

# Thal Limited

Condensed Interim Financial Statements  
For the Period Ended September 30, 2019  
(Un-audited)



# Thal Limited

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# Thal Limited

## Directors' Review Report to the Shareholders

On behalf of the Board of Directors, I am pleased to share Directors' Review along with the unaudited interim condensed financial statements for the period ended September 30, 2019.

### Financial Highlights

	Rupees in Millions	
	For the quarter ended Sep. 30, 2019	For the quarter ended Sep. 30, 2018
Sales	3,998	4,881
Profit Before Taxes	285	714
Profit After Taxes	194	511
Earnings Per Share (Rs.)	2.40	6.31

### Performance Overview

During the first quarter ended on September 30, 2019, the Company posted sales revenue of Rs. 3.9 billion compared to Rs. 4.9 billion in the corresponding quarter last year. The basic & diluted Earnings Per Share (EPS) are Rs 2.40 compared to Rs. 6.31 in the corresponding period last year.

### Business Brief – Engineering Segment

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

The Auto sector overall faced a challenging first quarter as OEM's automobile sales declined by 39% versus the same period last year and were lower by 34% compared to the last quarter. The demand is expected to remain weak in the short term because of increased prices of the vehicles owing to introduction of duties and taxes as well as sharp devaluation of the Rupee. However, considering different steps taken by the OEMs, management is hopeful that volumes will start to recover in next few months.

This decline in demand for cars has translated into a contraction in the auto parts manufacturing industry as well. The turnover of the Engineering Segment for Q1 FY19-20 was recorded at Rs 2.3 billion, registering a decline of 34% compared to Rs 3.5 billion in the same period last year. In addition to the above, slow off-take has resulted in significant pile up of inventory. The Company being prudent, has made a significant provision against this inventory which negatively impacted overall Company's Gross Margin; registering at 8.7% in this quarter versus 17.3% in the same period last year.

In these challenging times, the management remains committed to implementing cost optimization measures with continued focus on developing new business and further localization.

### Business Brief – Building Material & Allied Product Segment

Sales revenue of Building Material & Allied Product Segment during the quarter ended September 30, 2019 was Rs 1.7 billion against Rs 1.4 billion in the corresponding period last year, an increase of 21%.

### Jute Operations

The quarter under review remained challenging for the company. Major cost increases were absorbed in terms of raw jute, electricity and minimum wage. Additionally, the devaluation of the Pak Rupee further strained the profitability of the business, and posed new challenges for the management. However, the company fully supports

the government's efforts to document the economy, which would provide a level playing field for all in the long run.

Volumes of export sales were increased as compared to the same period last year. However, the demand in local market is under pressure and expected to improve in the coming months with moderate demand of grain sacks. Overall the business remained on budget for the quarter.

### **Papersack Business**

The quarter under review registered 21% higher sales revenue as compared to the corresponding period last year. This increase is the consequence of higher paper cost in the international market coupled with PKR devaluation and an increase in additional custom duty due to which the difference between paper and polypropylene sacks increased further, creating a challenge for the business. Your management is in continuous follow up with regulatory authorities for the rationalization of custom duties, in order to get a level playing field.

Volumes of Industrial sacks, SOS and Carrier bags collectively grew as compared to the same period last year as our customer base has widened owing to the drive against plastic bags.

The management continues to advocate the proliferation of paper in packaging nationwide as compared to the environmentally harmful use of plastic bags which is one of the major contributors to non-biodegradable urban waste.

The outlook for the year is positive as paper prices are moving back to normal levels in the international market. However, recession in the construction industry, exchange rate volatility along with unfair custom tariff will continue to remain challenging for the business. In the months to come, demand for our food grade and fashion bags is expected to show a healthy growth which the business is geared up to capitalize from.

### **Laminates Operations**

The quarter under review registered higher sales revenue for the business compared to the corresponding period last year due to growth in volumes as well as price. The quarter was expected to be slow and challenging with the market dealers resisting and testing the government's new conditions to document sales. Those who have registered themselves are also gradually increasing their documented sales.

### **Subsidiaries**

#### **Thal Boshoku Pakistan (Private) Limited (TBPK)**

During the current quarter the sales were significantly down over the same period last year. The main reason for decrease in sales is due to negative volume variance at the back of declining market conditions. At the same time, the continuous devaluation of PKR against major foreign currencies including USD and JPY was a constant pressure on profitability for the Company.

The Company witnessed significant developments being undertaken during the current period. The Company is on track to be ready for commercial production of seats in its new facility. In addition to a new seat plant, the Company is also taking steps towards increasing its products offering by working to increase its localization portfolio, along with introduction of new automotive parts.

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.

Further 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.

During the quarter, HMPL approved final dividend of Rs. 69 million for payment to Thal Limited.

### **Makro-Habib Pakistan Limited (MHPL)**

Makro Habib Pakistan Limited (MHPL) is a wholly owned subsidiary of Thal Limited which owns Makro Saddar store. The Honorable Supreme Court of Pakistan dismissed MHPL's Review Petition for Saddar Store and as a consequence, the store of MHPL was closed down on September 11, 2015.

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

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

### **Investment in Power Sector**

#### **Sindh Engro Coal Mining Company Limited**

SECMC is a joint venture between the Government of Sindh, Thal Limited, Engro Powergen Limited, Hub Power Company Limited, Habib Bank Limited, CMEC Thar Mining Investments Limited and SPI Mengdong. It is engaged in developing Pakistan's first open pit mining project at Thar Coal Block II. The project achieved its commercial operations date for 3.8 million tons per annum capacity (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.

Phase II of SECMC is on course to achieving Financial Close. The tariff has been determined by Thar Coal & Energy Board while the financing documents have been executed. 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.

#### **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 Hub Power Company to set up a 330 MW mine mouth coal-fired power generation plant located at Thar, Sindh. This power plant will be run on indigenous coal extracted from the mine operated by SECMC.

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

China Development Bank ("CDB") and Habib Bank Limited ("HBL") have been engaged for arrangement of foreign and local currency project debt respectively. ThalNova executed key financial agreements with project lenders in July this year and is on course for achieving financial close.

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.

## **Acknowledgement**

We would like to thank and to convey our appreciation in these challenging times 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

A handwritten signature in black ink, appearing to read 'M. Tareen', with a horizontal line underneath the name.

**Muhammad Tayyab Ahmad Tareen**  
**Chief Executive**

Karachi: October 25, 2019.

THAL LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2019

	Note	Sep 30, 2019 (Un-audited)	Jun 30, 2019 (Audited)
(Rupees in thousands)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	2,175,212	2,187,780
Intangible assets		106,599	90,745
Investment property		994	995
Long-term investments	6	5,460,596	5,431,550
Long-term loans	7	860,283	861,282
Long-term deposits		15,061	14,861
Deferred tax asset - net		183,044	165,194
		<b>8,801,789</b>	<b>8,752,407</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		130,063	124,710
Stock-in-trade	8	5,596,382	5,635,305
Trade debts		1,656,947	2,347,946
Loans and advances		84,013	21,860
Trade deposits and short-term prepayments		243,967	316,623
Interest accrued		4,756	3,699
Other receivables		176,584	71,168
Short-term investments	9	3,794,056	2,943,298
Income Tax - net	10	32,533	93,918
Sales tax refundable		186,289	300,186
Cash and bank balances		584,815	611,509
		<b>12,490,405</b>	<b>12,470,222</b>
<b>TOTAL ASSETS</b>		<b>21,292,194</b>	<b>21,222,629</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 200,000,000 (June 30, 2018: 200,000,000) ordinary shares of Rs.5 each		<b>1,000,000</b>	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
Reserves		18,413,455	18,226,309
		<b>18,818,605</b>	<b>18,631,459</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term deposits		1,463	1,463
Lease liabilities		6,333	-
		7,796	1,463
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,353,174	2,483,601
Unclaimed dividend		56,657	56,697
Unpaid dividend		48,919	49,409
Short-term running finance		47	-
Current maturity of lease liabilities		6,996	-
		<b>2,465,793</b>	<b>2,589,707</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>21,292,194</b>	<b>21,222,629</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Shahid Saleem  
Chief Financial Officer



Muhammad Tayyab Ahmad Tareen  
Chief Executive



Salman Borney  
Director

THAL LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019  
(UN-AUDITED)

	Note	Quarter ended	
		Sep 30, 2019	Sep 30, 2018
(Rupees in thousands)			
Revenue - net		3,998,158	4,880,916
Cost of sales		(3,649,984)	(4,034,336)
<b>Gross Profit</b>		<b>348,174</b>	<b>846,580</b>
Distribution costs		(90,753)	(80,899)
Administrative expenses		(178,775)	(179,392)
Other charges		(20,133)	(50,874)
		<b>(289,661)</b>	<b>(311,165)</b>
Other income	12	229,348	181,647
<b>Operating Profit</b>		<b>287,861</b>	<b>717,062</b>
Finance costs		(2,574)	(3,138)
<b>Profit before taxation</b>		<b>285,287</b>	<b>713,924</b>
Taxation		(90,898)	(202,851)
<b>Profit after taxation</b>		<b>194,389</b>	<b>511,073</b>
		<b>Rupees</b>	
Basic and diluted earnings per share	13	<b>2.40</b>	<b>6.31</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



**Shahid Saleem**  
Chief Financial Officer



**Muhammad Tayyab Ahmad Tareen**  
Chief Executive



**Salman Burney**  
Director



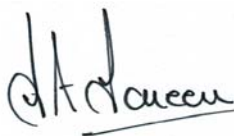
THAL LIMITED  
 UNCOSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2019  
 (UN-AUDITED)

	Quarter ended	
	Sep 30, 2019	Sep 30, 2018
	(Rupees in thousands)	
<b>Profit after taxation</b>	194,389	511,073
<b>Other comprehensive income</b>		
<i>Item to be reclassified to profit and loss account in subsequent periods:</i>		
(Loss) / gain on revaluation of investments at fair value through other comprehensive income	(4,098)	(19,629)
<b>Total comprehensive income for the period</b>	<b>190,291</b>	<b>491,444</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



**Shahid Saleem**  
Chief Financial Officer



**Muhammad Tayyab Ahmad Tareen**  
Chief Executive



**Salman Burney**  
Director

THAL LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019  
(UN-AUDITED)

	Quarter ended	
	Sep 30, 2019	Sep 30, 2018
(Rupees in thousands)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	285,287	713,924
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	104,239	60,180
Finance costs	2,574	3,138
Profit earned on call deposits and short-term investments	(59,653)	(13,120)
Liabilities no longer payable written back	-	(736)
Gain on revaluation / redemption of investments at fair value through profit and loss	(9,145)	(61,670)
Dividend income	(121,448)	(83,708)
Provision for impairment of trade debts	40,538	20,562
Provision for retirement benefits	3,773	2,128
Gain on disposal of property, plant and equipment and intangible assets	(2,862)	(1,110)
	<u>(41,984)</u>	<u>(74,336)</u>
	243,303	639,588
(Increase) / decrease in current assets		
Stores, spares and loose tools	(5,353)	(5,473)
Stock-in-trade	38,923	(1,014,043)
Trade debts	650,461	(200,002)
Loans and advances	(62,153)	14
Trade deposits and short-term prepayments	72,656	(204,922)
Other receivables	(36,140)	6,088
Sale tax refundable	113,896	86,412
Increase / (decrease) in current liabilities	(130,427)	122,494
Trade and other payables	<u>641,863</u>	<u>(1,209,432)</u>
Cash used in operations	885,166	(569,844)
Finance costs paid	(2,574)	(2,929)
Retirement benefits paid	(3,773)	(6)
Income tax paid	(47,363)	(194,777)
Long-term loans	999	999
Long-term deposits - net	(200)	(150)
Net cash used in operating activities	<u>832,255</u>	<u>(766,707)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(97,038)	(273,380)
Dividends received	52,172	429
Profit received on call deposits and short-term investments	57,073	13,145
Proceeds from disposal of property, plant and equipment	4,188	3,563
Long-term investments made during the period	(33,144)	(250,776)
Short-term investments encashed / (made) during the period	(44,612)	1,015,970
Net cash generated from investing activities	<u>(61,361)</u>	<u>508,951</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(530)	(2,225)
Lease liability repaid	(1,627)	-
Net cash used in financing activities	<u>(2,157)</u>	<u>(2,225)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>768,737</u>	<u>(259,981)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	1,657,208	1,281,994
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>2,425,945</u>	<u>1,022,013</u>
Cash and bank balances	584,815	710,346
Short-term investments	1,841,177	346,780
Short-term running finance	(47)	(35,113)
	<u>2,425,945</u>	<u>1,022,013</u>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Shahid Saleem  
Chief Financial Officer



Muhammad Tayyab Ahmad Tareen  
Chief Executive



Salman Borney  
Director


THAL LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Reserves				Total equity	
	Issued, subscribed & paid-up capital	Capital reserve	General reserve	Unappropriated profit		Gain/(Loss) on changes in fair value of investments at fair value through other comprehensive income
-----Rupees in '000-----						
<b>Balance as at June 30, 2018 (Audited)</b>	<b>405,150</b>	<b>55,704</b>	<b>13,531,499</b>	<b>2,281,141</b>	<b>164,176</b>	<b>16,437,670</b>
Transfer to general reserve	-	-	1,592,000	(1,592,000)	-	-
Profit for the period	-	-	-	511,073	-	511,073
Other comprehensive income	-	-	-	-	(19,629)	(19,629)
Total comprehensive income	-	-	-	511,073	(19,629)	491,444
<b>Balance as at Septmeber 30, 2018 (Unaudited)</b>	<b>405,150</b>	<b>55,704</b>	<b>15,123,499</b>	<b>1,200,214</b>	<b>144,547</b>	<b>16,929,114</b>
<b>Balance as at June 30, 2019 (Audited)</b>	<b>405,150</b>	<b>55,704</b>	<b>15,123,499</b>	<b>2,952,475</b>	<b>94,631</b>	<b>18,631,459</b>
First time adoption of IFRS 16	-	-	-	(3,145)	-	(3,145)
	405,150	55,704	15,123,499	2,949,330	94,631	18,628,314
Transfer to general reserve	-	-	2,506,500	(2,506,500)	-	-
Profit for the period	-	-	-	194,389	-	194,389
Other comprehensive income	-	-	-	-	(4,098)	(4,098)
Total comprehensive income	-	-	-	194,389	(4,098)	190,291
<b>Balance as at September 30, 2019 (Unaudited)</b>	<b>405,150</b>	<b>55,704</b>	<b>17,629,999</b>	<b>637,219</b>	<b>90,533</b>	<b>18,818,605</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



**Shahid Saleem**  
Chief Financial Officer



**Muhammad Tayyab Ahmad Tareen**  
Chief Executive



**Salman Borney**  
Director

THAL LIMITED  
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019  
(UN-AUDITED)

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

**Head Office**

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

**Plants**

The Jute operations are located at Muzaffargarh, Punjab.

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

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

Laminates operations are located at Hub, Balochistan.

- 1.3 These 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 STATEMENT OF COMPLIANCE**

- 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 Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Provisions of and directives issued under the Companies Act, 2017.

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

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual audited unconsolidated financial statements and should be read in conjunction with the Company's audited unconsolidated financials statements for the year ended June 30, 2019.

- 2.3 These unconsolidated condensed interim financial statements are unaudited and are being submitted to shareholders in accordance with section 237 of the Act.

**3 ACCOUNTING POLICIES**

- 3.1 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.

### 3.2 Changes in accounting policies

The Company has adopted IFRS 16 "Leases" from July 01, 2019 which is effective from the annual periods beginning on or after January 01, 2019 respectively. The details of new significant accounting policies adopted and the nature and effect of the changes from previous accounting policies are set out below:

#### 3.2.1 IFRS 16 "Leases"

IFRS 16 replaces IAS 17 "Accounting for Leases" and related interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a Right of Use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Company has adopted IFRS 16 using the modified retrospective approach and has not restated comparatives as permitted under the specific transitional provisions in the standard. This has resulted in Company recognizing lease liabilities and corresponding Right of Use assets for all leases qualifying under the criteria laid down by the standard.

On adoption of IFRS 16, the Company has recognised liabilities in respect of leases which had previously been classified as operating leases under IAS 17 except for certain short-term leases in accordance with IFRS 16. These liabilities were initially measured at the present value of lease payments using the incremental borrowing rate at the date of initial application. Right of Use asset is depreciated over lease term and classified as depreciation expense.

#### 3.2.2 Impact of IFRS 16

	June 30, 2019	Change	Jul 1, 2019
	(Rupees in thousands)		
<b>Impact on unconsolidated statement of financial position</b>			
Increase in Right of Use assets	-	11,811	11,811
Increase in lease liability	-	14,956	14,956
Decrease in unappropriated profit	2,952,475	(3,145)	2,949,330
			<b>Quarter ended Sep 30, 2019</b>
<b>Rs in '000</b>			
<b>Impact on unconsolidated statement of profit and loss</b>			
Decrease in rent expense			2,146
Increase in finance cost			519
Increase in depreciation expense			1,476

#### 3.2.3 Amendments to approved accounting standards that are effective in the current period

There are certain other new and amended standards that became effective during the period (enumerated in note 5.1 to the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2019). However, such standards did not have any significant effect on this condensed interim unconsolidated financial information except IFRS 16 "Leases" as described above.

### 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 for changes as disclosed in note 3.2 above.

**5 PROPERTY, PLANT AND EQUIPMENT**

	Note	Sep 30, 2019 (Un-audited) (Rupees in thousands)	Jun 30, 2019 (Audited)
Operating fixed assets	5.1 & 5.3	1,975,446	2,047,233
Capital work-in-progress	5.2	199,766	140,547
		<u>2,175,212</u>	<u>2,187,780</u>

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

	Additions at cost		Deletions on book value	
	Quarter ended		Quarter ended	
	Sep 30,		Sep 30,	
	2019 (Un-audited)	2018	2019 (Un-audited)	2018
	------(Rupees in '000)-----			
<b>Operating Fixed Assets</b>				
Building on freehold land	1,212	-	-	-
Plant and machinery	2,638	15,511	-	156
Furniture and fittings	-	-	13	-
Vehicles	206	3,564	1,195	1,866
Office and mills equipment	8,553	1,333	27	99
Computer equipment	2,360	4,893	91	207
Jigs and fixtures	581	3,649	-	-
	<u>15,550</u>	<u>28,950</u>	<u>1,326</u>	<u>2,328</u>
Building - Right of Use assets	11,811			
	<u>27,361</u>	<u>28,950</u>	<u>1,326</u>	<u>2,328</u>

5.2 Includes capital work in progress on building on freehold land and plant and machinery amounting to Rs. 69.721 million (June 30, 2019: Rs. 41.258 million) and Rs. 66.529 million (June 30, 2019: Rs 84.362 million), respectively.

5.3 During the period, capital work in progress amounting to Rs. 33.852 million (September 30, 2018: Rs.15.280 million) was transferred to operating fixed assets.

## 6 LONG-TERM INVESTMENTS

During the period, the Company has made further investment in Sindh Engro Coal Mining Company (SECMC) amounting to Rs. 33.145 million.

## 7 LONG-TERM LOANS

These include interest free loan amounting to Rs. 857.286 million (June 30, 2019: 857.286 million) given to Thal Power (Private) Limited for purchase of shares of ThalNova Power Thar (Private) Limited (ThalNova). The loan is likely to be converted into share capital based on the progress achieved by ThalNova for its underlying project.

		Sep 30, 2019 (Un-audited)	Jun 30, 2019 (Audited)
<b>8 STOCK-IN-TRADE</b>			
Raw material			
In hand	8.1	3,907,383	4,260,842
In transit		361,726	496,245
Work-in-process		423,125	246,731
Finished goods		904,148	631,487
		<u>5,596,382</u>	<u>5,635,305</u>

8.1 This includes items amounting to Rs. 39.179 million (June 30, 2019: Rs. 183.123 million) carried at net realizable value. [Cost Rs. 183.397 million (June 30, 2019: Rs. 276.755 million)]

## 9 SHORT-TERM INVESTMENTS

9.1 These represent investment in Term Deposit Receipts amounting to Rs. 945.699 million (June 30, 2019: Rs. 1,045.699 million), Government Treasury Bills amounting to Rs. 895.478 million (June 30, 2019: nil) and Mutual Funds amounting to Rs. 1,947.961 million (June 30, 2019: 1,894.204 million).

9.2 These include short-term investments amounting to Rs. 1,841.171 million (June 30, 2019: Rs. 1,045.699 million) having maturity up to three months.

		Sep 30, 2019 (Un-audited)	Jun 30, 2019 (Audited)
<b>10 INCOME TAX - NET</b>			
Group Tax Relief adjustments	10.1	632,681	632,681
Group Taxation adjustments	10.2	(16,038)	(15,645)
Income tax provisions less tax payments - net		<u>(584,110)</u>	<u>(523,118)</u>
		<u>32,533</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. 593.466 million equivalent to the tax value of the losses acquired has been paid to the subsidiary company.

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

In addition to the above, the Company has decided to acquire tax losses incurred by Thal Boshoku Pakistan (Private) Limited (TBPK) during the year 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 Income Tax Ordinance, 2001 (the Ordinance), the Company and its wholly owned subsidiaries Makro-Habib Pakistan Limited and A-One Enterprises (Private) Limited have irrevocably opted to be taxed as one fiscal unit for the tax year 2020.

## 11 CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

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

### 11.2 Commitments

11.2.1 Letter of guarantees issued by banks on behalf of the company amount to Rs. 596.397 million (June 30, 2018: Rs. 1,402.908 million).

11.2.2 Post dated cheques issued to Collector of Customs amounts to Rs. 41.272 million (June 30, 2018: Rs. 141.811 million).

11.2.3 Letter of credits outstanding for raw material and spares amounts to Rs. 1,373,855 million (June 30, 2018: Rs. 616.156 million).

11.2.4 Commitments in respect of capital expenditure are Rs. 946.893 million (June 30, 2018: Rs. 1,049.042 million).

11.2.5 Commitments for rentals under Ijarah agreements to a related party in respect of vehicles and computers amount to Rs. 43.839 million (June 30, 2018: Rs. 41.986 million).

Note	Quarter ended	
	Sep 30, 2019 (Un-audited)	Sep 30, 2018
	(Rupees in thousands)	

## 12 OTHER INCOME

### Income from financial assets

Dividend income	121,448	83,708
Profit earned on call deposits and short-term investments	59,653	13,120
Gain on revaluation / redemption of investments at fair value through profit and loss	9,145	61,670
Others	15,076	2,036
	<u>205,322</u>	<u>160,534</u>

### Income from non-financial assets

Gain on disposal of property, plant and equipment	2,862	1,110
Others	21,164	20,003
	<u>24,026</u>	<u>21,113</u>
	<u>229,348</u>	<u>181,647</u>

## 13 BASIC AND DILUTED EARNINGS PER SHARE

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

Profit after taxation	<u>194,389</u>	<u>511,073</u>
	<b>Number of shares in thousands</b>	
Weighted average number of ordinary shares of Rs. 5/- each in issue	<u>81,030</u>	<u>81,030</u>
	<b>(Rupees)</b>	
Basic and diluted earnings per share	<u>2.40</u>	<u>6.31</u>



**14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties of the Company comprise of subsidiaries, associates and companies with common directorship, directors, key management personnel and retirement 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	Quarter ended	
		Sep 30, 2019 (Un-audited)	Sep 30, 2018 (Un-audited)
(Rupees in thousands)			
<b>Subsidiaries</b>	Professional services acquired	38,603	46,166
	Purchase of goods	1,072	118
	Rent received	-	1,385
	Service Fee	8,100	6,930
	Tax loss acquired under group taxation	394	3,003
	Sale of assets	4,413	137
<b>Associates</b>	Sales of goods	1,683,283	3,017,914
	Insurance premium	10,397	8,739
	Purchase of assets	176	196
	Supplies purchased	9,660	10,898
	Insurance claim received	3,601	3,542
	Mark-up and bank charges paid	345	960
	Profit received on call deposits and short-term investments	8,504	3,717
	Rent received	708	-
	Ijarah rentals	7,197	5,406
<b>Employee benefit plans</b>	Contribution to provident fund	12,662	10,420
	Contribution to retirement benefit fund	2,135	2,128
<b>Key management personnel</b>	Key management personnel compensation	16,703	11,933

**15 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

Financial assets measured at fair value through profit or loss and financial instruments measured at fair value through other comprehensive income which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date (Level 1 Valuation). The estimated fair value of all other financial assets and liabilities is considered not significantly different from their book values.

There were no transfers amongst levels during the period.

**16 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.

**17 SUBSEQUENT EVENT**

The Board of Directors has recommended final cash dividend of Rs. 5.50 per share for the year ended June 30, 2019. These unconsolidated condensed interim financial statements do not reflect the payment of cash dividend which will be approved by the shareholders in the annual general meeting to be held on October 26, 2019.

**18 GENERAL**

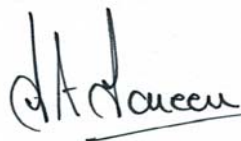
Figures have been rounded off to the nearest thousands.

**19 DATE OF AUTHORISATION FOR ISSUE**

This unconsolidated condensed interim financial statements were authorised for issue on October 25, 2019 by the Board of Directors of the Company.



**Shahid Saleem**  
Chief Financial Officer



**Muhammad Tayyab Ahmad Tareen**  
Chief Executive



**Salman Burney**  
Director

THAL LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2019

	Note	Sep 30, 2019 (Un-audited)	Sep 30, 2018 (Audited)
(Rupees in thousands)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3,338,212	3,365,205
Intangible assets		121,059	94,193
Investment property		6,817,920	6,422,476
Long-term investments	6.	5,698,631	5,402,004
Long-term loans		2,997	3,996
Long-term deposits		23,390	23,188
Long-term prepayments		22,501	22,501
Deferred tax asset - net		165,098	139,796
		<b>16,189,808</b>	<b>15,473,359</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		141,104	134,503
Stock-in-trade	7	5,783,290	5,788,036
Trade debts		1,717,060	2,431,440
Loans and advances		102,473	28,224
Trade deposits and short-term prepayments		276,433	331,515
Interest accrued		18,090	7,648
Other receivables		166,063	83,559
Short-term investments	8	8,812,325	7,549,725
Sales tax refundable		256,176	357,073
Cash and bank balances		1,021,336	1,068,600
		<b>18,294,350</b>	<b>17,780,323</b>
<b>TOTAL ASSETS</b>		<b>34,484,158</b>	<b>33,253,682</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 200,000,000 (June 30, 2018: 200,000,000) ordinary shares of Rs.5 each		<b>1,000,000</b>	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		22,920,691	22,568,368
Equity attributable to equity holders' of the parent		23,325,853	22,973,530
Non-controlling interest		6,493,043	6,596,482
		<b>29,818,896</b>	<b>29,570,012</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term deposits		325,848	323,777
Lease liabilities		609,237	-
		<b>935,085</b>	<b>323,777</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,753,888	2,880,445
Unclaimed dividend		56,657	56,697
Unpaid dividend		164,379	49,409
Income Tax - net	9	166,284	90,706
Short-term borrowings		377,192	274,131
Current maturity of lease liabilities		196,383	-
Deferred income		15,394	8,505
		<b>3,730,177</b>	<b>3,359,893</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>34,484,158</b>	<b>33,253,682</b>

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements



Shahid Saleem  
Chief Financial Officer



Muhammad Tayyad Ahmad Tareen  
Chief Executive



Salman Burney  
Director

THAL LIMITED  
 CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS  
 FOR THE PERIOD QUARTER ENDED SEPTEMBER 30, 2019  
 (UN-AUDITED)

	Note	Quarter ended	
		Sep 30, 2019	Sep 30, 2018
		(Rupees in thousands)	
Revenue - net		4,186,504	5,148,188
Cost of sales		<u>(3,834,221)</u>	<u>(4,220,606)</u>
<b>Gross Profit</b>		<b>352,283</b>	<b>927,582</b>
Distribution costs		<u>(91,979)</u>	<u>(82,445)</u>
Administrative expenses		<u>(380,834)</u>	<u>(372,699)</u>
Other charges		<u>(20,092)</u>	<u>(52,133)</u>
		<u>(492,905)</u>	<u>(507,277)</u>
Other income	11	<u>771,422</u>	<u>600,683</u>
<b>Operating Profit</b>		<b>630,800</b>	<b>1,020,988</b>
Finance costs		<u>(39,873)</u>	<u>(3,457)</u>
		<u>590,927</u>	<u>1,017,531</u>
Share of net profit of associates - after tax		<u>272,590</u>	<u>271,922</u>
<b>Profit before taxation</b>		<b>863,517</b>	<b>1,289,453</b>
Taxation		<u>(213,157)</u>	<u>(309,660)</u>
<b>Profit after taxation</b>		<b>650,360</b>	<b>979,793</b>
<b>Attributable to:</b>			
- Equity holders of the Holding Company		<u>570,399</u>	<u>875,296</u>
- Non-controlling interest		<u>79,961</u>	<u>104,497</u>
		<u>650,360</u>	<u>979,793</u>
		<b>Rupees</b>	
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	12	<u>7.04</u>	<u>10.80</u>

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Shahid Saleem  
Chief Financial Officer



Muhammad Tayyad Ahmad Tareen  
Chief Executive



Salman Burney  
Director

THAL LIMITED  
 CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD QUARTER ENDED SEPTEMBER 30, 2019  
 (UN-AUDITED)

	Quarter ended	
	Sep 30, 2019	Sep 30, 2018
	(Rupees in thousands)	
<b>Profit after taxation</b>	650,360	979,793
<b>Other comprehensive income</b>		
(Loss) / gain on revaluation of investments at fair value through other comprehensive income	(4,098)	(19,629)
Share of actuarial loss on remeasurement of defined benefit plans of associates	(5,009)	(3,390)
<b>Total comprehensive income for the period, net of tax</b>	<b>641,253</b>	<b>956,774</b>
<b>Attributable to:</b>		
- Equity holders of the Holding Company	561,292	852,277
- Non-controlling interest	79,961	104,497
	<b>641,253</b>	<b>956,774</b>

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



**Shahid Saleem**  
Chief Financial Officer



**Muhammad Tayyad Ahmad Tareen**  
Chief Executive



**Salman Burney**  
Director

THAL LIMITED  
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE PERIOD QUARTER ENDED SEPTEMBER 30, 2019  
(UN-AUDITED)

	Sep 30, 2019	Sep 30, 2018
(Rupees in thousands)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	863,517	1,289,453
Adjustments for non-cash charges and other items:		
Depreciation and amortization	218,715	127,913
Share in profit of associates - after taxation	(272,590)	(271,922)
Finance costs	39,873	3,457
Profit earned on call deposits and short-term investments	(127,511)	(60,705)
Liabilities no longer payable written back	-	(736)
Gain on revaluation / redemption of investments at fair value through profit and loss	(80,727)	(93,714)
Dividend income	(52,928)	(429)
Provision for impairment of trade debts	40,539	20,561
Provision for retirement benefits	3,773	2,128
Gain on disposal of property, plant and equipment	(2,961)	(1,262)
	<u>(233,817)</u>	<u>(274,709)</u>
	629,700	1,014,744
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(6,601)	(6,666)
Stock-in-trade	4,746	(1,032,864)
Trade debts	673,841	(243,363)
Loans and advances	(74,249)	(1,789)
Trade deposits and short-term prepayments	55,082	(272,076)
Other receivables	(13,228)	24,028
Sales tax refundable	113,896	73,095
<b>Increase / (decrease) in current liabilities</b>		
Deferred income	6,889	14,413
Sales tax Payable	(13,000)	(19,647)
Trade and other payables	(126,557)	75,027
	<u>620,819</u>	<u>(1,389,842)</u>
<b>Cash generated from operations</b>	1,250,519	(375,098)
Finance costs paid	(35,256)	(3,248)
Retirement benefits paid	(3,773)	(6)
Income tax paid	(162,881)	(169,388)
Long-term loans	999	1,633
Long-term deposits - net	1,869	(1,483)
Net cash used in operating activities	<u>1,051,477</u>	<u>(547,590)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(23,856)	(577,065)
Dividends received	(17,104)	429
Profit Received	92,990	53,355
Investment in subsidiary	-	(137)
Long-term investments made during the period	(33,144)	(250,776)
Proceeds from disposal of property, plant and equipment	6,447	3,716
Short-term investments encashed / (made) during the period	(686,274)	1,052,790
Net cash generated from investing activities	<u>(660,941)</u>	<u>282,312</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(68,470)	(141,023)
Long-term deposit	(1,627)	-
Net cash used in financing activities	<u>(70,097)</u>	<u>(141,023)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	320,439	(406,301)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>3,624,189</u>	<u>4,054,544</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>3,944,628</u>	<u>3,648,243</u>
Cash and bank balances	1,021,336	832,590
Short-term investments	3,300,484	2,850,766
Short-term running finance	(377,192)	(35,113)
	<u>3,944,628</u>	<u>3,648,243</u>

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Shahid Saleem  
Chief Financial Officer



Muhammad Tayyad Ahmad Tareen  
Chief Executive



Salman Burney  
Director

THAL LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD QUARTER ENDED SEPTEMBER 30, 2019

	Issued, subscribed & paid-up capital	Share deposit money	RESERVES				Non-controlling interest	Total equity
			Capital reserve	General reserve	Unappropriated profit	Gain / (Loss) on changes in fair value of available for sale investments		
----- Rupees in '000 -----								
<b>Balance as at June 30, 2018 (Audited)</b>	<b>405,150</b>	<b>12</b>	<b>67,929</b>	<b>13,573,374</b>	<b>6,152,487</b>	<b>164,179</b>	<b>6,484,082</b>	<b>26,847,213</b>
Transfer to general reserve	-	-	-	1,592,000	(1,592,000)	-	-	-
<b>Subsidiary Companies</b>								
Final dividend @ Rs. 0.408/- per share for the year ended June 30, 2018	-	-	-	-	-	-	(55,519)	<b>(55,519)</b>
Profit for the period	-	-	-	-	875,296	-	104,497	<b>979,793</b>
Other comprehensive income	-	-	-	-	(3,390)	(19,629)	-	<b>(23,019)</b>
Total comprehensive income	-	-	-	-	871,906	(19,629)	104,497	<b>956,774</b>
<b>Balance as at September 30, 2018 (Unaudited)</b>	<b>405,150</b>	<b>12</b>	<b>67,929</b>	<b>15,165,374</b>	<b>5,432,393</b>	<b>144,550</b>	<b>6,533,060</b>	<b>27,748,468</b>
<b>Balance as at June 30, 2019 (Audited)</b>	<b>405,150</b>	<b>12</b>	<b>67,929</b>	<b>15,165,374</b>	<b>7,240,431</b>	<b>94,634</b>	<b>6,596,482</b>	<b>29,570,012</b>
First time adoption of IFRS 16	-	-	-	-	(208,969)	-	(137,216)	<b>(346,185)</b>
	405,150	12	67,929	15,165,374	7,031,462	94,634	6,459,266	29,223,827
Transfer to general reserve	-	-	-	2,506,500	(2,506,500)	-	-	-
<b>Subsidiary Companies</b>								
Final dividend @ Rs. 0.339/- per share for the year ended June 30, 2019	-	-	-	-	-	-	(46,184)	<b>(46,184)</b>
Profit for the period	-	-	-	-	570,399	-	79,961	<b>650,360</b>
Other comprehensive income	-	-	-	-	(5,009)	(4,098)	-	<b>(9,107)</b>
Total comprehensive income	-	-	-	-	565,390	(4,098)	79,961	<b>641,253</b>
<b>Balance as at September 30, 2019 (Unaudited)</b>	<b>405,150</b>	<b>12</b>	<b>67,929</b>	<b>17,671,874</b>	<b>5,090,352</b>	<b>90,536</b>	<b>6,493,043</b>	<b>29,818,896</b>

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



**Shahid Saleem**  
Chief Financial Officer



**Muhammad Tayyad Ahmad Tareen**  
Chief Executive



**Salman Burney**  
Director

THAL LIMITED  
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD QUARTER ENDED SEPTEMBER 30, 2019  
(UN-AUDITED)

**1 THE GROUP AND ITS OPERATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Holding Company:**

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

**Plants**

The Jute operations are located at Muzaffargarh, Punjab.

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

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

Laminate operations are located at Hub, Balochistan

**Subsidiaries:**

Noble Computer Services (Private) Limited operations are located at 2nd Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi,

Pakistan Industrial Aids (Private) Limited operations are located at - Plot number 192 Korangi Industrial area, Sector 22, Karachi.

Makro Habib Pakistan Limited is located at 2nd, House of Habib - 3- Jinnah Co-Operative Housing Society, Sharae Faisal, Karachi.

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

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

Thal Boshoku Pakistan (Private) Limited operations are located at - Plot number 192 Korangi industrial area, Sector 22 and plot number SP-C north western industrial road, Port Qasim, Karachi.

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

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



## 2 BASIS OF PREPERATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended June 30, 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.

### 0.1 Changes in accounting policies

The Group has adopted IFRS 16 "Leases" from July 01, 2019 which is effective from the annual periods beginning on or after January 01, 2019 respectively. The details of new significant accounting policies adopted and the nature and effect of the changes from previous accounting policies are set out below:

#### 3.2.1 IFRS 16 "Leases"

IFRS 16 replaces IAS 17 "Accounting for Leases" and related interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a Right of Use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Group has adopted IFRS 16 using the modified retrospective approach and has not restated comparatives as permitted under the specific transitional provisions in the standard. This has resulted in Group recognizing lease liabilities and corresponding Right of Use assets for all leases qualifying under the criteria laid down by the standard.

On adoption of IFRS 16, the Group has recognised liabilities in respect of leases which had previously been classified as operating leases under IAS 17 except for certain short-term leases in accordance with IFRS 16. These liabilities were initially measured at the present value of lease payments using the incremental borrowing rate at the date of initial application. Right of Use asset is depreciated over lease term and classified as depreciation expense.

#### 3.2.2 Impact of IFRS 16

	June 30, 2019	Change	Jul 1, 2019
	(Rupees in thousands)		
<b>Impact on consolidated statement of financial position</b>			
Increase in property, plant and equipment - Right of Use assets	-	11,811	11,811
Increase in investment property - Right of Use assets	-	474,652	474,652
Increase in lease liability	-	832,648	832,648
Decrease in unappropriated profit	7,240,431	(208,969)	7,031,462
Decrease in non-controlling interest	6,596,482	(137,216)	6,459,266
			<b>Quarter ended Sep 30, 2019</b>
<b>Impact on consolidated statement of profit and loss</b>			<b>Rs in '000</b>
Decrease in rent expense			23,250
Increase in finance cost			26,240
Increase in depreciation expense			7,907

#### 3.2.3 Amendments to approved accounting standards that are effective in the current period

There are certain other new and amended standards that became effective during the period (enumerated in note 6.1 to the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2019). However, such standards did not have any significant effect on this condensed interim consolidated financial information except IFRS 16 "Leases" as described above.

#### 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 Company's annual consolidated financial statements for the year ended June 30, 2019.

#### 5 PROPERTY, PLANT AND EQUIPMENT

	Note	Sep 30, 2019 (Un-audited)	Sep 30, 2018 (Audited)
(Rupees in thousands)			
Operating fixed assets	5.1 & 5.3	3,138,446	3,224,658
Capital work-in-progress	5.2	199,766	140,547
		<u>3,338,212</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	
	Quarter ended		Quarter ended	
	Sep 30,		Sep 30,	
	2019 (Un-audited)	2018	2019 (Un-audited)	2018
------(Rupees in thousands)-----				
<b>Operating fixed assets</b>				
Building on freehold land	1,212	-	-	-
Plant and machinery	6,238	15,511	-	157
Furniture and fittings	1,432	-	13	-
Vehicles	258	6,368	2,396	1,866
Office and mills equipment	13,665	1,430	27	99
Computer equipment	4,904	6,551	91	70
Jigs and Fixtures	8,146	3,649	-	-
	<u>35,855</u>	<u>33,509</u>	<u>2,527</u>	<u>2,192</u>
Building - Right of Use assets	11,811	-	-	-
	<u>47,666</u>	<u>33,509</u>	<u>2,527</u>	<u>2,192</u>

5.2 Includes capital work in progress on building on freehold land and plant and machinery amounting to Rs. 69.721 million (June 30, 2019: Rs. 41.258 million) and Rs. 66.529 million (June 30, 2019: Rs 84.362 million), respectively.

5.3 During the period, capital work in progress amounting to Rs. 33.852 million (Sep 30, 2018: Rs. 15.280 million) was transferred to operating fixed assets.

## 6. LONG-TERM INVESTMENTS

- 6.1 During the period, the Company has made further investment in Sindh Engro Coal Mining Company (SECMC) amounting to Rs. 33.145 million

		Sep 30, 2019	Jun 30, 2019
	Note	(Un-audited)	(Audited)
(Rupees in thousands)			
<b>7 STOCK-IN-TRADE</b>			
Raw material			
In hand	7.1	4,048,467	4,367,020
In transit		380,408	520,207
		4,428,875	4,887,227
Work-in-process		423,125	246,731
Finished goods			
In hand		925,874	654,031
In transit		5,416	47
		931,290	654,078
		<u>5,783,290</u>	<u>5,788,036</u>

- 7.1 This includes items amounting to Rs. 39.179 million (June 30, 2019: Rs. 183.123 million) carried at net realizable value. [Cost Rs. 183.397 million (June 30, 2019: Rs. 276.755 million)]

## 8 SHORT TERM INVESTMENTS

- 8.1 This represents investment in Term Deposit Receipts amounting to Rs. 1,539,949 million (June 30, 2019: Rs. 2,284,949 million), Government Treasury Bills amounting to Rs. 1,999,785 million (June 30, 2019: 784,012 million) and mutual funds amounting to Rs. 5,225,168 million (June 30, 2019: 4,457,412 million).

- 8.2 Term deposit receipts include Rs. 20 million (June 30, 2019: Rs. 20 million) maintained with Habib Metropolitan Bank Limited, a related party.

- 8.3 These include short-term investments amounting to Rs. 3,300,484 million (June 30, 2019: Rs. 2,829,720 million) having maturity up to three months.

		Sep 30, 2019	Jun 30, 2019
	Note	(Un-audited)	(Audited)
(Rupees in thousands)			
<b>9 INCOME TAX - Net</b>			
Group Tax Relief adjustments	9.1	(632,681)	(632,681)
Group Taxation adjustments	9.2	16,038	15,645
Income Tax provision less tax payments - net		782,927	707,742
		<u>166,284</u>	<u>90,706</u>

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

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

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

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.

- 9.2 In terms of the provision of Section 59AA of the Income Tax Ordinance, 2001 (the Ordinance), the Company and its wholly owned subsidiaries Makro-Habib Pakistan Limited and A-One Enterprises (Private) Limited have irrevocably opted to be taxed as one fiscal unit for the tax year 2020.

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

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

### 10.2 Commitments

**10.2.1** Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 606.651 million (June 30, 2019: Rs. 1,418.898 million).

**10.2.2** Post dated cheques issued to collector of Customs amounts to Rs. 41.272 million (June 30, 2019: Rs. 141.811 million)

**10.2.3** Letter of credits outstanding for raw material and spares amounts to Rs. 1,373.855 million (June 30, 2019: Rs. 684.297 million).

**10.2.4** Commitments in respect of capital expenditure amounts to Rs. 946.893 million (June 30, 2019: Rs. 1,049.042 million).

**10.2.5** Commitments for rentals under Ijarah agreements in respect of vehicles and computers to a related party amount to Rs. 44.624 million (June 30, 2019: 42.995 million).

**10.2.6** Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 2,386.139 million (June 30, 2019: Rs. 2.386.139 million)

## 11 OTHER INCOME

### Income from financial assets

	Quarter ended Sep 30, 2019	Sep 30, 2018
	(Un-audited)	
	(Rupees in thousands)	
Dividend income	68,623	429
Profit earned on call deposits and short-term investments	136,710	60,705
Gain on revaluation / redemption of investments at fair value through profit and loss	80,727	93,714
Others	15,076	2,158
	<u>301,136</u>	<u>157,006</u>

### Income from non-financial assets

Gain on disposal of property, plant and equipment	2,920	1,262
Rental income	393,624	378,094
Others	73,742	64,321
	<u>470,286</u>	<u>443,677</u>
	<u><u>771,422</u></u>	<u><u>600,683</u></u>

## 12 BASIC AND DILUTED EARNINGS PER SHARE

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

Profit after taxation attributable to the equity holders of the holding company	<u>570,399</u>	<u>875,296</u>
	<b>Number of shares in thousands</b>	
Weighted average number of ordinary shares of Rs. 5/- each in issue	<u>81,030</u>	<u>81,030</u>
	<b>Rupees</b>	
Basic and diluted earnings per share	<u>7.04</u>	<u>10.80</u>

### 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Relationship	Nature of transactions	Quarter ended	
		Sep 30, 2019	Sep 30, 2018
		(Un-audited)	
		(Rupees in thousands)	
Associates	Sales	1,716,870	3,070,980
	Professional Services rendered	64,130	53,742
	Rental Income on properties	398,856	381,491
	Insurance premium	12,045	9,179
	Purchase of assets	176	2,863
	Purchase of goods	125,827	138,642
	Insurance claim received	3,619	3,581
	Mark-up and bank charges paid	6,469	1,269
	Profit received	35,991	14,817
	Supplies purchased	9,674	10,898
	Licence fee, signage and others	1,659	-
Ijarah Rentals	8,293	5,852	
Employee benefit plans	Contribution to provident fund	14,853	11,970
	Contribution to retirement benefit fund	2,135	2,128
Key management personnel	Key management personnel compensation	33,542	38,972

### 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets measured at fair value through profit or loss and financial instruments measured at fair value through other comprehensive income which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date (Level 1 Valuation). The estimated fair value of all other financial assets and liabilities is considered not significantly different from their book values.

There were no transfers amongst levels during the period.

### 15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 June 2019. There have been no changes in any risk management policies since the year end.

16 SEGMENT ANALYSIS

Quarter ended									
Sep 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018
Engineering		Building material and allied products		Real estate management & others		Elimination		Total	

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

<b>SALES REVENUE</b>	<u>2,449,775</u>	<u>3,721,513</u>	<u>1,674,859</u>	<u>1,363,548</u>	<u>100,181</u>	<u>108,795</u>	<u>(38,311)</u>	<u>(45,668)</u>	<u>4,186,504</u>	<u>5,148,188</u>
<b>SEGMENT RESULT</b>	<b>46,574</b>	690,729	<b>171,282</b>	114,289	<b>311,535</b>	293,702	<b>114</b>	-	<b>529,505</b>	1,098,720
<b>Unallocated corporate (expenses) / income:</b>										
Administrative & distribution costs									<b>(203,849)</b>	(204,040)
Other income									<b>325,236</b>	178,441
<b>Operating profit</b>									<b>650,892</b>	1,073,121
Finance cost									<b>(39,873)</b>	(3,457)
Other charges									<b>(20,092)</b>	(52,133)
Share in profit of associates									<b>272,590</b>	271,922
Taxation									<b>(213,157)</b>	(309,660)
									<b>650,360</b>	979,793

17 SUBSEQUENT EVENT

The Board of Directors has recommended final cash dividend of Rs. 5.50 per share for the year ended June 30, 2019. These consolidated condensed interim financial statements do not reflect the payment of cash dividend which will be approved by the shareholders in the annual general meeting to be held on October 26, 2019.

18 GENERAL

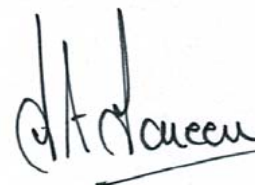
Figures have been rounded off to the nearest thousands.

19 DATE OF AUTHORISATION FOR ISSUE

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



Shahid Saleem  
Chief Financial Officer



Muhammad Tayyad Ahmad Tareen  
Chief Executive



Salman Burney  
Director

## اظہارِ تشکر

ہم اس کٹھن اور چیلنجنگ صورتحال کا مقابلہ کرنے پر اپنے بورڈ آف ڈائریکٹرز، صارفین، ڈیلرز، بینکرز اور جوائنٹ وینچرز و ٹیکنیکل شراکت کاروں کے ان کی مستقل معاونت اور کمپنی پر ان کے بھرپور اعتماد پر انہیں خراج تحسین پیش کرنے کے ساتھ ان کا شکریہ بھی ادا 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

محمد طیب احمد ترین  
چیف ایگزیکٹو

کراچی:

مورخہ: 25 اکتوبر 2019

## پاورسیکٹر میں سرمایہ کاری سندھ اینگروکول 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۔ پروجیکٹ 10 جولائی 2019 کو 3.8 ملین ٹن سالانہ کپیسٹی (فیئر-1) کیلئے اپنے تجارتی آپریشنز کی تاریخ حاصل کر چکا ہے۔ تھر مائننگ کا فیئر-1 اینگرو پاور جن تھر (پرائیویٹ) لمیٹڈ کی جانب سے قائم کردہ 2x330 میگا واٹ پاور جنریشن پلانٹ کیلئے کوئلہ فراہم کر رہا ہے۔

ایس ای سی ایم سی کا فیئر-1 اپنے فنانشل کلوز کے قریب ہے۔ ٹیرف کا تعین تھر کول اینڈ انرجی بورڈ کی جانب سے کیا جا چکا ہے جبکہ فنانسنگ کے دستاویزات تکمیل کے مراحل میں ہیں۔ فیئر-II کے لئے ایس ای سی ایم سی تھل نووا پاور تھر (پرائیویٹ) لمیٹڈ اور تھر انرجی 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۔

### تھل پاور (پرائیویٹ) لمیٹڈ

تھل نووا پاور تھر پرائیویٹ لمیٹڈ ("تھل نووا") تھل پاور لمیٹڈ، نووا پاور جن لمیٹڈ (نووا ٹیکس لمیٹڈ کے ذیلی ادارے) اور حب پاور کمپنی کا ایک مشترکہ منصوبہ ہے جو تھر سندھ میں واقع 330 میگا واٹ مائن ماؤتھ 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۔

چائینہ 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 ایم ای) پر دستخط کئے ہیں۔ اس نے سینٹرل پاور پراجیکشن (گارنٹی) لمیٹڈ (سی بی پی اے) کے ساتھ پاور پراجیز ایگریمنٹ (پی پی اے) اور پرائیویٹ پاور انفراسٹرکچر بورڈ (پی پی آئی بی) کے ساتھ امپلی مینٹیشن ایگریمنٹ ("آئی اے") بھی کیا ہے۔

چائینہ ڈیولپمنٹ بینک ("سی ڈی بی") اور حبیب بینک لمیٹڈ ("ایچ بی ایل") بالترتیب فارن اور لوکل کرنسی پروجیکٹ قرضے کا بندوبست کر رہے ہیں۔ تھل نووا میں اس سال جولائی میں پروجیکٹ لینڈرز کے ساتھ کلیدی مالیاتی معاہدے تشکیل دیئے اور فنانشل کلوز حاصل کرنے کے قریب ہے۔

تھل نووا (بذریعہ شیئر ہولڈر کی ایکویٹی) نے ای پی سی کنٹریکٹر یعنی سی ایم ای سی کو مو بلانڈریشن ایڈوانس بشمول لمیٹڈ نوٹس ٹو پروسیڈ (ایل این ٹی پی) دے دیا ہے تاکہ سائٹ پر کام کا آغاز ہو سکے اور پروجیکٹ کے کمرشل آپریشن کی تاریخ کا حصول ممکن ہو۔



مقامی سطح پر مزید کام اور پروڈکٹ رینج میں اضافے سے کمپنی کو کٹھن اور چیلنجنگ صورتحال سے نمٹنے میں کامیابی حاصل ہوگی جبکہ شیئر ہولڈرز کیلئے شرح منافع کو بھی برقرار رکھا جاسکے گا۔

### 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۔

سہ ماہی کے دوران ایچ ایم پی ایل نے تھل لمیٹڈ کو ادائیگی کیلئے 69 ملین روپے کے حتمی منافع منقسمہ کی منظوری دی۔

### میکرو۔ حبیب پاکستان لمیٹڈ (ایچ ایم پی ایل)

میکرو حبیب پاکستان لمیٹڈ (ایچ ایم پی ایل) تھل لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے جو میکرو صدر اسٹور کی ملکیت بھی رکھتا ہے۔ 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۔

بعد میں 9 دسمبر 2015 کو ہونے والی ایک پیش رفت کے طور پر فاضل سپریم کورٹ آف پاکستان نے نظر ثانی پٹیشن کی بحالی کے لئے آر می 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 روبرو 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۔

صنعتی یورپوں، ایس او ایس اور کیرئیر بیگز کا حجم مشترکہ طور پر گزشتہ سال کے مقابلے میں بڑھ گیا کیونکہ پلاسٹک بیگز پر پابندی کی مہم کے باعث ہمارے صارفین کا دائرہ وسیع ہو گیا تھا۔

انتظامیہ مستقل طور پر ملک گیر سطح پر پیکیجنگ میں کاغذ کے فروغ کیلئے کوشاں ہے کیونکہ یہ پلاسٹک بیگز کے مقابلے میں ماحول دشمن نہیں ہے جو کہ شہری علاقوں میں کوڑا کرکٹ کے ضمنی غیر تحلیل شدہ مادہ ہونے کے باعث نقصان دہ ہے۔

سال کے لئے پس منظر مثبت نظر آتا ہے کیونکہ کاغذ کے نرخ بین الاقوامی مارکیٹ میں معمول کی سطح پر آ رہے ہیں تاہم تعمیرات صنعت کے بحران، زرمبادلہ کی شرح میں اتار چڑھاؤ کے ساتھ غیر منصفانہ کسٹم ٹیرف نے کاروبار کیلئے کٹھن صورتحال کو برقرار رکھا ہے۔ آنے والے مہینوں میں ہمارے فوڈ گریڈ اور فیشن بیگز کی طلب میں نمایاں اضافہ ہوگا جس سے کاروبار کے لئے سرمائے اور منافع دونوں میں بہتری آئے گی۔

## لیمیٹڈ آپریشنز

زیر جائزہ مدت کے دوران گزشتہ سالوں کی اسی مدت کے مقابلے میں کاروبار نے بلند تر سیلز ریویو حاصل کیا جس کی وجہ حجم میں اضافے کے ساتھ نرخوں میں اضافہ بھی تھا۔ سہ ماہی توقع کے مطابق سست روی کا شکار اور چیلنجنگ رہی اس کے ساتھ مارکیٹ ویلیوز کی مزاحمت اور دستاویزی سیلز کیلئے حکومت کی نئی شرائط کا سامنا کرنا پڑا جنہوں نے خود کو رجسٹرڈ کرایا ہے وہ بھی اب اپنی دستاویزی اور رجسٹرڈ سیلز میں بتدریج اضافہ کر رہے ہیں۔

## ذیلی ادارے

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

رواں سہ ماہی کے دوران سیلز میں گزشتہ سال کی اس مدت کے مقابلے میں نمایاں کمی آئی۔ سیلز میں اس کمی کی بنیادی وجہ کٹھتی ہوئی مارکیٹ کی صورتحال کے پس منظر میں حجم میں منفی اتار چڑھاؤ تھا۔ اسی کے ساتھ ڈالر اور جاپانی ین سمیت دیگر نمایاں غیر ملکی کرنسیوں کے مقابلے میں پاک روپے کی قدر میں کمی نے بھی کمپنی کے لئے منافع جات کو مستقل دباؤ میں مبتلا رکھا۔

کمپنی نے رواں مدت کے دوران نمایاں پیش رفت کا مظاہرہ کیا۔ کمپنی اپنی نئی فیسلٹی میں سیٹس کی تجارتی پیداوار کیلئے تیار ہو چکی ہے۔ نئے سیٹ پلانٹ کے علاوہ کمپنی نئے آٹوموٹیو پارٹس کے تعارف کے ساتھ اپنے مقامی پورٹ فولیو میں اضافے کیلئے کام کرنے کے ذریعے اپنی پروڈکشن میں اضافے کے ضمن میں کئی اقدامات کئے ہیں۔

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

کاروں کی طلب میں اس کمی کی وجہ آٹو پارٹس کی مینوفیکچرنگ انڈسٹری میں بحران بھی ہے۔ مالی سال 2019-20 کی پہلی سہ ماہی کیلئے انجینئرنگ کے شعبہ کا ٹرن اوور 2.3 بلین روپے ریکارڈ کیا گیا اور 34 فیصد کمی کے ساتھ گزشتہ سال کی اسی مدت کے مقابلے میں 3.5 بلین روپے کے مقابلے میں کمی آئی۔ مذکورہ بالا کے علاوہ سست رفتار آف ٹیک کے نتیجے میں انوینٹری میں نمایاں اضافہ رہا ہے۔ کمپنی نے محتاط رویہ اختیار کرتے ہوئے اس انوینٹری کے برخلاف ایک اہم شق تیار کی جو کمپنی کے مجموعی شرح منافع پر منفی اثرات مرتب کر رہی تھی جس سے اس سہ ماہی میں 8.7 فیصد رجسٹرڈ کیا گیا جو اس کے برخلاف گزشتہ سال کی اس سہ ماہی میں 17.3 فیصد تھا۔

اس چیلنجنگ دور میں بھی انتظامیہ باکفایت طریقہ کار اختیار کرنے پر کاربند ہے اور اس کے ساتھ نئے کاروبار کو فروغ دینے اور مزید مقامی صنعت کو ترویج دینے پر توجہ دی جا رہی ہے۔

### کاروباری جائزہ - تعمیراتی سامان اور اس سے متعلق مصنوعات کا شعبہ

30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کے دوران بلڈنگ میٹریل اور متعلقہ مصنوعات کے شعبے میں سیلز ریونیو 1.7 بلین روپے رہا جو گزشتہ سال کی اسی مدت میں 1.4 بلین روپے تھا جس سے 21 فیصد اضافہ حاصل ہوا۔

### جوٹ آپریشن

زیر جائزہ سہ ماہی کمپنی کے لئے چیلنجنگ رہی۔ اخراجات میں نمایاں اضافے کا سامنا رہا جیسا کہ خام جوٹ، بجلی اور کم از کم تنخواہوں کے ضمن میں لاگت بڑھی۔ مزید برآں پاک روپے کی قدر میں کمی نے مزید بزنس کے منافع کو کم کیا اور انتظامیہ کیلئے نئے چیلنجز سامنے آئے۔ جبکہ کمپنی معیشت کو دستاویزی شکل دینے کے سلسلے میں حکومتی کوششوں کی معاون رہی جس سے طویل مدتی بنیاد پر کاروبار کیلئے ہموار راستہ فراہم ہوا۔

برآمدی سیلز کے حجم گزشتہ سال کے مقابلے میں بڑھ گئے تاہم مقامی مارکیٹوں میں طلب ابھی دباؤ کا شکار ہے اور امکان ہے کہ اناج کی بوریوں کی طلب بڑھنے کے ساتھ آنے والے وقت میں صورتحال بہتر ہوگی۔ مجموعی طور پر کاروبار اس سہ ماہی میں بجٹ کے مطابق رہا۔

### پیپر سیک بزنس

زیر جائزہ سہ ماہی کے دوران 21 فیصد بلند تر سیلز ریونیو گزشتہ سال کی اسی مدت کے مقابلے میں حاصل کیا گیا۔ یہ اضافہ بین الاقوامی مارکیٹ میں کاغذ کے نرخوں میں اضافے اور اس کے ساتھ پاک روپے کی قدر میں کمی اور اضافی کسٹم ڈیوٹی کے نتیجے میں ہوا جو کہ پیپر اور پولی پرائپلین بوریوں کے درمیان فرق کے نتیجے میں مزید بڑھ گیا اور اس کے باعث بزنس کیلئے مزید چیلنج درپیش رہے۔ آپ کی انتظامیہ کسٹم ڈیوٹی کی ریشٹلائزیشن کیلئے ریگولیٹری حکام کے ساتھ مسلسل رابطے میں ہے تاکہ کاروبار کے لئے ہموار میدان حاصل کیا جائے۔

## تھل لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ برائے شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کی جانب سے میں ڈائریکٹرز کا جائزہ بشمول 30 ستمبر 2019 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 ملین میں		
برائے مدت مختتمہ 30 ستمبر 2018	برائے مدت مختتمہ 30 ستمبر 2019	
4,881	3,998	سیلز
714	285	قبل از ٹیکس منافع
511	194	بعد از ٹیکس منافع
6.31	2.40	فی شیئر آمدنی (روپے میں)

### کارکردگی کا جائزہ

30 ستمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی نے 3.9 بلین روپے کی سیلز رپونینو ظاہر کئے جو اس کے مقابلے میں گزشتہ سال کی اسی سہ ماہی میں 4.9 بلین روپے رہی تھی۔ بنیادی اور خالص آمدنی فی شیئر (ای پی ایس) 2.40 روپے تھی جو مقابلتاً گزشتہ سال کی اس مدت میں 6.31 روپے تھی۔

### کاروبار کی مختصر صورتحال - انجینئرنگ کا شعبہ

کمپنی کا انجینئرنگ کا شعبہ تھرمل اینڈ انجن کمپونینٹس برنس اور الیکٹرک سسٹمز برنس پر مشتمل ہے۔ یہ کاروبار بنیادی طور پر آٹو انڈسٹری کیلئے پارٹس کی تیاری پر توجہ مرکوز کئے ہوئے ہے۔

آٹو سیکٹر کو مجموعی طور پر پہلی سہ ماہی میں چیلنجز کا سامنا رہا جیسا کہ او ای ایم آٹو موٹائل کی سیلز میں گزشتہ سال کے مقابلے میں 39 فیصد کمی کا سامنا رہا اور گزشتہ سہ ماہی کے مقابلے میں 34 فیصد کمی آئی۔ ممکنہ طور پر طلب مختصر مدت میں بدستور کمزور رہے گی کیونکہ ڈیویٹیز اور ٹیکسز میں اضافے کی وجہ سے گاڑیوں کی قیمت بڑھی ہے جبکہ روپے کی قدر میں بھی کمی آئی ہے جبکہ او ای ایم کی جانب سے کئے گئے کئی اقدامات پر غور کرتے ہوئے انتظامیہ پر امید ہے کہ آئندہ چند مہینوں میں صورتحال معمول پر آنے لگے گی۔

# CORPORATE INFORMATION

## Board of Directors

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

## Chief Financial Officer

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Shahid Saleem

## Company Secretary

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Salman Khalid

## Audit Committee

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

## Human Resource & Remuneration Committee

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Asif Qadir	Chairman - Independent
Salman Burney	Member
Ali S. Habib	Member
Muhammad Tayyab Ahmad Tareen	Member

## External Auditors

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EY Ford Rhodes Chartered Accountants

## Legal Advisors

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

## Tax Advisors

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EY Ford Rhodes Chartered Accountants

## Bankers

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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

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

## Share Registrar:

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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)