

Thal Limited

Condensed Interim Financial Statements
For the Half Year Ended December 31, 2018
(Un-audited)



Thal Limited

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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 December 31, 2018.

Financial Highlights

| | Rupees in Million | |
|--------------------------|---------------------------------------|---------------------------------------|
| | For the Half Year Ended Dec. 31, 2018 | For the Half Year Ended Dec. 31, 2017 |
| Sales Revenue | 10,555 | 8,448 |
| Profit Before Taxes | 2,100 | 1,691 |
| Profit After Taxes | 1,494 | 1,273 |
| Earnings Per Share (Rs.) | 18.43 | 15.71 |

The Board has approved an interim cash dividend of Rs. 2.50 per share i.e.50% for the half year ended December 31, 2018.

Performance Overview

Sales revenue for the first half of the year ended on December 31, 2018, was Rs. 10.555 billion as compared to Rs. 8.448 billion in the corresponding period of last year, showing a growth of Rs 2.1 billion or 25%. The basic & diluted Earnings Per Share (EPS) was Rs 18.43 compared to Rs 15.71 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 domestic auto industry volumes registered a decline of 3.2% over the same period last year. The demand is expected to remain slow in the near term due to a limiting macroeconomic environment and the impact of the legislation which requires car purchasers to be tax filers. During the period, import of used vehicles at 27,907 has shown a steep decline of 38% as compared to 44,760 units in the same period last year.

The turnover of the Engineering Segment for the half-year ended December 31, 2018 was Rs 7.3 billion, registering a growth of 25% compared to Rs 5.83 billion in the same period last year. The increase is partly due to increase in volumes and some positive price variance to set off the negative impact of rupee depreciation against the US Dollar.

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

The management continues to undertake initiatives for improving quality, health, safety and environment initiatives while enhancing cost efficiencies through continuous process improvement.

Business Brief – Building Material & Allied Product Segment

Sales revenue of Building Material & Allied Product Segment during the half year ended December 31, 2018 was Rs 3.1 billion against Rs 2.62 billion in the corresponding period last year demonstrating an increase of 18%.

Jute Operations

During the period under review, the Jute Business grew market share and maintained a positive momentum, despite a considerable slowdown in the agricultural sector and resultant low demand for Jute products. Business momentum was maintained through optimum use of resources and improved efficiencies.

The optimization measures taken by the business will aid in mitigating the continuing devaluation of the Pak Rupee and rising trend in cost of freight & energy, short supply of raw jute and an abnormal increase in its prices. Optimizing product sales mix in the local and international markets with enhanced penetration will also contribute towards remaining positive.

The demand from Government Procurement Agencies for grain sacks is expected to be on the lower side as compared to last year due to excessive carryover stocks of wheat from the previous year.

Papersack Operations

The business performance in the first half of the year has been better in terms of revenue and growth as compared to the same period of last year. All market segments and products viz Cement sacks, Industrial Sacks, Carrier bags, & food packaging have shown a healthy growth resulting in increased revenue.

Better profit margins are attributed to increased volumes, higher selling prices, improvement in management of raw materials and tighter cost controls.

The current downturn in cement demand is expected to reduce in the coming months. In view of the longer term growth potential of Pakistan's Cement industry, the business has decided to invest in improving its production efficiency and also enhance capacity by 100 million bags per annum. For that purpose, the Board has approved an investment of approximately Rs. 1.0 billion in the latest technology equipment for bag manufacturing.

The outlook for the business remains positive as the industrial sacks, fashion bag and food bag segments are also expected to show a trend upon which the company is geared to capitalize.

Laminates Operations:

The Laminates Business continues to build the image of its Brand "Formite" as the Pioneer in the industry. The business launched new finishes & an Ultra High Gloss Range of Boards under the name of Glossomite, ideally suited for Kitchens, as well as partitions made from our compact laminate-Melamite, which is an ideal and cost effective solution for washrooms for large projects offices, shops and Malls.

Cost and energy saving measures have also been adapted to help mitigate the significant increase in cost due to Gas tariff change and Raw Material prices on account of Rupee Devaluation. Sudden cost increases are not absorbed by the market and are further compounded by impact of Sales tax which continues to place the business at a pricing disadvantage versus largely undocumented, non-tax compliant competition.

Subsidiaries

Thal Boshoku Pakistan (Private) Limited (TBPk):

During the period under review, the sales revenue of the Company registered an increase of 24% over the same period last year. This is attributed to an increase of 1,040 units in OEM volumes and some positive price variance to set off the negative impact of rupee depreciation against the US Dollar. The continuous devaluation of PKR against major foreign currencies including USD and JPY continues to exert adverse pressure on profitability of the Company. However, with effective cost control measures and efficient inventory management, the Company managed to partially limit the negative impact on

margins. The Company continued to enforce strict controls across its value chain and ensured strict adherence to the best industry practices.

The Company saw significant developments being undertaken during the current year. The completion of the new manufacturing facility that was initiated in the previous financial year was a major event during the current period. All required machinery was imported and installed by December 2018 and the Company manufactured the first in-house seat at its facility for trial and testing. The Company is on track to begin commercial production from November 2019. In addition to setting up a new seat plant, the Company is also taking steps towards increasing its product offering by working to increase its localization portfolio. It has successfully negotiated the business of new products from the OEM's and is in the process of development of these products.

On the operations side, requirements of all customers 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 teams.

In terms of capital structure, Thal Limited holds 55% of the shareholding in Thal Boshoku Pakistan (Pvt) Ltd while 35% is held by Toyota Boshoku Corporation Japan and a further 10% shares are held by Toyota Tsusho Corporation Japan. However, during the previous year, the Company increased its authorized share capital to Rs. 1.0 billion in order to be able to generate funds for the construction of the new manufacturing facility. The Company approved the issuance of 50 million Right Shares at a par value of PKR 10 each for this. At the time of the offer of Rights, Toyota Boshoku Corporation Japan renounced the Right Shares in favour of its 100% owned subsidiary Toyota Boshoku Asia Corporation. Once the shares are formally allotted, the shareholding pattern for Thal Limited and Toyota Tsusho Corporation Japan will remain the same, whereas the ownership of Toyota Boshoku Corporation Japan will be reduced to 9.6% whereas, Toyota Boshoku Asia Corporation will own 25.4% of the Company. The revised structure will formally come into place by the end of Q1 2019.

The future outlook of the industry is stable at its best. Many experts believe the auto-market is likely to shrink in the near future. 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 interim dividend of Rs. 106 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.

Energy Sector Investments

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. Phase I of the project, which shall supply 3.8 million tons of lignite per annum to Engro Powergen Thar Limited, achieved its Financial close on April 4, 2016. To date c. 110 Million BCM of overburden has been removed and the mine has reached a depth of 150 meters and is currently under final stages of completion. It is that Commercial Operations will start ahead of schedule in late 1H 2019.

For Phase I of the project, the Board of Directors of Thal Limited approved a total exposure of Pak Rupee equivalent of US\$ 36.1 million, which includes equity investment of US\$ 24.3 million, US\$ 5 million for cost over-run and US\$ 6.8 million for debt servicing reserve. To date the Company has invested Rs. 1,649 million, equivalent to US\$ 15.26 million.

SECMC is also in advanced stages of achieving financial close for Phase II of the project which shall see the mine double its original coal supply capacity in Phase I. For the Phase II of the project, the Board of Directors of Thal Limited have approved a total exposure of Pak Rupee equivalent of US\$ 7.1 million, which includes equity investment of US\$ 4.6 million, US\$ 1.3 million for cost over-run and US\$ 1.2 million for debt servicing reserve (adjustable upwards due to LIBOR/KIBOR movement). SECMC has entered into Coal Supply Agreements with ThalNova Power Thar (Pvt) Ltd and Thar Energy Ltd to supply additional 1.9 million tons of lignite per annum to each 330 MW power plant respectively

Thal Power (Private) Limited

The Company through its wholly owned subsidiary, Thal Power (Private) Limited had incorporated a JV project company, i.e., ThalNova Power Thar Private Limited ("ThalNova"), a 330 MW mine mouth coal-fired power generation plant located at Thar, Sindh.

ThalNova is a Joint Venture between Thal Power, Nova Powergen Ltd (subsidiary of Novatex Ltd) and Hub Power Company. This power plant will be run on lignite coal extracted from the mine operated by Sind Engro Coal Mining Company (SECMC).

ThalNova has obtained the Letter of Intent (LOI) and the Letter of Support (LOS) from the Private Power Infrastructure Board (PPIB). National Electric Power Regulatory Authority (NEPRA) has issued the Generation License and awarded the Upfront Tariff on Thar coal to the project company. ThalNova has also been issued a No Objection Certificate (NOC) by the Sindh Environmental Protection Agency (SEPA). China Machinery & Engineering Corporation has been appointed as the EPC Contractor. ThalNova has entered into a Coal Supply Agreement (CSA) with SECMC for 1.9 million tons per annum lignite & also a Power Purchase Agreement (PPA) with the Central Power Purchase Agency (Guarantee) Ltd. and an Implementation Agreement ("IA") with PPIB.

China Development Bank ("CDB") and Habib Bank Limited ("HBL") have been engaged for arrangement of foreign and local currency project debt respectively.

ThalNova is actively engaged in concluding all project agreements and securing financial close for the project.

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



Mazhar Valjee
Chief Executive

Karachi: February 21, 2019.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF THAL LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Thal Limited** (the Company) as at **31 December 2018** and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of other comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of other comprehensive income for the three-months period ended 31 December 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures of the six-months period ended 31 December 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



Chartered Accountants

Place: Karachi

Date: 21 February 2019

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

| | Note | December 31, 2018 (Un-audited) (Rupees in thousands) | June 30, 2018 (Audited) |
|---|------|---|-------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 1,809,066 | 1,410,212 |
| Intangible assets | | 16,800 | 15,094 |
| Investment property | | 1,000 | 1,002 |
| Long-term investments | 6 | 5,138,330 | 4,938,387 |
| Long-term loans | 7 | 835,280 | 788,428 |
| Long-term deposits | | 13,552 | 13,396 |
| Deferred tax asset - net | | 110,826 | 191,151 |
| | | 7,924,854 | 7,357,670 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 144,813 | 131,572 |
| Stock-in-trade | 8 | 5,387,848 | 3,953,914 |
| Trade debts | | 2,132,776 | 1,519,728 |
| Loans and advances | | 82,236 | 91,907 |
| Trade deposits and short-term prepayments | | 172,448 | 141,318 |
| Interest accrued | | 4,400 | 2,088 |
| Other receivables | | 13,173 | 16,400 |
| Short-term investments | 9 | 3,040,651 | 4,847,238 |
| Income tax – net | 10 | 184,177 | 62,828 |
| Sales tax refundable | | 119,938 | 91,517 |
| Cash and bank balances | | 538,071 | 701,283 |
| | | 11,820,531 | 11,559,793 |
| TOTAL ASSETS | | 19,745,385 | 18,917,463 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital | | 1,000,000 | 1,000,000 |
| 200,000,000 (June 30, 2018: 200,000,000) ordinary shares of Rs.5/- each | | | |
| Issued, subscribed and paid-up capital | | 405,150 | 405,150 |
| 81,029,909 (June 30, 2018: 81,029,909) ordinary shares of Rs.5/- each | | 16,786,600 | 16,032,520 |
| Reserves | | 17,191,750 | 16,437,670 |
| NON-CURRENT LIABILITIES | | | |
| Long-term deposits | | 2,379 | 2,379 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,424,460 | 2,318,998 |
| Accrued mark-up | | 101 | - |
| Unclaimed dividend | | 53,601 | 49,712 |
| Unpaid dividend | | 52,116 | 47,954 |
| Short-term running finance | | 20,978 | 60,750 |
| | | 2,551,256 | 2,477,414 |
| CONTINGENCIES AND COMMITMENTS | 11 | | |
| TOTAL EQUITIES AND LIABILITIES | | 19,745,385 | 18,917,463 |

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



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018
(UN-AUDITED)

| Note | Half year ended | | Quarter ended | |
|--------------------------------------|-----------------------|------------------|-----------------------|------------------|
| | December 31, | December 31, | December 31, | December 31, |
| | 2018 | 2017 | 2018 | 2017 |
| | (Rupees in thousands) | | (Rupees in thousands) | |
| Revenue – net | 10,554,748 | 8,447,632 | 5,673,832 | 4,357,017 |
| Cost of sales | (8,626,513) | (6,904,287) | (4,592,177) | (3,545,673) |
| Gross profit | 1,928,235 | 1,543,345 | 1,081,655 | 811,344 |
| Distribution costs | (133,922) | (102,844) | (53,023) | (47,195) |
| Administrative expenses | (374,467) | (357,500) | (195,075) | (185,431) |
| Other charges | (137,840) | (115,275) | (86,966) | (68,882) |
| | (646,229) | (575,619) | (335,064) | (301,508) |
| Other income | 12 824,093 | 727,016 | 642,446 | 528,408 |
| Operating profit | 2,106,099 | 1,694,742 | 1,389,037 | 1,038,244 |
| Finance costs | (6,053) | (3,393) | (2,915) | 564 |
| Profit before taxation | 2,100,046 | 1,691,349 | 1,386,122 | 1,038,808 |
| Taxation | (606,378) | (418,191) | (403,527) | (265,202) |
| Profit after taxation | 1,493,668 | 1,273,158 | 982,595 | 773,606 |
| | Rupees | Rupees | Rupees | Rupees |
| Basic and diluted earnings per share | 13 18.43 | 15.71 | 12.13 | 9.55 |

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



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2018
(UN-AUDITED)

| | Half year ended | | Quarter ended | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| | (Rupees in thousands) | | (Rupees in thousands) | |
| Profit after taxation | 1,493,668 | 1,273,158 | 982,595 | 773,606 |
| Other comprehensive income | | | | |
| <i>Items to be reclassified to statement of profit or loss in subsequent periods:</i> | | | | |
| (Loss) / gain on revaluation of investments at fair value through other comprehensive income. | (50,833) | (21,791) | (31,204) | 3,476 |
| Total comprehensive income for the period | 1,442,835 | 1,251,367 | 951,391 | 777,082 |

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



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018
(UN-AUDITED)

| | December 31, 2018 | December 31, 2017 |
|---|-----------------------|----------------------|
| | (Rupees in thousands) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 2,100,046 | 1,691,349 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation and amortisation | 123,435 | 89,852 |
| Finance costs | 6,053 | 3,393 |
| Profit earned on call deposits and short term investments | (35,138) | (130,790) |
| Liabilities no longer payable written back | (752) | (83) |
| Gain on revaluation / redemption of investments at fair value through profit and loss | (118,051) | (60,979) |
| Dividend income | (590,351) | (501,829) |
| Provision for impairment of trade debts | 12,123 | 1,884 |
| Reversal of provision for impairment of loan - Makro-Habib Pakistan Limited | - | (7,503) |
| Provision for retirement benefits | 4,061 | 3,536 |
| Gain on disposal of operating fixed assets | (35,169) | (1,077) |
| | (633,789) | (603,596) |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (13,241) | (27,011) |
| Stock-in-trade | (1,433,934) | (817,114) |
| Trade debts | (625,171) | (611,296) |
| Loans and advances | 9,671 | (41,075) |
| Trade deposits and short-term prepayments | (31,130) | (8,875) |
| Other receivables | 3,227 | (2,007) |
| Sales tax refundable | (28,421) | (9,321) |
| Increase in current liabilities | | |
| Trade and other payables | 109,451 | 312,959 |
| | (2,009,548) | (1,203,740) |
| Cash used in operations | (543,291) | (115,987) |
| Finance costs paid | (5,952) | (3,394) |
| Retirement benefits paid | (7,298) | (6,221) |
| Income tax paid | (647,402) | (528,949) |
| Long-term loans | 1,998 | 1,998 |
| Long-term deposits | (156) | 285 |
| Net cash used in operating activities | (1,202,101) | (652,268) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (528,764) | (218,359) |
| Long-term loans to subsidiaries - net | (48,850) | (126,000) |
| Dividends received | 590,351 | 574,884 |
| Profit received on call deposits and short-term investments | 33,604 | 140,050 |
| Sale proceeds from disposal of operating fixed assets | 39,940 | 4,325 |
| Long-term investments made during the period | (250,776) | (299,656) |
| Short-term investments encashed during the period | 3,172,311 | 321,982 |
| Net cash generated from investing activities | 3,007,816 | 397,226 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (680,704) | (1,276,622) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 1,125,011 | (1,531,664) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 1,281,994 | 4,970,397 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 2,407,005 | 3,438,733 |
| Cash and bank balances | 538,071 | 620,555 |
| Short-term investments | 1,889,912 | 2,818,525 |
| Short-term running finance | (20,978) | (347) |
| | 2,407,005 | 3,438,733 |

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



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

| | RESERVES | | | | | |
|--|--------------------|--------------------|--------------------------|---|--------------|-------------|
| 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 | Total Equity | |
| ----- (Rupees in '000) ----- | | | | | | |
| Balance as at June 30, 2017 (Audited) | 405,150 | 55,704 | 11,165,499 | 3,662,802 | 143,925 | 15,433,080 |
| Transfer to general reserve | - | - | 2,366,000 | (2,366,000) | - | - |
| Final dividend @ Rs. 16/- share for the year ended June 30, 2017 | - | - | - | (1,296,479) | - | (1,296,479) |
| Profit after taxation | - | - | - | 1,273,158 | - | 1,273,158 |
| Other comprehensive income | - | - | - | - | (21,791) | (21,791) |
| Total comprehensive income | - | - | - | 1,273,158 | (21,791) | 1,251,367 |
| Balance as at December 31, 2017 (Un-audited) | 405,150 | 55,704 | 13,531,499 | 1,273,481 | 122,134 | 15,387,968 |
| 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 dividend @ Rs. 8.5/- share for the year ended June 30, 2018 | - | - | - | (688,755) | - | (688,755) |
| Profit after taxation | - | - | - | 1,493,668 | - | 1,493,668 |
| Other comprehensive income | - | - | - | - | (50,833) | (50,833) |
| Total comprehensive income | - | - | - | 1,493,668 | (50,833) | 1,442,835 |
| Balance as at December 31, 2018 (Un-audited) | 405,150 | 55,704 | 15,123,499 | 1,494,054 | 113,343 | 17,191,755 |

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



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

THAL LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018
(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 engineering goods, jute goods, laminate sheets and papersack. The jute operation is at Muzaffargarh, Punjab, engineering operation at Karachi, Sindh, papersack operation at Hub, Balochistan and Gadoon, Khyber Pakhtunkhwa and laminate operation located 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 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 requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2018 are unaudited but subject to limited scope review by the statutory auditors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017.

- 2.2** The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of other comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed by the external auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2018. These unconsolidated condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended June 30, 2018.
- 2.3** These unconsolidated condensed interim financial statements are being submitted to the shareholders as required by the Section 237 of the Companies Act, 2017.
- 2.4** The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 229 (I)/2019 dated February 14, 2019 has deferred the application of IFRS 9 till June 30, 2019.

3. ACCOUNTING POLICIES

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

3.1 New / Revised Standards, Interpretations and Amendments

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

Standard or Interpretation

- | | |
|----------|---|
| IFRS 2 | - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments) |
| IFRS 4 | - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments) |
| IFRS 15 | - Revenue from Contracts with Customers |
| IAS 40 | - Investment Property: Transfers of Investment Property (Amendments) |
| IFRIC 22 | - Foreign Currency Transactions and Advance Consideration |

THAL LIMITED

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

3.2 IFRS 15 – Revenue from Contracts with Customers

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

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

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

4 ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

| | Note | December 31, 2018 (Un-audited) (Rupees in thousands) | June 30, 2018 (Audited) (Rupees in thousands) |
|--|-----------|---|--|
| 5 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 & 5.3 | 1,149,470 | 1,218,787 |
| Capital work-in-progress | 5.2 | 659,596 | 191,425 |
| | | <u>1,809,066</u> | <u>1,410,212</u> |

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

| | Additions at cost | | Deletions at net book value | |
|-------------------------------|-----------------------------------|---------|---------------------------------|-------|
| | Half year ended December 31, | | Half year ended December 31, | |
| | 2018 | 2017 | 2018 | 2017 |
| | (Un-audited) | | (Un-audited) | |
| | ----- (Rupees in thousands) ----- | | | |
| Operating fixed assets | | | | |
| Freehold land | - | - | 650 | - |
| Building on freehold land | - | 774 | - | - |
| Plant and machinery | 34,359 | 72,804 | 177 | 374 |
| Furniture and fittings | - | 768 | 521 | - |
| Vehicles | 3,564 | 1,604 | 2,858 | 2,702 |
| Office and mills equipment | 3,154 | 8,493 | 144 | - |
| Computer equipment | 9,800 | 3,604 | 226 | 172 |
| Jigs and fixtures | 3,649 | 12,231 | - | - |
| | 54,526 | 100,278 | 4,576 | 3,248 |

THAL LIMITED

5.2 Includes capital work in progress on building on freehold land and plant and machinery amounting to Rs. 234.130 million (June 30, 2018: Rs. 124.661 million) and Rs. 355.773 million (June 30, 2018: Rs. 18.998 million), respectively.

5.3 During the period, capital work in progress amounting to Rs. 17.498 million (December 31, 2017: Rs.37.625 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. 250.776 million

7. LONG-TERM LOANS

These include interest free loan amounting to Rs. 829.286 million (June 30, 2018: Rs. 780.436 million) given for purchase of shares of Thal Nova Power Thar (Private) Limited (ThalNova) to Thal Power (Private) Limited. The loan is likely to be converted into share capital based on the progress achieved by ThalNova for its underlying project.

| | Note | December 31, 2018 (Un-audited) (Rupees in thousands) | June 30, 2018 (Audited) |
|--------------------------|------|---|-------------------------------|
| 8. STOCK-IN-TRADE | | | |
| Raw material | | | |
| In hand | 8.1 | 3,184,307 | 2,586,886 |
| In transit | | 917,698 | 639,192 |
| | | <u>4,102,005</u> | <u>3,226,078</u> |
| Work-in-process | | 301,438 | 226,833 |
| Finished goods | | 984,405 | 501,003 |
| | | <u>5,387,848</u> | <u>3,953,914</u> |

8.1 This includes items amounting to Rs. 37.507 million (June 30, 2018: Rs. 38.284 million) carried at net realizable value. [Cost Rs. 90.239 million (June 30, 2018: Rs. 93.422 million)]

9. SHORT-TERM INVESTMENTS

9.1 These represent investment in Term Deposit Receipts amounting to Rs. 1,650.069 million (June 30, 2018: Rs. 347.954 million), Treasury Bills amounting to Rs. 245.040 million (June 30, 2018: Rs. 299.445 million) and Mutual Funds amounting to Rs.1,145.542 million (June 30, 2018: Rs. 4,199.839 million).

9.2 Term deposit receipts include Rs. 1.105 million (June 30, 2018: Rs. 1.081 million) maintained with Habib Metropolitan Bank, a related party.

9.3 These Include short-term investments amounting to Rs. 1,889.912 million (June 30, 2018: Rs. 641.461 million) having maturity up to three months.

| | Note | December 31, 2018 (Un-audited) (Rupees in thousands) | June 30, 2018 (Audited) |
|--|------|---|-------------------------------|
| 10. INCOME TAX- net | | | |
| Group Tax Relief adjustments | 10.1 | 593,466 | 593,466 |
| Group Taxation adjustments | 10.2 | (8,626) | 512 |
| Income tax provision less tax payments – net | | <u>(400,663)</u> | <u>(531,150)</u> |
| | | <u>184,177</u> | <u>62,828</u> |

THAL LIMITED

- 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 (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, MHPL and A-One Enterprises (Private) Limited have irrevocably opted to be taxed as one fiscal unit for the tax year 2019.

11. CONTINGENCIES AND COMMITMENTS

11.1 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, 2018.

11.2 Commitments

- 11.2.1** Letter of guarantees issued by banks on behalf of the Company amounting to Rs. 1,398.723 million (June 30, 2018: Rs. 1,424.711 million).
- 11.2.2** Post dated cheques issued to Collector of Customs amounting to Rs. 22.331 million (June 30, 2018: Rs. 24.545 million).
- 11.2.3** Letter of credits outstanding for raw material and spares amounting to Rs. 1,516.974 million (June 30, 2018: Rs. 1,708.273 million).
- 11.2.4** Commitments in respect of capital expenditure are Rs. 523 million (June 30, 2018: Rs. 7.515 million).
- 11.2.5** Commitments for rentals under Ijarah agreements to a related party in respect of vehicles and computers amount to Rs. 32.641 million (June 30, 2018: Rs. 29.187 million).

12. OTHER INCOME

Income from financial assets

| | Half year ended 2018 | 2017 |
|--|-------------------------|----------------|
| | (Un-audited) | |
| | (Rupees in thousands) | |
| Dividend income | 590,351 | 501,829 |
| Profit earned on call deposits and short term investments | 35,138 | 130,790 |
| Gain on revaluation / redemption of investments at fair value through profit and loss | 118,051 | 60,979 |
| Others | 8,433 | 7,586 |
| | <u>751,973</u> | <u>701,184</u> |

Income from non-financial assets

| | | |
|--|----------------|----------------|
| Gain on disposal of operating fixed assets | 35,169 | 1,077 |
| Others | 36,951 | 24,755 |
| | <u>72,120</u> | <u>25,832</u> |
| | <u>824,093</u> | <u>727,016</u> |

THAL LIMITED

| | | Half year ended | |
|--|--|-----------------------|-----------|
| | | 2018 | 2017 |
| | | (Un-audited) | |
| | | (Rupees in thousands) | |
| 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 | | 1,493,668 | 1,273,158 |
| | | Number of shares | |
| | | In thousands | |
| Weighted average number of ordinary shares of Rs. 5/- each in issue | | 81,030 | 81,030 |
| | | Rupees | |
| Basic and diluted earnings per share | | 18.43 | 15.71 |

14. TRANSACTIONS 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 | Half year ended | |
|--------------|---|-----------------------|-----------|
| | | 2018 | 2017 |
| | | (Un-audited) | |
| | | (Rupees in thousands) | |
| Subsidiaries | Professional services acquired | 91,232 | 75,278 |
| | Dividend income | 185,665 | 163,975 |
| | Services acquired | 1,593 | - |
| | Purchase of assets | - | 3,907 |
| | Purchase of goods | 332 | 2,174 |
| | Supplies purchased | 1,568 | - |
| | Sale of goods | - | 32 |
| | Rent received | 2,770 | 2,684 |
| | Loan to subsidiary | 48,850 | 126,000 |
| | Service fee | 13,861 | 13,860 |
| | Tax loss and challans acquired | 4,709 | 1,639 |
| | Sale of assets | 137 | 1,568 |
| | | Half year ended | |
| | | 2018 | 2017 |
| | | (Un-audited) | |
| | | (Rupees in thousands) | |
| Associates | Sales of goods | 6,495,234 | 5,103,760 |
| | Dividend income | 398,519 | 333,717 |
| | Insurance premium | 13,125 | 16,092 |
| | Purchase of assets | 196 | - |
| | Purchase of goods | - | 65,051 |
| | Supplies purchased | 21,308 | 6,316 |
| | Insurance claim received | 3,575 | 1,342 |
| | Mark-up and bank charges paid | 2,911 | 3,329 |
| | Profit received on call deposits and short-term investments | 8,445 | 49,483 |
| | Rent paid | - | 1,623 |
| | Ijarah rentals | 10,364 | - |

THAL LIMITED

| | | Half year ended | |
|---------------------------------|---|-----------------------|--------|
| | | 2018 | 2017 |
| | | (Un-audited) | |
| | | (Rupees in thousands) | |
| Employee benefit plans | Contribution to provident fund | 20,299 | 18,202 |
| | Contribution to retirement benefit fund | 4,061 | 3,536 |
| Key management personnel | Remuneration | 19,200 | 33,954 |

- 14.1** Key management personnel remuneration corresponding figure in note 14 has been revised in line with the new definition of key management personnel under directives issued by the Securities and Exchange Commission of Pakistan.

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.

Available-for-sale financial assets and financial assets designated at fair value through profit and loss account which are tradable in an open market are revalued at the market prices prevailing on the date of unconsolidated condensed interim statement of financial position (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 2018. There have been no changes in any risk management policies since the year end.

17 SUBSEQUENT EVENT

The Board of Directors has proposed and approved an interim cash dividend of Rs.2.5/- per share for the half year ended December 31, 2018, in its meeting held on February 21, 2019.

18 GENERAL

Figures have been rounded off to the nearest thousands.

19 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 21, 2019 by the Board of Directors of the Company.



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

| | Note | Dec 31, 2018 (Un-audited) | June 30, 2018 (Audited) |
|--|------|---------------------------------|-------------------------------|
| (Rupees in thousands) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 2,824,382 | 1,947,728 |
| Intangible assets | | 19,809 | 17,521 |
| Investment property | | 6,640,568 | 6,702,921 |
| Long-term investments | 6 | 4,922,895 | 4,624,862 |
| Long-term loans | | 5,994 | 9,048 |
| Long-term deposits | | 21,711 | 21,433 |
| Long-term prepayments | | 22,501 | 22,501 |
| Deferred tax asset - net | | 115,367 | 191,145 |
| | | 14,573,227 | 13,537,159 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 152,655 | 137,465 |
| Stock-in-trade | 7 | 5,568,775 | 4,047,147 |
| Trade debts | | 2,218,976 | 1,593,086 |
| Loans and advances | | 96,856 | 105,905 |
| Trade deposits and short-term prepayments | | 246,941 | 151,110 |
| Interest accrued | | 4,705 | 2,451 |
| Other receivables | | 5,469 | 30,400 |
| Short-term investments | 8 | 7,619,985 | 9,069,237 |
| Income Tax - net | 9 | 34,571 | - |
| Sales tax refundable | | 171,051 | 105,163 |
| Cash and bank balances | | 652,043 | 1,325,900 |
| | | 16,772,027 | 16,567,864 |
| TOTAL ASSETS | | 31,345,254 | 30,105,023 |
| 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 | | 20,974,030 | 19,957,969 |
| Equity attributable to equity holders' of the parent | | 21,379,192 | 20,363,131 |
| Non-controlling interest | | 6,570,656 | 6,484,082 |
| | | 27,949,848 | 26,847,213 |
| NON-CURRENT LIABILITIES | | | |
| Long-term deposits | | 318,983 | 319,720 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,789,511 | 2,672,579 |
| Unclaimed dividend | | 53,601 | 49,712 |
| Unpaid dividend | | 52,116 | 47,954 |
| Short-term borrowings | | 164,834 | 60,750 |
| Deferred income | | 16,260 | 10,172 |
| Accrued markup | | 101 | - |
| Income Tax - net | 9 | - | 96,923 |
| | | 3,076,423 | 2,938,090 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 10 | | |
| TOTAL EQUITIES AND LIABILITIES | | 31,345,254 | 30,105,023 |

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


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive


Salman Burrey
Director

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018
(UN-AUDITED)

| | Note | Half Year Ended | | Quarter ended | |
|--|------|-----------------------|------------------|-----------------------|------------------|
| | | Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 |
| | | (Rupees in thousands) | | (Rupees in thousands) | |
| Revenue - net | | 11,118,896 | 8,954,051 | 5,970,708 | 4,612,371 |
| Cost of sales | | (9,032,754) | (7,221,127) | (4,812,148) | (3,704,133) |
| Gross Profit | | 2,086,142 | 1,732,924 | 1,158,560 | 908,238 |
| Distribution costs | | (136,762) | (107,042) | (54,317) | (49,207) |
| Administrative expenses | | (763,655) | (743,602) | (390,956) | (373,168) |
| Other charges | | (144,335) | (118,786) | (92,202) | (70,910) |
| | | (1,044,752) | (969,430) | (537,475) | (493,285) |
| Other income | 11 | 1,262,218 | 1,141,639 | 661,535 | 566,996 |
| Operating Profit | | 2,303,608 | 1,905,133 | 1,282,620 | 981,949 |
| Finance costs | | (7,651) | (3,925) | (4,194) | 290 |
| | | 2,295,957 | 1,901,208 | 1,278,426 | 982,239 |
| Share of net profit of associates - after tax | | 501,305 | 405,348 | 229,383 | 238,768 |
| Profit before taxation | | 2,797,262 | 2,306,556 | 1,507,809 | 1,221,007 |
| Taxation | | (826,566) | (623,101) | (516,906) | (366,768) |
| Profit after taxation | | 1,970,696 | 1,683,455 | 990,903 | 854,239 |
| Attributable to: | | | | | |
| - Equity holders of the Holding Company | | 1,760,345 | 1,493,203 | 885,049 | 757,980 |
| - Non-controlling interest | | 210,351 | 190,252 | 105,854 | 96,259 |
| | | 1,970,696 | 1,683,455 | 990,903 | 854,239 |
| | | Rupees | | Rupees | |
| Basic and diluted earnings per share attributable to the equity holders of the Holding Company | 12 | 21.72 | 18.43 | 10.92 | 9.35 |

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



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2018
(UN-AUDITED)

| | Half Year Ended | | Quarter ended | |
|--|-----------------------|-----------------|-----------------------|-----------------|
| | Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 |
| | (Rupees in thousands) | | (Rupees in thousands) | |
| Profit after taxation | 1,970,696 | 1,683,455 | 990,903 | 854,239 |
| Other comprehensive income | | | | |
| (Loss) / gain on revaluation of investments at fair value through other comprehensive income | (50,833) | (21,791) | (31,204) | 3,476 |
| Share of actuarial loss on remeasurement of defined benefit plans of associates | (4,696) | (119) | (1,306) | - |
| Total comprehensive income for the period, net of tax | 1,915,167 | 1,661,545 | 958,393 | 857,715 |
| Attributable to: | | | | |
| - Equity holders of the Holding Company | 1,704,816 | 1,471,293 | 852,539 | 761,456 |
| - Non-controlling interest | 210,351 | 190,252 | 105,854 | 96,259 |
| | 1,915,167 | 1,661,545 | 958,393 | 857,715 |

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


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive


Salman Burney
Director

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2018
(UN-AUDITED)

| | Dec 31, 2018 | Dec 31, 2017 |
|---|-----------------------|-----------------|
| | (Rupees in thousands) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 2,797,262 | 2,306,556 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation and amortization | 259,375 | 233,414 |
| Share in profit of associates - after taxation | (501,305) | (405,348) |
| Finance costs | 7,650 | 3,925 |
| Profit earned on call deposits and short-term investments | (136,923) | (206,966) |
| Liabilities no longer payable written back | (752) | (83) |
| Gain on revaluation / redemption of investments at fair value through profit and loss | (190,726) | (100,182) |
| Dividend income | (6,167) | (4,137) |
| Provision for impairment of trade debts | 11,989 | 2,819 |
| Provision for retirement benefits | 4,061 | 3,536 |
| Gain on disposal of property, plant and equipment | (31,363) | (2,306) |
| | (584,161) | (475,328) |
| | 2,213,101 | 1,831,228 |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (15,190) | (27,219) |
| Stock-in-trade | (1,521,628) | (810,982) |
| Trade debts | (637,879) | (663,298) |
| Loans and advances | 9,049 | (53,166) |
| Trade deposits and short-term prepayments | (95,831) | (57,776) |
| Other receivables | 24,931 | (73,217) |
| Sales tax refundable | (65,888) | 1,431 |
| Increase / (decrease) in current liabilities | | |
| Deferred income | 6,088 | 7,606 |
| Trade and other payables | 120,921 | 365,724 |
| | (2,175,427) | (1,310,897) |
| Cash (used in) / generated from operations | 37,674 | 520,331 |
| Finance costs paid | (7,549) | (3,926) |
| Retirement benefits paid | (7,298) | (6,221) |
| Income tax paid | (882,282) | (687,127) |
| Long-term loans | 3,054 | (324) |
| Long-term deposits - net | (1,015) | 372 |
| Net cash used in operating activities | (857,416) | (176,895) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (1,089,675) | (436,129) |
| Dividends received | 411,092 | 410,909 |
| Profit received on call deposits and short term investments | 131,687 | 209,678 |
| Long-term investments made during the period | (250,776) | (424,656) |
| Proceeds from disposal of property, plant and equipment | 45,074 | 4,598 |
| Short-term investments encashed / (made) during the period | 3,223,945 | 141,107 |
| Net cash generated from / (used in) investing activities | 2,471,347 | (94,493) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (804,481) | (1,458,994) |
| Net cash used in financing activities | (804,481) | (1,458,994) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 809,450 | (1,730,382) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 4,054,544 | 7,541,508 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 4,863,994 | 5,811,126 |
| Cash and bank balances | 652,043 | 1,049,371 |
| Short-term investments | 4,376,785 | 4,762,102 |
| Short-term running finance | (164,834) | (347) |
| | 4,863,994 | 5,811,126 |

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



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

| | Issued, subscribed & paid-up capital | Share deposit money | RESERVES | | | | Non-controlling interest | Total equity |
|---|--|---------------------------|--------------------|--------------------|--------------------------|---|-----------------------------|--------------|
| | | | Capital reserve | General reserve | Unappropriated profit | Gain / (Loss) on changes in fair value of available for sale investments | | |
| ----- Rupees in '000 ----- | | | | | | | | |
| Balance as at June 30, 2017 (Audited) | 405,150 | 12 | 67,929 | 11,207,374 | 7,027,888 | 143,928 | 6,116,611 | 24,968,892 |
| Transfer to general reserve | - | - | - | 2,366,000 | (2,366,000) | - | - | - |
| Final dividend @ Rs. 16/- per share for the year ended June 30, 2017 | - | - | - | - | (1,296,479) | - | - | (1,296,479) |
| Subsidiary Companies | | | | | | | | |
| Final dividend @ Rs. 0.304/- per share for the year ended June 30, 2017 | - | - | - | - | - | - | (41,303) | (41,303) |
| Interim dividend @ Rs. 0.50/- per share for the period ended September 30, 2017 | | | | | | | (68,014) | (68,014) |
| Profit for the period | - | - | - | - | 1,493,203 | - | 190,252 | 1,683,455 |
| Other comprehensive income | - | - | - | - | (119) | (21,791) | - | (21,910) |
| Total comprehensive income | - | - | - | - | 1,493,084 | (21,791) | 190,252 | 1,661,545 |
| Balance as at December 31, 2017 (Unaudited) | 405,150 | 12 | 67,929 | 13,573,374 | 4,858,493 | 122,137 | 6,197,546 | 25,224,641 |
| 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) |
| Subsidiary Companies | | | | | | | | |
| Final dividend @ Rs. 0.408/- per share for the year ended June 30, 2018 | - | - | - | - | - | - | (55,519) | (55,519) |
| Interim dividend @ Rs. 0.502/- per share for the period ended September 30, 2018 | - | - | - | - | - | - | (68,258) | (68,258) |
| Profit for the period | - | - | - | - | 1,760,345 | - | 210,351 | 1,970,696 |
| Other comprehensive income | - | - | - | - | (4,696) | (50,833) | - | (55,529) |
| Total comprehensive income | - | - | - | - | 1,755,649 | (50,833) | 210,351 | 1,915,167 |
| Balance as at December 31, 2018 (Unaudited) | 405,150 | 12 | 67,929 | 15,165,374 | 5,627,381 | 113,346 | 6,570,656 | 27,949,848 |

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


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive


Salman Burney
Director

THAL LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE **HALF YEAR ENDED DECEMBER 31, 2018**
(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 Floor, House of Habib - 3-Jinnah Co-operative Housing Society, Sharae Faisal, Karachi.

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

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

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

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

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

2 BASIS OF PREPERATION

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

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

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

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

2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended June 30, 2018.

2.3 These unconsolidated condensed interim financial statements are being submitted to the shareholders as required by the Section 237 of the Companies Act, 2017.

2.4 The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 229 (I)/2019 dated February 14, 2019 has deferred the application of IFRS 9 till June 30, 2019.

3 ACCOUNTING POLICIES

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

3.1 New / Revised Standards, Interpretations and Amendments

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

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

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

IFRS 15 - Revenue from Contracts with Customers

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

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

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

3.2 IFRS 15 – Revenue from Contracts with Customers

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

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

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

4 ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

THAL LIMITED

5 PROPERTY, PLANT AND EQUIPMENT

| | Note | Dec 31, 2018 (Un-audited) (Rupees in thousands) | June 30, 2018 (Audited) (Rupees in thousands) |
|--------------------------|-----------|--|--|
| Operating fixed assets | 5.1 & 5.3 | 1,458,580 | 1,534,660 |
| Capital work-in-progress | 5.2 | 1,365,802 | 413,068 |
| | | 2,824,382 | 1,947,728 |

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

| | Additions | | Deletions | |
|----------------------------|-----------------------------------|---------|-----------------|-------|
| | at cost | | at book value | |
| | Half Year Ended | | Half Year Ended | |
| | Dec 31, | | Dec 31, | |
| | 2018 | 2017 | 2018 | 2017 |
| | (Un-audited) | | (Un-audited) | |
| | ----- (Rupees in thousands) ----- | | | |
| Operating fixed assets | | | | |
| Land - Freehold | - | - | 650 | - |
| Building on freehold land | - | 774 | - | - |
| Plant and machinery | 34,359 | 72,929 | 178 | 557 |
| Furniture and fittings | - | 1,223 | 525 | - |
| Vehicles | 10,696 | 544 | 3,454 | 1,706 |
| Office and mills equipment | 3,606 | 10,169 | 144 | 6 |
| Computer equipment | 13,438 | 4,374 | 91 | 23 |
| Jigs and Fixtures | 3,649 | 12,231 | - | - |
| | 65,748 | 102,244 | 5,042 | 2,292 |

5.2 Includes capital work in progress on building on freehold land and plant and machinery amounting to Rs. 620.310 million (June 30, 2018: Rs. 325.184 million) and Rs. 675.799 million (June 30, 2018: Rs. 40.118 million), respectively.

5.3 During the period, capital work in progress amounting to Rs. 17.498 million (Dec 31, 2017: Rs. 37.625 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. 250.776 million

7 STOCK-IN-TRADE

| | | | |
|-----------------|-----|-----------|-----------|
| Raw material | | | |
| In hand | 7.1 | 3,266,865 | 2,645,618 |
| In transit | | 942,055 | 648,361 |
| | | 4,208,920 | 3,293,979 |
| Work-in-process | | 301,438 | 226,833 |
| Finished goods | | | |
| In hand | | 1,052,598 | 526,335 |
| In transit | | 5,819 | - |
| | | 1,058,417 | 526,335 |
| | | 5,568,775 | 4,047,147 |

- 7.1** This includes items amounting to Rs. 37.507 million (June 30, 2018 : Rs. 38.284 million) carried at net realizable value. [Cost Rs. 90.239 million (June 30, 2018 : Rs. 93.422 million)]

8 SHORT TERM INVESTMENTS

- 8.1** This represents investment in Term Deposit Receipts amounting to Rs. 2,778.993 million (June 30, 2018: Rs. 1,128.239 million), Government Treasury Bills amounting to Rs. 1,618.049 million (June 30, 2018:Rs. 1,881.850 million) and mutual funds amounting to Rs. 3,222.943 million (June 30, 2018:Rs. 6,059.148 million).
- 8.2** Term deposit receipts include Rs. 889.359 million (June 30, 2018: Rs. 579.843 million) maintained with Habib Metropolitan Bank Limited, a related party.
- 8.3** Government Treasury Bills Rs. 497.769 million (June 30, 2018: Rs. Nil million) maintained with Habib Metropolitan Bank Limited, a related party.
- 8.3** These Include short-term investments amounting to Rs. 4,376.785 million (June 30, 2018: Rs. 2,789.394 million) having maturity up to three months.

9 INCOME TAX - Net

| | Note | Dec 31, 2018 (Un-audited) | June 30, 2018 (Audited) |
|--|------|---------------------------------|-------------------------------|
| (Rupees in thousands) | | | |
| Group Tax Relief adjustments | 9.1 | 593,466 | 593,466 |
| Group Taxation adjustments | 9.2 | (8,626) | 512 |
| Income Tax provision less tax payments - net | | (550,269) | (690,901) |
| | | 34,571 | (96,923) |

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

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

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

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

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

10.2 Commitments

10.2.1 Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 1,411.713 million (June 30, 2018: Rs. 1,437.701 million).

10.2.2 Post dated cheques issued to collector of Customs amounts to Rs. 22.331 million (June 30, 2018: Rs. 24.545 million)

10.2.3 Letter of credits outstanding for raw material and spares amounts to Rs. 1,545.530 million (June 30, 2018: Rs. 1,723.577 million).

10.2.4 Commitments in respect of capital expenditure amounts to Rs. 523 million (June 30, 2018: Rs. 7.515 million).

10.2.5 Commitments for rentals under Ijarah agreements in respect of vehicles and computers to a related party amount to Rs. 34.047 million (June 30, 2018: 29.187 million).

10.2.6 Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 2,386.139 million (June 30, 2018: Rs. 2,466.099 million)

Half Year Ended
Dec 31, Dec 31,
2018 2017
(Un-audited)
(Rupees in thousands)

11 OTHER INCOME

Income from financial assets

| | | |
|--|----------------|----------------|
| Dividend income | 6,167 | 4,137 |
| Profit earned on call deposits and short-term investments | 136,923 | 206,966 |
| Gain on revaluation / redemption of investments at fair value through profit and loss | 190,726 | 100,182 |
| Others | 8,555 | 83 |
| | <u>342,371</u> | <u>311,368</u> |

Income from non-financial assets

| | | |
|---|------------------|------------------|
| Gain on disposal of property, plant and equipment | 35,465 | 2,306 |
| Rental income | 756,187 | 725,987 |
| Others | 128,195 | 101,978 |
| | <u>919,847</u> | <u>830,271</u> |
| | <u>1,262,218</u> | <u>1,141,639</u> |

Half Year Ended
Dec 31, Dec 31,
2018 2017
(Un-audited)
(Rupees in thousands)

12 BASIC AND DILUTED EARNINGS PER SHARE

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

| | | |
|---|--|------------------|
| Profit after taxation attributable to the equity holders of the holding company | <u>1,760,345</u> | <u>1,493,203</u> |
| | Number of shares in thousands | |
| Weighted average number of ordinary shares of Rs. 5/- each in issue | <u>81,030</u> | <u>81,030</u> |
| | Rupees | |
| Basic and diluted earnings per share | <u>21.72</u> | <u>18.43</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 | Half Year Ended | |
|--------------------------|---|-----------------------|-----------------|
| | | Dec 31, 2018 | Dec 31, 2017 |
| | | (Un-audited) | |
| | | (Rupees in thousands) | |
| Associates | Sales | 6,611,220 | 5,217,502 |
| | Professional Services rendered | 104,837 | 124,395 |
| | Services acquired | 1,593 | |
| | Rental Income on properties | 765,928 | 740,336 |
| | Insurance premium | 15,109 | 17,816 |
| | Purchase of assets | 11,250 | 2,653 |
| | Purchase of goods | 79 | 65,094 |
| | Insurance claim received | 3,614 | 1,447 |
| | Mark-up and bank charges paid | 3,735 | 3,850 |
| | Profit received | 29,934 | 115,788 |
| | Supplies purchased | 355,893 | 199,433 |
| | Licence fee, signage and others | 5,193 | 5,814 |
| | Rent Paid | - | 1,623 |
| Ijarah Rentals | 11,225 | - | |
| Employee benefit plans | Contribution to provident fund | 23,480 | 20,135 |
| | Contribution to retirement benefit fund | 4,061 | 3,536 |
| Key management personnel | Key management personnel compensation | 80,483 | 67,939 |

13.1 Key management personnel remuneration corresponding figure in note 14 has been revised in line with the new definition of key management personnel under directives issued by the Securities and Exchange Commission of Pakistan.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

There were no transfers amongst levels during the period.

15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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

16 SEGMENT ANALYSIS

| Half Year Ended | | | | | | | | | |
|------------------------------|-----------------|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 |
| Engineering | | Building material and allied products | | Real estate management & others | | Elimination | | Total | |
| -----Rupees in thousand----- | | | | | | | | | |
| 7,810,937 | 6,186,433 | 3,182,894 | 2,616,894 | 214,620 | 228,358 | (89,555) | (77,634) | 11,118,896 | 8,954,051 |
| 1,500,809 | 1,295,122 | 369,564 | 222,077 | 584,645 | 564,547 | - | - | 2,455,018 | 2,081,746 |
| | | | | | | | | (423,230) | (396,610) |
| | | | | | | | | 416,155 | 338,783 |
| | | | | | | | | 2,447,943 | 2,023,919 |
| | | | | | | | | (7,651) | (3,925) |
| | | | | | | | | (144,335) | (118,786) |
| | | | | | | | | 501,305 | 405,348 |
| | | | | | | | | (826,566) | (623,101) |
| | | | | | | | | 1,970,696 | 1,683,455 |

| Quarter ended | | | | | | | | | |
|------------------------------|-----------------|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 |
| Engineering | | Building material and allied products | | Real estate management & others | | Elimination | | Total | |
| -----Rupees in thousand----- | | | | | | | | | |
| 4,089,425 | 3,104,625 | 1,819,346 | 1,430,912 | 105,825 | 116,304 | (43,888) | (39,470) | 5,970,708 | 4,612,371 |
| 810,081 | 659,036 | 255,275 | 143,123 | 290,942 | 290,824 | - | - | 1,356,298 | 1,092,983 |
| | | | | | | | | (219,190) | (204,314) |
| | | | | | | | | 237,714 | 164,190 |
| | | | | | | | | 1,374,822 | 1,052,859 |
| | | | | | | | | (4,194) | 290 |
| | | | | | | | | (92,202) | (70,910) |
| | | | | | | | | 229,383 | 238,768 |
| | | | | | | | | (516,906) | (366,768) |
| | | | | | | | | 990,903 | 854,239 |

17 SUBSEQUENT EVENT

The Board of Directors of the holding Company has approved interim cash dividend of Rs. 2.5 /- per share for the period ended December 31, 2018 in its meeting held on February 21, 2019.

18 GENERAL

18.1 Figures have been rounded off to the nearest thousands.

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

19 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on February 21, 2019 by the Board of Directors of the Holding Company.


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive


Salman Burney
Director

تھل نووانے پرائیویٹ پاور انفراسٹرکچر بورڈ (پی پی آئی بی) سے لیٹر آف انٹینٹ (ایل او آئی) اور لیٹر آف سپورٹ (ایل او ایس) حاصل کر لیا ہے۔ نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (این ای پی آر اے) نے پروجیکٹ کمپنی کو تھر کول پر جزیشن لائسنس جاری کر دیا اور اپ فرنٹ ٹیرف بھی تفویض کر دیا ہے۔ تھل نووا کو سندھ اینوائرمینٹل پروٹیکشن ایجنسی (ایس ای پی اے) کی جانب سے نوآبخشیشن سرٹیفکیٹ (این اوسی) بھی جاری کر دیا گیا ہے۔ چائنا مشینری اینڈ انجینئرنگ کارپوریشن گواہی پی سی کنٹریکٹر کی حیثیت سے مقرر کیا گیا ہے۔ تھل نووا 1.9 ملین ٹن سالانہ لگنائیٹ کی فراہمی کیلئے ایس ای سی ایم سی کے ساتھ کول سپلائی ایگریمنٹ (سی ایس اے) کر چکی ہے اور سینٹرل پاور پرچیز ایجنسی (گارنٹی لمیٹڈ کے ساتھ پاور پرچیز ایگریمنٹ (پی پی اے) اور پی پی آئی بی کے ساتھ امپلی مینٹیشن ایگریمنٹ (آئی اے) بھی کیے ہیں۔

چائنا ڈیولپمنٹ بینک (”سی ڈی بی“) اور حبیب بینک لمیٹڈ (”ایچ بی ایل“) بالترتیب غیر ملکی اور مقامی کرنسی پروجیکٹ ڈیپٹ کے انتظام میں مصروف عمل ہیں۔

تھل نووا موثر طور پر پروجیکٹ کے انتظامات اور پروجیکٹ کے لئے فنانشل کلوز حاصل کرنے کے لئے سرگرم عمل ہے۔

اظہارِ تشکر

ہم اللہ تعالیٰ کے بے حد شکر گزار ہیں کہ اس نے ہمیں چیلنج کے وقت میں اپنی رحمت سے نوازا۔ ہم اپنے بورڈ آف ڈائریکٹرز، کسٹمرز، ڈیلرز، بینکرز اور جوائنٹ ونچر اور ٹیکنیکل پارٹنرز کے مسلسل تعاون اور کمپنی پران کے اعتماد کو سرہاتے ہیں۔ ہم اپنے تمام ساتھی ملازمین کی کاوشوں کے بھی معترف ہیں جنہوں نے سخت محنت اور دل جمعی کے ساتھ بہترین نتائج کے حصول کے لئے کوششیں کیں۔

منجانب بورڈ

مظہر واجبی

چیف ایگزیکٹو

کراچی:

مورخہ: 21 فروری 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 تھل مائننگ انویسٹمنٹس لمیٹڈ اور ایس پی آئی منگڈ ونگ کے مابین ایک جوائنٹ وینچر ہے۔ یہ تھل کول بلاک-II میں پاکستان کے پہلے اوپن پٹ مائننگ پروجیکٹ کو تیار کرنے میں سرگرم عمل ہے۔ پروجیکٹ کے فیز-I، جس میں اینگرو پاور جین تھل لمیٹڈ کیلئے 3.8 ملین ٹن سالانہ گلائٹ کی فراہمی دی جائے گی، جس کیلئے 4 اپریل 2016 کو فنانشل کلوز حاصل کیا گیا۔ آج کی تاریخ تک c.110 ملین بی سی ایم ملے کان سے نکالا جا چکا ہے اور کان کی گہرائی 150 میٹر تک پہنچ چکی ہے اور موجودہ طور پر تکمیل کے حتمی مراحل میں ہے۔ اس لحاظ سے کمرشل آپریشنز کا آغاز 2019 کی پہلی ششماہی میں شیڈول سے آگے بڑھ جائے گا۔

پروجیکٹ کے فیز-I کیلئے تھل لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 36.1 ملین امریکی ڈالر کے مساوی پاک روپے کے مجموعی رقم کی منظوری دی تھی جس میں 24.3 ملین امریکی ڈالر کی ایکویٹی سرمایہ کاری، 5 ملین امریکی ڈالر برائے کاسٹ اور رن اور ڈیپت سروسنگ ریزرو کیلئے 6.8 ملین امریکی ڈالر شامل ہیں۔ آج کی تاریخ تک کمپنی نے 15.26 ملین امریکی ڈالر کے مساوی 1,649 ملین روپے کی سرمایہ کاری کی ہے۔

ایس ای سی ایم سی بھی پروجیکٹ کے فیز-II کے لیے فنانشل کلوز حاصل کرنے کے آخری مراحل میں ہے جس سے کان فیز-I میں اپنی اصل کوئلے کی سپلائی کی گنجائش سے دگنا حاصل کر پائے گی۔ پروجیکٹ کے فیز-II کے لئے تھل لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 7.1 ملین امریکی ڈالر کے مساوی پاک روپے کے مجموعی ایکسپنڈیچر کی منظوری دی تھی جس میں 4.6 ملین امریکی ڈالر کی ایکویٹی سرمایہ کاری، 1.3 ملین امریکی ڈالر برائے کاسٹ اور رن اور ڈیپت سروسنگ ریزرو کیلئے 1.2 ملین امریکی ڈالر (LIBOR/KIBOR) موومنٹ کے باعث اوپری سطح پرائیڈ جسٹ ایبل) شامل ہیں۔ ایس ای سی ایم سی نے تھل نووا پاور تھل (پرائیویٹ) لمیٹڈ اور تھرانز جی لمیٹڈ کے ساتھ بالترتیب ہر ایک 330 میگاواٹ پاور پلانٹ کو 1.9 ملین ٹن گلائٹ سالانہ اضافی طور پر فراہم کرنے کیلئے کول سپلائی کے معاہدے کئے ہیں۔

تھل پاور (پرائیویٹ) لمیٹڈ

کمپنی نے اپنے مکمل ملکیتی ذیلی ادارے تھل پاور (پرائیویٹ) لمیٹڈ کے ذریعے ایک جوائنٹ وینچر پروجیکٹ کمپنی یعنی تھل نووا پاور تھل پرائیویٹ لمیٹڈ ("تھل نووا") تشکیل دی ہے جو تھل، سندھ میں واقع ایک 330 میگاواٹ مائن ماؤتھ کول فائرڈ پاور جنریشن پلانٹ ہے۔

تھل نووا، تھل پاور، نووا پاور جین لمیٹڈ (نووائٹس لمیٹڈ کا ذیلی ادارہ) اور حب پاور کمپنی کے درمیان ایک جوائنٹ وینچر ہے۔ یہ پاور پلانٹ سندھ اینگروکول مائننگ کمپنی (ایس ای سی ایم سی) کی جانب آپریٹ کی جانے والی کان سے نکالے گئے گلائٹ کوئلے سے چلایا جائے گا۔

انڈسٹری کا مستقبل کا جائزہ ہر ممکن حد تک مستحکم ہے۔ بیشتر ماہرین کو یقین ہے کہ مستقبل قریب میں آٹو مارکیٹ ممکنہ طور پر سکڑے گی۔ مزید مقامی انحصار اور پروڈکٹ ریج میں اضافہ کمپنی کو کٹھن صورتحال سے نمٹنے کی صلاحیت فراہم کرنے کے ساتھ شیئر ہولڈرز کے لئے منافع کی سطح برقرار رکھنے میں معاون ثابت ہوگا۔

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 کیلئے 106 ملین روپے کی عبوری منافع منقسمہ کی ادائیگی کی منظوری دی۔

میکرو۔ حبیب پاکستان لمیٹڈ (ایچ ایم پی ایل)

فاضل سپریم کورٹ آف پاکستان نے صدر اسٹور کیلئے ایم ایچ پی ایل کی نظرثانی پیشین مسترد کر دی تھی جس کے نتیجے میں ایم ایچ پی ایل کا صدر اسٹور 11 ستمبر 2015 کو بند کر دیا گیا۔

بعد ازاں 9 دسمبر 2015 کو ہونے والی ایک پیش رفت کے طور پر فاضل سپریم کورٹ آف پاکستان نے نظرثانی پیشین 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 نظرثانی درخواست کا جائزہ لیتے ہوئے تبصرہ کیا کہ ایم ایچ 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 پیشین میں جوابداران ہیں۔

اے ڈبلیو ٹی کی نظرثانی پیشین 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۔ یہ کمپنی تھل لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے۔

ذیلی ادارے

تھل بوشوکوپاکستان (پرائیویٹ) لمیٹڈ (ٹی بی پی کے)

زیر جائزہ مدت کے دوران کمپنی کے سیلرز یونیونے گزشتہ سال کے مقابلے میں 24 فیصد اضافہ رجسٹر کیا۔ یہ ادائیگی میں 1040 یونٹس کے اضافے اور ڈالر کے مقابلے میں روپے کی قدر میں کمی کے منفی اثرات زائل کرنے کیلئے چند مثبت نرخوں کے تغیر سے ممکن ہوا۔ اہم غیر ملکی کرنسیوں بشمول امریکی ڈالر کے مقابلے میں پاک روپے کی قدر میں مسلسل گراؤٹ اور جے پی وائی کو بروئے کار لانے سے کمپنی کے منافع پر مستقل منفی دباؤ رہا۔ تاہم موثر لاگت میں کمی کے اقدامات اور بروقت انویسٹری مینجمنٹ کے ذریعے کمپنی نے شرح منافع پر منفی اثرات کو جزوی طور پر محدود رکھا۔ کمپنی نے مستقل طور پر اپنی مکمل ویلیو چین پر سخت کنٹرول رکھا اور بہترین صنعتی طریقہ کار پر مکمل عملدرآمد کو یقینی بنایا۔

کمپنی نے رواں سال کے دوران نمایاں پیشرفت کے اقدامات کیے۔ نئی مینوفیکچرنگ سہولت کو مکمل کیا جس کا آغاز گزشتہ مالی سال میں کیا گیا تھا اور یہ رواں سال کے دوران ایک اہم ترین کامیابی ہے۔ تمام مطلوبہ مشینری دسمبر 2018 تک درآمد کر کے نصب کر دی گئی اور کمپنی نے ٹرانل اور ٹیسٹنگ کیلئے اپنی سہولیات میں اپنی پہلی ان ہاؤس سیٹ تیار کی۔ کمپنی نومبر 2019 سے اپنی تجارتی پیداوار کا آغاز کرنے کیلئے پوری طرح تیار ہے۔ ایک نیا سیٹ پلانٹ قائم کرنے کے علاوہ کمپنی اپنے مقامی پورٹ فولیو میں اضافے کیلئے کام کے ذریعے اپنی پروڈکٹ بڑھانے کے ضمن میں اقدامات بھی بروئے کار لارہی ہے۔ ادائیگی ایمرنٹی پروڈکٹس کے کاروبار کے سلسلے میں گفت و شنید کامیابی کے ساتھ ہو چکی ہے اور ان پروڈکٹس کے فروغ کا عمل بھی جاری ہے۔

آپریشنز کی جانب تمام صارفین کی ضروریات کو صفر نقائص کے ساتھ بروقت پورا کیا گیا اور صارفین نے پورا سال کاروبار کو ”گرین زون“ میں رکھا۔ پروڈکشن کی کارکردگی بہتر بنانے، بہتری کیلئے تبدیلی اور اپنی ٹیم کو کام کرنے کا ایک صحتمند اور محفوظ ماحول فراہم کرنے پر توجہ دی جاتی رہی۔

کیپٹل اسٹرکچر کے ضمن میں تھل لمیٹڈ کی تھل بوشوکوپاکستان (پرائیویٹ) لمیٹڈ میں 55 فیصد شیئر ہولڈنگ ہے جبکہ 35 فیصد شیئر زٹو یوٹا بوشوکوپاکستان پوریشن جاپان کے پاس ہے اور مزید 10 فیصد شیئر زٹو یوٹا بوشوکوپاکستان پوریشن جاپان کی زیر ملکیت ہیں۔ تاہم گزشتہ سال کے دوران کمپنی کا مجاز شیئر کیپٹل نئی مینوفیکچرنگ سہولت کی تعمیر کیلئے فنڈز اکٹھے کرنے کی غرض سے 1.0 بلین پاک روپے تک بڑھایا گیا۔ کمپنی نے اس کیلئے ہر ایک 10 روپے مالیت کے مساوی 50 ملین رائٹ شیئرز کے اجراء کی منظوری دی۔ رائٹس کی آفر کے موقع پر ٹو یوٹا بوشوکوپاکستان پوریشن جاپان نے اپنی 100 فیصد ملکیتی ذیلی ادارے ٹو یوٹا بوشوکوپاکستان پوریشن کے حق میں رائٹ شیئرز کا دوبارہ اعلان کیا۔ ایک بار شیئرز باقاعدہ الاٹ کر دیئے گئے تو تھل لمیٹڈ اور ٹو یوٹا بوشوکوپاکستان پوریشن جاپان کے لئے شیئر ہولڈنگ کا پیٹرن یکساں ہو جائے گا جبکہ ٹو یوٹا بوشوکوپاکستان پوریشن جاپان کی اونر شپ کم ہو کر 9.6 فیصد رہ جائے گی جبکہ ٹو یوٹا بوشوکوپاکستان پوریشن کمپنی کے 25.4 فیصد کی مالک ہوگی۔ نظر ثانی شدہ اسٹرکچر مالی سال 2019 کی پہلی سہ ماہی کے اواخر میں باقاعدہ سامنے آجائے گا۔

پیپر سیک آپریشنز

سال کی پہلی ششماہی میں کاروباری کارکردگی آمدنی اور شرح کے لحاظ سے گزشتہ سال کی اسی مدت کے مقابلے میں بہتر رہی۔ تمام شعبے/ پروڈکٹس یعنی سیمنٹ کی بوریاں، صنعتی بوریاں، کیرئیر بیگز اور فوڈ پیکجنگ نے صحتمندانہ شرح نمونہ ہر کی جس کے نتیجے میں آمدنی میں اضافہ ہوا۔

منافع جات میں بہتر شرح اضافی حجم، بلند تر قیمت فروخت، خام مال کے انتظام میں بہتری اور سخت اخراجات پر کنٹرول سے منسوب ہیں۔

سیمنٹ کی طلب میں موجودہ نجلی سطح کی رجحان توقع کے مطابق آنے والے چند ماہ میں کم ہوگا۔ پاکستان کی سیمنٹ انڈسٹری کے طویل مدتی گروتھ کی صلاحیت کے پیش نظر اس کاروبار کے ضمن میں یہ فیصلہ کیا گیا کہ اس کی پیداواری صلاحیت میں بہتری لانے کے لیے مزید سرمایہ کاری کی جائے اور اس کی گنجائش کو 100 ملین بیگز سالانہ تک بڑھایا جائے۔ اس مقصد کے لیے بورڈ نے بیگ کی تیاری کے لیے جدید ترین ٹیکنالوجی کے حامل ایکو پمنٹ میں لگ بھگ 1.0 بلین روپے تک کی سرمایہ کاری کرنے کی منظوری دی ہے۔

کاروبار کا آئندہ جائزہ مثبت رہے گا کیونکہ صنعتی بوریوں، فیشن بیگ اور فوڈ بیگ کے شعبے توقع کے مطابق بہتری کا رجحان ظاہر کر رہے ہیں جس کے تحت کمپنی اس میں مزید سرمایہ کاری کے لیے تیار ہے۔

لیمینٹس آپریشنز

لیمینٹس بزنس صنعت میں بانی کی حیثیت سے اپنے برانڈ ”فارماٹ“ کا تاثر مزید بہتر بنانے کے لیے کوشاں ہے۔ بزنس نے نئی فیشنز اور گلو سوما میٹ کے نام سے ایک الٹرا ہائی گلو س رینج آف بورڈز متعارف کرائی ہے جو کچن کے لیے مثالی ہونے کے ساتھ ساتھ ہمارے کمپیکٹ لیمینٹ - میلما میٹ سے بنے پارٹیشنز کے لیے بھی بہترین ہے، جو وسیع تر پروڈیکٹ کے حامل دفاتر، دکانیں اور مالز کے واش رومز کے لیے انتہائی باکفایت ثابت ہو رہی ہیں۔

لاگت اور توانائی کو باکفایت بنانے کے اقدامات گیس ٹیرف میں تبدیلی اور روپے کی قدر میں کمی کے ضمن میں خام مال کے نرخوں میں نمایاں اضافے کو گھٹانے کے لیے بھی بروئے کار لائے گئے۔ لاگتوں میں اچانک اضافے کو مارکیٹ کے ذریعے جذب نہیں کیا جاسکا اور سیلز ٹیکس کے اثرات سے مزید بوجھ بڑھا جو بڑے پیمانے پر غیر دستاویزی، نان۔ٹیکس کمپلائنس مسابقت کے برخلاف کاروبار کے لیے نرخوں کے ضمن میں حوصلہ شکن ثابت ہوا۔

مقامی آٹو انڈسٹری میں گزشتہ سال کی اسی مدت کے مقابلے میں 3.2 فیصد کمی رجسٹرڈ کی گئی۔ محدود میکرو اکنامک صورتحال اور قانون سازی کے اثرات، جس کیلئے کار کے خریداروں کا ٹیکس فائزر ہونا لازم تھا، کے اثرات کے باعث طلب آئندہ مدت میں سست روی کا شکار رہے گی۔ اس مدت کے دوران استعمال شدہ گاڑیوں کی درآمد 27,907 رہی جو گزشتہ سال کی اسی مدت کے 44,760 یونٹس کے مقابلے میں 38 فیصد کم تھی۔

31 دسمبر 2018 کو ختم ہونے والی ششماہی کیلئے شعبہ انجینئرنگ کا ٹرن اوور 7.3 بلین روپے رہا، 25 فیصد اضافہ رجسٹر ہوا جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت میں 5.83 بلین روپے تھا۔ اس میں اضافہ جزوی طور پر حجم میں اضافے اور امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی کے منفی اثرات کو سیٹ کرنے کیلئے کچھ مثبت تغیر کے باعث ہوا۔

حکومت چین، تھائی لینڈ اور ترکی کے ساتھ فری ٹریڈ ایگریمنٹس (ایف ٹی ایز) پر مذاکرات میں مصروف عمل ہے۔ اس سلسلے میں کمپنی کی انتظامیہ نے حکومت کو اپنا موقف آٹو وینڈر انڈسٹری کے ساتھ تعاون کو مد نظر رکھتے ہوئے ایک مناسب ٹیرف کو یقینی بنانے کے ذریعے پیش کر دیا ہے۔ اور اس معاملے پر رابطوں کا سلسلہ جاری رکھا جائے گا۔

انتظامیہ نے معیار، صحت، سیفٹی اور ماحولیات کی بہتری کے لئے اقدامات کا سلسلہ جاری رکھا جبکہ طریقہ کار اور افعال بہتر بنانے کے ضمن میں اخراجات میں کفایت کے اقدام کیے گئے۔

کاروبار کی مختصر روداد۔ تعمیراتی سامان اور اس سے متعلق مصنوعات کا شعبہ

31 دسمبر 2018 کو ختم ہونے والی ششماہی کے دوران بلڈنگ میٹریل اور متعلقہ مصنوعات کے شعبہ میں سیلز ریونیو 3.1 بلین روپے رہا جو گزشتہ سال کی اسی مدت میں 2.62 بلین روپے تھا اور نتیجتاً 18 فیصد کا اضافہ دیکھنے میں آیا۔

جوٹ آپریشنز

زیر جائزہ مدت کے دوران جوٹ برنس نے اپنے مارکیٹ شیئر میں اضافہ کیا اور زرعی شعبے میں قابل ذکر سست روی اور اس کے نتیجے میں جوٹ پروڈکٹس کی طلب میں کمی آنے کے باوجود مثبت پیشرفت کا سلسلہ جاری رہا۔ کاروبار میں پیشرفت کا سلسلہ وسائل کے بھرپور استعمال اور کارکردگی کو بہتر بنانے کے ذریعے برقرار رکھا گیا۔

کاروبار کے ضمن میں بہتری کے لئے کیے جانے والے اقدامات نے پاک روپے کی قدر میں مسلسل کمی اور فریٹ اور انرجی کی لاگت میں اضافے کے رجحانات، خام جوٹ کی کمتر سپلائی اور اس کے نرخوں میں غیر ضروری اضافے کو کم کرنے اور دباؤ کو گھٹانے میں کافی مدد کی۔ مقامی اور بین الاقوامی مارکیٹوں میں بڑھتے ہوئے پروڈکٹ سیلز کس کے ساتھ مزید پھیلاؤ نے بھی مثبت رجحان برقرار رکھنے میں حتی الامکان معاونت فراہم کی۔

اناج کی بوریوں کے لئے سرکاری پروکیورمنٹ ایجنسیوں کی جانب سے طلب گزشتہ سال کے مقابلے میں نچلی سطح پر رہنے کا امکان ہے کیونکہ گزشتہ سال سے گندم کا اضافی ذخیرہ اس سال منتقل کیا گیا ہے۔

تھل لیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ برائے شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کی جانب سے میں ڈائریکٹرز کا جائزہ بشمول 31 دسمبر 2018 کو ختم ہونے والی مدت کیلئے غیر آڈٹ شدہ عبوری مجموعی مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

فنانس کی خاص خاص باتیں

| روپے بلین میں | | |
|---------------------------------------|---------------------------------------|--------------------------|
| برائے نصف سال مختتمہ 31 دسمبر 2017 | برائے نصف سال مختتمہ 31 دسمبر 2018 | |
| 8,448 | 10,555 | سیلرز ریونیو |
| 1,691 | 2,100 | قبل از ٹیکس منافع |
| 1,273 | 1,494 | بعد از ٹیکس منافع |
| 15.71 | 18.43 | فی شیئر آمدنی (روپے میں) |

بورڈ نے 31 دسمبر 2018 کو ختم ہونے والی ششماہی کیلئے 2.50 روپے فی شیئر یعنی 50 فیصد کے عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

کارکردگی کا عمومی جائزہ

31 دسمبر 2018 کو ختم ہونے والی پہلی ششماہی کے دوران کمپنی نے گزشتہ سال کی اسی سہ ماہی کے 8.448 بلین روپے کے مقابلے میں 10.555 بلین روپے کا سیلرز ریونیو ظاہر کیا جس سے 2.1 بلین روپے یا 25 فیصد کا اضافہ ظاہر ہوتا ہے۔ بنیادی اور خالص آمدنی فی شیئر (ای پی ایس) 18.43 روپے رہی جو گزشتہ سال کی اس مدت میں 15.71 روپے تھی۔

کاروبار کی مختصر صورتحال - انجینئرنگ کا شعبہ

کمپنی کا انجینئرنگ کا شعبہ تھرمل اینڈ انجن کیمپونینٹس برزنس اور الیکٹریک سسٹمز برزنس پر مشتمل ہے۔ یہ کاروبار بنیادی طور پر مقامی آٹو انڈسٹری کے لئے پارٹس کی تیاری پر توجہ مرکوز کئے ہوئے ہے۔

CORPORATE INFORMATION

Chairman - Non-executive

Rafiq M. Habib

Independent Director

Asif Qadir

Aliya Saeeda Khan

Non-executive Director

Sohail P. Ahmed

Ali S. Habib

Mohamedali R. Habib

Salman Burney

Chief Executive Officer

Mazhar Valjee

Chief Financial Officer

Shahid Saleem

Company Secretary

Umair Riaz Siddiqi

Audit Committee

Asif Qadir

Chairman - Independent

Sohail P. Ahmed

Member

Mohamedali R. Habib

Member

Salman Burney

Member

Human Resource & Remuneration Committee

Asif Qadir

Chairman - Independent

Salman Burney

Member

Ali S. Habib

Member

Mazhar Valjee

Member

External Auditors

EY Ford Rhodes Chartered Accountants

Legal Advisors

A. K. Brohi & Co., Karachi

K. A. Wahab & Co., Karachi

Fazal-e-Ghani Advocates, Karachi

Tax Advisors

EY Ford Rhodes Chartered Accountants

Bankers

Habib Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

National Bank of Pakistan

Habib Metropolitan Bank Limited

Meezan Bank Limited

Albaraka Islamic Bank

Bank Al-Habib Limited

Faysal Bank Limited

Industrial & Commercial Bank of China Limited

Registered Office

4th Floor, House of Habib

3-Jinnah Cooperative Housing Society, Block 7/8

Sharae Faisal, Karachi - 75350

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Fax: 92(21) 3431-2318, 3439-0868

E-mail: tl@hoh.net

Web: www.thallimited.com

Share Registrar:

FAMCO Associates (Private) Limited

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Nursery, Block-6, P.E.C.H.S.

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