018	3,227,041	662,159	20,137	3,869,063		2,115,794	233,607	14,998	2,334,403	1,534,660

	COST				ACCUMULATED DEPRECIATION / AMORTIZATION				WRITTEN DOWN VALUE	
	As at July 01, 2016	Additions (Note 8.1.1)	Disposals	As at June 30, 2017	Rate %	Charge	On disposals	As at June 30, 2017	WDV As at June 30, 2017	
	(Rupees in '000')						(Rupees in '000')			
Land	98,528	32,630	107,517	23,641	-	-	-	-	23,641	
- Freehold	45,381	1,704	-	47,085	1.69-3.33	8,252	1,228	9,480	37,605	
Building on freehold land	289,933	44,388	-	334,321	10	175,276	11,951	187,227	147,094	
- Factory building	471,979	-	-	471,979	5-10	446,063	3,370	449,433	22,546	
- Non factory building	792	-	-	792	5	719	4	723	69	
Railway siding	1,404,716	340,558	43,040	1,702,234	10-30	1,004,603	86,737	1,056,152	646,082	
Plant and machinery	33,157	5,175	155	38,177	15-20	22,637	1,939	24,439	13,738	
Furniture and fittings	99,911	24,273	17,784	106,400	20	52,262	10,644	51,201	55,199	
Vehicles	99,631	20,425	553	119,503	10-30	50,311	9,274	59,221	60,282	
Office and mills equipment	90,489	18,488	6,023	102,954	33.33	68,972	15,512	78,465	24,489	
Computer equipment	229,602	50,353	-	279,955	33.33	168,701	30,752	199,453	80,502	
Jigs and fixtures	2,864,119	537,994	175,072	3,227,041		1,997,796	171,411	2,115,794	1,111,247	
2017										

8.1.1 Additions include transfers from capital work in progress amounting to Rs.567,283 million (2017: Rs. 372,158 million).

8.1.2 Jigs and fixtures include moulds having written down value of Nil (2017: Rs. 24,213) in the possession of sub-contractors dispersed all over the country.

8.2 Operating fixed assets include fully depreciated assets amounting to Rs. 725,279 million (2017: Rs. 678,042 million).

8.3 The depreciation / amortization charge for the year has been allocated as follows:

	Note	2018	2017
		(Rupees in '000')	
Cost of sales	34	202,667	136,296
Distribution costs	35	1,986	1,393
Administrative expenses	36	28,954	33,722
		<u>233,607</u>	<u>171,411</u>

8.4 The following operating fixed assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
	(Rupees in '000')						
Plant and machinery							
Item having book value upto Rs. 500,000	6,275	5,719	556	2,002	1,446	Various	Various
Vehicles							
Toyota Camry	2,302	1,163	1,139	1,139	-	Sold under Company's Car Scheme	Mr. Asif Rizvi
Toyota Prado TX 2005	1,230	237	993	1,200	207	Negotiation	Former CEO
Item having book value upto Rs. 500,000	8,413	6,328	2,085	11,519	9,434	Various	Indus Lands (Private) Limited, a related party
Office and mills equipment							
Item having book value upto Rs. 500,000	11,945	7,728	4,217	13,858	9,641	Various	Various
Computer equipment	873	619	254	60	(194)	Negotiation	Various
Item having book value upto Rs. 500,000	1,027	915	112	142	30	Various	Various
Furniture and fittings							
Item having book value upto Rs. 500,000	17	17	-	10	10	Various	Various
2018	<u>20,137</u>	<u>14,998</u>	<u>5,139</u>	<u>16,072</u>	<u>10,933</u>		
2017	<u>175,072</u>	<u>53,413</u>	<u>121,659</u>	<u>353,496</u>	<u>231,837</u>		

8.5 Capital Work-In-Progress
Civil Works
Plant and machinery
Furniture and fittings
Vehicles
Office and mills equipment
Computer Equipment
Jigs and fixtures

Note	2018	2017
	(Rupees in '000')	
	325,184	-
	40,118	67,544
	49	-
	3,190	7,500
	1,349	6,822
	5,881	1,364
	37,297	7,100
	<u>413,068</u>	<u>90,330</u>

8.6 Details of the Company's immovable fixed assets

Location		Land Area (square yards)	Building Covered Area (square feet)
----- (Rupees in '000') -----			
S. No.	Locations		
1	Thal Limited (Jute Division) , D.G. Khan Road, Muzaffargarh, Punjab	862	647
2	Plot #448 & 449 Sundar Industrial Estate Raiwin Road, Lahore, Punjab.	8	39
3	Plot 1, 2, 25 & 26 Sector 22 Korangi Industrial Area Karachi, Sindh.	51	229
4	DSU-14 sector II Downstream Industrail estate Bin Qasim, Karachi, Sindh.	24	-
5	Shop number 6, Clifton Pride, G -3/18, Clifton, Karachi, Sindh.	-	0.464
6	Plot # SP-C-I North Western Industrial Zone, Port Qasim Authority, Karachi, Sindh.	21	55
7	Survey No. 148/1, Abyssinia Lines, Mubarak Shaheed Rd. Saddar , Karachi, Sindh.	-	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
9	Plot C-49-58, Sector C, Hub Industrial Area. Hub, Balochistan	6	12
10	Plot # 38, Road # 3, Industrial Estate, Gadoon Amazai, Swabi, Khyber Pakhtunkhwa.	29	40

9. INTANGIBLE ASSETS

	COST			Rate %	ACCUMULATED AMORTIZATION			WRITTEN DOWN VALUE
	As at July 01, 2017	Additions	As at June 30, 2018		As at July 01, 2017	Charge for the year	As at June 30, 2018	As at June 30, 2018
	----- (Rupees in '000)				----- (Rupees in '000)			
Softwares	15,237	1,878	17,115	30 - 50 33.33	11,410	2,259	13,669	3,446
Licenses	12,711	12,651	25,362		6,289	4,998	11,287	14,075
2018	27,948	14,529	42,477		17,699	7,257	24,956	17,521
2017	21,605	6,343	27,948		12,343	5,356	17,699	10,249

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

	Note	2018	2017
		----- (Rupees) -----	
Cost of sales	34	1,834	2,670
Distribution costs	35	29	23
Administrative expenses	36	5,394	2,663
		7,257	5,356
10. INVESTMENT PROPERTIES			
Land and building	10.1	6,599,967	6,811,832
Capital work-in-progress - Civil works		102,954	33,614
		6,702,921	6,845,446

10.1 Land and building	Note	COST			ACCUMULATED AMORTIZATION			WRITTEN DOWN VALUE
		As at July 01, 2017 ----- (Rupees in '000)	Additions/ (disposal) -----	As at June 30, 2018 ----- (Rupees in '000)	Rate %	Charge for the year (disposal) ----- (Rupees in '000)	As at June 30, 2018 ----- (Rupees in '000)	
Freehold land		974,504	-	974,504	-	-	-	974,504
Leasehold land		1,657,588	-	1,657,588	3	343,783	48,669	1,265,136
Building on freehold land		1,928,469	-	1,928,469	10-30	463,274	58,926	1,406,269
Building on leasehold land		4,191,724	37,880 (16,196)	4,213,408	10-30	1,133,396	136,248 (10,294)	2,954,058
2018	10.11	8,752,285	37,880 (16,196)	8,773,969		1,940,453	243,843 (10,294)	6,599,967
2017		8,640,456	111,829	8,752,285		1,692,266	248,187	6,811,832

10.1 Land and building

10.1.1 The forced sales value of the property determined on the basis of a valuation carried out by an independent professional valuer, as at June 30, 2018 amounts to Rs. 14,115 million (2017: Rs. 14,848 million). The valuation was arrived on the basis of market intelligence, indexation of the original cost, year of construction and present physical condition and location.

10.1.2 Details of the Company's immovable fixed assets

S.No.	Location	Land Area (square yards)	Building Covered Area (square feet)
(In '000)			
1	Industrial Property bearing khewat number 861, 862, 890, 895, 905, khatooni number 1086,1087,1116, 1121,1133, Mouza Taraf Ravi, Multan, Punjab.	5	20
2	Main Air Port Road, DHA, Near Divine Garden Scheme, Lahore, Punjab.	61	134
3	G-Block, Link Road, Model Town, Lahore, Punjab.	38	300
4	75 Ravi Road, Lahore (Near Minar-e-Pakistan), Punjab.	24	287
5	2 km. Thokar Niaz Baig, Multan Road, Lahore, Punjab.	61	133
6	Main Sargodha Road, Adjacent FDA City, Faisalabad, Punjab.	59	138
7	Plot 1-A, I-11/4 adjacent Railway Carriage Factory, Islamabad.	43	133
8	NA-Class 190-219, OKEWARI Near Safari Park, University Road, Karachi, Sindh	53	134
9	Near Star Gate, Shahra-e-Faisal, Karachi, Sindh.	40	384
10	D-22, Manghopir Road, S.I.T.E, Karachi, Sindh.	36	158

11. LONG-TERM INVESTMENTS

Note	2018		2017	
	Holding %	Rupees in '000	Holding %	Rupees in '000
Investment in associates and joint venture stated as per equity method	11.2 & 11.3			
Quoted associates				
Indus Motor Company Limited	6.22		6.22	
Opening balance		1,769,481		1,556,769
Share of profit - net of tax		895,430		799,565
Remeasurement loss of post employment benefit obligation - net of deferred tax		(119)		(53)
Dividend received during the period		(635,700)		(586,800)
		<u>2,029,092</u>		<u>1,769,481</u>
(Market value Rs. 6,950.939 million) (2017: Rs. 8,770.704 million)				
Habib Insurance Company Limited	4.63		4.63	
Opening balance		39,394		41,856
Share of profit - net of tax		9,110		8,014
Share of actuarial gains / (loss) on remeasurement of defined		20,502		(439)
Dividend received during the period		(4,302)		(10,037)
		<u>64,704</u>		<u>39,394</u>
(Market value Rs. 68.825 million) (2017: Rs.89.013 million)				
Agriauto Industries Limited	7.35		7.35	
Opening balance		291,714		247,946
Share of profit - net of tax		64,160		62,280
Dividend received during the period		(24,329)		(18,512)
		<u>331,545</u>		<u>291,714</u>
(Market value Rs. 624.102 million) (2017: Rs. 913.728 million)				
Shabbir Tiles & Ceramics Limited	1.30		1.30	
Opening balance		22,747		24,762
Share of profit / (loss) - net of tax		1,137		(2,015)
		<u>23,884</u>		<u>22,747</u>
(Market value Rs. 65.740 million) (2017: Rs. 59.840 million)				
		<u>2,449,225</u>		<u>2,123,336</u>
Joint Venture				
ThalNova Power Thar (Private) Limited (TNPTPL)	50		50	
Opening balance		312,462		26,786
Investment made during the year		275,000		282,496
Share of (loss) / profit - net of tax		(28,660)		3,180
		<u>558,802</u>		<u>312,462</u>
	11.7			
TOTAL OF ASSOCIATES AND JOINT VENTURE		<u>3,008,027</u>		<u>2,435,798</u>
Other investments - Available-for-sale				
Quoted - at fair value				
Habib Sugar Mills Limited		75,610		69,916
GlaxoSmithKline (Pakistan) Limited		278		430
GlaxoSmithKline Healthcare (Pakistan) Limited		203		-
Dynea Pakistan Limited		103,839		82,156
Allied Bank Limited		18,755		16,295
Habib Bank Limited		10,839		17,526
TPL Properties Limited		9,300		12,250
		<u>218,824</u>		<u>198,573</u>
Un-Quoted - at cost				
Sindh Engro Coal Mining Company Limited	11.1	1,398,011		898,861
TOTAL		<u>4,624,862</u>		<u>3,533,232</u>

11.1 Share of net profit / (loss) of associates and joint venture - after tax

	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
Associates		
Indus Motor Company Limited	895,430	799,565
Habib Insurance Company Limited	9,110	8,014
Agriauto Industries Limited	64,160	62,280
Shabbir Tiles and Ceramics Limited	1,137	(2,015)
	<u>969,837</u>	<u>867,844</u>
Joint venture		
ThalNova Power Thar (Private) Limited	(28,660)	3,180
	<u>941,177</u>	<u>871,024</u>

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 all the associates may not necessarily be available at each reporting period of the Group, therefore the Group uses the financial statements of the associates with a lag of three months for applying the equity method of accounting. In case of TNPTPL the Group has used financial statements for the same period end as that of the Holding Company.

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

	2018 ----- (Rupees in '000)			
	Total Assets	Total Liabilities	Revenues	Profit / (loss) after tax
March 31, 2018				
Associates				
Indus Motor Company Limited	76,526,386	41,357,034	128,115,928	14,392,812
Habib Insurance Company Limited	3,260,144	1,706,843	519,704	196,756
Agriauto Industries Limited	5,253,468	749,078	7,827,450	873,425
Shabbir Tiles and Ceramics Limited	5,555,169	3,645,972	5,431,461	87,185
June 30, 2018				
Joint venture				
ThalNova Power Thar (Private) Limited	1,295,001	177,396	-	(57,318)
	2017 ----- (Rupees in '000)			
	Total Assets	Total Liabilities	Revenues	Profit / (loss) after tax
March 31, 2017				
Associates				
Indus Motor Company Limited	61,545,470	30,745,518	113,421,798	12,851,904
Habib Insurance Company Limited	2,724,921	1,594,399	569,231	173,102
Agriauto Industries Limited	4,595,322	633,157	7,274,545	824,482
Shabbir Tiles and Ceramics Limited	5,204,488	3,382,476	5,115,338	(154,489)
June 30, 2017				
Joint venture				
ThalNova Power Thar (Private) Limited	726,202	101,279	-	6,359

	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
11.5 Share in contingent liabilities of associated companies	115,146	464,043
Share in commitments of associated companies	<u>1,166,159</u>	<u>128,442</u>

11.6 The Holding Company undertook to invest USD 24.3 million in PKR equivalent and upto the balance sheet date it has invested Rs. 1,398.011 million acquiring 94,332,725 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 11.06 million.

11.7 Represents 50% equity interest in ThalNova Power Thar (Private) Limited (TNPTL) comprising 58,749,995 (2017:31,249,991) shares at Rs. 10/- each. TNPTL is a joint venture between the Company and Nova Powergen (Private) Limited. TNPTL is developing a 330MW (gross) mine mouth Thar coal based power plant at Block II, Thar Coalfields, District Tharparkar, Sindh (the Project) in accordance with Letter of Support from Private Power and Infrastructure Board (PIIB) and is a Build, Own and Operate Project. TNPTL has applied for extension in deadline for achievement of financial close as required under the letter of support.

11.8 All investments have been made in accordance with the provisions of the Section 199 of the Companies Act, 2017 and the rules promulgated for this purpose.

	Note	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
12. LONG-TERM LOANS - secured, considered good			
Employees		15,577	15,010
Interest free loans		(6,529)	(4,021)
Current portion	19	<u>9,048</u>	<u>10,989</u>
	12.1		

12.1 The loan is secured against mortgage of property. The maximum aggregate amount due from employees at the end of any month during the year was Rs. 13.189 million (2017: Rs. 14.652 million). During, the year an amount of Rs. 3.022 million was repaid to the Company.

13. LONG-TERM DEPOSITS			
Security deposits		10,319	10,028
Utilities		7,237	7,237
Others		<u>3,877</u>	<u>481</u>
	13.1	<u>21,433</u>	<u>17,746</u>

13.1 These long term deposits are interest free.

14. LONG TERM PREPAYMENT			
Rent		<u>22,501</u>	<u>22,501</u>

15. DEFERRED TAX ASSET - net			
Deferred tax asset arising:			
In respect of provisions		291,985	272,245
Deferred tax liability arising:			
Due to accelerated tax depreciation allowance		<u>(100,840)</u>	<u>(84,694)</u>
		<u>191,145</u>	<u>187,551</u>

	Note	2018 (Rupees in '000)	2017 (Rupees in '000)
16. STORES, SPARES AND LOOSE TOOLS			
Stores			
- In hand		34,269	19,922
- In transit		4,030	6,616
Spares			
- In hand		98,952	81,262
Loose tools		214	105
		<u>137,465</u>	<u>107,905</u>
17. STOCK-IN-TRADE			
Raw material			
- In hand	17.1	2,645,618	1,926,121
- In transit		648,361	385,845
		<u>3,293,979</u>	<u>2,311,966</u>
Work-in-process		226,833	156,863
Finished goods			
- In hand		526,335	520,378
- In transit		-	3,126
	17.2	<u>4,047,147</u>	<u>2,992,333</u>
17.1	Raw materials amounting to Rs. 8.342 million (2017: Rs. 7.582 million) are held with the sub-contractors.		
17.2	Includes items amounting to Rs. 38.284 million (2017: Rs. 690.797 million) carried at net realisable value. [Cost Rs. 93.422 million (2017: Rs. 734.922 million)].		
18. TRADE DEBTS - unsecured			
Considered good	18.1	1,593,086	1,094,863
Considered doubtful		17,888	16,124
Provision for doubtful debts	18.2	(17,888)	(16,124)
		<u>-</u>	<u>-</u>
		<u>1,593,086</u>	<u>1,094,863</u>
18.1	This includes amount due from following related parties:		
Indus Motor Company Limited		526,107	260,155
Auvitronics Limited		-	7
Habib Metropolitan Bank Limited		2,015	-
Agriauto Industries Limited		538	716
Shabbir Tiles and Ceramics Limited		23,076	19,725
		<u>551,736</u>	<u>280,603</u>
18.2	Reconciliation of provision for doubtful debts:		
Balance at the beginning of the year		16,124	83,757
Charge for the year	35	2,905	-
Reversal for the year		-	(66,354)
Bad debts written off		(1,141)	(1,279)
Balance at the end of the year		<u>17,888</u>	<u>16,124</u>
18.3	The maximum aggregate amount due from the related parties at the end of any month during the year outstanding was Rs. 806.324 million (2017: Rs. 954.035 million)		

	Note	2018 (Rupees in '000)	2017 (Rupees in '000)
19. LOANS AND ADVANCES			
Loans			
Considered good - secured			
Employees - interest free	19.1	20,000	23,025
Current portion of long-term loans to employees	12 & 19.2	6,529	4,021
		<u>26,529</u>	<u>27,046</u>
Advances - considered good - unsecured			
Suppliers		54,579	39,365
Customer		19,211	-
Employees	19.2	5,586	4,787
		<u>79,376</u>	<u>44,152</u>
		<u>105,905</u>	<u>71,198</u>
19.1	The loan is secured against mortgage of properties. The maximum aggregate amount due from employees at the end of any month during the year was Rs. 20 million (2017: Rs. 20 million)		
19.2	The maximum aggregate amount due from employees at the end of any month during the year was Rs. 6.529 million (2017: Rs. 4.021 million). During, the year an amount of Rs. 3.022 million was repaid to the Company.		
19.3	These advances are interest free.		
20. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits			
Tender / Performance guarantee		78,710	44,834
Margin against letter of credit		2,227	285
Deposit against custom duty		7,182	7,182
Security deposits		-	406
Container deposits		24,065	12,295
Others		-	2,927
	20.1	<u>112,184</u>	<u>67,929</u>
Short-term prepayments			
Rent		7,297	6,412
Insurance	20.2	14,662	6,033
Others		16,967	8,689
		<u>38,926</u>	<u>21,134</u>
		<u>151,110</u>	<u>89,063</u>
20.1	These deposits are interest free.		
20.2	This includes prepayments amounting to Rs. 11.735 million (2017: 6.033 million) made to Habib Insurance Company Limited, a related party.		
21. OTHER RECEIVABLES			
Duty drawback		2,106	2,140
Insurance claims		7	-
Others	21.1	28,287	3,803
		<u>30,400</u>	<u>5,943</u>
21.1	This includes receivable from the following related parties:		
Indus Motor Company Limited		17,286	25
Agriautos Industries Limited		4	131
Habib Metropolitan Bank Limited		10	1,970
Shabbir Tiles and Ceramics Limited		8,484	111
		<u>25,784</u>	<u>2,237</u>
21.2	The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 31.272 million (2017: Rs. 10.335 million).		

22. SHORT-TERM INVESTMENTS

Held-to-maturity - at amortised cost

Term Deposit Receipts

Accrued interest

Note
2018
2017
----- (Rupees in '000) -----

22.1 & 22.3	1,116,137	5,559,064
	12,102	27,816
	1,128,239	5,586,880

Treasury Bills

Accrued interest

22.2 & 22.3	1,865,695	1,236,396
	16,155	9,697
	1,881,850	1,246,093

At fair value through profit and loss account

NAFA Government Securities Liquidity Fund

NAFA Money Market Fund

Alfalalah GHP Income Fund

ALFALAH Money Market Fund

Atlas Money Market Fund

UBL Liquidity Plus Fund

MCB Cash Optimizer Fund

HBL Cash Fund

HBL Money Market Fund

ABL Cash Fund

AI-Meezan Cash Fund

	821,174	492,417
	1,006,413	1,141,140
	23,101	22,009
	177,873	-
	162,934	154,479
	931,623	382,270
	479,201	20,058
	1,248,634	1,131,582
	904	-
	1,207,291	313,215
	-	20,030
	6,059,148	3,677,200
	9,069,237	10,510,173

22.1 These include deposits amounting to Rs. 579,843 million (2017: Rs. 3,262 million) with Habib Metropolitan Bank Limited, a related party. These deposits carry interest rate ranging from 4.35% to 6.5% (2017: 3.48% to 6.4%) per annum and having maturity ranging from July 04, 2018 to December 08, 2018. Included in the above investment, Rs. 538.137 million (2017: Rs. 608.064 million) is under lien against a letter of guarantee issued by the banks on behalf of the Company.

22.2 These carry interest rate at the rate of 6.22% to 6.44% (2017: 5.99%) per annum and having maturity ranging from July 05, 2018 to August 01, 2018.

22.3 Includes short-term investments amounting to Rs. 2,789.394 million (2017: Rs. 6,708.246 million) having maturity up to three months.

23. CASH AND BANK BALANCES

In hand

	2,399	2,438
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With banks in:

Current accounts

Deposit accounts

Saving accounts

23.1	366,020	116,752
23.2	579,571	539,927
23.3	377,910	183,282
	1,323,501	839,961
	1,325,900	842,399

23.1 These include an amount of Rs. 51.022 million (2017: Rs. 52.401 million) maintained with Habib Metropolitan Bank, a related party.

23.2 These include an amount of Rs. 421.220 million (2017: Rs. 477.695 million) maintained with Habib Metropolitan Bank, a related party, and carry markup at the rates ranging from 4.25 % to 5.75% (2017: 4% to 4.75%) per annum.

23.3 These include an amount of Rs. 345.164 million (2017: Rs. 183.199 million) maintained with Habib Metropolitan Bank, and carry markup at the rate of 4.25% (2017: 4% to 4.25%) per annum.

24. SHARE CAPITAL

24.1 Authorized Capital

During the year, the Holding Company has increased its authorised capital from 100 million ordinary shares of Rs. 5/- each, amounting to Rs.500 million to 200 million ordinary shares of Rs. 5/- each amounting to Rs. 1,000 million.

24.1 Issued, Subscribed and paid-up capital

2018	2017		2018	2017
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
		Shares issued under the Scheme of Arrangements for Amalgamation	56,198	56,198
11,239,669	11,239,669		405,150	405,150
81,029,909	81,029,909			

25.1 As at 30 June 2018, 7,013,869 (2017: 7,041,589) ordinary shares of Rs. 5/- each are held by related parties.

25. RESERVES

Capital reserves

Reserve on merger of former Pakistan Jute and

Synthetics Limited and former Thal Jute Mills Limited

Note
2018
2017
----- (Rupees in '000) -----

13,240	13,240
12,225	12,225
42,464	42,464
67,929	67,929

Premium on issue of share capital

Reserve on merger of former Pakistan Paper Sack

Corporation Limited and former Khyber Papers (Private) Limited

13,573,374	11,207,374
6,152,487	7,027,888
19,725,861	18,235,262
164,179	143,928
19,957,969	18,447,119

Revenue reserves

General reserve

Unappropriated profit

Gain on revaluation of available-for-sale investments

26. NON-CONTROLLING INTEREST

Habib Metro Pakistan (Private) Limited

Thal Boshoku Pakistan (Private) Limited

6,025,516	5,921,694
458,566	194,917
6,484,082	6,116,611

27. LONG TERM DEPOSITS

Security deposits

27.1	319,720	316,762
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27.1 Represents deposits in respect of investments properties rented out by a subsidiary company and includes deposits with the following related parties:

	Note	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
- Indus Motor Company Limited		3,820	3,820
- METRO Habib Cash and Carry Pakistan (Private) Limited		289,506	289,506
		293,326	293,326
28. TRADE AND OTHER PAYABLES			
Creditors	28.1	607,202	318,634
Accrued liabilities	29.2	1,211,091	1,091,752
Custom duty payable		51,176	67,982
Unclaimed salaries		5,627	3,901
Warranty obligations	28.3	415,041	336,128
Royalty payable	28.4	91,999	156,722
Workers' profit participation fund	28.5	1,063	4,739
Workers' welfare fund		168,672	193,010
Payable to provident fund		379	234
Payable to retirement benefit fund		7,117	6,188
Security deposits		2,578	1,568
Advance against sale of land		3,000	-
Other liabilities	28.6	107,634	90,354
		2,672,579	2,271,212
28.1 This includes amounts due to related parties:			
Habib Insurance Company Limited		4,752	594
Indus Motor Company Ltd.		1,538	-
Auvitronics Limited		-	4,586
Metro Habib Cash & Carry (Private) Limited		807	-
		7,097	5,180
28.2 This includes amounts due to the following related party:			
Habib Insurance Company Limited		4,370	914
28.3 Warranty obligations			
Balance at the beginning of the year		336,128	261,017
Charge for the year-net	35	93,099	87,116
		429,227	348,133
Claims paid during the year		(14,186)	(12,005)
Balance at end of the year		415,041	336,128
28.4 Royalty payable			
Balance at the beginning of the year		156,722	109,198
Charge for the year-net	34	168,211	182,702
Paid during the year		(232,934)	(135,178)
Balance at the end of the year		91,999	156,722
28.5 Workers' Profit Participation Fund (WPPF)			
Receivable from WPPF at the beginning of the year		4,739	(293)
Interest on funds utilised in the Company's business		-	10
Allocation for the current year	37	207,532	294,739
		212,271	294,456
Paid during the year		(211,208)	(289,717)
Payable to WPPF at the end of the year		1,063	4,739

	Note	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
28.6 Other liabilities			
Staff salaries		-	2,000
Tax deducted at source		8,242	4,365
Employees Old-Age Benefits Institution (EOBI)		47,896	33,912
Sales tax payable		5,458	-
Advances from customers		23,019	23,653
Provision for severance cost		2,927	2,927
Others		20,092	23,497
		107,634	90,354
29. INCOME TAX - net			
Group Tax Relief adjustments	29.1	(593,466)	(593,466)
Group Taxation adjustments	29.2	(512)	(10,040)
Income tax provision less tax payments - net		690,901	570,111
		96,923	(33,395)
29.1			
In terms of the provisions of Section 59B of the Income Tax Ordinance, 2001 (the Ordinance), a subsidiary company may surrender its tax losses in favour of its holding company for 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. 593.466 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.			
29.2			
In terms of the provision of Section 59AA of the Income Tax Ordinance, 2001 (the Ordinance), the Holding Company, MHPL and A-One have irrevocably opted to be taxed as one fiscal unit with effect from tax year 2017. Accordingly, the tax loss of MHPL for the tax year 2018 has been adjusted against the taxable income of the Company which resulted in a reduction of tax liability of Rs. 5.653 million (2017: Rs. 17.763 million) for the current year. Moreover, the tax charge transferred by A-One to the Company amounted to Rs. 5.141 million (2017: 7.723).			
	Note	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
30. SHORT-TERM RUNNING FINANCE - Secured			
Related party		58,579	5,473
Others		2,171	3,664
	30.1	60,750	9,137
30.1			
Available limits of the running finance facilities amount to Rs. 2,498 million (2017: Rs. 2,698 million). The facilities carry mark-up ranges at rates ranging from one month to three months' KIBOR plus spreads of 0.5% to 0.75% (2017: 0.5% to 0.75%) per annum. The facilities are secured by way of joint pari passu charge against hypothecation of the Group's stock-in-trade and book debts. The facilities have a maturity till May 31, 2019.			

31. DEFERRED INCOME

Represents license fee received in advance in respect of portion of its stores leased out and advertisement income

32. CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

32.1.1 The Group relief tax contingency is disclosed in note 29.1 to the financial statements.

32.1.2 Officer Inland Revenue ("OIR") initiated the proceedings for monitoring of withholding taxes 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. 1.81 billion for the tax years from 2011 to 2014, was determined inclusive of default surcharge and penalty. The Company 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.

The Company 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, 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. The management is of the opinion that the position of the Company is sound on technical basis and eventual outcome ought to be in favour of the Company. Pending the resolution of the matters stated above, no provision has been made in these financial statements.

32.1.3 Officer Inland Revenue ("OIR") initiated the proceedings for monitoring of withholding taxes vide show cause notice on 05 April 2016 in respect of tax year 2010. This show cause notice was challenged by the Company in Honorable High Court of Sindh through Suit No. 1187 of 2016 on merit.

In response, the honorable High Court of Sindh passed an interim order on 16 May 2016 and directed that no action on basis of impugned show cause notice be taken in pursuance of such period as per Court's order. Moreover, no further proceedings were initiated till the year-end and the management of the Company is confident about the favorable ultimate outcome in respect of above case.

32.2 Commitments

32.2.1 Post dated cheques have been issued to Collector of Custom in respect of differential duty between commercial and concessional rate of duty, duty and tax remission on exports and safe transport requirement under various SROs.

24,545	103,974
1,723,577	755,157
1,437,701	2,175,690
7,515	66,817

32.2.2 Letters of credit outstanding for raw material and spares.

32.1.3 Letter of guarantees issued by banks on behalf of the company in respect of financial commitments of the Group.

32.2.4 Commitments in respect of capital expenditure

32.2.5 Commitments for rentals under Ijarah (lease) agreements

Within one year
Later one year but not later than five years

2018	2017
(Rupees in '000)	(Rupees in '000)
16,084	10,691
13,103	10,733
29,187	21,424

Represent Ijarah (lease) agreement entered into with a Modaraba in respect of vehicles. Total Ijarah payments due under the agreements are Rs. 29.187 million and are payable in monthly installments latest by February, 2021. These commitments are secured by on-demand promissory notes of Rs. 60.487 million.

32.2.6 The Group has obtained three pieces for land for its stores under operating lease agreements of 30 to 59 years. The leases have varying terms, escalation clauses, contingent rent arrangements and renewal rights. The amounts of future payments under operating leases and the period in which these payments will become due are as follows:

Not later than one year	79,960	78,561
Later than one year but not later than five years	422,818	414,939
Later than five years	1,963,321	2,051,160
	2,466,099	2,544,660

32.2.7 Commitment in respect of investment is disclosed in note 11.7 to these consolidated financial statements.

33. REVENUE - net

Note	2018	2017
	(Rupees in '000)	(Rupees in '000)
Export sales	33.1 436,245	261,892
Local sales	33.2 22,672,399	20,396,500
	23,108,644	20,658,392
Less:		
Sales tax	3,025,707	2,706,236
Sales discount	2,602	2,463
	3,028,309	2,708,699
	20,080,335	17,949,693
Add:		
Service income	220,828	183,525
	20,301,163	18,133,218
Add:		
Duty drawback	6,908	3,685
	20,308,071	18,136,903

33.1 Export sales are stated net of export related freight and other expenses of Rs. 14.832 million (2017: Rs. 9.170 million).

33.2 Local sales are stated net of freight and other expenses of Rs. 103.982 million (2017: Rs. 76.028 million).

	Note	2018	2017
		(Rupees in '000)	
33.3 Gross Export Sales			
Confirmed LCs	33.3.1	2,608	9,001
Contract	33.3.1	448,469	262,061
		<u>451,077</u>	<u>271,062</u>

33.3.1 Breakup of confirmed LCs and Contract sales are as below:

	Confirmed LCs		Contract	
	(Rupees in '000)			
	2018	2017	2018	2017
Bangladesh	2,608	7,412	-	-
Australia	-	-	26,576	17,029
Egypt	-	-	11,922	-
Turkmenistan	-	-	41,069	48,296
Italy	-	-	66,492	42,623
Malaysia	-	-	5,449	1,320
Spain	-	-	762	616
Switzerland	-	-	5,695	-
Turkey	-	-	9,239	-
United Arab Emirates	-	-	135,329	69,043
Oman	-	1,589	2,044	-
Kuwait	-	-	2,998	2,075
Afghanistan	-	-	5,967	23,104
Saudi Arabia	-	-	-	2,702
Europe	-	-	1,152	-
Others	-	-	133,775	55,253
	2,608	9,001	448,469	262,061

34. COST OF SALES

Note	2018	2017
	(Rupees in '000)	
34.1	13,819,671	11,994,271
Raw material consumed	1,430,214	1,170,571
Salaries, wages and benefits	176,156	157,485
Stores, spares and lubricants	129,623	137,298
Repairs and maintenance	268,775	248,286
Power and fuel	6,851	6,161
Rent, rates and taxes	12,042	8,989
Vehicle running and maintenance	9,511	8,940
Insurance	6,306	4,886
Communication	11,860	13,847
Travelling and conveyance	697	214
Entertainment	8,062	5,188
Printing and stationery	14,677	2,856
Legal and professional	6,599	4,551
Computer accessories	168,211	182,702
Royalty	202,667	136,296
Depreciation / amortization	1,834	2,670
Amortization	7,146	7,644
Research and development	10,043	5,172
Ijarah rentals	114	-
Technical Assistance fee	4,749	4,871
Others	<u>16,295,808</u>	<u>14,102,898</u>
Work-in-process		
Opening	156,863	213,115
Closing	(226,833)	(156,863)
	<u>(69,970)</u>	<u>56,252</u>
Cost of goods manufactured	<u>16,225,838</u>	<u>14,159,150</u>
Finished goods		
Opening stock	520,378	479,128
Purchases	63,110	50,345
Stock destroyed	-	(1,181)
Closing stock	(526,335)	(520,378)
	<u>57,153</u>	<u>7,914</u>
	<u>16,282,991</u>	<u>14,167,064</u>
34.1 Raw material consumed		
Opening stock	1,926,121	1,651,970
Purchases	14,539,168	12,268,422
Closing stock	(2,645,618)	(1,926,121)
	<u>13,819,671</u>	<u>11,994,271</u>

34.1 Raw material consumed

Opening stock	1,926,121	1,651,970
Purchases	14,539,168	12,268,422
Closing stock	(2,645,618)	(1,926,121)

				2018	2017
				(Rupees in '000)	(Rupees in '000)
34.2	Royalty				
	Party Name	Registered Address	Relationship with Directors		
	Denso Corporation	448-8661 1-1, ShowaCho, Kariya-city, Aichi-Pref., Japan	None	82,991	100,067
	Furukawa Automotive Systems	1000, Amago, Koura, Inukami, Shiga Pref, 522-0242, Japan	None	74,919	70,814
	Toyota Boshoku Japan	88, kanayama, kamekubi-cho Toyotam Aichi, 470-0395 Japan.	Shareholder	10,301	11,821
				168,211	182,702
			Note	2018	2017
				(Rupees in '000)	(Rupees in '000)
35.	DISTRIBUTION COSTS				
	Salaries and benefits			76,544	61,633
	Vehicle running expense			3,869	3,074
	Utilities			1,676	1,735
	Insurance			1,989	1,849
	Rent, rates and taxes			12,241	8,339
	Communication			2,338	2,021
	Advertisement and publicity			11,170	9,053
	Travelling and conveyance			5,690	5,833
	Entertainment			383	227
	Printing and stationery			405	330
	Legal and professional			251	-
	Computer accessories			509	473
	Research and development			190	252
	Depreciation / amortization	8.3		1,986	1,393
	Amortization	9.1		29	23
	Provision for doubtful debts	18.2		2,905	-
	Repairs and maintenance			1,697	2,564
	Export expenses			5,216	5,233
	Provision for warranty claims	28.4		93,099	87,116
	Ijarah rentals			2,734	813
	Others			836	713
				225,757	192,674

	Note	2018 (Rupees in '000)	2017
36. ADMINISTRATIVE EXPENSES			
Salaries and benefits		862,454	726,056
Vehicle running expense		20,414	17,222
Printing and stationery		7,004	5,553
Rent, rates and taxes		120,688	105,066
Utilities		32,474	25,722
Insurance		2,254	2,547
Entertainment		4,929	3,698
Subscription		3,612	2,138
Communication		11,631	9,110
Advertisement and publicity		6,242	7,678
Repairs and maintenance		56,755	79,983
Travelling and conveyance		30,960	28,386
Legal and professional		83,327	78,699
Computer accessories		7,986	5,298
Auditors' remuneration	36.1	6,747	6,458
Depreciation / amortization	8.3	28,954	33,722
Amortization	9.1	5,394	2,663
Depreciation on investment property	10.1	243,843	248,187
Ijarah rentals		10,286	5,528
Charity and donations	36.2	59,069	74,182
Directors' Fee & meeting expenses		1,990	1,465
General contracted services		3,941	4,207
Municipal utility charges		-	32,801
Provision against unamortized advance rent		-	23,438
Others		5,698	9,214
		<u>1,616,652</u>	<u>1,539,021</u>
36.1 Auditors' remuneration			
Audit fee		3,954	3,920
Half-yearly review		324	324
Taxation services		1,197	1,323
Other certifications		623	425
Out of pocket expenses		649	466
		<u>6,747</u>	<u>6,458</u>
36.2 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	2018	2017
			(Rupees in '000)	(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 Mr. Ali S. Habib - Trustee	20,072	17,807
Habib Education Trust	4th floor, United Bank building, I.I. Chundrigar Road, Karachi.	Mr. Ali S. Habib - Trustee Mr. Mohamedali R. Habib - Trustee	12,536	8,500
Habib University Foundation	147, Block 7&8, Banglore Cooperative Housing Society, Tipu Sultan Road, Karachi.	Mr. Rafiq M. Habib - Trustee Mr. Ali S. Habib - Trustee Mr. Mohamedali R. Habib - Trustee	5,000	14,999
Anjuman -e- Behbood Samat -e- Itfai	ABSA School 26-C National Highway, Korangi Road, Karachi.	Mrs. Rafiq M. Habib - Vice President	34	36
Hussaini Heamotology & Oncology Trust	43-Rehmat Manzil, Bhurgari Road, Numaish, Karachi.	Mr. Mohamedali R. Habib - Trustee	96	96
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 Mr. Ali S. Habib - Trustee	-	500
Masoomen Hospital Trust	Atmaram Pritamdas Road, Moosa Lane Miranpir, Karachi.	Mr. Rafiq M. Habib - Trustee Mr. Ali S. Habib - Trustee	-	2,000

36.3 Charity and donations include the following donees to whom donations exceed Rs. 0.50 million other than already disclosed above:

Name of donee	Name of directors/spouse	2018	2017
		(Rupees in '000)	(Rupees in '000)
The Cooperative Model Town Society	None	5,000	5,000
Thar Foundation	None	2,000	3,000
The Citizens Foundation	None	6,608	3,360
School of Leadership	None	990	-
Patients Aids Foundation	None	-	3,000
The Indus Hospital	None	2,000	2,050
Metro Cash & Carry Pakistan for dengue program	None	-	956
Northern Areas Eye Hospital	None	1,000	1,500
HELP	None	1,274	-

37. OTHER CHARGES

Workers' Profits Participation Fund	207,532	294,739
Workers' Welfare Fund	60,477	65,836
Loss on disposal of investment property	3,150	-
	271,159	360,575

38. OTHER INCOME

Income from financial assets		
Dividend income		
Dynea Pakiatan Limited	3,268	2,042
Habib Sugar Mills Limited	3,267	5,134
Allied Bank Limited	1,318	1,318
Habib Bank Limited	358	912
GlaxosmithKline Pakistan Limited	5	10
	8,216	9,416

Interest on:

Deposit accounts	50,773	45,656
Term deposit receipts	237,564	263,453
Government treasury bills	87,156	48,525
	375,493	357,634

Gain on revaluation / redemption of investments at fair value through profit and loss

Reversal of provision for doubtful debts	201,489	141,378
Liabilities no longer payable written back	-	66,354
	68	2,928
Exchange gain - net	1,780	1,051
	587,046	578,761

Income from non financial assets

Gain on disposal of operating fixed assets	10,933	231,837
Gain on disposal of associate - MHCCP	-	2,120,000
Rental income from investment properties	1,452,812	1,555,809
Licence fee, signage and others	189,017	2,673
Sale of scrap	10,912	8,607
Claim from suppliers	6,525	5,032
Others	7	804
	1,670,206	3,924,762
	2,257,252	4,503,523

38.2 Includes an amount of 1,452 million (2017: Rs. 1,412 million) under long term agreements with MHCCP, whereby the immovable properties owned by the Group have been rented out to MHCCP for its cash & carry store operations at fixed annual rent.

39. FINANCE COSTS

Mark-up on short-term running finance:

- Related party	182	47
- Others	39	105
	221	152

Workers' Profit Participation Fund		10
Bank charges and guarantee commission	9,985	9,186
	10,206	9,348

	Note	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
40. TAXATION			
Current		1,449,168	1,813,358
Prior		102,082	(34,436)
Deferred		(3,594)	(38,900)
	40.1	<u>1,547,656</u>	<u>1,740,022</u>
40.1 Relationship between income tax expense and accounting profit			
Profit before taxation and share of profit of associates		<u>4,158,558</u>	<u>6,371,744</u>
Tax at the rate of 25% - 30% (2017: 25% - 31%)		1,247,273	2,117,413
Super tax @ 3% of taxable income		<u>150,638</u>	<u>179,299</u>
		<u>1,397,911</u>	<u>2,296,712</u>
Tax effects of:			
Tax effect of inadmissible items		(30,221)	(153,292)
Income taxed at reduced rates, exempt or taxed under final tax regime		77,884	(368,962)
Prior years		<u>102,082</u>	<u>(34,436)</u>
		<u>1,547,656</u>	<u>1,740,022</u>
40.2 Adequate provision for tax has been provided in these financial statements for the current year. A comparison of last three years of income tax provision with tax assessed is presented below:			
		Provision for Taxation	Tax assessed
		----- (Rupees in '000)	----- (Rupees in '000)
2017	40.2.1	<u>1,845,056</u>	<u>1,845,056</u>
2016	40.2.1	<u>1,122,211</u>	<u>1,122,211</u>
2015		<u>1,216,988</u>	<u>1,216,988</u>
40.2.1 The Holding Company and its wholly owned subsidiaries, Makro-Habib Limited and A-One Enterprises (Private) Limited, irrevocably opted to be taxed as one fiscal unit in the year 2017 and the Company and its wholly owned subsidiary, Makro-Habib Limited, irrevocably opted to be taxed as one fiscal unit in the year 2016.			
41. 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:			
		2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
Profit after taxation attributable to the equity holders of the Holding Company		<u>3,171,847</u>	<u>5,146,953</u>
		Number of shares in thousands	
Weighted average number of ordinary shares of Rs. 5/- each in issue		<u>81,030</u>	<u>81,030</u>
		----- (Rupees)	
Basic and diluted earnings per share		<u>39.14</u>	<u>63.52</u>

	Note	2018 ----- (Rupees in '000)	2017 ----- (Rupees in '000)
42. CASH GENERATED FROM OPERATIONS			
Profit before taxation		5,099,735	7,242,768
Adjustments for non-cash charges and other items:			
Depreciation and amortization		484,707	176,785
Write-off of long term prepayments		-	23,438
Net share in profit of associates and joint venture - after tax		(941,177)	(871,024)
Finance costs		10,206	9,348
Interest income		(375,493)	(357,634)
Liabilities no longer payable written back		(68)	(2,928)
Gain on revaluation / redemption of investments at fair value through profit and loss		(201,489)	(141,378)
Dividend income		(8,216)	(9,416)
Provision / (reversal) of provision for doubtful debts		2,905	(66,354)
Provision for retirement benefits		4,967	2,088
Gain on disposal of investment in an associate - MHCCP		-	(2,120,000)
Loss on sale of investment property		3,150	-
Gain on disposal of operating fixed assets		<u>(10,933)</u>	<u>(231,837)</u>
		<u>(1,031,441)</u>	<u>(3,588,912)</u>
		<u>4,068,294</u>	<u>3,653,856</u>
(Increase) / decrease in current assets			
Stores, spares and loose tools		(29,560)	(17,324)
Stock-in-trade		(1,054,814)	(167,783)
Trade debts		(501,128)	20,005
Loans and advances		(34,707)	(17,927)
Trade deposits and short-term prepayments		(62,047)	(41,489)
Other receivables		(97,130)	578,881
Sales tax refundable		<u>(30,263)</u>	<u>(32,477)</u>
		<u>(1,809,649)</u>	<u>321,886</u>
Decrease in current liabilities			
Deferred income		3,146	297
Trade and other payables		400,124	549,819
Sales tax payable		<u>(8,078)</u>	<u>-</u>
		<u>395,192</u>	<u>550,116</u>
		<u>2,653,837</u>	<u>4,525,858</u>
43. CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	1,325,900	842,399
Short-term investments	22	2,789,394	6,708,246
Short term running finance	30	<u>(60,750)</u>	<u>(9,137)</u>
		<u>4,054,544</u>	<u>7,541,508</u>

44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Balance with related parties of the Group, associates, and companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the year, other than those which have been disclosed in note 45 and else where in these consolidated financial statements, are as follows:

Relationship	Nature of transactions	2018	2017
		(Rupees in '000)	
Associates:	Sales	10,586,532	10,419,052
	Professional Services rendered	231,169	205,279
	Rental Income on properties	1,452,812	1,436,798
	Professional Services acquired	1,250	1,958
	Insurance premium	40,084	31,174
	Purchase of assets	1,576	16,109
	Sale of assets	1,382	-
	Purchase of goods	65,238	127,871
	Insurance claim received	844	3,016
	Mark-up and bank charges paid	4,332	2,917
	Profit received	204,861	224,269
	Supplies purchased	522,977	448,802
	Licence fee, signage and others	38,015	-
	Rent Paid	1,623	2,230
	Rent Received	-	30,268
	Service Fee	736	11,799
	Ijarah Rentals	22,650	-
Employee benefit plans:	Contribution to provident fund	39,530	33,692
	Contribution to retirement benefit fund	4,967	2,750

44.1 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 45 to these consolidated financial statements.

44.2 The receivable / payable balances with related parties as at June 30, 2018 are disclosed in the respective notes to these consolidated financial statements.

44.3 Following are the related parties of the Group with whom the Company 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	6.22%	Sales of goods / Professional services rendered / Rent received
2	Shabbir Tiles and Ceramics Limited	Associate	1.30%	Sales of goods / Supplies purchased / Professional services rendered / Rent received
3	Habib Insurance Company Limited	Associate	4.63%	Insurance premium / Insurance claim received
4	Metro Habib Cash and Carry Pakistan (Private) Limited	Associate of subsidiary	-	Purchase of assets / Supplies purchased
5	Habib Metropolitan Bank Limited	Common Directorship	-	Mark-up and bank charges paid / Profit received / Professional services rendered
6	First Habib Modaraba	Subsidiary of an associate	-	Ijarah rentals
7	Thal Limited - Employees' Provident Fund	Employees' fund	-	Contribution made
8	Thal Limited - Employees' Retirement Benefit Fund	Employees' fund	-	Contribution made
9	Makro-Habib Pakistan Limited Limited - Employees' Provident Fund	Employees' fund	-	Contribution made
10	Noble Computer Services (Private) Limited - Employees' Provident Fund	Employees' fund	-	Contribution made
11	Habib Metro Pakistan (Private) Limited - Employees' Provident Fund	Employees' fund	-	Contribution made
12	Thal Boshoku Pakistan (Private) Limited - Employees' Provident Fund	Employees' fund	-	Contribution made
13	ThalNova Thar Power (Private) Limited	Joint Venature	-	Investment made
14	Metro Cash & Carry International Holdings B.V.	Shareholder of subsidiary	-	Dividend paid
15	METRO Cash & Carry Pakistan (Private) Limited	Associate of subsidiary	-	Rental income
16	Agriauto Industries Limited	Common Directorship	-	Professional services rendered / Rent paid
17	Indus Lands (Private) Limited	Common Directorship	-	Sale of fixed assets

44.4 Following are the Associates of the Group with whom the Company had entered into transactions or have arrangement/agreement in place.

Toyota Tsusho Asia Pacific Pte. Ltd

Nature: Trading Company

Registered address: 600 North Bridge, Road No. 19, 01 Parkview Square, Singapore 188778

Country of incorporation: Singapore

Basis of association: Subsidiary of Shareholder Company

Aggregate percentage of shareholding: 0%

Nature of transactions: Supplies Purchased

Operational status: Active

The name of Chief Executive is Mr. Hideki Yanase

Toyota Tsusho Corporation

Nature: Trading company

Registered Address: 3-13, Konan 2- Chome, Minato-Ku, Tokyo, Japan

Country of incorporation: Japan

Basis of association: Shareholder

Aggregate percentage of shareholding: 10%

Nature of transactions: Supplies Purchased

Operational status: Active

The name of Chief Executive is Mr. Ichiro Kashitani

Toyota Boshoku Corporation Japan

Nature: Auto parts Manufacturer

Registered address: 88, kanayama, kamekubi-cho Toyotam Aichi, 470-0395

Country of incorporation: Japan

Basis of association: Associated Company

Aggregate percentage of shareholding: 35%

Nature of transactions: Services acquired

Operational status: Active

The name of Chief Executive is Mr. Takeshi Numa

	2018			2017		
	Chief executive	Directors	Executives	Chief executive	Directors	Executives
	(Rupees in '000)					
Managerial remuneration	20,257	-	512,325	28,600	-	415,410
Bonus	7,290	-	65,530	9,032	-	77,392
Group's contribution to provident fund	807	-	14,516	855	-	13,334
Group's contribution to retirement fund	-	-	4,676	-	-	3,487
Other perquisites	-	-	2,108	-	-	2,489
	28,354	-	599,155	38,487	-	512,112
Number of persons	1	6	64	1	6	70

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

45.2 Five non-executive directors (2016: Four) have been paid fees of Rs. 1,870,000 (2017: Rs. 1,175,000) for attending board meetings.

45.3 The Chief Executive and Director of Pakistan Industrial Aids (Private) Limited, A-One Enterprises (Private) Limited, Thal Boshoku Pakistan (Private) Limited, Thal Power (Private) Limited and Makro-Habib Pakistan Limited are not being paid any remuneration for holding the office.

46. **PLANT CAPACITY AND ACTUAL PRODUCTION**

	2018	2017
Annual Capacity		
Jute (Metric Tons)	33,800	33,800
Auto air conditioners (Units)	90,000	90,000
Paper bags (Nos. 000s)*	*251,000	140,000
Alternator (Units)	90,000	90,000
Starter (Units)	90,000	90,000
Seat tracks (Sets)	55,000	55,000
Side frame (Sets)	55,000	55,000
Air cleaner (Sets)	110,000	110,000
Actual Production		
Jute (Metric Tons)	26,748	22,474
Auto air conditioners (Units)	63,914	77,363
Wire harness (Units)	148,447	131,263
Paper bags (Nos. 000s)	117,243	105,202
Alternator (Units)	51,134	53,669
Starter (Units)	51,134	53,380
Seat tracks (Sets)	47,227	49,824
Side frame (Sets)	54,565	53,080
Air cleaner (Sets)	33,101	38,626
Reason for shortfall	Low demand	Low demand

* New product lines were commissioned during the year.

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

46.2 The production capacity of Laminate Operations depends on the relative proportion of various types of products.

47. PROVIDENT FUND

Size of the funds
Percentage of investments made
Fair value of investments
Cost of investments made

	2018 Unaudited (Rupees in '000)	2017 Audited (Rupees in '000)
Size of the funds	620,768	622,279
Percentage of investments made	96.92%	99.26%
Fair value of investments	601,624	617,656
Cost of investments made	596,301	567,109

47.1 Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2018 (Unaudited)		2017 (Audited)	
	Investments (Rs '000)	Investment as a % of size of the fund	Investments (Rs '000)	Investment as a % of size of the fund
Government securities	19,587	3.16%	137,950	22.17%
Term finance certificates and Sukuks	-	0.00%	73,737	11.85%
Term deposit receipts, call deposits and musharika certificates	402,505	64.84%	244,394	39.27%
Listed securities and mutual fund units	179,533	28.92%	161,575	25.97%
	601,625	96.92%	617,656	99.26%

47.2 Investments out of provident fund have been made in accordance with the provisions of the Companies Act, 2017 and the rules formulated for this purpose.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments are subject to credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The Board of Directors oversees policies for managing each of these risks which are summarised below.

48.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is mainly exposed to credit risk on trade debts, short term investments and bank balances. The Group seeks to minimize the credit risk exposure through having exposure only to customers considered credit worthy and obtaining securities where applicable.

Quality of financial assets

The credit quality of financial assets is analyzed as under:

The analysis of trade debts is as follows:

Neither past due nor impaired [includes Rs. 538.935 million (2017: Rs. 271.982 million) receivable from related parties.]

Past due but not impaired

- Less than 90 days [includes Rs. 12.680 million (2017: Rs. 8.590 million) receivable from related parties.]
- 91 to 180 days [includes Rs. 0.121 million (2017: 0.031 million) receivable from related parties.]
- 181 to 360 days [includes Nil (2017: Nil) receivable from related parties.]
- Greater than 360 days [includes Nil (2017: Nil) receivable from related parties.]

Bank balances

Ratings

A1+

A-1+

A1 *

P-1 **

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

** This reflects rating assigned by an international rating agency to a foreign bank.

Short term investments

Ratings

A1+

A-1+

AM2+

AA(f)

AM1

AM2++

AA-(f)

AA+(f)

A+(f)

	2018 (Rupees in '000)	2017 (Rupees in '000)
Neither past due nor impaired [includes Rs. 538.935 million (2017: Rs. 271.982 million) receivable from related parties.]	1,258,948	952,070
Past due but not impaired		
- Less than 90 days [includes Rs. 12.680 million (2017: Rs. 8.590 million) receivable from related parties.]	295,860	107,066
- 91 to 180 days [includes Rs. 0.121 million (2017: 0.031 million) receivable from related parties.]	35,549	33,213
- 181 to 360 days [includes Nil (2017: Nil) receivable from related parties.]	2,699	2,514
- Greater than 360 days [includes Nil (2017: Nil) receivable from related parties.]	30	-
	1,593,086	1,094,863
Bank balances		
Ratings		
A1+	1,016,128	779,493
A-1+	132,183	60,261
A1 *	23	44
P-1 **	175,167	163
	1,323,501	839,961
Short term investments		
Ratings		
A1+	921,470	4,802,660
A-1+	2,088,619	2,030,313
AM2+	-	176,488
AA(f)	4,557,799	1,847,097
AM1	-	1,633,557
AM2++	-	20,058
AA-(f)	821,174	-
AA+(f)	657,074	-
A+(f)	23,101	-
	9,069,237	10,510,173

Financial assets other than trade debts, bank balances and short term investments are not exposed to any material credit risk.

48.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with the financial instruments. To guard against the risk, the Group has diversified funding sources and the assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

	On demand	Less than 3 months	3 to 12 months	More than 1 year	Total
	(Rupees in '000)				
Year ended June 30, 2018					
Long term deposit	-	-	-	319,720	319,720
Trade and other payable	2,770,245	-	-	-	2,770,245
Short-term running finance	60,750	-	-	-	60,750
Accrued markup	-	-	-	-	-
	<u>2,830,995</u>	<u>-</u>	<u>-</u>	<u>319,720</u>	<u>3,150,715</u>
Year ended June 30, 2017					
Long term deposit	-	-	-	316,762	316,762
Trade and other payables	2,343,765	-	-	-	2,343,765
Short-term running finance	9,137	-	-	-	9,137
Accrued markup	1	-	-	-	1
	<u>2,352,903</u>	<u>-</u>	<u>-</u>	<u>316,762</u>	<u>2,669,665</u>

48.3 Foreign Currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Group's exposure to foreign currency risks is as follows:

	2018	2017
Trade receivables (USD)	52,246	15,458
Trade and other payables (USD)	2,127,134	37,714
Trade and other payables (JPY)	1,057,000	3,197
Trade and other payables (CHF)	-	10
Trade and other payables (EUR)	519,502	113,146
Total USD - payable	2,074,888	22,256
Total JPY - payable	1,057,000	3,197
Total CHF - payable	-	113,146
Total EUR - payable	519,502	
The following significant exchange rates have been applied at the reporting dates:		
USD	121.50	104.85
EUR	141.58	120
AED	-	-
SAR	-	-
JPY	1.10	0.94
CHF	-	109.41

Sensitivity analysis:

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

	Change in US dollars, AED, SAR, JPY & CHFs rate %	Effect on profit or (loss) before tax (Rupees in '000)	Effect on equity
2018	+ 10	(32,681)	(22,996)
	- 10	32,681	22,996
2017	+ 10	(1,587)	(1,154)
	- 10	1,587	1,154

48.4 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 Group's short-term borrowings and cash in deposit account. The interest rates on these financial instruments are disclosed in the respective notes to the financial statements.

Sensitivity Analysis:

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

	Increase / decrease in basis points	Effect on profit before tax
2018		
KIBOR	+ 100	8,967
KIBOR	- 100	(8,967)
2017		
KIBOR	+ 100	7,323
KIBOR	- 100	(7,323)

48.5 Equity price risks

Equity 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's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Group's Board of Directors on a regular basis. The Board of Directors review and approve all equity investment decisions.

49. CAPITAL RISK MANAGEMENT

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is currently financing majority of its operations through equity.

50. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in subsidiary companies and associates are carried at cost. The carrying values of financial assets and liabilities reflected in the consolidated financial statements approximate their fair values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities considered not significantly different from their book value.

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)."

2018

Assets

- Available for sale investments
- Short-term investments

Level 1	Level 2	Level 3	Total
(Rupees in '000)			
218,824	-	-	218,824
6,059,148	-	-	6,059,148

2017

Assets

- Available for sale investments
- Short-term investments

Level 1	Level 2	Level 3	Total
(Rupees in '000)			
198,573	-	-	136,556
3,677,200	-	-	3,677,200

There were no transfers amongst levels during the year.

51. OPERATING SEGMENTS

51.1 Segment analysis

	2018					2017				
	Engineering	Building Materials and Allied Products	Real estate management & others	Elimination	Total	Engineering	Building Materials and Allied Products	Real estate management & others	Elimination	Total
	(Rupees in '000)					(Rupees in '000)				
Sales revenue	13,391,940	6,638,758	428,161	(150,788)	20,308,071	12,189,639	5,709,716	365,128	(127,580)	18,136,903
Segment result	2,837,290	763,754	1,086,838	-	4,687,882	2,932,623	702,390	987,382	-	4,622,395
Unallocated										
(expenses) / income:										
Administrative and distribution costs				(897,265)						(831,045)
Other charges				(271,159)						(360,575)
Other income				649,306						2,950,317
Operating profit				4,168,764						6,381,092
Finance cost				(10,206)						(9,348)
Share in profit of associates				941,177						871,024
Taxation				(1,547,656)						(1,740,022)
				3,552,079						5,502,746
Segment assets	3,865,650	4,640,069	11,853,482	(1,669,381)	18,689,820	2,871,906	3,058,008	11,164,195	(1,373,122)	15,720,987
Corporate assets				11,092,657						11,645,739
Unallocated assets				332,546						278,857
				30,105,023						27,645,583
Segment liabilities	1,356,499	922,805	1,675,156	(1,059,298)	2,898,162	1,223,003	637,997	617,035		2,478,035
Corporate liabilities				262,725						198,656
Unallocated liabilities				96,923						-
				3,257,810						2,676,691

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.

51.2 Geographical Information of customers

Revenues from customers (Country wise)

	2018	2017
	(Rupees in '000)	
Pakistan	19,864,918	17,871,511
Afghanistan	5,764	23,103
UAE	128,233	35,835
Bangladesh	4,420	7,412
Uzbekistan	-	-
Italy	64,913	40,588
Iraq	-	-
Australia	25,945	16,447
Kuwait	3,018	48,281
Saudi Arabia	-	3,300
Malaysia	5,320	-
Spain	744	-
Switzerland	5,560	-
Turkey	9,020	-
Others	190,216	90,426
	<u>20,308,071</u>	<u>18,136,903</u>

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

51.3 Of the Group's total revenue, one customer accounts for more than 10%.

52. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on September 13, 2018 has approved the following:

- (i) transfer of Rs. 1,592 million from unappropriated profit to general reserve; and
- (ii) payment of cash dividend of Rs. 8.5 per share for the year ended June 30, 2018 for approval of the members at the Annual General Meeting to be held on October 22, 2018.

53. GENERAL

53.1 Total number of employees

Total number of Company's employees as at June, 30
Number of Factory Employees
Average number of Company's employees during the year
Average number of Factory employees during the year

2018	2017
4,831	4,283
4,333	3,977
4,691	4,050
4,310	3,520

53.2 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications to report.

53.3 Figures have been rounded off to the nearest thousands.

54. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on September 13, 2018 by the Board of Directors of the Holding Company.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

THAL LIMITED

Form of Proxy
Fifty Second Annual General Meeting

The Secretary
Thal Limited
House of Habib, 4th floor
Shahra-e-Faisal,
Karachi - 75350

I/We _____

of _____ in the district of _____

being member of Thal Limited, and holder of _____

Ordinary Shares as per Share Register Folio No. _____

and/or CDC Participant I.D. No. _____

And Sub. Account No. _____ hereby appoint _____

of _____ in the district of _____

or failing him / her _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the 52nd Annual General Meeting of the Company to be held on October 22, 2018 and or any adjournment thereof.

Signed this _____ day of _____

WITNESSESS:

Signature _____

Name _____

Address _____

CNIC or _____

Passport No. _____

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

Signature on
Rs 5/-
revenue stamp

Signature _____

Name _____

Address _____

CNIC or _____

Passport No. _____

Note:

- 1.A member entitled to be present and vote at the Meeting may appoint another member as proxy to attend and vote for him / her.
- 2.Proxies in order to be effective must be received at the Registered office of the Company not less than 48 hours before the Meeting.
- 3.CDC Shareholders and their Proxies must each attach an attested photocopy of their computerized National Identity Card or Passport with this proxy form.

انہوں نے قتل عام میں 50 سال پہلے ایک جمعدہ کی طرح کام کیا۔ ان کی سرکار کا قاتل کا کیا مقابلہ ہوگا؟ ان کا سرکار کا قاتل کا کیا مقابلہ ہوگا؟ ان کا سرکار کا قاتل کا کیا مقابلہ ہوگا؟

30 جون 2018 کو پھر جانے والے باقی سال کے دوران تکمرہ کا آئندہ پانچ روزہ پختہ کرنے کے لیے پانچ دنوں کا اضافہ کیا گیا۔ اس کے ساتھ ہی کچھ نئے مضامین بھی شامل کیے گئے۔ اس کے علاوہ 30 جون 2018 کو پھر جانے والے باقی سال کے دوران تکمرہ کا آئندہ پانچ روزہ پختہ کرنے کے لیے پانچ دنوں کا اضافہ کیا گیا۔ اس کے ساتھ ہی کچھ نئے مضامین بھی شامل کیے گئے۔

گزشتہ سال کے دوران کئی کئی گنا بڑھ گئے۔ دہائی کے آخر میں آپ کو پتہ چلا کہ تڑپ سے ایک ادا ہے۔ آپ کی کاروباری بنیاد کے ساتھ ساتھ ایک اشتراکی کثرت اپنے آپ کو ٹھوس بنا کر دہائی میں مزید بڑھ چکے تھے۔

[illegible]

قبل چلنے کے لئے آواز دینا اور کھڑکی پر چڑھ کر فرار پزیر ہوجانا۔ یہ وہ خوف کا زمانہ تھا کہ امریکی جہاز کے سامنے ہندوستان کی کھڑکی پر چڑھ کر 30 سال سے ڈاکو کے طور پر چلنے

[illegible][illegible]

میں اپنے تمام اسلاف ممبرز کا بھی فکر گزارا ہوں جنہوں نے کئی کی ترقی میں اپنا کردار ادا کیا۔

Sahib:
 10/10/10
 10/10/10

پراسی فارم
۵۲ وی سالانہ اجلاس عام
سیکرٹری
فصل لینڈ
باؤس آف حبیب، چوٹی منزل
شاہراہِ فیصل، کراچی۔ ۷۵۳۰۰

مقام

ساکن

میں بحیثیت ممبر قتل لیویٹر اور مولفہ بابت —

عام شیئر رجمن کے شیئر رجسٹر فو لیکچر ————— اور ای سی ڈی سی پارٹیشن آف ڈی ڈی نمبر

اسذیلی اکاؤنٹ نمبر _____ ہندو لکھ لیا

ساکن _____ صلاح _____

ادعاگران کے لئے ممکن نہ ہو۔ ساکن

کولمبو رانا / امارا پاسی طغر کرکنا / کرتی ہول تا کرہ ۲۲ اکتوبر ۲۰۱۸ کو محفوظ کئے جانے والے کمپنی کے ۵۴ ویں سالانہ اجلاس عام میں میری / امارا جلد و شہ دے سکتیں۔

تاریخ: _____ مورخہ: _____ ۲۰۱۷ء

گواہان:

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

دستخط
میلنگہ روپے
کے ڈاک ٹکٹ

— 153 —

— **re**



صافى كار نمبر—

۱۰ پاپیورٹ نمبر۔

نوٹ:

- (۱) ہر فرد نے اپنا پتہ انٹرکٹ کرنے اور ووٹ دینے کا حق حاصل ہے۔ چاہے جو ملک ہو۔ اگر کسی نے اس کے لئے کسی اور سے کوئی پتہ یا کسی مقرر کار سے کسی پتہ ہے۔
- (۲) مقررہ عمل ہونے کے لئے ہر کثیر الجماعات کے وقت (تعداد سے کم از کم ۱۰۰۰) افراد کو مل جل کر ہر فرد کو آفسیس لار اور اصول کو مانا جائے۔
- (۳) ڈی وی سی ہیر ہولڈرز اور ان کے ہر کثیر الجماعات کے ہر فرد کو ہر ایک نام کے ساتھ اپنے کو پیش کرنے کی اجازت ہے۔ ہر فرد کو ہر ایک نام کے ساتھ اپنے کو پیش کرنے کی اجازت ہے۔

- ۱۔ کھیتی کی اصلاحی کامیابی سے چکر گردانے والی خائنیت میں کھیتی کے معاملات کے چکر کے ہر وقت کے ہر کام کو اپنی حق بات کو پیش کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔
- ۲۔ کھیتی کے معاملات کیلئے کونسا قانون ہے اور اس کے مطابق کیا ہے۔
- ۳۔ اپنی اپنی خائنیت کی چھٹی کی طرح ہر ملک کی کھیتی کے معاملے میں اپنی اپنی کھیتی کے معاملات کے خلاف کام کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔
- ۴۔ اپنی اپنی خائنیت کی چھٹی کی طرح ہر ملک کی کھیتی کے معاملات میں اپنی اپنی کھیتی کے معاملات کے خلاف کام کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔
- ۵۔ ہر ملک کی خائنیت کی چھٹی کی طرح ہر ملک کی کھیتی کے معاملات میں اپنی اپنی کھیتی کے معاملات کے خلاف کام کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔
- ۶۔ اصلاحی کام کرنا کیلئے کھیتی کے معاملات میں اپنی اپنی کھیتی کے معاملات کے خلاف کام کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔
- ۷۔ کھیتی کے معاملات میں اپنی اپنی کھیتی کے معاملات کے خلاف کام کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔
- ۸۔ اصلاحی کام کرنا کیلئے کھیتی کے معاملات میں اپنی اپنی کھیتی کے معاملات کے خلاف کام کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔
- ۹۔ ہر ملک کی خائنیت کی چھٹی کی طرح ہر ملک کی کھیتی کے معاملات میں اپنی اپنی کھیتی کے معاملات کے خلاف کام کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔
- ۱۰۔ ہر ملک کی خائنیت کی چھٹی کی طرح ہر ملک کی کھیتی کے معاملات میں اپنی اپنی کھیتی کے معاملات کے خلاف کام کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔
- ۱۱۔ ہر ملک کی خائنیت کی چھٹی کی طرح ہر ملک کی کھیتی کے معاملات میں اپنی اپنی کھیتی کے معاملات کے خلاف کام کرنا اور اس کے خلاف کام کرنا یا کیا ہے۔

نمبر شمار	اداریہ کیلئے کے کام	قررت کردہ اوقات کی تعداد
1	جنا بے تعلقی - محبوب (تجزیہ مشین)	4/6
2	جنا بے تعلقی - جنا بے	6/6
3	جنا بے تعلقی - محبوب	6/6
4	جنا بے تعلقی - آر - محبوب	4/6
5	جنا بے آصف - قادر	5/6
6	جنا بے سلمان - ربی	6/6
7	جنا بے ظہیر - دانی	5/6
8	محضرہ روشن بی - میری (مقابلہ از اکرینٹر)	2/6

نمبر شمار	روز یکشنبہ کے تمام	فہرست کردہ اعلیٰ اسکول تعداد
1	جناوبہ رقبہ - حبیب (نہتر مین)	4/6
2	جناوبہ کتبلی فی راجھ	6/6
3	جناوبہ علی احمد - حبیب	6/6
4	جناوبہ مغل آر - حبیب	4/6
5	جناوبہ آصف قادر	5/6
6	جناوبہ سلمان رفقی	6/6
7	جناوبہ مظہر داؤدانی	5/6
8	مختصر مدورڈین فی مہر علی (مہاراجا اڈاکٹر)	2/6

نمبر شمار	ادارے کے نام	حزب کے رہنماؤں کی تعداد
1	جناب آصف کار، (ذاتی بین تقرری کچہ ذوری 2018)	1
2	جناب علی الحسن - مصیوب	1
3	جناب سلمان ربانی	1
4	جناب مقبول راجی	1

- ۱۔ کھیتی کی انتظامیہ کی جانب سے چار کروڑ روپائی آن لائن مختلف قسم کی کھیتی کے محصولات کے ۲۰ فیصد کو کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۲۔ کھیتی کے محصولات کو کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۳۔ روپائی آن لائن کی چار کروڑ روپائی کی کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۴۔ روپائی آن لائن کی چار کروڑ روپائی کی کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۵۔ ہر سال کے محصولات کے ۲۰ فیصد کو کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۶۔ انسانی کھیتی کاروں کی کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۷۔ آن لائن کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۸۔ کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۹۔ انسانی کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۱۰۔ ہر سال کے محصولات کے ۲۰ فیصد کو کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔
- ۱۱۔ کھیتی کاروں کو سہولتوں کے طور پر کیا گیا ہے۔

انٹرنیٹ کے ذریعہ حاصل کیے جانے والے معلومات کی جانچ پڑتال کی ضرورت ہے۔

- حق تلفی کا حق خسار بمطابق 85 روپائی شہر میں 170 لاکھ مالان کیا گیا ہے جس کا 50 روپائی شہر میں 100 لاکھ کے معنی وفاق خسار کے علاوہ ہے۔
- غیر معیاری خسار میں سے 582 روپائی کے رقم پر مل رہا ہے جس میں 10 لاکھ کے مالان کی جاتی ہے۔

[illegible]

محرم فاضل
چوہدری عزیز گیلانی

انفارمیشن ٹیکنالوجی (IT)

مشکل شروع ہونی اثرات حیددوس کے لئے خطرات میں اضافہ کرتے ہیں۔ قفل لپکڑ کے کاروبار آئی ٹی ڈیپارٹمنٹ اس کے مطابق انفہیشن ٹیکنالوجی کیلئے اضافی ضروریات کو بتاتی کھتہ ہے۔ قفل لپکڑ کی آئی ٹی ٹیم سائبر سکیورٹی پر مشتمل ہے جو ان کیلئے ایس اے اس کے قفل سے اس سروسز تسلیم کرتی ہے کہ اینڈ ورک مشینیں ٹیسٹ اور حفاظت کو تلاش کرنے اور محفوظ مسلم چین کرنے کی ضرورت ہے۔ تاہم ترین فائز سائبر سٹیلیٹوں پر اور اضافی سائپلی ڈیویسز سافٹ ویئر لگائے گئے ہیں تاکہ سکیورٹی آمدورفت یا طویز سٹاپائی دیویر رائیڈ پر زور دینے کے لئے آئے والے سائبر سید فک کی گہرائی کی جائے۔ مزید برآں محفوظ ٹیکنیشن مضمونی سی ٹی آئی ٹی پر ڈھکوا لگھیں۔ بیے کی فرض سے انگریز پوڈکول سٹال ایک محفوظ سائٹس نیز (انسائٹس ایمل) ایک ڈرائیوٹ لیڈر سکیورٹی (ٹی ایل سی) بھی مطلوب ہر روز پر نصب کئے گئے ہیں۔

سال کے دوران کئی ایس اے پی پریس کے جائزے کے انعقاد اور پیرے ادارے کیلئے پریس جائزے کے سلسلے میں ہر دینی مشاہدات کاروں کے ساتھ مصروف رہی۔ جائزے میں بنیادی طور پر ان اعمال اور طریقہ کار کو شناخت کرنے پر توجہ دی گئی تھائیں اے پی میں سائبر سٹاپ اور زبردست استعمال ہیں۔ ان پریس کو بھی واضح کیا گیا جو موجودہ قوانین یا تمام کاروبار میں نہ عمل نہیں ہیں۔ ایس پی ویسٹر کو بھی شناخت کیا گیا جہاں کام کرنے کا خوف کا نظام سائبر کرنے کی ضرورت ہے تاکہ کچھ پیش ماہر صنعت کو حائف کر لیا جائے جبکہ کاروائے ڈائریٹریلے۔ آج کیلئے پروسیجر کا بھی جائزہ لیا گیا۔ یہ مکمل کھن کھن اور اس کے آئی ٹی ڈیپارٹمنٹ کو مستقل قریح پر عمل ایس اے پی کے مسئول میں خلا تلاش کرنے اور منصوبہ جہز بنائے میں معاونت فراہم کر سکتی۔

درست وقت پر فیملے کیلئے ایس اے کو بہت پہچانے کی فرض سے کاروبار سے متعلق انفکائی ڈیٹس ہر روز اور انٹرنس بھی رائج کئے گئے۔ اس سے انتظامیہ کاروباری کاروں کی کارکن کی بہتری کی صورت حال جانچے، مشتمل کی کاروباری ضروریات کا جائزہ لینے میں مدد اور درست وقت پر سائبر سٹک فیملوں کی بروقت دستیابی کی مقامی ماحول ہوگی۔

کھننے نے ایس اے پی (SAP) کے ساتھ پائف میٹیری کو برکولہ بنائے تاکہ پریڈیٹ کی شناخت بھی کی ہے۔ شاپ۔ ٹیورا انفارمیشن سٹڈ میٹرل وقت، مشین بریک ڈاؤن کو بروقت چلانے تاکہ ایس اے پی کے ساتھ مکس ہو گیا جس کے نتیجے میں لاگت نہ بچت اور آپریشن کارکن کی بھی تیزی آئی۔

متعلقہ پارٹنر سے لین دین

تمام پارٹنر کے ساتھ لین دین کے معاملات لاگو سائبلوں کے مطابق انجام دیے گئے ہیں اور مختلف ڈسٹ کے تحت مالیاتی کو خواروں میں ظاہر کئے گئے ہیں۔

اعتراضی نقل و نقل کنٹرول

کھن کھن اور اس کے ڈیجیٹل اداروں نے اڈہ جات کے تحت ادارے اور پکڑنے کو یقینی طور پر درست اور صحیح بنائے کیلئے اعتراضی نقل و نقل کنٹرول کا موثر نظام نافذ کیا ہے۔ ستر سٹینٹ، مالیات، تصدیق پر پش اور تجربے کے ذریعے کھننے اور اس کے ڈیجی اداروں کی مالیاتی کارکنوں کا قاعدہ جائزہ لیتے ہے جب کہ برڈ بھی ہر سہائی پر اپنا جائزہ چن کرتا ہے اور مظلوم کے خلاف کسی بھی غروف کا پیدہ گا تاہے اعتراضی آڈٹ نقشش کے ذریعہ تحصیل سوائے عمل بھی جاری رہتا ہے جس میں اعتراضی کنٹرول کے طریقوں کی پابندی کا جائزہ لیا جاتا ہے اور نتائج کی رپورٹ ہر ڈ کی آڈٹ کھن کھن کی جاتی ہیں۔

مشتمل پر نظر کا مشینیت

موجودہ ماحولی اور کاروباری صورت حال کے پیش نظر اداروں کو متحدہ سٹین چیلنجز کا سامنا ہے۔ تاہم، غیر یقینی صورتحال کے باوجود کچھ مایہ نوا پیش رفت ہوئی ہے جس سے ماحولی ترقی اور ملک میں کاروباری ماحول پیدا ہونے کے امکانات روشن ہوئے ہیں۔

ایسے ماحول سے ہمراہ قائمہ افغانے کیلئے قفل لپکڑ خوش کام پوزیشن پر لائے کیلئے کوشاں ہے کہ آنے والے سالوں میں ترقی کے ان ماحولوں سے ہمراہ قائمہ افغانے۔ کھننے نے اپنے مختلف پروڈکٹس کے سیکٹر چیکرک کے شعبے میں جو رہنما پیدا کیا ہے جو مارکیٹ کے مختلف شعبوں کے لئے کھنیں ہیں۔

کھن کھن کا وسیع ترین کاروباری شعبہ اس کا انجینئرنگ کا شعبہ ہے۔ موجودہ قوانوں سلسلے پالیسی کے تحت کی گئے ادوی اہم اداروں نے پاکستان میں اپنے اسٹیمپک پائس قائم کرنے کیلئے کام شروع کر دیا ہے۔ بہر حال وسیعی مدت کیلئے آڈٹ وچز کی صنعت، ہڈا کی حالت میں رہے گی کیونکہ گئے سال ہونے والے ایس کو مقامی حکومت کچھ دیندے مکس کے اور طویل مدت کیلئے یہ خیال ہے کہ ٹیسٹ میں اضافہ کیلئے بہترین متوازن حالت میں رہے گا۔

شعبہ انجینئرنگ کے ساتھ اس کا بلڈنگ اور ایئر پروڈکٹس کا شعبہ بھی کھن کھن ترقی کے لئے ایک نمایاں کاردارا کر رہا ہے۔ جوٹ کے کاروبار کو غامہاں ہل کے ہوتے ہوئے نوزوں کا سامنا ہے جس کی جہد یہ کی قدر میں کی کے ساتھ بگھر دینے اور بحالت دونوں فیمل سیکورٹی ٹیم سے کھن کا ہوتا ہے۔ شعبے کا دوسرے کاروبار بھیہ ڈیون کے بارے میں امکان ہے کہ سٹینٹ کی صنعت میں ترقی کے ساتھ اس کی بہتری کے امکانات بھی روشن ہو جائیں گے تاکہ ہم اسنی الوقت بھی کے ہوتے ہوئے نوزوں کے باوجود مارکیٹ کے پولی پرائیمن بیلان سے سہایت برقرار رکھنے کیلئے ہڈا کا سامنا رہے گا۔ پائف اور میٹیری میں مزید سرمایہ کاری کرنے کے ذریعے اس کی پیداواری صلاحیتوں میں اضافے سے کاروبار میں بہتری آئی ہے۔ اس شعبے کا تیسرہ کاروبار سٹیکس کا ہے جو کہ چیلن ہر روز اور بہت اعلیٰ تمام طور پر ملاقات کا راستہ، تیار کرتا ہے۔ ملک میں تعمیراتی صنعت کے فروغ کی توقع کے جب اس کاروبار کی ترقی خاص طور پر کاروبار میں کاٹکٹس کی رفتار میں بھی تیزی آئے کی امید ہے۔

کھن کھن کاروبار کے شعبہ میں بڑی کھش پیدا ہونے کی توقع ہے جس کی بڑی وجہ چائیکا پاکستان کا تک کو بیڈ ور (سی بیک) کا آغاز ہے۔ اس موقع سے حصول کیلئے اس نے سندھائیگر کول اسٹیک کھن (SECMQ) کی سٹیز ہولڈنگ خرید کر قرض میں پاکستان کے پہلے ایون ہٹ کال اسٹیک منصوبہ پر کام شروع کر دیا ہے۔ پوریکھن میں مزید سرمایہ کاری تلاش کرنے کیلئے کھن نے پیمر زورڈ ہنگل لپکڑ کے ساتھ ایک جوائنٹ وینچر معاہدہ طے کھل دیا ہے اور قرض سندھ میں 330 ملین روپا کول۔ فائز پار جز میں پائف کے سلسلے میں فائز کھن کیلئے کوشاں ہے۔

کھن کھن کو پیش خدمتات اور غیر رسمی کیفیت

انتظامیہ اس امر کو تسلیم کرتی ہے کہ کھن کھن کو اندرونی اور بیرونی دونوں سطحوں پر کاروبار کے لئے مختلف نوعیت کے خطرات درپن ہیں۔ اس سلسلے میں کھن کھن میں ایک اعزہ انزور سٹک سٹینٹ (ERM) قائم کیا گیا ہے۔ ERM کاروبار کو درپن خطرات کو انجینئر کی پشہروی کرنے، ان کی جانچ کرنے، ترجیح قائم کرنے، چھان بین کرنے اور ان کو دور کرنے کا ایک طریقہ کار ہے۔ خدمتات کو دور کرنے کا بندوبست کرنا کھن کی سٹینٹ کی بنیادی ذمہ داری ہے۔ اس سلسلے میں اعتراضی آڈٹ نقشش اور ہر ڈ آف ڈائریکٹرز ان پائسز اور طریقوں کے مطابق جائزہ لینے ہیں اور مدد کرتے ہیں جو حقوق خدمتات کا مقابلہ کرنے کیلئے وضع کی گئی ہیں۔

کھننے نے ان خدمتات کی درجہ بندی اس طرح کی ہے:

- حکمت عملی کے خدمتات
- مالیاتی خدمتات
 - بیرونی کرنسی کے خدمتات
 - کریڈٹ کے خدمتات
 - شرح سود کے خدمتات
- اعتراضی کنٹرول کے خدمتات
- آپریشنل اکسٹر خدمتات
 - کاروباری طریقوں کے خدمتات (ایکینالوجی اور جدت کے خدمتات
 - ضوابط کے خدمتات

ان خدمتات کے مقابلے اور ان کو ختم کرنے کی حکمت عملی موجود ہے۔

قوی خزانہ میں حصہ

سال 2017-18 میں کھننے نے ایکیشن (شمل پر ٹکٹس)، سٹیمپ اینڈ پیروصولات، ایکسٹرا اینڈ پیئر اور WWF کی صورت میں قوی خزانہ میں 5.47 ارب روپے جمع کرائے۔ (17-2016 4.75 ارب روپے)

ٹان سائیکریڈز انریکٹرز کیلئے سیزن میں پالیسی

کھن کھن کے ہر ڈ اور کھن کھن کے اجلاس میں شرکت کے لئے ٹان سائیکریڈز اور ٹیڈ پیڈٹ ڈائریکٹری ٹیس ہر ڈ کی جانب سے منظور کی گئی ہے۔

آڈیٹرز

موجودہ ڈیویس سرز اسٹ اینڈ پیڈٹ فورڈ رپورڈ زیہات حیدر، چارڈرڈ کاڈچھس رچہ کرہور ہے ہیں اور اہل ہونے کی نامہ رہنہوں نے سال 2018-19 میں خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ ہر ڈ آڈٹ کھننے نے بھی ان کے دوبارہ تقرر کی سٹارٹ کی ہے۔

شیزر ہولڈنگ کارٹرز

شیزر ہولڈنگ کارٹرز کے مطابق 30 دین 2018 میں پورٹ کے ساتھ منسلک ہے۔

ہر ڈ نے چیف ٹیکنیڈا چیف سٹریٹجی، چیف فائز رائٹس آڈٹ کے سربراہ اور کھن کھن میٹیری کی قائمین کیا ہے جیسا کہ چائیکریڈز کھن کے شیزر میں خرید و فروخت کیلئے پی ایس اکس رپورٹ کرتے ہیں۔

ہر ڈ آف ڈائریکٹرز اور اس کی کھن کھن کی تشکیل دو

جناہ آف مدافہ (ادارہ پیڈٹ ڈائریکٹر) کو یکم جنوری 2018 سے ہر ڈ کی ڈی آکٹھنل کا چیئر مین مقرر کیا گیا۔

ڈائریکٹرز بینک پروگرام

جناہ سٹن ایمر، سچیب، جناہ علی ایس۔ سچیب اور جناہ سلمان رتی، ایس ای ای پی کی جانب سے ڈائریکٹرز کے ترجیحی پروگرام سے متعلق ہیں کیونکہ ہر ایک ڈائریکٹر ہر ڈ پر خدمات انجام دیے کیلئے مطلوبہ قابلیت اور تجربے کے حامل ہیں۔ جناہ سکیل پی۔ ایمر، جناہ جھولی آر، سچیب، جناہ آصف قادر اور جناہ ظہیر دانی، پی آئی سی کی جانب سے سرٹیفائیڈ ہیں۔

نیمیس برنس

برنس نے اپنے اصولوں پر عمل عملدرآمد کا سلسلہ جاری رکھا ہوا ہے اور اس کے ساتھ تمام مطلوبہ ٹیکس اور ملگجھٹوں پر عمل کیا جا رہا ہے باوجود اس امر کے کہ ریورسٹری مساقتی اداروں سے متاثر کیا جا رہا ہے اور اس کی وجہ سے خروں کے ضمن میں بھی غیر مزدوں اور متوال رو پیش ہے۔ روپے کی قدر میں کمی اور عدم مال کے خروں میں اضافے کی وجہ سے ٹیکس کے اثرات بھی مزید متاثر ہوئے اور ایکٹ سے متیں مکمل لاکھت منافع حاصل کرنے کا شامی رہی جس کی وجہ سے منافع جات کے اہاف کا حصول ممکن نہ ہا۔

اس صورتحال پر چاہئے کیلئے برنس نے دلچسپاؤ پر دیگر ٹیکس کو فروغ دینے پر توجہ دی اور اپنے برطانوی انپل میں اضافہ کیلئے نئی جہوں اور گرڈ (رنگوں) میں بھی سرمایہ کاری کی۔ چھٹی مشینری حاصل کی گئی اور پروڈکٹ کی رینج میں اضافے کے لئے نصب کی گئی۔

سال کے دوران برنس نے خصوصی طور پر اپنے ذخائر اور مصنوعات برقرار اور اپنی سہایت میں اضافہ کیلئے قابل حصول مٹیاہی کی پر توجہ مرکوز کئے رکھی۔

بلوچستان ٹیکس نے اپنے برطانو "فرمانت" کا جو تاہم رکھنے پر توجہ دی کیونکہ یہ اپنی مختلف پالیسیوں اور ریزرئیکشنز کے اعتبار سے انتہائی قابل مبادا اور برگرد سے کی مال ہے اور اس کے مارجن کے ذہن میں اس حوالے سے طریمین پلایا جاتا ہے۔

چائنہ

برنس نے اپنی مارکیٹ میں موجود کمی کو بڑے موثر طریقے کیلئے ادا ہو رہی اپنا تیسرا آرڈٹ لیٹ کو نئے کا منصوبہ بنایا ہے اس کے ساتھ اپنی مصنوعات کی زیادہ سے زیادہ رسائی کیلئے نئے ڈسٹری بیوڑ چھٹیل دیئے جا رہے ہیں۔ نئی مشینری میں سرمایہ کاری آپریشنل کارکردگی اور مصیبت میں اضافے کیلئے جاری رکھی جائے گی۔ نئی مصنوعات، گلیجر ڈاؤر گرڈ کے اضافے سے برطانو کے بارے میں دلچسپی بڑھنے کی امید ہے اور ایک مختلف تاثر دیا ہوگا بلخصوص ان کوں کے لئے جو بہترین پیکل کی صلاحیت دیتے ہیں۔

ذیلی ادارے اور مشکل کینیڈاں

فصل پوخوکو پاکستان (پرائیویٹ) لمیٹڈ

سال کے دوران کئی کے لئے نئے میں کمی کبھی کی جبکہ مارجن کی جانب سے توجہ میں کمی کا باعث آئی تاہم حاصل ہوئی نمایاں غیر ملکی کرنسیوں میں مل امریکی ڈالر اور روپائی بن کے مقابلے میں روپے کی قدر میں مسلسل کمی کے باعث کئی کے لئے منافع جات پر مستعمل ہوا کا سامنا رہا تاہم اخراجات پر موثر کنٹرول اور مستعد انٹرنیٹی پیمنٹ کے باعث کئی نے منافع جات پر ملتی اثرات کو محدود رکھا۔ مزید برآں کئی نے اپنی مکمل دلچسپھن پر سخت کنٹرول اور تقاؤ کار پھریٹ طریقہ کار کو یقینی بنایا۔

نئی میڈیٹر گریج ٹیکنالوجی سائی سائی کی تعمیر شیلڈل پر ہے اور انتظامیہ مقررہ وقت کے انداز ٹیکنالوجی کو مکمل کرنے کے لئے کوشاں ہے۔

آپریٹنگ کے حوالے سے صارف کو فراہمی کی تمام ضروریات کی بھی تکمیل کے بغیر برکت پوری کی گئیں اور مارجن نے پورے سال برنس کو "گرین زون" میں رکھا۔ تمام ملازمین کیلئے مختص اور محفوظ کام کے ماحول کی فراہمی کے لئے بھر پور توجہ دینے کا سلسلہ جاری ہے جبکہ آپریٹنگ کے تمام شعبوں میں کارکنان مصروف مل ہے۔

فصل لمیٹڈ پوخوکو پاکستان (پرائیویٹ) لمیٹڈ میں 55 فیصد شیئر ہولڈنگ کا مال ہے جبکہ 35 فیصد شیئر کا ٹویو ہ پوخوکو کارپوریشن جاپان اور مزید 10 فیصد شیئر ڈٹویو ہ ٹوشوکا کورپوریشن جاپان کے پاس موجود ہیں۔ 30 جن 2018 کو ختم ہونے والے سال کے دوران کئی اپنے پکاریشنز کمپن میں 1,000 ملین پاکستان روپے کا اضافہ کیا تاہم کئی میں پیچیدگی ٹیکنالوجی کی تعمیر کیلئے فنڈز کے حصول کا بندوبست کیا جائے۔ کئی اس مقصد کیلئے 10 پاکستانی روپے مالیت کے 50 ملین ریٹ شیئرز کے اجراء کی منظوری دی اور 30 جن 2018 کو ختم ہونے والے سال سے کئی شیئر ہولڈرز سے فنڈز وصول کرنے۔ ریٹرنس کی پیکیجش کے وقت ٹویو ہ پوخوکا کورپوریشن جاپان نے اپنی 100 فیصد ذیلی ملکیت کئی ٹویو ہ پوخوکو شیا کارپوریشن کے حق میں ریٹ شیئر زکا دار ہاء اعلان کیا۔ ایک ہڈا شیئرز کا قاعدہ اعلان کرنے پر فصل لمیٹڈ ٹویو ہ ٹوشوکا کورپوریشن جاپان کیلئے شیئر ہولڈنگ ہائیرن ٹیکس ہے۔ کا جبکہ ٹویو ہ پوخوکا کورپوریشن جاپان کی ادوشپ 9.8 فیصد تک ہو جائے گی اور ٹویو ہ پوخوکو شیا کارپوریشن کئی کی 25 فیصد ملکیت حاصل کر لگی۔

کئی کے مستعمل کیلئے سٹھریٹ فارم حاصل اخرازم ہے کیونکہ آٹو انڈسٹری کے مزید ترقی کے امکانات روشن ہیں اور موجودہ آٹو پالیسی کے تحت نئے ادارے شامل ہونے کا اعلان کر رہے ہیں۔ نئے سیٹ جاپانٹ قائم کرنے کے اضافے کے ساتھ کئی اپنے مقامی پروڈکٹ مہارت کو فیے میں اضافہ نے کیلئے کام کرنے کے ذریعے اپنی مصنوعات میں اضافے کے ضمن میں بھی اقدامات کر رہی ہے۔

میکرو-حبیب پاکستان لمیٹڈ

معزز عدالت عظمیٰ نے صدر اسٹور کیلئے انجی ایم پی ایل کی تھرچانی درخواست مسترد کر دی ہے اور نتیجہ آئی ایم پی ایل صدر اسٹور مورچہ 11 ستمبر 2015 کو دیکھ کر دیا گیا۔

بعد ازاں 9 دسمبر 2015 کو ایک جڈت کے طور پر معزز عدالت عظمیٰ پاکستان نے آری وٹلیئر زسٹ (AWT) کی درخواست برائے اس کی تھرچانی پیشین کی بحالی قبول کر لی۔ 2 فروری 2018 کو اپنی مہمت میں معزز چیف جسٹس نے اپنے رد عمل میں کہا کہ چونکہ اسے ڈیپٹی کی تھرچانی پیشین کی مہمت کی جاری ہے لہذا ایم ایچ پی ایل اور ڈرا اسٹو دفاع دونوں کا سرٹ پر اپنے موقف کا برکائے کا موقع ملنا چاہئے کیونکہ یہ دونوں عدلیہ کیلئے کے مقدمے میں جوابداران ہیں۔

اسے ڈیپٹی کی تھرچانی درخواست کی مہمت کیلئے نئے فیصلے سے قبل 17 اکتوبر 2017 کی تاریخ مقرر کی گئی تھی تاہم شہری اور کے ڈیپٹیا میں بی بی کی لٹا سڈ کی کرنے والے ٹوٹل کی جانب سے انوکھ کی درخواست کے باعث کوئی کارروائی انجام نہیں دی جا سکی۔ یہ کئی جس لمیٹڈ کا مکمل ملکیتی ادارہ ہے۔

حبیب میٹرو پاکستان (پرائیویٹ) لمیٹڈ

حبیب میٹرو پاکستان (پرائیویٹ) لمیٹڈ (انجی ایم پی ایل) کار مرکزی کاروبار چائینا اور الماک کی ملکیت اور اس کا انتظام کرتا ہے فصل لمیٹڈ اپنے ذیلی ادارے میں 80 فیصد شیئر ہولڈنگ کی مال ہے۔ کئی پیش اینڈ ٹیری ریٹیل ریٹیل کاروبار کو مزید فروغ دیتے اور اس کے اسٹور کوکیشنز سے انٹر پرائز کی قدر و قیمت میں اضافے کی غرض متعدد نئے کاروباری مواقع تلاش کر رہی ہے۔

2017-18 میں فصل لمیٹڈ کیلئے ادا کی گئی کے سلسلے میں انجی ایم پی ایل نے مجموعی طور پر 357 ملین روپے مالیت کے بھری منافع حسمہ کی منظوری دی۔

ٹوٹل کیپیٹل سروسز (پرائیویٹ) لمیٹڈ

کئی انٹر آڈٹ آئی ٹی ہائیڈرا ٹریڈ انجی ادارہ دیگر انتظامی خدمات سے متعلق سروسز ہائوس آف حبیب کی گروپ کمپنیں کو فراہم کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ یہ کئی فصل لمیٹڈ کا مکمل ملکیتی ادارہ ہے۔

پاکستان انٹر سٹریل ہائیڈ (پرائیویٹ) لمیٹڈ

اپنے تجارتی آپریشنز کے ذریعے کئی نے آٹو پارٹس ملٹا کپیریرز، کنڈیمرز، پمپس اور گیس آکسلو اور آٹو پارٹس اینڈ پیکیجیڈ پروڈاکٹ فراہم کرنے کا کاروبار جاری رکھا ہے۔ یہ فصل لمیٹڈ کا مکمل ملکیتی ادارہ ہے۔

اسعدان انٹر پرائز (پرائیویٹ) لمیٹڈ

اسعدان انٹر پرائز (پرائیویٹ) لمیٹڈ فصل لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے۔ گزشتہ سال کے دوران کئی نے اپنی ریل اسٹیٹ الماک کو فروخت کر دیا۔ یہ موجودہ طور پر سرمایہ کاری کے لئے اپائن کا جائزہ لے رہی ہے۔

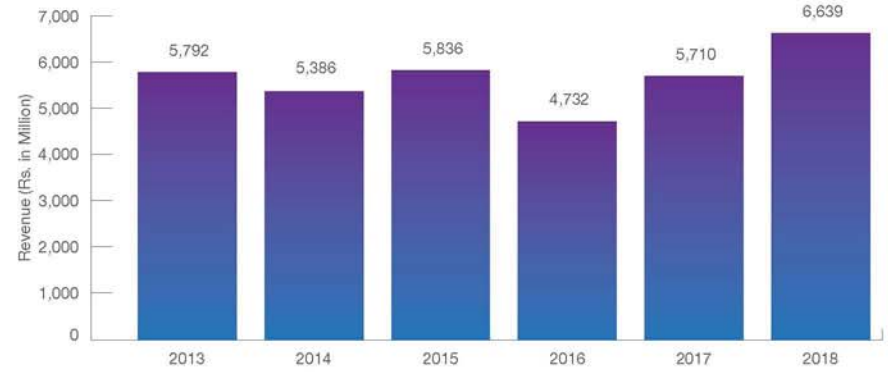
چائنہ

سی ٹیک پریکٹس کی بدلت ملک میں تیزی سے بڑھتی ہوئی اقتصادی سرگرمیوں کے ساتھ وقوع ہے کہ ٹو ایٹری بھی ترقی کرے گی بالخصوص کمرشل گاڑیوں کے شعبے میں بہتری آئے گی جس کے نتیجے میں آئے والے سال کے دوران ہماری تمام تر مصنوعات کی طلب میں نمایاں اضافہ ہوگا۔ آٹوموٹو ڈیولپمنٹ پالیسی 2016-21 جس میں نئے آٹوموٹو اداروں کے لئے پرنسپل سرحدات دی گئی ہیں، نے عالمی آٹوموٹو کمپنیوں کیلئے بھی چیلنج پیدا کر دی ہے اور ادائیگریز (OEMs) کی بڑی تعداد نے ملک میں اسبلنگ آپریشنز کے قیام کا اعلان کیا ہے۔ آئندہ چند سالوں کے مزید بہتری اور نتائج جات میں اضافہ متوقع ہے اور دو مقامی اور طویل مدتی بنیادوں پر چٹانوں فراہم کرنے والے آٹو ڈیزر کیلئے خصوصی طور پر بنی کامیابیوں کی امید کی جا رہی ہے۔

بلڈنگ مٹیریل اور مشینری مصنوعات کا شعبہ

کپٹی اس شعبے میں تین اہم کاروباروں، جوت برنس (لصوف جمل جوت)، ہیچرک برنس (لصوف پاکستان ہیچرک) اور لیٹکس برنس (لصوف لوچستان لیٹکس) کی حامل ہے۔

سال کیلئے اس شعبے کی مجموعی آمدنی 98.6 ارب روپے دی جرگز شش سال 5.7 ارب روپے تھی اور اس طرح 18.3 فیصد بہتری آئی۔



جوت برنس

جوت برنس نے سال کے دوران بہتر کارکردگی کا سلسلہ جاری رکھا اور جمل جوت نے ملک میں جوت کی اشیاء کی تیزی اور سپلائی میں نمایاں ادارے کی حیثیت سے اپنی پوزیشن برقرار رکھی۔ کاروباری کارکردگی میں بہتری کو بلند ریکارڈ سے منسوب کیا جاسکتا ہے جس کے نتیجے میں مقامی مارکیٹ میں طلب بھی بڑھئی۔ آپ کی کپٹی کے انتظامیہ کی جانب سے حکمت عملی کے بہتر فیصلے کے تحت پیداواری صلاحیت اور معیار میں اضافے کیلئے میٹو پراجیکٹ کے مل میں توسیع کی گئی جس کے نتیجے میں کاروبار بڑھتی ہوئی طلب پر مزید سرمایہ لگانے کی پوزیشن میں آگیا۔

اس کے نتیجے میں جوت کے کاروبار میں اپنی مقامی مارکیٹ میں مزید مقہم بنانے اور اپنے پورٹ فولیو کیلئے نئے صارفین کے اضافے کا سلسلہ جاری رکھا۔ حکومت پروڈیومنٹ اینجینیریں سے طلب اور تاج کی بوریوں کیلئے طلب بھی مقہم رہی جس کی وجہ سال 2016-17 سے خالی ہونے کی بوریوں کے اسٹاک کی کمی کی متعلقہ حق اضافہ شدہ ملی ڈالرز (پاکستان گرین سیکس Sack) برنس شامل حیرت انگیز نتائج جات حدت طرازی اور اخراجات پر موثر کنٹرول کے نتیجے میں حاصل ہوئے اور مجموعی کاروباری نتائج کے لئے مثبت اثرات ظاہر کئے۔

چائنہ

آئے والے سال کیلئے جوت کی فصل کا چائنہ وینڈنگ اور برساتی دنوں میں حوصلہ افزائش ہے جس کے نتیجے میں کم تر سپلائی اور خام جوت کے ذخروں میں ممکنہ اضافہ ہو سکتا ہے۔ آپ کی انتظامیہ نے اس چیلنج کے مسئلے کیلئے مناسب ذخروں پر تمام جوت کی بردت سپلائی اور آئے والے سال کے دوران فوری چٹ م محفوظ بنانے کا منصوبہ بنا کر لیا ہے۔

اپنے موجودہ صارفین کی توقعات کو پورا کرنے کے ضمن میں کام جاری رکھنے کے ساتھ ہم نئی مارکیٹوں میں بھی قدم بھانے پر توجہ دے رہے ہیں۔ ہم مختلف انواع اور جدید ترین ہینکک سلکھز کو شامل کرنے کیلئے اپنے کاروباری آپشنز میں توسیع کے مسئلے میں اپنے نوٹس جاری رکھنے کا ارادہ رکھتے ہیں۔

ہیچرک برنس

یہ سال ہیچرک برنس کیلئے ایک چیلنجک سال رہا، دونوں پالی برائلین سیک میٹو پراجیکٹ کی جانب سے سخت مسابقت کے باوجود ہیچرک برنس اپنی مارکیٹ پوزیشن برقرار رکھنے میں کامیاب رہا اور مقامی سنٹ ایٹری میں 14 فیصد کی مستند گرتھ کے باعث اپنے رولٹ میں اضافہ کیا۔ تمام زرمبادلہ کے ذخروں میں بدترین آثار چڑھاؤ کا نڈ کے ذخروں میں اضافے کے باعث برنس اپنے مقررہ اہداف برقرار رکھ سکا۔

پروڈکٹ پورٹ فولیو میں توسیع اور نئی سٹور میں جانے کے ضمن میں برنس نے کیرپیر بیگز کے شعبے میں سرمایہ کاری کا انتخاب کیا ہے۔ ابتدائی مراحل میں ایکٹو محنت سے متعلق چند مسائل پر قابو پانے کے بعد یہ برنس تیزی سے اپنے صارفین کا دائرہ کار بڑھا رہا ہے۔ برنس فوڈ ایٹری کی بنیادی ہینکک کی جانب بھی توجہ مرکوز کر رہا ہے اور عالمی معیار اور کھانے کے حفظان صحت کے معیار کے مطابق پروڈکٹس فراہم کر رہا ہے جس کی وجہ سے اب سے ملک میں کام کرنے والی عالمی فروڈجنز (Chains) کے لئے ترجیحی چلائز کی حیثیت حاصل ہے۔

بنیادی ہینکک کی ضروریات کو پورا کرتے ہوئے کاروبار نے ISO 22000 سرٹیفیکیشن حاصل کیا اور سال کے دوران آڈٹ کرانے کیلئے دوبارہ سرٹیفیکیشن کیا گیا۔ ہمارے فوڈ بیگز کے شعبے کیلئے عالمی اور مقامی قاسٹ فروڈجنز (Chains) کی تعداد میں مسلسل اضافہ جاری کو فیشن اور ہمارے معیار کو تسلیم کئے جانے کا اعتراف ہے۔

چائنہ

سنٹ کی صنعت میں طلب مسلسل بڑھنے لگی اور اضافی سنٹ ادارے بھی آئے والے سالوں میں متوقع ہیں۔ انتظامیہ آئے والے سالوں میں اپنی اہمیت کے بارے میں بڑے مزہ ہے۔ کانڈ کیلئے بڑھتی ہوئی عالمی طلب سے نرخ اور خام مال کی دستیابی دونوں کیلئے چیلنجز کا روبرو ہے۔ ہم تمام برنس نے اس صورتحال پر قابو پانے کیلئے سپلائی کے نئے ذرائع متعارف کرانے پر توجہ دی ہے۔ ایٹریز مل سڈو ڈیک اور فوڈ ہینکک کے شعبوں کے بارے میں امید ہے کہ یہ مثبت چیلنڈ رفت کارقان ظاہر کریں گے تاکہ کپٹی میں مزید سرمایہ کاری کرے برنس کی پیرریٹریگز مارکیٹ کے بارے میں بڑے مزہ ہے اور مستقبل کے بارے میں مثبت نتائج کی امید رکھتا ہے۔

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

ہر ڈاٹ ڈائریکٹرز کی جانب سے نہایت مسرت کے ساتھ کئی کی 52 ویں سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے برائے سال پختہ 30 جون 2018 پیش کر رہا ہوں۔

اہم اقتصادی نکات

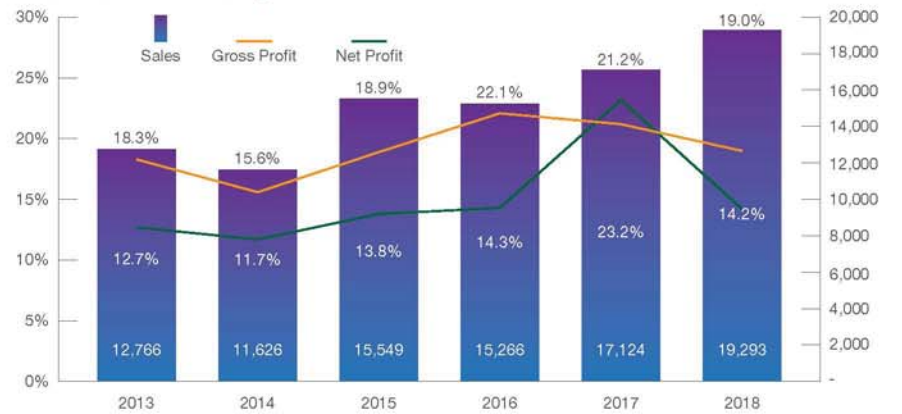
18-2017 میں ملک کی جی ڈی پی کی شرح نمو 5.77 فیصد تک بڑھ گئی جو گزشتہ 13 سالوں کے دوران حاصل کی گئی بلند ترین شرح نمو ہے جو بنیادی طور پر برصغیر اور اطریشیائی کرنسی کی بدولت حاصل ہو سکی کہ بائیس فیصد 5.8 فیصد تک شرح نمو حاصل ہوئی تھی۔ اس شرح نمو کو سیکرڈا کتا کم صارفین اور کم زرعی قدرے کی اور کئی پیکر کے کریٹ میں اضافے کے ذریعے معاونت کی اس کے باوجود بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کے بارے میں تشویش بدستور جاری رہی جو ملک میں درآمدات اور برآمدات کے درمیان بڑھتے ہوئے عدم توازن کے نتیجے میں نمایاں ہو رہے ہیں۔ تیزی سے کم ہوتے ہوئے غیر ملکی زرمبادلہ کے کس مقرر میں پاک روپے کی گرتی ہوئی قدر صارفین کے ماحول کو متاثر کر رہا ہے اور آئے والے سالوں میں معاشی کارکردگی متاثر ہو سکتی ہے۔

چین پاکستان اقتصادی راہداری (سی پیک) کے تحت کئے جانے والے اقدامات کارن، بلائیکٹروسٹریٹ (FDI) کو بہتر کشش دینے کا سلسلہ جاری رکھے ہوئے ہیں جن کے ذریعے مقامی کاروباروں پر ماحول اور باہر سے چین اور پاکستان دونوں کی ایک کے تحت انفراسٹرکچر اور زرعی پروڈکشن کو مکمل کرنے کیلئے موزم ہیں۔ ہم اس امر پر یقین رکھتے ہیں کہ سی پیک کی بہتری سے غیر ملکی سرمایہ کاریاں جاری رہیں گی جس سے پاکستان کی معیشت کا حجم حاصل ہوگا اور آئے والے سالوں میں جی ڈی پی کی شرح میں تدریجی اضافہ ہوگا۔

مالیاتی نتائج کا مجموعی جائزہ

18-2017 کے دوران کمپنی کی کارکردگی اقتصادی لحاظ پر ملک کو چلی بڑھتے ہوئے خطیوں کے باوجود مجموعی طور پر مستحضر رہی اور سیکڑو 17.12 ارب روپے سے بڑھ کر 19.30 ارب روپے ہو گیا اور 12.7 فیصد کی شرح نمو جزو کی گئی۔ گزشتہ سال کے مقابلے میں کمپنی کی دیگر آمدنی 1.85 ارب روپے کم ہوئی جس کی بنیاد گزشتہ سال میں 1.84 ارب روپے کا ایک قبی نتائج حاصل ہوا جو کہ مندرجہ پیش ایڈ کی پی پاکستان (پرائیویٹ) لیٹل میں شیئرز کی ذاتی حصہ (divestment) قبی۔ سال کیلئے مجموعی نتائج مندرجہ ذیل 2.69 ارب روپے تھا جس کے مقابلے میں گزشتہ سال کی سابقہ مدت میں 3.97 ارب روپے تھا۔

Sales and Profitability



مالیاتی کارکردگی

(روپے لکھن میں)			
سالانہ اوسط		سالانہ اوسط	
2016-17	2017-18	2016-17	2017-18
18,137	20,308	17,124	19,293
7,243	5,100	5,447	3,804
1,740	1,547	1,481	1,118
5,503	3,552	3,988	2,685
63.52	38.14	48.95	33.15

کاروباری شیعوں کا جائزہ

کئی روٹیاں کاروباری شیعوں۔ انجینئرنگ کے شعبے اور پلاسٹک میٹریل سیکٹر صنعتوں سے متعلق شعبے کی مال ہے۔

انجینئرنگ شعبہ

کئی کا انجینئرنگ شعبہ قرول ڈائن کیمیکس کے کاروبار اور ایٹروکس سسٹم کے کاروبار پر مشتمل ہے، ان کاروباروں میں بنیادی طور پر آٹو اطریشی کیلئے پائرس کی تیاری پر خصوصی توجہ دی جاتی ہے۔

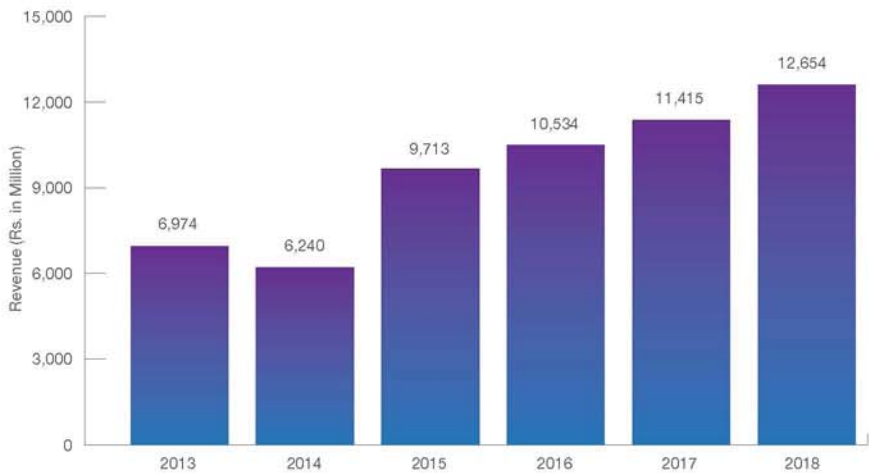
سال کے لئے انجینئرنگ کے شعبے کی آمدنی 12.8 ارب روپے اور اس امر 10.8 فیصد کی شرح نمو ظاہر ہوئی کیلئے اس کے مقابلے میں گزشتہ سال یہ حجم 11.4 ارب روپے تھا۔

مقامی آٹو اطریشی کے حجم کے کاروں اور کئی کرشل گاڑیوں کے ضمن میں مالیاتی سال 2016-17 کے مقابلے میں سال 2017-18 کے دوران تیار کردہ گاڑیوں کے سلسلے میں 21.2 فیصد گھٹ حاصل کی جس کی وجہ سے ڈال کی گاڑیوں کا کامیاب تعارف تھا جو مقامی کار اسمبلر کے ذریعے حریف کیا گیا اور اس کے ساتھ پکٹش ڈائننگ ریٹ پر گاڑیوں کی دستیابی کے باعث آٹو لیزنگ میں بھی اضافہ ہوا۔

استعمال شدہ گاڑیوں کی دہائی میں بھی تیزی سے اضافہ جاری رہا اور مالیاتی سال 2016-17 کے مقابلے میں اس سال مجموعی طور پر استعمال شدہ گاڑیوں کے درآمدات 20.3 فیصد تک بڑھ گئی کاروں کیلئے طلب میں مجموعی اضافے کو ملک میں کرانے پر کئی کی اپیلی کیلئے کی ہوئی تھی کیلئے سب سے مقامی مالیاتی اداروں کی جانب سے آٹو لائسنس میں اضافے سے بھی متاثر کیا جاسکتا ہے۔

حکومت نے چین، تھائی لینڈ اور ترکی کے ساتھ فری ٹریڈ ایگریمنٹس (FTAs) پر بات چیت کا سلسلہ جاری رکھا ہوا ہے۔ اس سلسلے میں کمپنی کی انتظامیہ نے اپنا موقف اس نظریے کے ساتھ حکومت کے سامنے رکھا ہے کہ آٹو انڈسٹری کے لئے مناسب وصولی ماحول فراہم کیا جائے اور اس سلسلے میں ماحول کا سلسلہ جاری رہے گا۔

صارفین پر بھرپور توجہ دینے کے ذریعے بعد از مارکیٹ کے شعبے نے بھی سال کے دوران بہتر کارکردگی کا مظاہرہ کیا اور گزشتہ سال کے مقابلے میں 11 فیصد کی شرح نمو ظاہر کی۔ بعد از اس مارکیٹ کے شعبے کے اندر کرشل گاڑیوں کے شعبے کے سلسلے میں بڑھنے کے خصوصی طور پر بہتر کارکردگی کا مظاہرہ کیا اور صارفین کی خدمات کے سلسلے میں فوری حل پیش کرنے کے ذریعے مقامی اور درآمد شدہ دونوں گاڑیوں کے سلسلے میں جدید ترین مصنوعات اور سروس فراہم کیں۔



















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