

Thal Limited

Condensed Interim Financial Statements
For the Period Ended March 31, 2020
(Un-audited)



Thal Limited

TABLE OF CONTENTS

| | Page No. |
|--------------------------------------------------------------------------|-----------------|
| Directors' Review Report ----- | 3 |
| Unconsolidated Condensed Interim Financial Statements | |
| Statement of Financial Position ----- | 9 |
| Statement of Profit and Loss ----- | 10 |
| Statement of Comprehensive Income ----- | 11 |
| Statement of Changes in Equity ----- | 12 |
| Statement of Cash Flows ----- | 13 |
| Notes to the Unconsolidated Condensed Interim Financial Statements ----- | 14 |
| Consolidated Condensed Interim Financial Statements | |
| Statement of Financial Position ----- | 21 |
| Statement of Profit and Loss ----- | 22 |
| Statement of Comprehensive Income ----- | 23 |
| Statement of Changes in Equity ----- | 24 |
| Statement of Cash Flows ----- | 25 |
| Notes to the Consolidated Condensed Interim Financial Statements ----- | 26 |
| Directors' Review Report in Urdu ----- | 42 |
| Corporate Information ----- | 43 |

Thal Limited

Directors' Review Report to the Shareholders

On behalf of the Board of Directors, I am pleased to share the Directors' Review along with the unaudited interim condensed financial statements for the period ended March 31, 2020.

Financial Highlights

| | Rupees in Million | | | |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Standalone | | Consolidated | |
| | For the Period Ended Mar 31, 2020 | For the Period Ended Mar 31, 2019 | For the Period Ended Mar 31, 2020 | For the Period Ended Mar 31, 2019 |
| Sales Revenue | 13,494 | 16,493 | 14,076 | 17,372 |
| Profit Before Taxes | 2,158 | 3,403 | 3,784 | 4,499 |
| Profit After Taxes | 1,660 | 2,456 | 2,883 | 3,213 |
| Earnings Per Share (Rs.) | 20.49 | 30.32 | 32.69 | 35.79 |

Performance Overview

Sales revenue for the nine months ended on March 31, 2020, was Rs. 13.5 billion as compared to Rs. 16.5 billion in the corresponding period of last year. The basic & diluted Earnings Per Share (EPS) was Rs. 20.49 compared to Rs.30.32 in the corresponding period last year.

Business Brief - Engineering Segment

Turnover of the Engineering Segment for the nine months' period ended 31st Mar 2020 was recorded at Rs. 7.4 billion, registering a decline of 35% compared to Rs. 11.4 billion in the corresponding period last year.

FY2020 continues to be a challenging period for the Pakistan Auto Industry. Overall car sales registered a decline of 47% in the first nine months of FY 2020, as compared to the same period last year. After facing severe decline in automotive demand during the first half of the financial year due to the changes made by the government in the last Fiscal budget, consumer demand showed signs of improvement in the months of Jan and Feb'20. However, the proliferation of COVID-19 in Pakistan in the month of March resulted in the closure of factories as per the notification by Government of Sindh on 21st March 2020.

COVID-19 has created an unprecedented global economic crisis. Your management is of the view that the demand for automotive vehicles is going to slow down in the short term. However, management is also confident that the measures taken by the government, in containing the spread of the virus, will soon reap results and demand for the vehicles will also be normalized.

During this current downtrend of economic activities, your management successfully controlled the operating cost and maintained its focus on various initiatives to improve quality, health, safety and environment. Through determination and commitment, management has implemented different cost optimization controls, while rapidly progressing to materialize the localization and competitive sourcing opportunities, and actively developing new business.

Business Brief – Building Material & Allied Product Segment

Sales revenue of Building Material & Allied Product Segment during the nine months ended March 31, 2020 was Rs. 6.1 billion against Rs. 5.1 billion in the corresponding period last year, resulting in an increase of 20%.

Jute Operations

The Jute Business registered a healthy growth trend on YTD basis in comparison to the corresponding period of last year and retained its position as the leading supplier. The business faced considerable cost pressures from the depreciating Pak Rupee and rising cost of raw materials, but was able to offset these by export sales, better product mix and price increases.

The demand for PGS (Pakistan Grain Sacks) remained strong due to lower carryover stocks and wheat shortage in the country as compared to last year. The business plans to continue building its export base for growth, while maintaining its strong presence in the domestic market. Management will also maintain its focus on production efficiencies to ensure competitive advantage in both the local and export markets.

Going forward the business anticipates having a slow momentum while entering into the final quarter of the fiscal year as the lockdowns & closure of local markets and global economic and trade activities have been severely impacted due to COVID-19.

Papersack Operations

During nine months of this fiscal year, revenue of the business grew by 13.5%.

Due to stagnating construction industry, lower sales volumes of Cement segment coupled with continuous devaluation of Pak rupee and increased finance cost, profitability of the business eroded substantially. Customers are switching towards WPP bags for packaging which is attributed to unfair custom duty on paper. Your management is in continuous follow up with regulatory authorities for the rationalization of custom duties in order to get a level playing field.

Industrial Sacks, Fashion bags, Food grade bags/wraps have shown a healthy growth resulting in a revenue increase of 30% in these segments on year on year basis.

In the current quarter sales for the month of January and February grew well over last year, however due to the COVID-19 related lock down, sales in the month of March for all segments and the quarter were impacted in terms of volume and profitability.

The outlook for the year is not very encouraging owing to prevailing COVID-19 pandemic. Though the Government has recently announced a package for the uplift of construction industry, however, its positive impact on the economy may possibly be delayed till after Ramadan. Exchange rate volatility along with unfair custom tariffs will continue to remain challenging for the business. In these hard times, Management continues to focus on sales opportunities & keeping costs under control.

Laminates Operations:

Despite the effects of the overall slowdown in the economy & recent closure of businesses during the third week of March, the Laminates Business was able to maintain sales momentum during the quarter. To mitigate the effect of recent rupee devaluation, the management is exploring ways of sourcing key raw materials locally.

Recent outbreak of pandemic and consequent implementation of lockdown across the country has resulted in extended stoppages in business activity across the country. It is expected that with gradual easing of lockdown

in Q4 and recent incentives announced by the Federal Government to support construction industry will result in its revival and we are confident that the business will achieve its projected targets.

Subsidiaries

Thal Boshoku Pakistan (Private) Limited (TBPK):

During the nine months ended 31st March 2020, the Company's sales have decreased due to negative volume variance at the back of declining market conditions. Moreover, the devaluation of PKR against major foreign currencies including USD and JPY was a constant pressure on profitability for the Company.

The Company witnessed significant milestones during the current period. Your Company started commercial production of seats in the newly constructed facility from February 2019. However, the operations came to a halt during the month of March due to the country-wide lockdown initiated by the Government in the wake of the COVID-19. Your management is actively engaged in increasing its product offering by working to increase its localization portfolio, along with introduction of new automotive parts, and aggressively pursuing new customers.

Due to significant pressures on cash flow, the Company approved a shareholder loan amounting to PKR 500 million in order to provide stability. The loan was received during the quarter ended 31st March 2020 and is for a period of one year, with an option to extend based on mutual agreement.

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

The future outlook of the industry is stable at best. With a further deterioration of the economy likely in the short term, the Company will face increased pressures on its cash flows for the next 6 to 12 months. Higher localization and increase in product range will provide the Company with the ability to succeed in challenging times, while being able to maintain profitability for the shareholders.

Habib METRO Pakistan (Private) Limited (HMPL):

The main business of Habib METRO Pakistan (Private) Limited (HMPL) is to own and manage properties. Thal Limited holds 60% shareholding in HMPL while 40% is held by Metro Cash & Carry International Holding B.V. The company is exploring various business opportunities to complement the cash & carry retail rental business and to enhance enterprise value from its store locations.

Business operations remained stable, but the retail lockdown has impacted some retail tenants adversely leading to partial reduction in revenue. During the quarter, HMPL approved interim dividend of Rs. 159.3 million for payment to Thal Limited.

Makro-Habib Pakistan Limited (MHPL):

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

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

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

Investment in Power Sector

Sindh Engro Coal Mining Company Limited:

Sindh Engro Coal Mining Company Limited ("SECMC") is a joint venture between the Government of Sindh, Thal Limited, Engro Powergen Limited, The Hub Power Company Limited, Habib Bank Limited, CMEC Thar Mining Investments Limited and SPI Mengdong. It is engaged in developing Pakistan's first open pit mining project at Thar Coal Block II. SECMC achieved commercial operations date for 3.8 million tons per annum capacity mine (Phase I) on July 10, 2019. Phase I of the Thar mining is supplying coal to a 2x330 MW power generation plant set up by Engro Powergen Thar (Private) Limited.

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

In 1Q2020, the global COVID-19 pandemic has adversely affected the timelines for Phase II. Depending on how the COVID-19 scenario plays out over the next couple of months, the Project Company is now striving to achieve commercial operations date for Phase II in 2022.

Thal Ltd owns 11.9% ordinary shareholding in SECMC.

Thal Power (Private) Limited

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

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

ThalNova (through shareholder's equity) has given Mobilization Advance along with Limited Notice to Proceed (LNTP) to the EPC contractor i.e. CMEC to initiate work on the site and expedite the achievement of Commercial Operations Date of the Project.

ThalNova executed key financial agreements with project lenders in 2H CY2019. In 1Q2020, the global COVID-19 pandemic has adversely affected the timelines for financial close; firstly, due to lockdown in China and more recently in Pakistan. Depending on how the COVID-19 scenario plays out over the next couple of months, the Project Company is now striving to achieve financial close in 2Q CY2020

In Memoriam

The Board of Directors of Thal Limited express their profound sadness and loss on the demise of their Board Member and Chairman House of Habib - **Mr. Ali S. Habib**.

The Company has lost a visionary leader - passionate, focused, entrepreneurial and a life - long learning enthusiast. Mr. Habib personally touched lives of so many during his 4 decades with the group, He will be missed

for his persona which commanded immediate respect, for the immense wisdom he brought to every discussion, for constantly challenging the status quo, for always striving for perfection, for not believing in the word impossible, for his remarkable mind to analyze, and simplify & above all for being a truly remarkable human being.

Mr. Habib spent a large part of his life in building a conglomerate spanning business interests ranging from automobiles to auto-parts, ceramic tiles to packaging materials, property management to building material; and the energy sector amongst others. Under his leadership, HoH grew into a diverse portfolio of companies.

He started his career with Baluchistan Laminate which launched the famous Formite brand and then went on to manage Thal Jute which now employs 4000 people & has now grown into one of the largest & finest Jute Mills of Pakistan. He was the brain behind bringing MAKRO to Pakistan – one of the largest food retail chains in the world, the idea culminated into a successful JV with 8 stores nationwide. He also contributed towards the growth and expansion of Shabbir Tiles & Pakistan Paper-sack business which has now grown and diversified into food and retail packaging other than cement being its flagship product range.

However, his watershed contribution came in the form of transforming the Automobile Industry in Pakistan. Mr. Ali Habib was the pioneering force behind the JV with Toyota – the largest global automobile brand. Under his iconic leadership, unwavering support and hard-work, IMC has grown into one of the finest corporations of the Pakistan. This did not stop Mr. Ali Habib from further venturing into the automobile sector of the country – in fact, it gave him a stepping stone to enter the auto-part manufacturing Industry of Pakistan. With his sheer zeal and entrepreneurship spirit he founded three Auto-Part companies which now cater to majority of the auto-parts demand across Pakistan.

Through his business acumen and foresight, he always believed in the power of strong partnerships. Our energy investments are testimony to the same. With his philosophy of creating positive impact across Pakistan Mr. Ali Habib contributed towards the Thar dream & became part of Sindh Engro Coal Mining Company (SECMC). Furthermore, he also ventured into setting up a JV for construction of a 330MW coal-fired plant which would further the mission of providing energy security to the country.

He dedicated a large part of his time towards social welfare & was a stalwart supporter of education in Pakistan who believed in the power and talent of youth. His philanthropic goals were even loftier. He remained personally invested in all social causes and actively participated by being on the Board of Governors of Habib Public Schools, and Habib University whilst also acting as a trustee on various social initiatives of the group which included Mohammedali Habib Welfare Trust; Habib Education Trust; and the Duke of Edinburgh's Award Programme. He also served for a large part as a Board of Governor of Shaukat Khanum Memorial Trust.

Mr. Ali Habib had a profound effect on the world outside House of Habib. His last 06 months were spent advising the Government of Pakistan on Commerce, Industries and Trade and was working closely with the Prime Minister on increasing the country's exports. No force could have stopped him from making a larger impact with his brilliance.

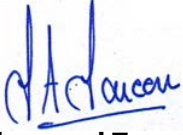
No words can adequately express our sadness at Mr. Ali Habib's passing or our gratitude for the opportunity to work with him. House of Habib has lost a visionary leader and the world has lost an amazing human being. Those who worked with him have lost a friend and an inspiring mentor. He will forever live in our hearts and we will honor his memory by dedicating ourselves to continue advancing the legacy he has left behind.

Acknowledgement

We would like to thank the Almighty for all His blessings in these challenging times and to convey our appreciation to our Board of Directors, customers, dealers, bankers and the joint venture & technical partners for their

continued support and confidence in the Company. We also want to recognize the efforts of all our fellow employees who have worked with commitment to achieve the results.

On behalf of the Board



Muhammad Tayyab Ahmad Tareen
Chief Executive



Salman Burney
Director

Karachi: April 23, 2020

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

| | Note | March 31, 2020 (Un-audited) (Rupees in thousands) | June 30, 2019 (Audited) |
|-------------------------------------------------------------------------|------|------------------------------------------------------------|-------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 3,137,096 | 2,187,780 |
| Intangible assets | | 149,557 | 90,745 |
| Investment property | | 991 | 995 |
| Long-term investments | 6 | 5,830,117 | 5,431,550 |
| Long-term loans | | 1,652,285 | 861,282 |
| Long-term deposits | | 15,417 | 14,861 |
| Deferred tax asset | | 210,515 | 165,194 |
| | | 10,995,978 | 8,752,407 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 115,243 | 124,710 |
| Stock-in-trade | 7 | 4,881,627 | 5,635,305 |
| Trade debts | | 2,891,099 | 2,347,946 |
| Loans and advances | | 324,653 | 21,860 |
| Trade deposits and short-term prepayments | 8 | 334,993 | 316,623 |
| Interest accrued | | 7,389 | 3,699 |
| Other receivables | | 194,956 | 71,168 |
| Short-term investments | 9 | 1,970,803 | 2,943,298 |
| Income tax – net | 10 | - | 93,918 |
| Sales tax refundable | | - | 300,186 |
| Cash and bank balances | | 1,106,437 | 611,509 |
| | | 11,827,200 | 12,470,222 |
| | | 22,823,178 | 21,222,629 |
| TOTAL ASSETS | | | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital | | 1,000,000 | 1,000,000 |
| 200,000,000 (June 30, 2019: 200,000,000) ordinary shares of Rs.5/- each | | | |
| Issued, subscribed and paid-up capital | | 405,150 | 405,150 |
| 81,029,909 (June 30, 2019: 81,029,909) ordinary shares of Rs.5/- each | | | |
| Reserves | | 19,310,958 | 18,226,309 |
| | | 19,716,108 | 18,631,459 |
| NON-CURRENT LIABILITIES | | | |
| Long-term deposits | | 1,463 | 1,463 |
| Lease liabilities | 3.2 | 2,594 | - |
| | | 4,057 | 1,463 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,624,502 | 2,483,601 |
| Accrued mark-up | | 1,009 | - |
| Unclaimed dividend | | 56,598 | 56,697 |
| Unpaid dividend | | 56,726 | 49,409 |
| Current maturity of lease liabilities | 3.2 | 7,478 | - |
| Short-term financing | 11 | 145,000 | - |
| Income tax - net | 10 | 94,825 | - |
| Sales tax payable | | 116,875 | - |
| | | 3,103,013 | 2,589,707 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 12 | | |
| | | 22,823,178 | 21,222,629 |
| TOTAL EQUITY AND LIABILITIES | | | |

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


Chief Financial Officer


Chief Executive


Director

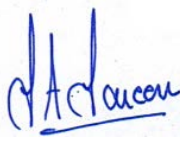
THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

| | Note | Nine months ended | | Quarter ended | |
|--------------------------------------|------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| | | March 31, 2020 (Rupees in thousands) | March 31, 2019 (Rupees in thousands) | March 31, 2020 (Rupees in thousands) | March 31, 2019 (Rupees in thousands) |
| Revenue – net | | 13,493,537 | 16,493,091 | 5,609,478 | 5,938,343 |
| Cost of sales | | (11,451,398) | (13,259,604) | (4,679,317) | (4,633,091) |
| Gross profit | | 2,042,139 | 3,233,487 | 930,161 | 1,305,252 |
| Distribution costs | | (274,677) | (220,377) | (124,888) | (86,455) |
| Administrative expenses | | (558,835) | (527,979) | (193,318) | (153,512) |
| Other charges | | (149,098) | (228,742) | (65,971) | (90,902) |
| | | (982,610) | (977,098) | (384,177) | (330,869) |
| Other income | 13 | 1,110,059 | 1,154,688 | 378,901 | 330,595 |
| Operating profit | | 2,169,588 | 3,411,077 | 924,885 | 1,304,978 |
| Finance cost | | (11,629) | (7,966) | (5,128) | (1,913) |
| Profit before taxation | | 2,157,959 | 3,403,111 | 919,757 | 1,303,065 |
| Taxation | | (497,742) | (946,627) | (199,763) | (340,249) |
| Profit after taxation | | 1,660,217 | 2,456,484 | 719,994 | 962,816 |
| | | Rupees | Rupees | Rupees | Rupees |
| Basic and diluted earnings per share | | 20.49 | 30.32 | 8.89 | 11.88 |

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



Chief Financial Officer



Chief Executive



Director

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

| | Nine months ended | | Quarter ended | |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------|--------------------------------------------|-------------------|
| | March 31, 2020 (Rupees in thousands) | March 31, 2019 | March 31, 2020 (Rupees in thousands) | March 31, 2019 |
| Profit after taxation | 1,660,217 | 2,456,484 | 719,994 | 962,816 |
| Other comprehensive income | | | | |
| <i>Items not to be reclassified to unconsolidated condensed interim statement of profit or loss in subsequent periods:</i> | | | | |
| Gain / (loss) on revaluation of investments at fair value through other comprehensive income (OCI) | (6,125) | (40,354) | (38,128) | 10,479 |
| Total comprehensive income | 1,654,092 | 2,416,130 | 681,866 | 973,295 |

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

Chief Financial Officer

Chief Executive

Director

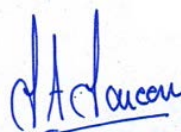
THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2020

| | RESERVES | | | | | Total Equity |
|------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------|--------------------|--------------------------|--------------------------------------------------------------------------|-------------------|
| | Issued, subscribed & paid-up capital | Capital Reserve | General Reserve | Unappropriated profit | Gain on revaluation of investments at fair value through OCI | |
| | ----- (Rupees in '000) ----- | | | | | |
| Balance as at June 30, 2018 (Audited) | 405,150 | 55,704 | 13,531,499 | 2,281,141 | 164,176 | 16,437,670 |
| Transfer to general reserve | - | - | 1,592,000 | (1,592,000) | - | - |
| Final cash 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, 2018 | - | - | - | (202,576) | - | (202,576) |
| Profit after taxation | - | - | - | 2,456,484 | - | 2,456,484 |
| Other comprehensive income | - | - | - | - | (40,354) | (40,354) |
| Total comprehensive income | - | - | - | 2,456,484 | (40,354) | 2,416,130 |
| Balance as at March 31, 2019 (Un-audited) | 405,150 | 55,704 | 15,123,499 | 2,254,294 | 123,822 | 17,962,469 |
| Balance as at June 30, 2019 (Audited) | 405,150 | 55,704 | 15,123,499 | 2,952,475 | 94,631 | 18,631,459 |
| Impact of first time adoption of IFRS 16 - net of tax | - | - | - | (2,233) | - | (2,233) |
| Balance as at July 1, 2019 (Restated) | 405,150 | 55,704 | 15,123,499 | 2,950,242 | 94,631 | 18,629,226 |
| Transfer to general reserve | - | - | 2,506,500 | (2,506,500) | - | - |
| Final cash dividend @ Rs. 5.5 per share for the year ended June 30, 2019 | - | - | - | (445,666) | - | (445,666) |
| 1st Interim dividend @ Rs. 1.50/- per share for the half year ended December 31, 2019 | - | - | - | (121,544) | - | (121,544) |
| Profit after taxation | - | - | - | 1,660,217 | - | 1,660,217 |
| Other comprehensive income | - | - | - | - | (6,125) | (6,125) |
| Total comprehensive income | - | - | - | 1,660,217 | (6,125) | 1,654,092 |
| Balance as at March 31, 2020 (Un-audited) | 405,150 | 55,704 | 17,629,999 | 1,536,749 | 88,506 | 19,716,108 |

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



Chief Financial Officer



Chief Executive

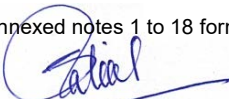


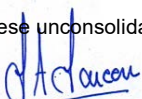
Director

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

| | March 31, 2020 | March 31, 2019 |
|------------------------------------------------------------------------|------------------------------|---------------------------|
| | (Rupees in thousands) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 2,157,959 | 3,403,111 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on: | | |
| - Operating fixed assets | 298,056 | 181,173 |
| - Right-of-use assets | 4,429 | - |
| - Investment property | 4 | 5 |
| Gain on disposal of operating fixed assets | (6,761) | (36,825) |
| Amortization | 28,872 | 6,445 |
| Finance cost of: | | |
| - Lease liabilities | 1,555 | - |
| - Others | 10,074 | 7,966 |
| Dividend income | (719,773) | (829,594) |
| Profit earned on deposits accounts and short term investments | (162,158) | (76,088) |
| Gain on redemption of investments at fair value through profit or loss | (13,744) | (147,518) |
| Liabilities no longer payable written back | - | (759) |
| Provision for expected credit losses | 114,461 | 33,668 |
| Provision for staff retirement benefits | 4,682 | 5,980 |
| | (440,303) | (855,547) |
| Increase in current assets | | |
| Stores, spares and loose tools | 9,467 | (1,832) |
| Stock-in-trade | 753,678 | (2,114,022) |
| Trade debts | (657,614) | (1,182,874) |
| Loans and advances | (27,793) | 29,618 |
| Trade deposits and short-term prepayments | (18,370) | (166,975) |
| Other receivables | (123,788) | 10,544 |
| Sales tax refundable | 417,061 | 87,468 |
| | 352,641 | (3,338,073) |
| (Decrease) / Increase in current liabilities | | |
| Trade and other payables | 142,625 | 236,076 |
| Cash generated from / (used in) operations | 2,212,922 | (554,433) |
| Finance cost paid | (10,620) | (7,793) |
| Staff retirement benefits paid | (6,407) | (6,331) |
| Income tax paid | (353,408) | (714,545) |
| Long-term loans - net | 2,997 | 2,997 |
| Long-term deposits - net | (556) | (1,465) |
| Net cash from / (used in) operating activities | 1,844,929 | (1,281,570) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (1,245,084) | (817,442) |
| Sale proceeds from disposal of operating fixed assets | 11,853 | 41,644 |
| Additions to intangible assets | (87,682) | (8,598) |
| Long-term loans to subsidiaries | (1,069,000) | (48,850) |
| Dividend income received | 719,773 | 829,594 |
| Profit received on call deposits and short-term investments | 155,746 | (323,684) |
| Long-term investments made during the period | (404,692) | (436,680) |
| Short-term investments encashed during the period | 889,212 | 3,574,547 |
| Net cash (used in) / generated from investing activities | (1,029,874) | 2,810,531 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (559,992) | (873,513) |
| Short-term financing | 145,000 | - |
| Payment against lease liabilities | (4,884) | - |
| Net cash used in financing activities | (419,876) | (873,513) |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | 395,179 | 655,448 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 1,657,208 | 1,082,916 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 2,052,387 | 1,738,364 |
| Cash and bank balances | 1,106,437 | 749,805 |
| Short-term investments - Term Deposit Receipts | 945,950 | 1,039,769 |
| Short-term financing | - | (51,210) |
| | 2,052,387 | 1,738,364 |

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


Chief Financial Officer


Chief Executive


Director

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED MARCH 31, 2020
(UN-AUDITED)**

1 THE 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 Company is engaged in the manufacture of jute goods, engineering goods, papersack and laminate sheets. The jute operations are located at Muzaffargarh, Punjab, engineering operations at Karachi, Sindh, papersack operations at Hub, Balochistan and Gadoon, Khyber Pakhtunkhwa and laminate operations at Hub, Balochistan. The registered office of the Company is situated at 4th Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Shahrah-e-Faisal, Karachi.

- 1.2 These unconsolidated condensed interim financial statements are separate condensed interim 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 using equity method.

2 BASIS OF PREPARATION

- 2.1 These unconsolidated 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 Standards 34; 'Interim Financial Reporting', (IAS 34) issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act),
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act and IFAS differ with the requirements of IAS 34, the provisions of and directives issued under the Act and IFAS have been followed.

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019. These unconsolidated condensed interim financial statements are unaudited, however have been subject to a limited scope review by the auditors, and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017

- 2.3 The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2019 and December 31, 2018.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2019 except for as disclosed below;

3.1 New / Revised Standard, Amendments, Interpretation and Improvements

The Company has adopted the following accounting standards, amendments and interpretations of IFRSs and the improvements to accounting standards which became effective for the current period:

Standard, Amendments and Interpretation

- IFRS 16 - Leases
- IFRIC 23 - Uncertainty over income tax treatments
- IFRS 9 - Prepayment Features with Negative Compensation (Amendments)
- IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)
- IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

Improvements to Accounting Standards Issued by the IASB in December 2017:

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

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the accounting policies of the Company except for IFRS 16. The impact of adoption of IFRS 16 is described in note 3.2 to these unconsolidated condensed interim financial statements:

3.2 IFRS 16 – Leases

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and 'SIC-27' Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions will be recognized in statement of financial position by way of right-of-use assets along with their corresponding lease liabilities.

Lease obligations of the Company comprises of lease arrangements giving it the right-of-use over properties utilized as office premises, showrooms and guest house.

The Company adopted IFRS 16 with effect from July 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative information. The Company elected to use the transition practical expedient allowing the Company to use a single discount rate to a portfolio of leases with the similar characteristics.

IFRS 16 allows two options for transition under the modified retrospective method as follows:

- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases, or;
- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset at its carrying value as if the new standard had always been applied.

In applying the standard, the Company has recognized lease liability at the date of initial application as present value of remaining lease payments discounted using the incremental borrowing rate at the date of initial application and a right-of-use asset at its carrying value as if the new standard had always been applied.

Lease term is the non-cancelable period for which the Company has right to use the underlying asset in line with the lease contract together with the periods covered by an option to extend which the Company is reasonably certain to exercise and option to terminate which the Company is not reasonably certain to exercise.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

| | Rupees in '000 |
|------------------------------------------------------------------------|-----------------------------|
| Operating lease commitments as at June 30, 2019 | 26,091 |
| Impact of discounting | (3,164) |
| Other adjustment | (7,971) |
| Lease liabilities at July 01, 2019 | <u><u>14,956</u></u> |
| Weighted average incremental borrowing rate as at July 01, 2019 | <u><u>13.86%</u></u> |

The impact of adoption of IFRS 16 as at July 01, 2019 [(increase/ (decrease))] is as follows:

| | |
|-----------------------------------------------------------------------------------|------------------------------|
| Assets | |
| Property, plant and equipment | 11,811 |
| Deferred tax asset | 912 |
| | <u><u>12,723</u></u> |
| Liabilities | |
| Lease liabilities | 8,443 |
| Current portion of lease liabilities | 6,513 |
| | <u><u>14,956</u></u> |
| Equity | |
| Unappropriated profit | <u><u>(2,233)</u></u> |
| Unconsolidated condensed interim statement of profit or loss | |
| Depreciation charge on right-of-use assets | 4,429 |
| Interest expense on lease liabilities | 1,555 |
| Reversal of deferred tax asset on right of use assets and lease liabilities - net | <u><u>(132)</u></u> |

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, 2019, except as disclosed otherwise.

| | Note | March 31, 2019 (Un-audited) (Rupees in thousands) | June 30, 2019 (Audited) (Rupees in thousands) |
|--------------------------------------|-----------|------------------------------------------------------------|--------------------------------------------------------|
| 5 | | | |
| PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 & 5.2 | 1,929,518 | 2,047,233 |
| Capital work-in-progress | 5.3 | 1,207,578 | 140,547 |
| | | <u>3,137,096</u> | <u>2,187,780</u> |

5.1 Details of additions and disposals are as follows:

| | Additions at cost | | Disposals at net book value | |
|----------------------------|-----------------------------------|----------------|--------------------------------|----------------------|
| | Nine months ended March 31, | | Nine months ended March 31, | |
| | 2020 (Un-audited) | 2019 | 2020 (Un-audited) | 2019 (Un-audited) |
| | ----- (Rupees in thousands) ----- | | | |
| Freehold land | - | - | - | 650 |
| Building on freehold land | 33,393 | 19,228 | - | - |
| Plant and machinery | 62,402 | 194,730 | - | 177 |
| Furniture and fittings | 2,361 | 126 | 25 | 529 |
| Vehicles | 6,070 | 3,614 | 4,657 | 2,889 |
| Office and mills equipment | 13,820 | 3,759 | 218 | 144 |
| Computer equipment | 47,163 | 13,834 | 190 | 231 |
| Jigs and fixtures | 12,676 | 4,777 | - | - |
| | <u>177,885</u> | <u>240,068</u> | <u>5,090</u> | <u>4,620</u> |

5.2 This includes right-of-use assets amounting to Rs. 11.81 million.

5.3 Details of additions at cost are as follows:

| | March 31, 2020 (Un-audited) (Rupees in thousands) | March 31, 2019 (Audited) |
|----------------------------|------------------------------------------------------------|--------------------------------|
| Plant and machinery | 1,000,309 | 500,661 |
| Furniture and fittings | 3,965 | 1,052 |
| Office and mills equipment | 28,330 | 7471 |
| Computer equipment | 1,180 | 3,018 |
| Jigs and fixtures | 23,939 | 108,671 |
| Civil works | 103,581 | 144,502 |
| | <u>1,161,304</u> | <u>765,375</u> |

6 LONG-TERM INVESTMENTS

During the period, the Company has made further investment in Sindh Engro Coal Mining Company amounting to Rs. 404.69 million (March 31, 2019: Rs. 436.68 million) in the line with its commitment to invest USD 24.30 million in PKR equivalent. Up to the unconsolidated condensed interim statement of financial position date, the Company has invested Rs. 2,365.31 million acquiring 159,602,637 shares having a face value of Rs. 10 each, at a price of Rs. 14.82 per share. The balance commitment of the investment is USD 5.58 million in PKR equivalent.

| | Note | March 31, 2019 (Un-audited) (Rupees in thousands) | June 30, 2019 (Audited) |
|-------------------------|------|------------------------------------------------------------|-------------------------------|
| 7 STOCK-IN-TRADE | | | |
| Raw material: | | | |
| - In hand | | 2,543,821 | 4,260,842 |
| - In transit | | 837,665 | 496,245 |
| | | <u>3,381,486</u> | <u>4,757,087</u> |
| Work-in-process | | 282,890 | 246,731 |
| Finished goods | | 1,217,251 | 631,487 |
| | 7.1 | <u>4,881,627</u> | <u>5,635,305</u> |

7.1 This includes items costing Rs. 146.29 million (June 30, 2019: Rs. 276.76 million) carried at net realizable value amounting to Rs. 17.95 million (June 30, 2019: Rs. 183.12 million).

8 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Includes margin paid against letters of credit amounting to Rs. 191.50 million (June 30, 2019: Rs. 255.53 million).

9 SHORT-TERM INVESTMENTS

Represents Term Deposit Receipts and units of mutual funds amounting to Rs. 952.07 million and Rs. 1,018.74 million (June 30, 2019: Rs 1,049.10 million and Rs. 1,894.20 million), respectively.

| | Note | March 31, 2019 (Un-audited) (Rupees in thousands) | June 30, 2019 (Audited) |
|----------------------------------------------|------|------------------------------------------------------------|-------------------------------|
| 10 INCOME TAX – net | | | |
| Group Tax Relief adjustments | 10.1 | 633,275 | 632,681 |
| Group Taxation adjustments | 10.2 | (31,288) | (15,645) |
| Income tax provision less tax payments – net | | <u>(696,812)</u> | <u>(523,118)</u> |
| | | <u>(94,825)</u> | <u>93,918</u> |

10.1 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.593.47 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.593.47 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 (Appeals) (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.

- 10.2** In terms of the provision of Section 59AA of the Ordinance, the Company and its wholly owned subsidiaries Makro-Habib Pakistan Limited (MHPL) and A-One Enterprises (Private) Limited (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 period has been adjusted against the taxable income of the Company which resulted in a reduction of tax liability of Rs. 2.27 million (June 30, 2019: Rs. 2.97 million) for the current period. Moreover, the taxable income transferred by A-One amounted to Rs. 17.91 million (June 30, 2019: Rs. 18.61 million).
- 10.3** Includes adjustment of tax challans acquired from MHPL and A-One amounting to Rs. 0.27 million (June 30, 2019: Rs. 0.11 million) and Rs. 13.58 million (June 30, 2019: Rs.14.52 million) respectively.

11 SHORT TERM FINANCING

During the period, the Company obtained an Export Refinance Facility from a commercial bank. This carries markup at 3 % per annum and is secured against a joint Pari Passu hypothecation charge on all present and future stocks, book debts and receivables of the Company. The portion of the facility utilized during the period amounted to Rs. 145 million and is repayable within a maximum validity of 180 days.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There were no material changes in the status of contingencies as reported in the audited unconsolidated financial statements for the year ended June 30, 2019.

12.2 Commitments

- 12.2.1** Letter of guarantees issued by banks on behalf of the company amount to Rs. 3,833.37 million (June 30, 2019: Rs. 1,402.91 million)
- 12.2.2** Post dated cheques issued to Collector of Customs amount to Rs. 18.43 million (June 30, 2019: Rs. 141.81 million).
- 12.2.3** Letter of credits outstanding for raw material and spares amount to Rs. 1,528.42 million (June 30, 2019: Rs. 616.16 million).
- 12.2.4** Commitments in respect of capital expenditure are Rs. 4.96 million (June 30, 2019: Rs. 1,049.04 million).
- 12.2.5** Commitments for rentals under Ijarah agreements to a related party in respect of vehicles amount to Rs. 89.77 million (June 30, 2019: Rs. 41.99 million).
- 12.2.6** Commitments in respect of investment is disclosed in note 6 to these unconsolidated condensed interim financial statements.

13 OTHER INCOME

This includes dividend income, profit earned on call deposits and short term investments and gain on redemption of investments at fair value through profit or loss amounting to Rs. 719.77 million, Rs. 162.16 million and Rs. 13.74 million (March 31, 2019: Rs. 829.59 million, Rs. 79.29 million and Rs. 147.52 million), respectively,

14 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiaries, associates, directors, key management personnel and staff retirement benefit funds. Detail of transactions with related parties during the period, other than those disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

| Relationship | Nature of transactions | Nine months ended | |
|---------------------------------------|-----------------------------------------|---------------------------------------|-------------------|
| | | March 31, 2020 | March 31, 2019 |
| | | (Un-audited) (Rupees in thousands) | |
| Subsidiaries | Professional services acquired | 117,293 | 138,151 |
| | Dividend income | 369,642 | 291,178 |
| | Purchase of goods | 48 | 584 |
| | Supplies purchased | - | 1,568 |
| | Rent received | - | 3,693 |
| | Loan to subsidiaries | 1,069,000 | 48,850 |
| | Interest income on loan to subsidiary | 4,377 | - |
| | Service fee | 24,300 | 20,411 |
| | Tax loss and challans acquired | 6,622 | 4,709 |
| | Sale of assets | 4,413 | 137 |
| Associates | Sales of goods | 5,485,421 | 8,639,744 |
| | Dividend income | 213,634 | 527,115 |
| | Insurance premium | 21,904 | 18,537 |
| | Purchase of assets | 374 | 196 |
| | Supplies purchased | 37,252 | 35,141 |
| | Insurance claim received | 3,640 | 3,607 |
| | Rent received | 2,125 | - |
| Staff retirement benefit funds | Contribution to provident fund | 29,723 | 29,866 |
| | Contribution to retirement benefit fund | 4,682 | 5,980 |
| Key management personnel | Remuneration paid | 49,981 | 26,544 |
| Directors meeting fee | | 1,570 | 1,865 |

15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated 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 unconsolidated financial statements of the Company for the year ended 30 June 2019. There have been no changes in any risk management policies since the year end.

16 FAIR VALUE OF ASSETS AND LIABILITIES

There were no transfers amongst levels during the period.

17 GENERAL

17.1 Figures have been rounded off to the nearest thousand Rupee, unless otherwise stated.

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

18 DATE OF AUTHORISATION FOR ISSUE

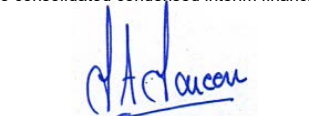
These unconsolidated condensed interim financial statements were authorized for issue on April 23, 2020 by the Board of Directors of the Company.

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

| | Note | March 31, 2020 (Un-audited) (Rupees in thousands) | June 30, 2019 (Audited) |
|------------------------------------------------------------------------------------------------------------------|------|------------------------------------------------------------|-------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 4,254,274 | 3,365,205 |
| Intangible assets | | 156,542 | 94,193 |
| Investment property | | 6,710,478 | 6,422,476 |
| Long-term investments | 6 | 7,581,250 | 5,402,004 |
| Long-term loans | | 999 | 3,996 |
| Long-term deposits | | 23,749 | 23,188 |
| Long-term prepayments | | 22,501 | 22,501 |
| Deferred tax asset - net | | 186,093 | 139,796 |
| | | 18,935,886 | 15,473,359 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 131,925 | 134,503 |
| Stock-in-trade | 7 | 5,130,813 | 5,788,036 |
| Trade debts | | 3,012,328 | 2,431,440 |
| Loans and advances | | 97,645 | 28,224 |
| Trade deposits and short-term prepayments | 8 | 356,595 | 331,515 |
| Interest accrued | | 11,791 | 7,648 |
| Other receivables | | 181,908 | 83,559 |
| Short-term investments | 9 | 7,043,487 | 7,549,725 |
| Sales tax refundable | | - | 357,073 |
| Cash and bank balances | | 1,573,898 | 1,068,600 |
| | | 17,540,390 | 17,780,323 |
| TOTAL ASSETS | | 36,476,276 | 33,253,682 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital 200,000,000 (June 30, 2018: 200,000,000) ordinary shares of Rs.5 each | | 1,000,000 | 1,000,000 |
| 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 | | 24,425,939 | 22,568,368 |
| Equity attributable to equity holders' of the parent | | 24,831,101 | 22,973,530 |
| Non-controlling interest | | 6,446,433 | 6,596,482 |
| | | 31,277,534 | 29,570,012 |
| NON-CURRENT LIABILITIES | | | |
| Long-term deposits | | 328,923 | 323,777 |
| Lease liabilities | 3.2 | 617,290 | - |
| | | 946,213 | 323,777 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 3,108,029 | 2,880,445 |
| Unclaimed dividend | | 56,598 | 56,697 |
| Unpaid dividend | | 56,726 | 49,409 |
| Accrued markup | | 1,009 | - |
| Income Tax - net | 10 | 316,265 | 90,706 |
| Sales tax payable | | 35,437 | - |
| Current maturity of lease liabilities | 3.2 | 196,950 | - |
| Short-term borrowings | | 464,141 | 274,131 |
| Deferred income | | 17,374 | 8,505 |
| | | 4,252,529 | 3,359,893 |
| CONTINGENCIES AND COMMITMENTS | 11 | | |
| TOTAL EQUITIES AND LIABILITIES | | 36,476,276 | 33,253,682 |

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


 Chief Financial Officer


 Chief Executive


 Director

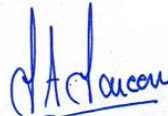
THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

| | Note | Nine months ended | | Quarter ended | |
|------------------------------------------------------------------------------------------------|------|--------------------------------------------|-------------------|--------------------------------------------|-------------------|
| | | March 31, 2020 (Rupees in thousands) | March 31, 2019 | March 31, 2020 (Rupees in thousands) | March 31, 2019 |
| Revenue - net | | 14,075,996 | 17,372,159 | 5,832,227 | 6,253,263 |
| Cost of sales | | (12,044,970) | (13,894,792) | (4,919,023) | (4,862,038) |
| Gross Profit | | 2,031,026 | 3,477,367 | 913,204 | 1,391,225 |
| Distribution costs | | (278,692) | (225,963) | (126,619) | (89,201) |
| Administrative expenses | | (1,155,481) | (1,133,764) | (366,273) | (370,109) |
| Other charges | | (149,098) | (231,491) | (65,971) | (91,258) |
| | | (1,583,271) | (1,591,218) | (558,863) | (550,568) |
| Other income | 12 | 2,376,576 | 1,897,108 | 795,868 | 638,992 |
| Operating Profit | | 2,824,331 | 3,783,256 | 1,150,209 | 1,479,648 |
| Finance costs | | (128,656) | (15,827) | (44,476) | (8,176) |
| | | 2,695,675 | 3,767,429 | 1,105,733 | 1,471,472 |
| Share of net profit of associates - after tax | | 1,088,292 | 731,697 | 436,921 | 230,392 |
| Profit before taxation | | 3,783,967 | 4,499,126 | 1,542,654 | 1,701,864 |
| Taxation | | (901,318) | (1,285,886) | (342,933) | (459,320) |
| Profit after taxation | | 2,882,649 | 3,213,240 | 1,199,721 | 1,242,544 |
| Attributable to: | | | | | |
| - Equity holders of the Holding Company | | 2,649,054 | 2,899,679 | 1,122,571 | 1,139,334 |
| - Non-controlling interest | | 233,595 | 313,562 | 77,150 | 103,211 |
| | | 2,882,649 | 3,213,240 | 1,199,721 | 1,242,544 |
| | | Rupees | | Rupees | |
| Basic and diluted earnings per share attributable to the equity holders of the Holding Company | | 32.69 | 35.79 | 13.85 | 14.06 |

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



Chief Financial Officer



Chief Executive

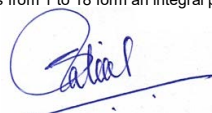


Director

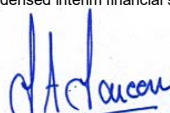
THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

| | Nine months ended | | Quarter ended | |
|----------------------------------------------------------------------------------------------|--------------------------------------------|-------------------|--------------------------------------------|-------------------|
| | March 31, 2020 (Rupees in thousands) | March 31, 2019 | March 31, 2020 (Rupees in thousands) | March 31, 2019 |
| Profit after taxation | 2,882,649 | 3,213,240 | 1,199,721 | 1,242,544 |
| Other comprehensive income | | | | |
| (Loss) / gain on revaluation of investments at fair value through other comprehensive income | (6,125) | (40,354) | (2,027) | 10,479 |
| Share of actuarial loss on remeasurement of defined benefit plans of associates | (10,091) | (10,009) | (5,082) | (5,313) |
| Total comprehensive income for the period, net of tax | <u>2,866,433</u> | <u>3,162,877</u> | <u>1,192,612</u> | <u>1,247,710</u> |
| Attributable to: | | | | |
| - Equity holders of the Holding Company | 2,632,838 | 2,849,316 | 1,115,462 | 1,144,500 |
| - Non-controlling interest | 233,595 | 313,562 | 77,150 | 103,211 |
| | <u>2,866,433</u> | <u>3,162,877</u> | <u>1,192,612</u> | <u>1,247,710</u> |

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



Chief Financial Officer



Chief Executive



Director

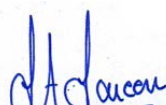
THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2020

| | 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, 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, 2018 | - | - | - | - | (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 year 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 | - | - | - | - | 2,899,679 | - | 313,562 | 3,213,240 |
| Other comprehensive income | - | - | - | - | (10,009) | (40,354) | - | (50,363) |
| Total comprehensive income | - | - | - | - | 2,889,670 | (40,354) | 313,562 | 3,162,877 |
| Balance as at March 31, 2019 (Unaudited) | 405,150 | 12 | 67,929 | 15,165,374 | 6,558,826 | 123,825 | 6,603,525 | 28,924,640 |
| Balance as at June 30, 2019 (Audited) | 405,150 | 12 | 67,929 | 15,165,374 | 7,240,431 | 94,634 | 6,596,482 | 29,570,012 |
| Impact of first time adoption of IFRS 16 - net of tax | - | - | - | - | (208,057) | - | (137,216) | (345,273) |
| Balance as at July 1, 2019 (Restated) | 405,150 | 12 | 67,929 | 15,165,374 | 7,032,374 | 94,634 | 6,459,266 | 29,224,739 |
| Transfer to general reserve | - | - | - | 2,506,500 | (2,506,500) | - | - | - |
| Final dividend @ Rs. 5.50/- per share for the period ended June 30, 2019 | - | - | - | - | (445,666) | - | - | (445,666) |
| 1st Interim dividend @ Rs. 1.50/- per share for the half year ended December 31, 2019 | - | - | - | - | (121,544) | - | - | (121,544) |
| Subsidiary Companies | | | | | | | | |
| Final dividend @ Rs. 0.339/- per share for the year ended June 30, 2019 | - | - | - | - | - | - | (46,184) | (46,184) |
| Interim dividend @ Rs. 0.676/- per share for the period ended September 30, 2019 | - | - | - | - | - | - | (91,960) | (91,960) |
| Interim dividend @ Rs. 0.796/- per share for the half-year ended December 31, 2019 | - | - | - | - | - | - | (108,284) | (108,284) |
| Profit for the period | - | - | - | - | 2,649,054 | - | 233,595 | 2,882,649 |
| Other comprehensive income | - | - | - | - | (10,091) | (6,125) | - | (16,216) |
| Total comprehensive income | - | - | - | - | 2,638,963 | (6,125) | 233,595 | 2,866,433 |
| Balance as at March 31, 2020 (Unaudited) | 405,150 | 12 | 67,929 | 17,671,874 | 6,597,627 | 88,509 | 6,446,433 | 31,277,534 |

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



Chief Financial Officer



Chief Executive

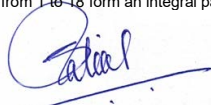


Director

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

| | March 31, 2020 | March 31, 2019 |
|---------------------------------------------------------------------------------------|-----------------------|--------------------|
| | (Rupees in thousands) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 3,783,967 | 4,499,126 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on: | | |
| - Operating fixed assets | 395,243 | 202,486 |
| - Right-of-use assets | 23,734 | - |
| - Investment property | 221,421 | 176,830 |
| Provision for impairment of factory building | - | 12,200 |
| Gain / (loss) on disposal of property, plant and equipment | (7,820) | (29,990) |
| Gain / (loss) on disposal of investment property | (2,630) | - |
| Amortisation | 31,073 | 7,275 |
| Share in profit of associates - after taxation | (1,088,292) | (731,697) |
| Finance cost of: | | |
| - Lease liabilities | 78,699 | - |
| - Others | 49,957 | 15,825 |
| Profit earned on call deposits and short-term investments | (370,823) | (238,256) |
| Liabilities no longer payable written back | - | (759) |
| Gain on revaluation / redemption of investments at fair value through profit and loss | (235,389) | (276,718) |
| Dividend income | (138,931) | (11,301) |
| Provision for impairment of trade debts | 114,549 | 33,534 |
| Provision for retirement benefits | 4,682 | 5,980 |
| | (924,527) | (834,591) |
| | 2,859,440 | 3,664,535 |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | 2,578 | (4,576) |
| Stock-in-trade | 657,223 | (2,149,246) |
| Trade debts | (695,437) | (1,225,184) |
| Loans and advances | (69,421) | 35,513 |
| Trade deposits and short-term prepayments | (25,080) | (203,830) |
| Other receivables | (98,349) | 20,798 |
| Sales tax refundable | 417,061 | 51,467 |
| Increase / (decrease) in current liabilities | | |
| Deferred income | 8,869 | 6,809 |
| Sales tax Payable | (24,551) | - |
| Trade and other payables | 229,308 | 247,681 |
| | 402,201 | (3,220,568) |
| Cash generated from operations | 3,261,641 | 443,967 |
| Finance costs paid | (127,647) | (15,653) |
| Retirement benefits paid | (6,407) | (6,331) |
| Income tax paid | (721,144) | (1,039,877) |
| Long-term loans | 2,997 | 4,053 |
| Long-term deposits - net | 4,585 | 1,637 |
| Net cash used in operating activities | 2,414,026 | (612,203) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (1,435,897) | (1,534,149) |
| Dividends received | 352,565 | 544,822 |
| Profit Received | 336,710 | (649,987) |
| Long-term investments made during the period | (1,320,804) | (436,680) |
| Proceeds from disposal of property, plant and equipment | 21,666 | 49,395 |
| Short-term investments encashed / (made) during the period | 488,137 | 3,671,050 |
| Net cash generated from investing activities | (1,557,623) | 1,644,451 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (806,420) | (1,067,632) |
| Short-term financing | 370,000 | - |
| Payment against lease liabilities | (18,155) | - |
| Net cash used in financing activities | (454,575) | (1,067,632) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 401,828 | (35,385) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 3,624,189 | 3,855,466 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 4,026,017 | 3,820,081 |
| Cash and bank balances | 1,573,898 | 838,618 |
| Short-term investments | 2,546,260 | 3,259,582 |
| Short-term running finance | (94,141) | (278,119) |
| | 4,026,017 | 3,820,081 |

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


 Chief Financial Officer


 Chief Executive


 Director

THAL LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2020
(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 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 PREPARATION

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 Standards 34; 'Interim Financial Reporting', (IAS 34) issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act),
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act and IFAS differ with the requirements of IAS 34, the provisions of and directives issued under the Act and IFAS 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, 2019.

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.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019 except for the adoption of new standards effective as of July 1, 2019 as stated below.

3.1 New / Revised Standard, Amendments, Interpretation and Improvements

The Group has adopted the following accounting standards, amendments and interpretations of IFRSs and the improvements to accounting standards which became effective for the current period:

Standard, Amendments and Interpretation

| | |
|----------|---------------------------------------------------------------------|
| IFRS 16 | - Leases |
| IFRIC 23 | - Uncertainty over income tax treatments |
| IFRS 9 | - Prepayment Features with Negative Compensation (Amendments) |
| IAS 28 | - Long-term Interests in Associates and Joint Ventures (Amendments) |
| IAS 19 | - Plan Amendment, Curtailment or Settlement (Amendments) |

Improvements to Accounting Standards Issued by the IASB in December 2017:

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

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the accounting policies of the Group except for IFRS 16. The impact of adoption of IFRS 16 is described in note 3.2 to these unconsolidated condensed interim financial statements:

3.2 IFRS 16 – Leases

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and 'SIC-27' Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions will be recognized in statement of financial position by way of right-of-use assets along with their corresponding lease liabilities.

Lease obligations of the Group comprises of lease arrangements giving it the right-of-use over properties utilized as office premises, showrooms and guest house.

The Group adopted IFRS 16 with effect from July 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative information. The Group elected to use the transition practical expedient allowing the Group to use a single discount rate to a portfolio of leases with the similar characteristics.

IFRS 16 allows two options for transition under the modified retrospective method as follows:

- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases, or;
- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset at its carrying value as if the new standard had always been applied.

In applying the standard, the Group has recognized lease liability at the date of initial application as present value of remaining lease payments discounted using the incremental borrowing rate at the date of initial application and a right-of-use asset at its carrying value as if the new standard had always been applied.

Lease term is the non-cancelable period for which the Group has right to use the underlying asset in line with the lease contract together with the periods covered by an option to extend which the Group is reasonably certain to exercise and option to terminate which the Group is not reasonably certain to exercise.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

| | |
|------------------------------------------------------------------------|---------------------------|
| | Rupees in '000 |
| Operating lease commitments as at June 30, 2019 | 2,406,292 |
| Impact of discounting | (1,559,160) |
| Other adjustment | (7,971) |
| Lease liabilities at July 01, 2019 | <u><u>839,161</u></u> |
| Weighted average incremental borrowing rate as at July 01, 2019 | <u><u>14.00%</u></u> |

The impact of adoption of IFRS 16 as at July 01, 2019 [(increase/ (decrease))] is as follows:

| | |
|--------------------------------------|-----------------------|
| Assets | |
| Property, plant and equipment | 11,811 |
| Investment property | 474,399 |
| Deferred tax asset | 912 |
| | <u><u>487,122</u></u> |
| Liabilities | |
| Lease liabilities | 832,648 |
| Current portion of lease liabilities | 6,513 |
| | <u><u>839,161</u></u> |

| | |
|--------------------------|------------------|
| Equity | |
| Unappropriated profit | (208,057) |
| Non-controlling interest | (137,216) |
| | <u>(345,273)</u> |

Consolidated condensed interim statement of profit or loss

| | |
|-----------------------------------------------------------------------------------|--------|
| Depreciation charge on right-of-use assets | 23,721 |
| Interest expense on lease liabilities | 78,719 |
| Reversal of deferred tax asset on right of use assets and lease liabilities - net | (132) |

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated 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 consolidated condensed interim financial statements are same as those applied in the Group's annual consolidated financial statements for the year ended June 30, 2019.

5 PROPERTY, PLANT AND EQUIPMENT

| | Note | March 31, 2020 (Un-audited) | June 30, 2019 (Audited) |
|--------------------------|-----------|-----------------------------------|-------------------------------|
| (Rupees in thousands) | | | |
| Operating fixed assets | 5.1 & 5.2 | 3,046,696 | 3,224,658 |
| Capital work-in-progress | 5.3 | 1,207,578 | 140,547 |
| | | <u>4,254,274</u> | <u>3,365,205</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 March 31, | | Nine months ended March 31, | |
| | 2020 | 2019 | 2020 | 2019 |
| | (Un-audited) | | (Un-audited) | |
| ------(Rupees in thousands)----- | | | | |
| Operating fixed assets | | | | |
| Land - Freehold | - | - | - | 650 |
| Building on freehold land | 35,218 | 19,228 | - | - |
| Plant and machinery | 72,700 | 194,730 | - | 178 |
| Furniture and fittings | 4,312 | 126 | 25 | 533 |
| Vehicles | 13,523 | 18,908 | 8,838 | 5,607 |
| Office and mills equipment | 22,114 | 4,434 | 237 | 154 |
| Computer equipment | 50,966 | 18,520 | 238 | 368 |
| Jigs and Fixtures | 20,241 | 4,777 | - | - |
| | <u>219,074</u> | <u>260,723</u> | <u>9,338</u> | <u>7,491</u> |

5.2 This includes right-of-use assets amounting to Rs. 11.81 million.

5.3 Details of additions at cost are as follows:

| | March 31, 2020 (Un-audited) | March 31, 2019 (Audited) |
|----------------------------|-----------------------------------|--------------------------------|
| (Rupees in thousands) | | |
| Plant and machinery | 1,000,309 | 865,082 |
| Furniture and fittings | 3,965 | 1,052 |
| Vehicles | - | - |
| Office and mills equipment | 28,330 | 7,471 |
| Computer equipment | 1,180 | 7,052 |
| Jigs and fixtures | 23,939 | 108,671 |
| Civil works | 103,581 | 383,624 |
| | <u>1,161,304</u> | <u>1,372,952</u> |

6 LONG-TERM INVESTMENTS

- 6.1 During the period, the Group has made further investment in Sindh Engro Coal Mining Company amounting to Rs. 404.69 million (March 31, 2019: Rs. 436.68 million) in the line with its commitment to invest USD 24.30 million in PKR equivalent. Up to the unconsolidated condensed interim statement of financial position date, the Group has invested Rs. 2,365.31 million acquiring 159,602,637 shares having a face value of Rs. 10 each, at a price of Rs. 14.82 per share. The balance commitment of the investment is USD 5.58 million in PKR equivalent.

| | March 31, 2019 | June 30, 2019 |
|-------------------------|-----------------------|------------------|
| Note | (Un-audited) | (Audited) |
| | (Rupees in thousands) | |
| 7 STOCK-IN-TRADE | | |
| Raw material | | |
| In hand | 2,711,194 | 4,367,020 |
| In transit | 902,437 | 520,207 |
| | 3,613,631 | 4,887,227 |
| Work-in-process | 282,890 | 246,731 |
| Finished goods | | |
| In hand | 1,234,292 | 654,031 |
| In transit | - | 47 |
| | 1,234,292 | 654,078 |
| 7.1 | 5,130,813 | 5,788,036 |

- 7.1 This includes items costing Rs. 146.29 million (June 30, 2019: Rs. 276.76 million) carried at net realizable value amounting to Rs. 17.95 million (June 30, 2019: Rs. 183.12 million).

8 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Includes margin paid against letters of credit amounting to Rs. 197.43 million (June 30, 2019: Rs. 255.53 million).

9 SHORT TERM INVESTMENTS

- 9.1 This represents investment in Term Deposit Receipts amounting to Rs. 1,461.38 million (June 30, 2019: Rs. 2,303.67 million), Government Treasury Bills amounting to Rs. 1,278.11 million (June 30, 2019: 788.64 million) and mutual funds amounting to Rs. 4,304.00 million (June 30, 2019: 4,457,41 million).

| | March 31, 2019 | June 30, 2019 |
|----------------------------------------------|-----------------------|------------------|
| Note | (Un-audited) | (Audited) |
| | (Rupees in thousands) | |
| 10 INCOME TAX - Net | | |
| Group Tax Relief adjustments | 10.1 (633,275) | (632,681) |
| Group Taxation adjustments | 10.2 31,288 | 15,645 |
| Income Tax provision less tax payments - net | 918,252 | 707,742 |
| | 316,265 | 90,706 |

- 10.1 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 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 High Court of Sindh and with the Chairman ATIR which are under the process of hearings.

In addition to the above, the Holding Company has decided to acquire tax losses incurred by Thal Boshoku Pakistan (Private) Limited (TBPK) during tax year 2019 amounting to Rs. 39.215 million for set off against its tax liability.

- 10.2** In terms of the provision of Section 59AA of the Ordinance, the Holding Company and its wholly owned subsidiaries Makro-Habib Pakistan Limited (MHPL) and A-One Enterprises (Private) Limited (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 period has been adjusted against the taxable income of the Holding Company which resulted in a reduction of tax liability of Rs.2.27 million (June 30, 2019: Rs. 2.97 million) for the current period. Moreover, the taxable income transferred by A-One amounted to Rs. 17.91 million (June 30, 2019: Rs. 18.61 million).
- 10.3** Includes adjustment of tax challans acquired from MHPL and A-One amounting to Rs. 0.27 million (June 30, 2019: Rs. 0.11 million) and Rs. 13.58 million (June 30, 2019: Rs.14.52 million) respectively.

11 CONTINGENCIES AND COMMITMENTS

11.1 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, 2019.

11.2 Commitments

- 11.2.1** Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 7,588.87 million (June 30, 2019: Rs. 1,418.90 million).
- 11.2.2** Post dated cheques issued to collector of Customs amounts to Rs. 31.59 million (June 30, 2019: Rs. 141.81 million)
- 11.2.3** Letter of credits outstanding for raw material and spares amounts to Rs. 1,579.35 million (June 30, 2019: Rs. 684.30 million).
- 11.2.4** Commitments in respect of capital expenditure amounts to Rs. 4.96 million (June 30, 2019: Rs. 1,049.04 million).
- 11.2.5** Commitments for rentals under Ijarah agreements in respect of vehicles and computers to a related party amount to Rs. 114.67 million (June 30, 2019: 43.00 million).
- 11.2.6** Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 2,386.14 million (June 30, 2019: Rs. 2,386.14 million)

12 OTHER INCOME

This includes dividend income, profit earned on call deposits and short term investments, income on Term Finance Certificates and gain on redemption of investments at fair value through profit or loss amounting to Rs. 195.49 million, Rs. 370.82 million, Rs 28.27 million and Rs. 235.39 million (March 31, 2019: Rs. 11.30 million, Rs. 241.45 million, nil and Rs 276.72 million), respectively,

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Group comprise associates, 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 | | |
|---------------------------------|---------------------------------------|-----------------------------------------|-------------------|--------|
| | | March 31, 2020 | March 31, 2019 | |
| | | (Un-audited) | | |
| | | Rupees in thousand | | |
| Associates | Sales | 5,630,404 | 8,819,666 | |
| | Dividend income | 213,634 | 527,115 | |
| | Professional Services rendered | 157,094 | 54,517 | |
| | Services acquired | - | - | |
| | Rental Income on properties | 1,193,696 | 1,149,042 | |
| | Insurance premium | 24,270 | 20,643 | |
| | Purchase of assets | 3,529 | 11,250 | |
| | Purchase of goods | 137 | 453,522 | |
| | Insurance claim received | 3,761 | 3,646 | |
| | Supplies purchased | 407,444 | 35,148 | |
| | Licence fee, signage and others | 1,659 | 5,193 | |
| | Employee benefit plans | Contribution to provident fund | 35,904 | 33,772 |
| | | Contribution to retirement benefit fund | 4,682 | 5,980 |
| Key management personnel | Key management personnel compensation | 124,674 | 113,632 | |
| Directors' meeting fee | | - | - | |

14 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group'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 2019. There have been no changes in any risk management policies since the year end.

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no transfers amongst levels during the period.

16 SEGMENT ANALYSIS

| | Nine months ended | | | | | |
|-----------------------|-------------------|-------------------|------------------|------------------|----------------|-------------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Engineering | 7,819,031 | 12,052,389 | 6,095,266 | 5,120,794 | 330,604 | 17,372,159 |
| SALES REVENUE | 7,819,031 | 12,052,389 | 6,095,266 | 5,120,794 | 330,604 | 17,372,159 |
| | | | | | (147,026) | (131,628) |
| SEGMENT RESULT | 910,130 | 2,454,878 | 733,848 | 658,956 | 114 | 3,995,616 |

Unallocated corporate (expenses) / income:

| | | |
|-------------------------------------|------------------|------------------|
| Administrative & distribution costs | (637,417) | (603,608) |
| Other income | 1,031,590 | 622,739 |
| Operating profit | 2,377,806 | 4,014,747 |
| Finance cost | (128,656) | (15,827) |
| Other charges | (149,098) | (231,491) |
| Share in profit of associates | 1,088,292 | 731,697 |
| Taxation | (901,318) | (1,285,886) |
| | 2,887,026 | 3,213,240 |

| | Quarter ended | | | |
|-----------------------|------------------|------------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Engineering | 410,301 | 954,069 | 315,316 | 297,136 |
| SALES REVENUE | 3,249,000 | 4,241,452 | 101,330 | 115,984 |
| | | | (73,119) | (42,073) |
| SEGMENT RESULT | 410,301 | 954,069 | 315,316 | 297,136 |

| | | |
|--------------------------------------------|------------------|------------------|
| Unallocated corporate (expenses) / income: | 1,092,782 | 1,540,596 |
| Administrative & distribution costs | (220,854) | (180,378) |
| Other income | 348,629 | 210,688 |
| Operating profit | 1,220,557 | 1,570,906 |
| Finance cost | (44,476) | (8,176) |
| Other charges | (65,971) | (91,258) |
| Share in profit of associates | 436,921 | 230,392 |
| Taxation | (342,833) | (459,320) |
| | 1,204,098 | 1,242,544 |

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 rearrangements to report.

18 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 23, 2020 by the Board of Directors of the Holding Company.


Chief Financial Officer


Chief Executive


Director

اظہارِ تشکر

ہم اس چیلنجنگ صورتحال میں کاروبار جاری رکھنے کیلئے اللہ تعالیٰ کی مہربانی اور فضل و کرم کے شکر گزار ہیں اور اپنے بورڈ آف ڈائریکٹرز، صارفین ڈیلرز، بینکرز و جوائنٹ ویچر اور ٹیکنیکی شراکت داروں کے مستقل تعاون اور کمپنی پر اُن کے اعتماد کیلئے ان کو خراج تحسین پیش کرنا چاہتے ہیں۔ ہم اپنے تمام ملازمین کی کاوشوں اور جدوجہد کو بھی تسلیم کرتے ہوئے ان کے مشکور ہیں جنہوں نے ان نتائج کے حصول میں اپنا بھرپور کردار ادا کیا۔

منجانب بورڈ

سلمان برنی
ڈائریکٹر

محمد طیب احمد ترین
چیف ایگزیکٹو

کراچی: مورخہ: 23 اپریل 2020

کارہائے نمایاں انجام دیئے درحقیقت یہ کہنا غلط نہ ہوگا کہ انہوں نے پاکستان کی آٹو پارٹس مینوفیکچرنگ انڈسٹری میں داخل ہونے کیلئے پہلا قدم اٹھایا۔ ان کی بے مثال اور قائدانہ صلاحیت کی بدولت تین آٹو پارٹس کمپنیوں کی بنیاد رکھی جو اب پاکستان بھر میں آٹو پارٹس کی وسیع تر طلب کو پورا کر رہی ہیں۔

کاروباری دوراندیشی اور بے مثال صلاحیتوں کے ذریعے وہ ہمیشہ مستحکم پارٹنرشپ کی طاقت پر یقین رکھتے تھے ہماری انرجی کے شعبے میں سرمایہ کاری اسی کی بدولت ممکن ہوئی۔ پاکستان بھر میں مثبت تاثر کی ان کی فلاسفی کے ساتھ جناب علی حبیب نے تھر کا خواب پورے ہونے میں شراکت کی اور سندھ اینگری کو مل ماننگ کمپنی (ایس ای سی ایم سی) کا حصہ ہے۔ مزید برآں انہوں نے 330 میگا واٹ کول فائرڈ پلانٹ کی تعمیر کیلئے بھی ایک جوائنٹ ونچر قائم کیا جو ملک کیلئے توانائی کی ضرورت پوری کرنے کا ایک مشن پورا کرے گا۔

انہوں نے اپنے وقت کا اضافی حصہ سماجی بہبود کے کاموں کیلئے وقف کر رکھا تھا اور وہ پاکستان میں تعلیم کے فروغ کیلئے ہمیشہ سرگرم رہے کیونکہ وہ نوجوان کی طاقت اور ان کے ٹیلنٹ پر بھرپور یقین رکھتے تھے۔ ان کے سماجی بھلائی کے اہداف اور اغراض و مقاصد بڑے واضح تھے وہ سماجی مقاصد کیلئے ذاتی سرمائے سے اخراجات پورے کرتے تھے اور حبیب پبلک اسکولز اور حبیب یونیورسٹی کے بورڈ آف گورنرز میں شامل رہ کر فعال کردار ادا کرتے رہے۔ اس کے ساتھ وہ گروپ کے مختلف سماجی کاموں کیلئے ٹرسٹی کی حیثیت سے بھی مصروف عمل رہے جس میں محمد علی حبیب ویلفیئر ٹرسٹ، حبیب ایجوکیشن ٹرسٹ اور ڈیوک آف ایڈنبرگ ایوارڈ پروگرام شامل ہیں۔ انہوں نے شوکت خانم میموریل ٹرسٹ کے بورڈ آف گورنرز میں بھی فرائض انجام دیئے۔

جناب علی حبیب ہاؤس آف حبیب سے باہر کی دنیا میں بھی ایک موثر شخصیت کے طور پر پہچانے جاتے تھے۔ ان کے آخری 6 ماہ حکومت پاکستان کو تجارت، صنعتوں اور ٹریڈ کے بارے میں مشاورت میں گزرے اور وہ ملک کی برآمدات کو فروغ دینے کے ضمن میں وزیراعظم کے ساتھ رہ کر کام کرتے رہے۔ ان کو کوئی بھی قوت ان کی ذہانت کے ساتھ ایک مجموعی بہتر تاثر قائم کرنے سے نہیں روک سکی۔

جناب علی حبیب کی رحلت پر ہمارے رنج و الم کو الفاظوں سے بیان نہیں کیا جاسکتا نہ ہی ان کے ساتھ کام کرنے کیلئے ہمارے احساسات کو لفظوں کی شکل دی جاسکتی ہے۔ ہاؤس آف حبیب ایک دوراندیش اور دانشمند رہنما سے اور دنیا ایک بے مثال اور زبردست شخصیت سے محروم ہوگئی ہے۔ جو لوگ ان کے ساتھ کام کر چکے ہیں وہ ایک شاندار دوست اور انسان اور متاثر کن قائد سے محروم ہو چکے لیکن وہ ہمیشہ ہمارے دلوں میں زندہ رہیں گے اور ہم ان کی یادوں کو شاندار الفاظ میں خراج تحسین پیش کر کے ان کی بے مثال خدمات کو یاد کرتے رہیں گے۔

متاثر کیا جس کی بڑی وجہ چین میں فوری لاک ڈاؤن اور پاکستان میں حالیہ لاک ڈاؤن ہے۔ اب COVID-19 (کورونا وائرس) کے تناظر میں منحصر ہے کہ آئندہ 2 ماہ کے دوران کیا صورتحال درپیش ہوگی۔ پروجیکٹ کمپنی کی اب کوشش ہے کہ فنانشل کلوز تقویٰ سال 2020 کی دوسری سہ ماہی میں حاصل کر لیا جائے۔

یادگاری لمحات

تھل لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنے بورڈ کے ممبر اور چیئرمین ہاؤس آف حبیب جناب علی ایس۔ حبیب کی رحلت پر انتہائی دکھ اور گہرے افسوس کا اظہار کرتے ہیں۔

کمپنی ایک انتہائی زیرک اور کہنہ مشق رہنما، پُر عزم و سرپرست اور ایک قیمتی زندگی سے محروم ہوگئی۔ جناب علی ایس۔ حبیب، حبیب گروپ کے ساتھ 4 دہائیوں سے وابستگی کے دوران ذاتی طور پر متعدد جانوں اور زندگیوں سے قریب اور ان کی سرپرستی کرتے رہے ہیں۔ ان کی شخصیت کی کمی کو ہمیشہ محسوس کیا جاتا رہے گا اور ہر ایک اہم فیصلے میں ان کی دانشمندی اور فعال کردار بالخصوص چیلنجنگ صورتحال میں ان کے بروقت فیصلوں نے کمپنی کے لئے ایک اہم کردار ادا کیا جسے الفاظ میں بیان کرنا مشکل ہے۔ وہ ایک ناقابل فراموش شخصیت ہونے کے ساتھ کمپنی کیلئے بھی ایک انتہائی قیمتی اثاثہ تھے۔

جناب حبیب نے اپنی زندگی کا وسیع تر حصہ آٹوموبائلز سے آٹو پارٹس، سرامک ٹائلز سے پیکیجنگ میٹریل، پراپرٹی مینجمنٹ سے بلڈنگ میٹریل اور دیگر کے ساتھ انرجی سیکٹر میں گراں قدر خدمات انجام دے کر گزارا۔ ان کی قیادت میں ہاؤس آف حبیب نے کمپنیوں کے ایک وسیع ترپورٹ فولیو کو فروغ دیا۔

انہوں نے اپنے کیریئر کا آغاز بلوچستان لمیٹڈ سے کیا جس نے مشہور زمانہ فوٹو ماٹریٹ برانڈ متعارف کرایا ہے اور بعد ازاں وہ تھل جوٹ میں چلے گئے جہاں اب 4000 افراد کام کرتے ہیں اور اب اسے پاکستان کی سب سے وسیع تر اور بہترین جوٹ ملز میں شمار کیا جاتا ہے۔ وہ پاکستان میں میکرو کو متعارف کرانے والوں میں شامل ہیں جسے دنیا میں وسیع ترین فوڈ ریٹیل چین میں سے ایک کہا جاتا ہے اور اس آئیڈیے کے تحت ملک بھر میں جے وی کے اشتراک سے 8 اسٹورز کامیابی کے ساتھ قائم کئے گئے۔ انہوں نے شیئر ٹائلز اور پاکستان پیپرسیک بزنس کے فروغ اور توسیع کے ضمن میں بھی بھرپور معاونت کی جو اب اپنی پرچم بردار پروڈکٹ ریج سیمنٹ کے ساتھ فوڈ اور ریٹیل پیکیجنگ کے لئے بھرپور مصروف عمل ہے۔

تاہم ان کی شاندار خدمات کا منہ بولتا ثبوت پاکستان میں آٹوموبائل انڈسٹری کو نئی صورت میں ابھارنے اور اسے فروغ دینا ہے۔ جناب علی حبیب دنیا کے سب سے بڑے عالمی آٹوموبائل برانڈ ٹویوٹا کے ساتھ اشتراک کار کی بانی قوت میں شمار ہوتے ہیں۔ ان کی بے مثال قیادت، غیر متزلزل سپورٹ اور انتہائی محنت کی بدولت آئی ایم سی پاکستان کی بہترین کارپوریشنز میں سے ایک ہے۔ یہ سلسلہ یہیں پر نہ رکا کیونکہ جناب علی حبیب نے ملک کے آٹوموبائل سیکٹر کے مزید

ایس ای سی ایم سی نے کامیابی کے ساتھ 31 دسمبر 2019 کو 7.6 mtpa کے لئے اپنے کان کنی کے آپریشنز کی توسیع کیلئے فنانشل کلوزر حاصل کر لیا۔ فیئر-II کے لئے ایس ای سی ایم سی تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ اور تھرانز جی لمیٹڈ کے ساتھ کول سپلائی ایگریمنٹس کر چکی ہے جو بالترتیب ہر ایک 330 میگا واٹ پاور پلانٹ کیلئے اضافی 1.9 ملین ٹن لگنائٹ سالانہ کی فراہمی کے سلسلے میں ہیں۔ ایس ای سی ایم سی توقع ہے۔

2020 کی پہلی سہ ماہی میں عالمی سطح پر COVID-19 (کورونا وائرس) کی وباء نے فیئر-II کے لئے طے شدہ مدت کو بری طرح متاثر کیا۔ اب اس امر پر منحصر ہے کہ آیا COVID-19 (کورونا وائرس) کی صورتحال آئندہ دوہ ماہ کے دوران کنٹرول میں آتی ہے تو پروجیکٹ کمپنی اب کوشاں رہے گی کہ 2022 میں فیئر-II کیلئے تجارتی آپریشنز کی تاریخ کا ہدف حاصل کر لے۔

تھل لمیٹڈ ایس ای سی ایم سی میں 11.9 فیصد عمومی شیئر ہولڈنگ کی ملکیت رکھتا ہے۔

تھل پاور (پرائیویٹ) لمیٹڈ

تھل نووا پاور تھر پرائیویٹ لمیٹڈ (”تھل نووا“) تھل پاور پرائیویٹ لمیٹڈ، نووا پاور جن لمیٹڈ (نووا ٹیکس لمیٹڈ کے ذیلی ادارے) اور حب پاور کمپنی لمیٹڈ کا ایک مشترکہ منصوبہ ہے جو تھر سندھ میں واقع 330 میگا واٹ مائن ماؤ تھ کول فائرڈ پاور جنریشن پلانٹ قائم کرنے کیلئے ہے۔ یہ پاور پلانٹ ایس ای سی ایم سی کی جانب سے چلائی جانے والی مائن سے نکالے جانے والے دیسی کوئلے سے چلایا جائے گا۔

چائے مشینری اینڈ انجینئرنگ کارپوریشن (”سی ایم ای سی“) کو ای پی سی کا کنٹریکٹر مقرر کیا گیا۔ تھل نووا نے ایس ای سی ایم سی کے ساتھ سالانہ 1.9 ملین ٹن لگنائٹ کی فراہمی کیلئے کول سپلائی ایگریمنٹ (سی ایس اے) پر دستخط کئے ہیں۔ اس نے سینٹرل پاور پراجیکٹس (گارنٹی) لمیٹڈ (سی پی پی اے) کے ساتھ پاور پراجیکٹس ایگریمنٹ (پی پی اے) اور پرائیویٹ پاور انفراسٹرکچر بورڈ (پی پی آئی بی) کے ساتھ امپلی مینٹیشن ایگریمنٹ (”آئی اے“) بھی کیا ہے۔

تھل نووا (بذریعہ شیئر ہولڈر کی ایکویٹی) نے ای پی سی کنٹریکٹر یعنی سی ایم ای سی کو سائٹ پر کام کے آغاز کے لئے لمیٹڈ پروسید ٹونٹس (ایل این ٹی پی) کے ساتھ موبلائزیشن ایڈوانس دیا تاکہ پروجیکٹ کے تجارتی آپریشنز کی تاریخ کو ممکن بنایا جائے۔

تھل نووا نے تقویمی سال 2019 کی دوسری ششماہی میں پروجیکٹ لینڈرز کے ساتھ کلیدی مالیاتی معاہدے تکمیل دیئے۔ 2020 کی پہلی سہ ماہی میں COVID-19 (کورونا وائرس) کی عالمی وباء نے فنانشل کلوزر کیلئے مقررہ مدت کو بری طرح

حبیب۔ میٹروپاکستان (پرائیویٹ) لمیٹڈ (ایچ ایم پی ایل)

حبیب میٹروپاکستان (پرائیویٹ) لمیٹڈ (ایچ ایم پی ایل) کا مرکزی کاروبار جائیداد کی ملکیت اور اس کا انتظام سنبھالنا ہے۔ تھل لمیٹڈ ایچ ایم پی ایل کمپنی میں 60 فیصد شیئر ہولڈنگ کی حامل ہے جبکہ 40 فیصد میٹروکیش اینڈ کیری انٹرنیشنل ہولڈنگ بی۔وی۔ کے پاس ہیں۔ کمپنی مختلف کاروباری مواقع کی تلاش میں مصروف عمل ہے تاکہ کیش اینڈ کیری ریٹیل ریٹیل بزنس کو فروغ دیا جاسکے اور اپنے اسٹور لوکیشنز سے ادارے میں مزید توسیع دی جائے۔

بزنس آپریشنز مستحکم رہے گا تاہم ریٹیل لاک ڈاؤن سے ریٹیل کاروبار پر منفی اثرات کے نتیجے میں ریونیو میں جزوی کمی آئے گی۔ سہ ماہی کے دوران ایچ ایم پی ایل نے تھل لمیٹڈ کو ادائیگی کیلئے 159.3 ملین روپے کی عبوری منافع منقسمہ کی منظوری دی ہے۔

میکرو۔ حبیب پاکستان لمیٹڈ (ایچ ایم پی ایل)

معزز سپریم کورٹ آف پاکستان نے 11 ستمبر 2015 کو ایچ ایم پی ایل کی نظر ثانی پٹیشن مسترد کر دی اور اس کے نتیجے میں صدر اسٹور بند کر دیا گیا۔

9 دسمبر 2015 کو بعد از آں کی ایک پیشرفت کے مطابق فاضل سپریم کورٹ آف پاکستان نے نظر ثانی پٹیشن کی بحالی کے لئے آرمی ویلفیئر ٹرسٹ (اے ڈبلیو ٹی) کی درخواست کو منظور کر لیا۔ اپنی 2 فروری 2016 کی سماعت میں معزز چیف جسٹس نے اے ڈبلیو ٹی کی نظر ثانی درخواست کا جائزہ لیتے ہوئے تبصرہ کیا کہ ایچ ایم پی ایل اور وزارت دفاع دونوں کو میرٹ پر اپنے نکات پر بحث میں حصہ لینے کا موقع دیا جائے گا جیسا کہ یہ دونوں اے ڈبلیو ٹی کی پٹیشن میں جو ابداران ہیں۔

اے ڈبلیو ٹی کی نظر ثانی پٹیشن کی سماعت پہلے ایک نئے بیج کے رو برو 17 اکتوبر 2017 کو مقرر کی گئی تھی تاہم شہری اور کے ڈبلیو ایس بی کی نمائندگی کرنے والی کونسل کی جانب سے داخل کردہ التواء کی درخواست کے باعث سماعت کے دوران مزید کوئی کارروائی نہ ہو سکی۔ کمپنی تھل لمیٹڈ کا ایک مکمل ملکیتی ذیلی ادارہ ہے۔

پاور سیکٹر میں سرمایہ کاری

سندھ اینگروول مائننگ کمپنی لمیٹڈ

ایس ای سی ایم سی حکومت سندھ، تھل لمیٹڈ، اینگرو پاور جن لمیٹڈ، حب پاور کمپنی لمیٹڈ، حبیب بینک لمیٹڈ، سی ایم ای سی تھر مائننگ انویسٹمنٹس لمیٹڈ اور ایس پی آئی منگڈ ونگ کے مابین ایک جوائنٹ وینچر ہے۔ یہ تھر کول بلاک II میں پاکستان کے پہلے اوپن پٹ مائننگ پروجیکٹ کو تیار کرنے میں سرگرم عمل ہے۔ ایس ای سی ایم سی 10 جولائی 2019 کو 3.8 ملین ٹن سالانہ کپسٹی مان (فیز-1) کیلئے اپنے تجارتی آپریشنز کی تاریخ حاصل کر چکا ہے۔ تھر مائننگ کانفیز-1 اینگرو پاور جن تھر (پرائیویٹ) لمیٹڈ کی جانب سے قائم کردہ 2x330 میگا واٹ پاور جنریشن پلانٹ کیلئے کوئلہ فراہم کر رہا ہے۔

حالیہ وبائی صورتحال اور ملک بھر میں مستقل لاک ڈاؤن کے نتیجے میں ملک بھر میں کاروباری سرگرمیاں شدید متاثر ہوئی ہیں۔ توقع کی جاتی ہے کہ چوتھی سہ ماہی میں لاک ڈاؤن میں بتدریج نرمی اور تعمیراتی صنعت کو سپورٹ کرنے کے لئے وفاقی حکومت کی جانب سے اعلان کردہ مراعاتی پیکج کے نتیجے میں اس کی بحالی سے صورتحال بہتر ہوگی اور ہم پُر اعتماد ہیں کہ بزنس اپنے طے کردہ اہداف کو حاصل کرنے میں کامیاب رہے گا۔

ذیلی ادارے

تھل بوشو کو پاکستان (پرائیویٹ) لمیٹڈ (ٹی بی پی کے)

31 مارچ 2020 کو ختم ہونے والی 9 ماہ کی مدت کے دوران کمپنی کی سیلز میں مارکیٹ کی خراب صورتحال کے تناظر میں منفی اثرات ظاہر کرتے ہوئے کمی آگئی۔ مزید برآں ڈالر اور جاپانی ین سمیت نمایاں غیر ملکی کرنسیوں کے مقابلے میں پاک روپے کی قدر میں نمایاں کمی کے باعث کمپنی کے منافع پر مسلسل دباؤ پڑتا رہا۔

کمپنی نے رواں مدت کے دوران کئی اہم سگ میل حاصل کئے۔ آپ کی کمپنی نے فروری 2019 سے اپنی نئی تعمیر شدہ فسیٹی میں سیٹس کی تجارتی پیداوار کا آغاز کیا۔ تاہم COVID-19 (کورونا وائرس) کی وباء پھیلنے کے باعث حکومت کی جانب سے اعلان کردہ ملک گیر لاک ڈاؤن کے باعث مارچ کے مہینے میں کام روکنا پڑا۔ آپ کی کمپنی کی انتظامیہ اپنی مقامی پورٹ فولیو بڑھانے کیلئے کام کرنے کی غرض سے اپنے پروڈکٹ کو فروغ دینے میں موثر طور پر مصروف عمل ہے اور اس کے ساتھ ساتھ نئے آٹوموٹیو پارٹس کے تعارف اور صارفین کا دائرہ کار بڑھانے پر بھی خصوصی توجہ دے رہی ہے۔

کیش فلو پر نمایاں دباؤ کے باعث کمپنی نے مالی استحکام کی غرض سے 500 ملین روپے مالیت کے شیئر ہولڈرز سے قرضے کی منظوری دی ہے۔ قرضہ 31 مارچ 2020 کو ختم ہونے والی سہ ماہی کے دوران وصول کیا گیا تھا اور یہ باہمی معاہدے کے ساتھ توسیع کے آپشن کے ساتھ ایک سال کی مدت کے لئے ہے۔

آپریشن کی موجودہ جانب پر تمام صارفین کی سپلائز کی ضروریات ”زیر نقائص“ کے ساتھ پوری کی گئی ہے اور پورے سال کے دوران بزنس کو صارفین کی جانب سے ”گرین زون“ میں رکھا گیا۔ پیداواری کفایت کو بہتر بنانے، کائزن اور ہمارے ٹیم ممبران کیلئے کام کرنے کے حتمی انداز اور محفوظ ماحول فراہم کرنے کے ضمن میں توجہ کا سلسلہ بھی برقرار ہے۔

صنعت کے لئے مستقبل کا منظر نامہ بڑی حد تک مستحکم ہے۔ ممکنہ طور پر معیشت میں مختصر مدتی خراب صورتحال کے ساتھ کمپنی آئندہ 6 سے 12 ماہ کیلئے اپنے کیش فلو پر بڑھتے ہوئے دباؤ کا سامنا کرے گی۔ مقامی صنعت پر موثر انحصار اور پروڈکٹ کی رینج میں اضافے نے کمپنی کو چیلنج صورتحال میں بھی کامیابی کی صلاحیت حاصل ہوگی جبکہ شیئر ہولڈرز کیلئے بھی بہتر منافع شرح کو برقرار رکھا جاسکے گا۔

آگے بڑھتے ہوئے اندازہ ہے کہ کاروبار کی رفتار سست رہے گی اور مالی سال کی آخری سہ ماہی میں یہی صورتحال برقرار رہ سکتی ہے کیونکہ لاک ڈاؤن اور مقامی مارکیٹوں کی بندش کے ساتھ عالمی معیشت اور تجارتی سرگرمیاں بھی COVID-19 (کورونا وائرس) کے باعث بری طرح متاثر ہو رہی ہیں۔

پیپرسیک آپریشنز

رواں مالی سال کے پہلے 9 ماہ کے دوران بزنس کارپوریشن 13.5 فیصد تک بڑھ گیا۔

تعمیراتی صنعت کی زبوں حالی، سیمنٹ کے شعبے کے کمتر سلیز جیم کے ساتھ پاک روپے کی قدر میں کمی اور بڑھتے ہوئے مالی اخراجات نے کاروبار کے منافع کو نمایاں حد تک کم کر دیا ہے۔ صارفین چیکنگ کیلئے ڈبلیو پی پی بیگز کی طرف راغب ہو رہے ہیں جو کاغذ پر نامناسب کسٹم ڈیوٹی کے باعث ہوا۔ آپ کی کمپنی کی انتظامیہ کسٹم ڈیوٹی کی راشنلائزیشن کیلئے ریگولیٹری حکام کے ساتھ مسلسل رابطے میں ہے تاکہ کام کرنے کیلئے مناسب راہ ہموار کی جاسکے۔

صنعتی بورڈوں، فیشن بیگز، فوڈ گریڈ بیگز/ریپس نے بہتر شرح نمو کا مظاہرہ کیا جس کے نتیجے میں ان شعبوں کا ریونیوسال بہ سال کی بنیاد پر 30 فیصد تک بڑھ چکا ہے۔

رواں سہ ماہی کی سلیز میں جنوری اور فروری کے مہینوں کے دوران گزشتہ سال کی بہ نسبت نمایاں اضافہ ہوا تاہم COVID-19 (کورونا وائرس) کے باعث لاک ڈاؤن کے نتیجے میں تمام شعبوں کیلئے سلیز مارچ کے مہینے میں کم رہی اور جیم اور منافع کے لحاظ سے پوری سہ ماہی پر اثرات مرتب ہوئے۔

موجودہ COVID-19 (کورونا وائرس) کی وبائی صورتحال کے پیش نظر سال کا پورا آؤٹ لگ حوصلہ افزاء نہیں ہے۔ اگرچہ حکومت نے تعمیراتی صنعت کی بہتری کے لئے حال ہی میں ایک پیکیج کا اعلان کیا ہے تاہم اس کے مثبت اثرات ممکنہ طور پر رمضان المبارک کے بعد سامنے آسکیں گے۔ زر مبادلہ کی شرحوں میں اتار چڑھاؤ کے ساتھ نامناسب کسٹم ٹیرف کی وجہ سے کاروبار کے لئے چیلنجنگ صورتحال برقرار رہے گی۔ اس کٹھن وقت میں انتظامیہ سلیز کے مواقع بڑھانے اور اخراجات کو کنٹرول کرنے پر خصوصی توجہ دے رہی ہے۔

لیمینٹس آپریشنز

معیشت میں مجموعی سست روی اور مارچ کے تیسرے ہفتے سے کاروبار کی بندش کے اثرات کے باوجود لیمینٹس بزنس نے سہ ماہی کے دوران اپنی سلیز کی رفتار کو برقرار رکھا ہے۔ روپے کی قدر میں حالیہ کمی کے اثرات کو کم کرنے کے لئے انتظامیہ اہم خام مال کو مقامی سطح پر تلاش کرنے کیلئے کوشاں ہے۔

جانب سے چند تبدیلیوں کے باعث مالیاتی سال کی پہلی ششماہی کے دوران آٹو موٹیو میں نمایاں حد تک کمی کا سامنا کرنے کے بعد جنوری اور فروری 2020 کے مہینوں میں صارف کی طلب میں کچھ بہتری کے آثار ظاہر ہوئے۔ تاہم مارچ کے مہینے میں پاکستان میں COVID-19 (کورونا وائرس) کے پھیلنے کی وجہ سے حکومت سندھ کی جانب سے 21 مارچ 2020 کو جاری نوٹیفکیشن کے مطابق فیکٹریاں بند کر دی گئیں۔

COVID-19 (کورونا وائرس) نے ایک انتہائی غیر یقینی عالمی معاشی بحران پیدا کر دیا ہے۔ آپ کی انتظامیہ کی رائے یہ ہے کہ آٹو موٹیو گاڑیوں کیلئے طلب میں یہ سست روی کارخانہ مختصر مدت کے لئے جاری رہے گا۔ تاہم انتظامیہ پر اعتماد ہے کہ وائرس کو پھیلنے سے روکنے کے لئے حکومت کی جانب سے کئے گئے اقدامات کے جلد بہتر نتائج ظاہر ہوں گے اور گاڑیوں کی طلب کی صورتحال معمول پر آ جائے گی۔

معاشی سرگرمیوں کی موجودہ سست روی کے رجحان کے دوران آپ کی انتظامیہ نے معیار، صحت، تحفظ اور ماحولیات کو بہتر بنانے کے مختلف اقدامات پر خصوصی توجہ دینے کے ساتھ آپریٹنگ اخراجات پر کامیابی کے ساتھ کنٹرول کیا موثر فعالیت اور عزم کے ساتھ انتظامیہ نے اخراجات کو کنٹرول کرنے کیلئے مختلف موثر اقدامات کئے جبکہ مقامی صنعت کے فروغ اور مسابقتی وسائل کے مواقع حاصل کرنے کیلئے بھرپور کوششوں کے ساتھ نئے کاروبار کو تشکیل دینے کی موثر کوشش کی۔

کاروباری جائزہ۔ تعمیراتی سامان اور اس سے متعلق مصنوعات کا شعبہ

31 مارچ 2020 کو ختم ہونے والی 9 ماہ کی مدت کے دوران بلڈنگ میٹریل اور متعلقہ مصنوعات کے شعبے میں سیلز ریونیو 6.1 بلین روپے رہا جو گزشتہ سال کی اسی مدت میں 5.1 بلین روپے تھا جس سے 20 فیصد اضافہ حاصل ہوا۔

جوٹ آپریشن

جوٹ بزنس نے گزشتہ سال کی اسی مدت کے مقابلے میں YTD بنیاد پر صحتمندانہ شرح نمونہ ظاہر کی اور سرکردہ سپلائر کی حیثیت سے اپنی پوزیشن کو برقرار رکھا۔ کاروبار کو پاک روپے کی قدر میں کمی اور خام مال کی بڑھتی ہوئی قیمتوں کے باعث نمایاں حد تک اخراجات کے دباؤ کا سامنا کرنا پڑا تاہم اس کو ایکسپورٹ سیلز، بہتر مصنوعات کے امتزاج اور نرخوں میں اضافے کے باعث کم کرنے کی کوشش کی گئی۔

پی جی ایس (پاکستان کی اناج و غلہ کی بوریوں) کے لئے طلب پچھلے سال کے کم ذخائر اور گزشتہ سال کے مقابلے میں ملک میں گندم کے کم ذخائر اس مدت میں مستحکم رہی۔ کاروبار کے فروغ کیلئے برآمدات کا حجم مستحکم کرنے کا منصوبہ ہے جبکہ مقامی مارکیٹ میں اس کی طلب کو مزید بڑھانے کی کوششیں بھی جاری ہیں۔ انتظامیہ پیداواری عمل کو باکفایت بنانے پر بھی توجہ دیتی رہے گی تاکہ مقامی اور برآمدی مارکیٹوں دونوں جگہ مسابقتی فضاء برقرار رکھی جاسکے۔

تھل لیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ برائے شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کی جانب سے میں ڈائریکٹرز کا جائزہ بشمول 31 مارچ 2020 کو ختم ہونے والی مدت کے لئے غیر آڈٹ شدہ عبوری مجموعی مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

فنانس کی خاص خاص باتیں

| روپے بلین میں | | | | |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------------------|
| کنسالٹیڈ | | اسٹینڈالون | | |
| برائے مدت مختتمہ 31 مارچ 2019 | برائے مدت مختتمہ 31 مارچ 2020 | برائے مدت مختتمہ 31 مارچ 2019 | برائے مدت مختتمہ 31 مارچ 2020 | |
| 17,372 | 14,076 | 16,493 | 13,494 | سیلز آمدنی |
| 4,499 | 3,784 | 3,403 | 2,158 | قبل از ٹیکس منافع |
| 3,213 | 2,883 | 2,456 | 1,660 | بعد از ٹیکس منافع |
| 35.79 | 32.69 | 30.32 | 20.49 | فی شیئر آمدنی (روپے میں) |

کارکردگی کا جائزہ

31 مارچ 2020 کو ختم ہونے والی 9 ماہ کی مدت کیلئے سیلز ریویو 13.5 بلین روپے رہا جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت میں یہ حجم 16.5 بلین روپے تھا۔ بنیادی اور خالص آمدنی فی شیئر (ای پی ایل) 20.49 روپے رہی جو مقابلتاً گزشتہ سال کی اسی مدت میں 30.32 روپے تھی۔

کاروبار کی مختصر صورتحال - انجینئرنگ کا شعبہ

31 مارچ 2020 کو ختم ہونے والی 9 ماہ کی مدت کے لئے شعبہ انجینئرنگ کا ٹرن اوور 7.4 بلین روپے ریکارڈ کیا گیا اور گزشتہ سال کی اسی مدت کے حجم 11.4 بلین روپے کے مقابلے میں 35 فیصد کمی رجسٹر کی گئی۔

مالیاتی سال 2020 پاکستان کی آٹو انڈسٹری کیلئے ایک چیلنجنگ مدت رہے گی۔ کاروں کی مجموعی سیلز میں مالی سال 2020 کے پہلے 9 ماہ کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 47 فیصد کمی آئی ہے۔ گزشتہ مالیاتی بجٹ میں حکومت کی

CORPORATE INFORMATION

Board of Directors *

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

Chief Financial Officer

Shahid Saleem

Company Secretary

Salman Khalid

Audit Committee

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

Human Resource & Remuneration Committee

| | |
|------------------------------|------------------------|
| Asif Qadir | Chairman - Independent |
| Salman Burney | Member |
| Muhammad Tayyab Ahmad Tareen | Member |

External Auditors

EY Ford Rhodes Chartered Accountants

Legal Advisors

A. K. Brohi & Co., Karachi
Fazle Ghani Advocates, Karachi
K. A. Wahab & Co., 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
Al Baraka Bank (Pakistan) Limited
Bank Al-Habib Limited
Faysal Bank Limited
Industrial & Commercial Bank of China Limited
Telenor Microfinance Bank

Registered Office

4th Floor, House of Habib
3-Jinnah Cooperative Housing Society, Block 7/8
Sharae Faisal, Karachi - 75350
PABX: 92(21) 3431-2030, 3431-2185
Fax: 92(21) 3431-2318, 3439-0868
[E-mail: tl@hoh.net](mailto:tl@hoh.net)
[Web: www.thallimited.com](http://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
PABX: 92(21) 3438-0101-5, 3438-4621-5
Fax: 92(21) 3438-0106, 3242-8310
[E-mail: info.shares@famco.pk](mailto:info.shares@famco.pk)
[Web: www.famco.com.pk](http://www.famco.com.pk)

* Mr. Ali S. Habib, the Company's Non-Executive Director, passed away on April 17, 2020. The casual vacancy will be filled with in the time stipulated under relevant law.