



## CHAIRMAN'S REVIEW



I am pleased to present this report to the shareholders of The Thal Industries Corporation Limited (the Company) and it gives me the immense pleasure to present the financial and other information for the year ended September 30, 2022 and to appraise them on the overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's Goals, corporate objectives and strategy based on strategic planning which are in line with the vision and mission of the Company.

The year under review was challenging for the business environment due to unprecedented domestic political unrest, high inflationary pressure, significant twin deficit, dwindling foreign exchange reserves, rapidly depreciating currency and in addition to it Russia-Ukraine conflict which dented the global economic that was already under recovery from corona pandemic impacts. State bank of Pakistan has tightened the monetary policy in a move to combat inflationary pressure and promote sustained economic recovery. In September 2021 the policy rate was 7.25% that jumped to 15% in July 2022 and in November 2022 it climbed to 16%. It's a massive 7.25% increase in a single year accounting 107% increase. PKR-USD parity was 172 at the start of financial year that took a leap to settles at 227 at the close of the financial year. It was again a mammoth increase of 32% in just a single year.

CPI increase was witnessed more than 20% on YOY basis. During the year torrential rains and widespread flooding that were never seen before, added further to woes of the already struggling economy. This unprecedented flooding is claimed to be an outcome of climate changes due to global warming. Pakistan is among the list of most affected countries due to climate change though it is contributing among the least in global warming. The stated factors among others led to macroeconomic imbalances. As per World Bank report Pakistan's economy is expected to grow by about 2% for fiscal year 2023.

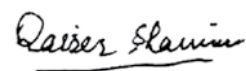
We believe in steadily improving the governance framework of the Company. For this purpose, a formal and effective mechanism in place for evaluation of the Board. Therefore, as required under the Code of Corporate Governance, an annual evaluation of the Board of the Company was carried out, the purpose was to ensure and measure the Board's overall performance and effectiveness and benchmarked against expectations in the context of objectives set for the Company. The Board made arrangements for orientation of Directors to acquaint them with the Rules, Regulations & Laws issued by the Regulatory Authorities and enable them to effectively govern the affairs of the Company for and on behalf of the shareholders.

The Board met the duties as required under the Companies Act, 2017 and the Code of Corporate Governance, applicable to the Company which include approval of significant policies, establishing a sound system of internal controls, approval of budgets and financial results, along with approval of significant investments. The Audit Committee and the Human Resource & Remuneration Committee were chaired by the independent director, indicating our commitment to the highest levels of governance and transparency. The Audit Committee has continued to supervise the financial reporting processes and ensuring timely and accurate communication of information to all stakeholders.

The Board ensures that reasonable time is available for discussion on the agenda during Board Meetings. All written notices, including the agenda, supporting documents and other working papers of meetings

were circulated within a reasonable time prior to the meetings. Further, the Board has a fiduciary responsibility for the proper direction and control of the activities of the Company. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and transparent reporting to shareholders. The Company continues to deal with the current challenging business environment and strategic changes to improve the future sustainability, the Board is fully responsive and actively guided the Management. I am confident that the Management will successfully devise necessary adjustments in the Company's operations, financial management and growth strategy. Looking ahead, the Company aims to further enhance its competitive position by expanding allowable manufacturing capabilities, strengthening research and development by leveraging its expertise. The Board and management are focused on creating enduring value for all stakeholders through improved operational efficiencies, cost controls, portfolio diversification and leveraging strong customer relationships.

I would like to place on record, my sincere appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the Company's affairs and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty Allah. And thanks to all the Government functionaries, banking and non-banking financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.



Lahore:  
27, December 2022

Mrs. Qaiser Shamim Khan  
Chairperson