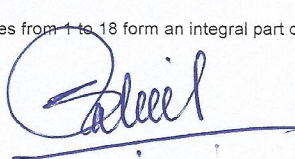
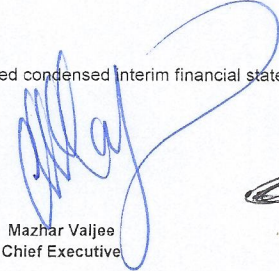


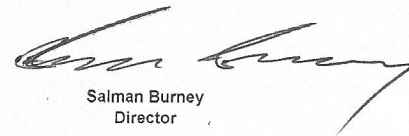
**THAL LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2019**

	Note	Mar 31, 2019 (Un-audited)	June 30, 2018 (Audited)
(Rupees in thousands)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3,165,916	1,947,728
Intangible assets		19,928	17,521
Investment property		6,598,280	6,702,921
Long-term investments	6	5,215,761	4,624,862
Long-term loans		4,995	9,048
Long-term deposits		23,020	21,433
Long-term prepayments		22,501	22,501
Deferred tax asset - net		118,481	191,145
		<u>15,168,883</u>	<u>13,537,159</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		142,041	137,465
Stock-in-trade	7	6,196,393	4,047,147
Trade debts		2,784,736	1,593,086
Loans and advances		70,392	105,905
Trade deposits and short-term prepayments		354,940	151,110
Interest accrued		3,595	2,451
Other receivables		9,602	30,400
Short-term investments	8	7,224,862	9,069,237
Sales tax refundable		53,697	105,163
Cash and bank balances		838,618	1,325,900
		<u>17,678,876</u>	<u>16,967,864</u>
<b>TOTAL ASSETS</b>		<u><u>32,847,759</u></u>	<u><u>30,105,023</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
200,000,000 (June 30, 2018: 200,000,000) ordinary shares of Rs.5 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital			
81,029,909 (June 30, 2018: 81,029,909) ordinary shares of Rs. 5/- each		405,150	405,150
Share deposit money		12	12
Reserves		<u>21,915,954</u>	<u>19,957,969</u>
Equity attributable to equity holders' of the parent		<u>22,321,115</u>	<u>20,363,131</u>
Non-controlling interest		<u>6,603,525</u>	<u>6,484,082</u>
		<u>28,924,640</u>	<u>26,847,213</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term deposits		322,944	319,720
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,919,149	2,672,579
Unclaimed dividend		53,317	49,712
Unpaid dividend		62,168	47,954
Income Tax - net	9	270,268	96,923
Short-term borrowings		278,119	60,750
Deferred income		16,981	10,172
Accrued markup		174	-
		<u>3,600,175</u>	<u>2,938,090</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		
<b>TOTAL EQUITIES AND LIABILITIES</b>		<u><u>32,847,759</u></u>	<u><u>30,105,023</u></u>

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

  
Shahid Saleem  
Chief Financial Officer

  
Mazhar Valjee  
Chief Executive

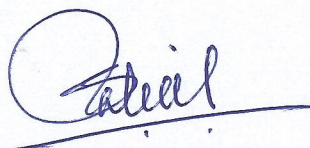
  
Salman Burney  
Director

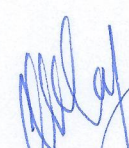



**THAL LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS**  
**FOR THE PERIOD ENDED MARCH 31, 2019**  
**(UN-AUDITED)**

Note	Nine Months Ended		Quarter ended	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
	(Rupees in thousands)		(Rupees in thousands)	
Revenue - net	17,372,159	14,389,487	6,253,263	5,435,436
Cost of sales	(13,894,792)	(11,589,578)	(4,862,038)	(4,368,451)
Gross Profit	3,477,367	2,799,909	1,391,225	1,066,985
Distribution costs	(225,963)	(162,699)	(89,201)	(55,657)
Administrative expenses	(1,133,764)	(1,139,017)	(370,109)	(395,415)
Other charges	(240,020)	(188,399)	(95,685)	(69,613)
	(1,599,748)	(1,490,115)	(554,995)	(520,685)
Other income	11 1,905,637	1,699,668	643,419	558,029
Operating Profit	3,783,256	3,009,462	1,479,648	1,104,329
Finance costs	(15,827)	(7,371)	(8,176)	(3,446)
	3,767,429	3,002,091	1,471,472	1,100,883
Share of net profit of associates - after tax	731,697	653,745	230,392	248,397
Profit before taxation	4,499,126	3,655,836	1,701,864	1,349,280
Taxation	(1,285,886)	(959,512)	(459,320)	(336,411)
Profit after taxation	3,213,240	2,696,324	1,242,544	1,012,869
Attributable to:				
- Equity holders of the Holding Company	2,899,678	2,408,065	1,139,334	914,862
- Non-controlling interest	313,562	288,259	103,211	98,007
	3,213,240	2,696,324	1,242,544	1,012,869
	Rupees		Rupees	
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	12 35.79	29.72	14.06	11.29

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

  
Shahid Saleem  
Chief Financial Officer

  
Mazhar Valjee  
Chief Executive

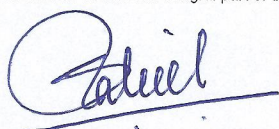
  
Salman Burney  
Director



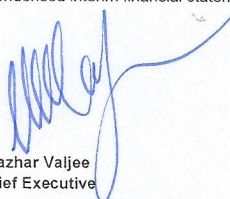
**THAL LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED MARCH 31, 2019**  
**(UN-AUDITED)**

	Nine Months Ended		Quarter ended	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
	(Rupees in thousands)		(Rupees in thousands)	
Profit after taxation	3,213,240	2,696,324	1,242,544	1,012,869
Other comprehensive income				
(Loss) / gain on revaluation of investments at fair value through other comprehensive income	(40,354)	64,311	10,479	86,102
Share of actuarial loss on remeasurement of defined benefit plans of associates	(10,009)	20,383	(5,313)	20,502
Total comprehensive income for the period, net of tax	<u>3,162,877</u>	<u>2,781,018</u>	<u>1,247,710</u>	<u>1,119,473</u>
Attributable to:				
- Equity holders of the Holding Company	2,849,315	2,492,759	1,144,500	1,021,466
- Non-controlling interest	313,562	288,259	103,211	98,007
	<u>3,162,877</u>	<u>2,781,018</u>	<u>1,247,710</u>	<u>1,119,473</u>

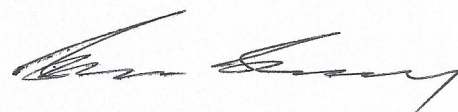
The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.



Shahid Saleem  
Chief Financial Officer



Mazhar Valjee  
Chief Executive



Salman Burney  
Director



**THAL LIMITED**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2019**  
**(UN-AUDITED)**

	Mar 31, 2019	Mar 31, 2018
	(Rupees in thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,499,126	3,655,836
Adjustments for non-cash charges and other items:		
Depreciation and amortization	386,591	353,584
Share in profit of associates - after taxation	(731,697)	(653,745)
Finance costs	15,825	7,371
Profit earned on call deposits and short-term investments	(238,256)	(294,810)
Liabilities no longer payable written back	(759)	(103)
Gain on revaluation / redemption of investments at fair value through profit and loss	(276,718)	(144,228)
Dividend income	(11,301)	(7,404)
Provision for impairment of trade debts	33,534	(2,875)
Provision for retirement benefits	5,980	5,573
Provision for impairment of factory building	12,200	-
Gain on disposal of property, plant and equipment	(29,990)	(5,935)
	(834,591)	(742,572)
	3,664,535	2,913,264
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(4,576)	(42,417)
Stock-in-trade	(2,149,246)	(1,102,811)
Trade debts	(1,225,184)	(1,179,477)
Loans and advances	35,513	(126,763)
Trade deposits and short-term prepayments	(203,830)	(83,606)
Other receivables	20,798	(79,129)
Sales tax refundable	51,467	-
<b>Increase / (decrease) in current liabilities</b>		
Deferred income	6,809	10,782
Trade and other payables	247,681	368,516
	(3,220,568)	(2,120,843)
<b>Cash generated from operations</b>	443,967	792,421
Finance costs paid	(15,653)	(7,372)
Retirement benefits paid	(6,331)	(6,418)
Income tax paid	(1,039,877)	(804,992)
Long-term loans	4,053	1,308
Long-term deposits - net	1,637	51
<b>Net cash used in operating activities</b>	(612,203)	(25,002)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(1,534,149)	(676,915)
Dividends received	544,822	581,563
Profit received on call deposits and short term investments	(649,987)	305,201
Long-term investments made during the period	(436,680)	(574,656)
Proceeds from disposal of property, plant and equipment	49,395	9,571
Short-term investments encashed / (made) during the period	3,671,050	568,980
<b>Net cash generated from investing activities</b>	1,644,451	213,744
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,067,632)	(1,637,671)
<b>Net cash used in financing activities</b>	(1,067,632)	(1,637,671)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(35,385)	(1,448,929)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	3,855,466	7,541,508
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	3,820,081	6,092,579
Cash and bank balances	838,618	962,928
Short-term investments	3,259,582	5,129,651
Short-term running finance	(278,119)	-
	3,820,081	6,092,579

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

Shahid Saleem  
Chief Financial Officer

Mazhar Valjee  
Chief Executive

Salman Burney  
Director



**THAL LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

Issued, subscribed & paid-up capital	Share deposit money	RESERVES				Non-controlling interest	Total equity
		Capital reserve	General reserve	Unappropriated profit	Gain / (Loss) on changes in fair value of available for sale investments		
----- Rupees in '000 -----							

Balance as at June 30, 2017 (Audited)	405,150	12	67,929	11,207,374	7,027,888	143,928	6,116,611	24,968,892
Transfer to general reserve	-	-	-	2,366,000	(2,366,000)	-	-	-
Final dividend @ Rs. 16/- per share for the year ended June 30, 2017	-	-	-	-	-	-	-	-
Interim dividend @ Rs. 2.50/- per share for the half year ended December 31, 2017	-	-	-	-	(202,576)	-	-	(202,576)

**Subsidiary Companies**

Final dividend @ Rs. 0.304/- per share for the year ended June 30, 2017	-	-	-	-	-	-	(41,303)	(41,303)
Interim dividend @ Rs. 0.50/- per share for the period ended September 30, 2017	-	-	-	-	-	-	(68,014)	(68,014)
Interim dividend @ Rs. 0.482/- per share for the period ended December 31, 2017	-	-	-	-	-	-	(65,508)	(65,508)

Profit for the period	-	-	-	-	2,408,065	-	288,259	2,696,324
Other comprehensive income	-	-	-	-	20,383	64,311	-	84,694
Total comprehensive income	-	-	-	-	2,428,448	64,311	288,259	2,781,018

Balance as at March 31, 2018 (Unaudited)	405,150	12	67,929	13,573,374	6,887,760	208,239	6,230,045	27,372,509
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Balance as at June 30, 2018 (Audited)	405,150	12	67,929	13,573,374	6,152,487	164,179	6,484,082	26,847,213
Transfer to general reserve	-	-	-	1,592,000	(1,592,000)	-	-	-
Final dividend @ Rs. 8.5/- per share for the year ended June 30, 2018	-	-	-	-	(688,755)	-	-	(688,755)
1st Interim dividend @ Rs. 2.50/- per share for the half year ended December 31, 2017	-	-	-	-	(202,576)	-	-	(202,576)

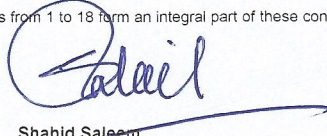
**Subsidiary Companies**

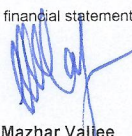
Final dividend @ Rs. 0.408/- per share for the year ended June 30, 2018	-	-	-	-	-	-	(55,519)	(55,519)
Interim dividend @ Rs. 0.502/- per share for the period ended September 30, 2018	-	-	-	-	-	-	(68,258)	(68,258)
Interim dividend @ Rs. 0.517/- per share for the period ended December 31, 2018	-	-	-	-	-	-	(70,342)	(70,342)

Profit for the period	-	-	-	-	2,899,678	-	313,562	3,213,240
Other comprehensive income	-	-	-	-	(10,009)	(40,354)	-	(50,363)
Total comprehensive income	-	-	-	-	2,889,669	(40,354)	313,562	3,162,877

Balance as at March 31, 2019 (Unaudited)	405,150	12	67,929	15,165,374	6,558,825	123,825	6,603,525	28,924,640
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The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

  
**Shahid Saleem**  
Chief Financial Officer

  
**Mazhar Valjee**  
Chief Executive

  
**Salman Burney**  
Director



**THAL LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2019**  
**(UN-AUDITED)**

**1 THE GROUP AND ITS OPERATIONS**

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

The Holding Company is engaged in the manufacture of jute goods, engineering goods, papersacks 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.

The Group comprises of the Holding Company and its subsidiaries, Noble Computer Services (Private) Limited, Pakistan Industrial Aids (Private) Limited, Makro-Habib Pakistan Limited, A-One Enterprises (Private) Limited, Habib METRO Pakistan (Private) Limited, Thal Boshoku Pakistan (Private) Limited, Thal Power (Private) Limited and Thal Electrical (Private) Limited.

Noble Computer Services (Private) Limited is engaged in providing Internal Audit Services, I.T. related Services, Advisory Services, H.R Services and Management Services.

Pakistan Industrial Aids (Private) Limited is engaged in trading of various products.

Makro-Habib Pakistan Limited is engaged in a chain of wholesale / retail cash and carry stores.

A-One Enterprises (Private) Limited was incorporated in Pakistan on December 16, 2011 as a private limited company.

Habib METRO Pakistan (Private) Limited's main business is to own and manage properties.

Thal Boshoku Pakistan (Private) Limited is engaged in the manufacturing of Air cleaner set assembly, Seat track sub assembly and Seat side frame sub assembly for automobiles.

Thal Power (Private) Limited has entered into a joint venture agreement with M/s Novatex for collaboration to develop a 330 MW Coal-fired Power Generation Plant at Thar, Sindh.

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

These subsidiaries have been consolidated in these consolidated condensed interim financial statements.

**1.2 Geographical location and address of business units**

**Holding Company:**

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.

**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.

Laminate 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, 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.

Thal Electrical (Private) Limited operations are located at 4th Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.



## **2 BASIS OF PREPERATION**

- 2.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the companies Act, 2017; and
  - Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended June 30, 2018.
- 2.3 These consolidated condensed interim financial statements are being submitted to the shareholders as required by the Section 237 of the Companies Act, 2017.
- 2.4 The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 229 (I)/2019 dated February 14, 2019 has deferred the application of IFRS 9 till June 30, 2019.

## **3 ACCOUNTING POLICIES**

The accounting policies and the methods of computations adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended June 30, 2018 except for as follows;

### **3.1 New / Revised Standards, Interpretations and Amendments**

The Group has adopted the following standards and amendment to IFRSs which became effective for the current period:

IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Ammendments)

IFRS 15 - Revenue from Contracts with Customers

IAS 40 - Investment Property: Transfers of Investment Property (Ammendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and amendments in the accounting standards did not have effect on the accounting policies of the Group except as follows:

### **3.2 IFRS 15 – Revenue from Contracts with Customers**

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company is engaged in manufacture of engineering goods, jute goods, laminate sheets and papersack. The Company has assessed that significant performance obligations in contracts with customers, across all divisions, is based on transfer of control of related goods and is discharged at that point of time. The Company's transfer of goods takes place upon delivery of goods to customers and in case of export when risk and rewards are transferred as per shipping terms.

Based on the above, the Company considers that its existing accounting policies are substantially in compliance with the requirements of IFRS 15.

## **4 ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the Company's annual unconsolidated financial statements for the year ended June 30, 2018.

**5 PROPERTY, PLANT AND EQUIPMENT**

	Note	Mar 31, 2019 (Un-audited) (Rupees in thousands)	June 30, 2018 (Audited)
Operating fixed assets	5.1 & 5.3	<b>1,567,901</b>	1,534,660
Capital work-in-progress	5.2	<b>1,598,015</b>	413,068
		<b><u>3,165,916</u></b>	<u>1,947,728</u>

**5.1** The following additions and deletions were made in operating fixed assets during the period:

	Additions at cost		Deletions at book value	
	Nine Months Ended Mar 31,		Nine Months Ended Mar 31,	
	2019 (Un-audited)	2018 (Un-audited)	2019 (Un-audited)	2018 (Un-audited)
	------(Rupees in thousands)-----			
<b>Operating fixed assets</b>				
Land - Freehold	-	171,279	<b>650</b>	-
Building on freehold land	<b>19,228</b>	3,035	-	-
Plant and machinery	<b>194,730</b>	101,238	<b>178</b>	556
Furniture and fittings	<b>126</b>	1,263	<b>533</b>	-
Vehicles	<b>18,908</b>	682	<b>5,607</b>	2,899
Office and mills equipment	<b>4,434</b>	22,704	<b>154</b>	157
Computer equipment	<b>18,520</b>	8,750	<b>368</b>	24
Jigs and Fixtures	<b>4,777</b>	14,437	-	-
	<b><u>260,723</u></b>	<u>323,388</u>	<b><u>7,491</u></b>	<u>3,636</u>

**5.2** Includes capital work in progress on building on freehold land and plant and machinery amounting to Rs. 689.529 million (June 30, 2018: Rs. 325.184 million) and Rs. 659.647 million (June 30, 2018: Rs. 40.118 million), respectively.

**5.3** During the period, capital work in progress amounting to Rs. 188.005 million (Mar 31, 2018: Rs. 42.474 million) was transferred to operating fixed assets.



## 6. LONG-TERM INVESTMENTS

- 6.1 During the period, the Company has made further investment in Sindh Engro Coal Mining Company (SECMC) amounting to Rs. 436.680 million

## 7. STOCK-IN-TRADE

Raw material			
In hand	7.1	4,013,289	2,645,618
In transit		896,446	648,361
		4,909,735	3,293,979
Work-in-process		236,909	226,833
Finished goods			
In hand		1,044,914	526,335
In transit		4,835	-
		1,049,749	526,335
		<u>6,196,393</u>	<u>4,047,147</u>

- 7.1 This includes items amounting to Rs. 178.7 million (June 30, 2018 : Rs. 38.284 million) carried at net realizable value. [Cost Rs. 238.49 million (June 30, 2018 : Rs. 93.422 million)]

## 8. SHORT TERM INVESTMENTS

- 8.1 This represents investment in Term Deposit Receipts amounting to Rs. 1,192.334 million (June 30, 2018: Rs. 1,128.239 million), Government Treasury Bills amounting to Rs. 2,110.976 million (June 30, 2018: 1,881.850 million) and mutual funds amounting to Rs. 3,921.552 million (June 30, 2018: 6,059.148 million).
- 8.2 Term deposit receipts include Rs. 920.699 million (June 30, 2018: Rs. 579.843 million) maintained with Habib Metropolitan Bank Limited, a related party.
- 8.3 These Include short-term investments amounting to Rs. 3,259.7582 million (June 30, 2018: Rs. 2,789.394 million ) having maturity up to three months.

## 9. INCOME TAX - Net

	Note	Mar 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		(Rupees in thousands)	
Group Tax Relief adjustments	9.1	593,466	593,466
Group Taxation adjustments	9.2	2,225	512
Income Tax provision less tax payments - net		<u>(865,959)</u>	<u>(690,901)</u>
		<u>(270,268)</u>	<u>(96,923)</u>

- 9.1 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 has 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 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.

- 9.2 In terms of the provision of Section 59AA of the Income Tax Ordinance, 2001 (the Ordinance), the Company and its wholly owned subsidiaries MHPL and A-One Enterprises (Private) Limited have irrevocably opted to be taxed as one fiscal unit for the tax year 2019.



## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended June 30, 2018.

### 10.2 Commitments

- 10.2.1 Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 1,399.208 million (June 30, 2018: Rs. 1,437.701 million).
- 10.2.2 Post dated cheques issued to collector of Customs amounts to Rs. 153.617 million (June 30, 2018: Rs. 24.545 million)
- 10.2.3 Letter of credits outstanding for raw material and spares amounts to Rs. 2,564.349 million (June 30, 2018: Rs. 1,723.577 million).
- 10.2.4 Commitments in respect of capital expenditure amounts to Rs.1.285 million (June 30, 2018: Rs. 7.515 million).
- 10.2.5 Commitments for rentals under Ijarah agreements in respect of vehicles and computers to a related party amount to Rs. 37.126 million (June 30, 2018: 29.187 million).
- 10.2.6 Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 2,386.139 million (June 30, 2018: Rs. 2,466.099 million)

Nine Months Ended	
Mar 31,	Mar 31,
2019	2018
(Un-audited)	
(Rupees in thousands)	

## 11 OTHER INCOME

### Income from financial assets

Dividend income

Profit earned on call deposits and short-term investments

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

Others

11,301	7,404
241,453	294,810
276,718	144,228
10,417	3,369
<u>539,889</u>	<u>449,811</u>

### Income from non-financial assets

Gain on disposal of property, plant and equipment

Rental income

Others

38,978	5,935
1,134,281	1,088,980
192,489	154,942
1,365,748	1,249,857
<u>1,905,637</u>	<u>1,699,668</u>

Nine Months Ended	
Mar 31,	Mar 31,
2019	2018
(Un-audited)	
(Rupees in thousands)	

## 12 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:

Profit after taxation attributable to the equity holders of the holding company

<u>2,899,678</u>	<u>2,408,065</u>
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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>
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Rupees

Basic and diluted earnings per share

<u>35.79</u>	<u>29.72</u>
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### 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Group comprise associate companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions and balances with related parties during the period, other than those disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

Relationship	Nature of transactions	Nine Months Ended	
		Mar 31, 2019	Mar 31, 2018
		(Un-audited)	
		(Rupees in thousands)	
Associates	Sales	8,819,666	7,398,713
	Professional Services rendered	54,517	189,602
	Rental Income on properties	1,149,042	1,108,897
	Insurance premium	20,643	23,746
	Purchase of assets	11,250	1,644
	Purchase of goods	453,522	420,225
	Insurance claim received	3,646	610
	Mark-up and bank charges paid	8,626	2,892
	Profit received	50,893	168,682
	Supplies purchased	35,148	37,974
	Licence fee, signage and others	5,193	5,814
	Rent Paid	-	1,929
Ijarah Rentals	16,379	16,599	
Employee benefit plans	Contribution to provident fund	33,772	29,690
	Contribution to retirement benefit fund	5,980	5,575
Key management personnel	Key management personnel compensation	113,632	112,245

13.1 Key management personnel remuneration corresponding figure in note 13 has been revised in line with the new definition of key management personnel under directives issued by the Securities and Exchange Commission of Pakistan.

### 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale. Investment in associates are carried using equity method of accounting.

Available-for-sale financial assets and financial assets designated at fair value through profit and loss account which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date (Level 1 Valuation). The estimated fair value of all other financial assets and liabilities is considered not significantly different from their book values.

There were no transfers amongst levels during the period.

### 15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 June 2018. There have been no changes in any risk management policies since the year end.



## 16 SEGMENT ANALYSIS

Nine Months Ended									
Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Engineering		Building material and allied products		Real estate management & others		Elimination		Total	

-----Rupees in thousand-----

SALES REVENUE	12,052,389	9,663,985	5,120,794	4,504,900	330,604	341,181	(131,628)	(120,579)	17,372,159	14,389,487
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SEGMENT RESULT	2,455,653	2,012,720	667,064	477,286	881,781	844,082	-	-	4,004,497	3,334,088
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Unallocated corporate (expenses)  
/ Income:

Administrative &amp; distribution costs

(612,491) (631,268)

Other income

631,270 495,041

## Operating profit

4,023,276 3,197,861

Finance cost

(15,827) (7,371)

Other charges

(240,020) (188,399)

Share in profit of associates

731,697 653,745

Taxation

(1,285,886) (959,512)

3,213,240 2,696,324

Quarter ended									
Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Engineering		Building material and allied products		Real estate management & others		Elimination		Total	

-----Rupees in thousand-----

SALES REVENUE	4,241,452	3,477,552	1,937,900	1,888,006	115,984	112,823	(42,073)	(42,945)	6,253,263	5,435,436
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SEGMENT RESULT	954,844	717,598	297,506	255,209	297,136	279,535	-	-	1,549,479	1,252,342
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Unallocated corporate (expenses)  
/ Income:

Administrative &amp; distribution costs

(189,261) (234,658)

Other income

215,115 156,258

## Operating profit

1,575,333 1,173,942

Finance cost

(8,176) (3,446)

Other charges

(95,685) (69,613)

Share in profit of associates

230,392 248,397

Taxation

(459,320) (336,411)

1,242,544 1,012,869

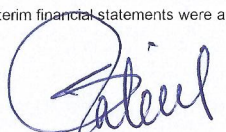
## 17 GENERAL

17.1 Figures have been rounded off to the nearest thousands.

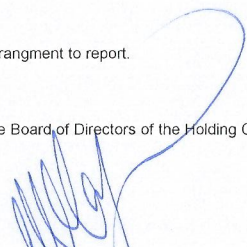
17.2 Corresponding figures have been re-arranged, wherever necessary. However, there were no significant rearrangement to report.

## 18 DATE OF AUTHORISATION FOR ISSUE

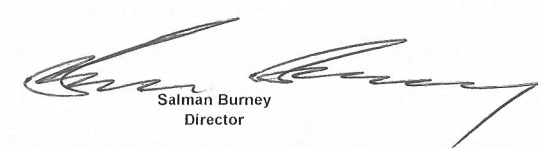
These consolidated condensed interim financial statements were authorised for issue on April 25, 2019 by the Board of Directors of the Holding Company.



Shahid Saleem  
Chief Financial Officer



Mazhar Valjee  
Chief Executive



Salman Burney  
Director