

Thal Limited

Condensed Interim Financial Statements
For the First Quarter Ended September, 2012
(Un-audited)



Thal Limited

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Thal Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The Directors of your Company are pleased to place before you the performance for the Q1 ended September 30, 2012 along with the unaudited interim condensed financial statements.

The sales revenue for Q1 2012 at Rs 2.903 billion, was almost the same as in the corresponding period last year - Rs. 2.923 billion. However the EPS increased from Rs 4.45 in Q1 2011 to Rs 4.77 in Q1 2012.

ENGINEERING SEGMENT

The Sales revenue of the Engineering Segment for Q1 ended September 30, 2012 amounted to Rs 1.690 billion down from Rs 2.021 billion in the corresponding Q1 2011, thus resulting in a decline of Rs 331 million.

THERMAL SYSTEMS:

During the Quarter, the OEM revenue of the Thermal Systems Business was 20% lower as compared to same period last year. However, the aftermarket sales revenue increased significantly by 70% due to enhancement in the existing aftermarket portfolio and increased focus on service.

Economic uncertainty and industry unfriendly policies of the Government continue to depress the new car market, resulting in 29% decrease in volumes during the quarter. The perpetual cost pressures coupled with the devaluation of Pak Rupee has not helped the cause. The auto industry has faced a steep decline in production due to the influx of used cars, brought into the country by misuse and abuse of the rule and spirit of the law meant to facilitate Pakistanis living abroad. This has resulted in retrenchment of hundreds of workers at the car assemblers and the auto part makers and a significant build up of imported raw material.

Faced with a drastic sale down turn, the division has initiated many cost reducing measures, including reducing inventories and improving efficiencies.

ELECTRIC SYSTEMS:

Sales volume and thus revenue of the Electric Systems Business declined considerably also due to less off take by the OEMs because of abundant availability of 55,000 used cars imported in the last fiscal year and around 15,000 during this quarter.

Due to sudden decrease in sales volume, imported material inventory, based on previous production plans of OEMs, has increased considerably. The non-utilization of production capacity has resulted in increased per unit cost of goods manufactured, thereby reducing the margin.

The Business is endeavoring to add other customers to its OEM portfolio. This would not only mitigate customer risk but also strengthen the Division through its diversity.

FUTURE OUTLOOK:

Sales volumes for the Q2 of 2012-13 are expected to further reduce due to continuing adverse impact of used cars on the auto market and because of traditional New Year registration issues, where the customer holds purchase of the car till the advent of New Year. It is hoped that the Government will revisit the used cars import policy and discourage such imports, which do not add value to the country's economy while draining foreign exchange, creating unemployment, reducing returns to exchequer and promoting undocumented economy, non-utilization of production capacity in the documented sector thereby increasing fixed cost per unit.

The new Auto Industry Development Plan has been finalized and is under consideration of the Government. It is our earnest request that the AIDP developed jointly by all sectors of the automotive industry be adopted early to give comfort to investors and unleash the economic benefits of the mother industry.

BUILDING MATERIAL & ALLIED PRODUCTS SEGMENT

The sale revenue of the Building Material & Allied Products Segment for Q1 2012 was Rs 1.212 billion up from Rs 902 million in Q1 2011, a growth of 4.3%.

JUTE OPERATIONS:

During Q1 2012-13, the Production was 6878 metric tons against 6,864 metric tons in the corresponding period last year. The exports substantially increased during the quarter under review, as they touched Rs 516 million (US\$ 5.469 million) against Rs 174 million (US\$ 2.007 million) in the same period last year, an increase of Rs 342 million i.e. 197%. The local market remained under pressure during the period. Power load-shedding is adversely affecting our operations and has become a major cause for increase in cost of doing the business

FUTURE OUTLOOK:

In the coming season we expect a good wheat crop followed by increased grain sacks procurement by the Government Procurement Agencies. The business will keep on exporting jute products besides producing grain sacks for wheat packaging & coverage of local market needs. The management will endeavor to optimize cost saving in order to improve the overall business and profitability.

PAPERSACK OPERATIONS:

During the quarter, the business concentrated its operations on sustaining its market share in the local cement industry, while continuously exploring new customers and new markets, and was successful in achieving its intended goals.

We are pleased to report that export orders have been received from new markets of Oman & India, while repeat orders from markets developed in the preceding periods are also in the pipeline.

The business' expansion into SOS segment - Self Opening Satchels - continues to grow, with major international fast food franchises coming onboard with us.

The initiatives of inventory rationalization and prudent fund management have also borne positive results, and will continue to benefit the organization in the long term.

FUTURE OUTLOOK

In the coming period, the management is positive about further penetrating the local markets with cost effective product options and at the same time, explore new markets for our entire product portfolio.

LAMINATE OPERATIONS:

In the preceding period, the continuing slide in law and order situation has adversely impacted the overall market conditions and sentiments, however, the business' policy to control costs and improve efficiencies has enabled the operations to remain profitable.

With the exploration of new export markets, the business has further expanded its reach and its customer base, and expects to benefit from this in the coming periods.

The business' continues to build on its brand - FORMITE - and will add new products to its portfolio as planned, in order to offer a complete range of solutions to its valued customers.

FUTURE OUTLOOK:

In the short term, the business expects to witness tough competition amongst the local players, as the size of the market recedes in response to the slowdown in economic activities; however, the business is positive on growth in its institutional/corporate customers and development of new export markets which will keep the operations ahead of the competition.

MAKRO-HABIB PAKISTAN LIMITED

Pursuant to the restructuring, Makro is still focused and determined to play its role in the cash & carry business in Pakistan. Professional customers being its key focus group, Makro strives to have their trust in product quality, prices and services. The objective is to generate growth by increasing convergence and giving fresh impetus to and by enhancing sales growth and price competitiveness.

ACKNOWLEDGEMENT:

We appreciate the confidence reposed in us by all our Customers, Dealers, Bankers and Technical Partners. We also want to recognize the efforts of all our team members, who have worked diligently to achieve the results.

On behalf of the Board



(SOHAIL P. AHMED)

Vice Chairman

Karachi: October 23, 2012.


Thal Limited

CONDENSED INTERIM BALANCE SHEET


AS AT SEPTEMBER 30, 2012

	Note	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
(Rupees in thousands)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	582,078	590,508
Investment property		1,038	1,040
Long-term investments	5	3,513,621	3,501,536
Long-term loans and deposits		6,564	6,600
Long-term prepayments		10,395	11,340
Deferred tax asset		2,803	-
		4,116,499	4,111,024
CURRENT ASSETS			
Stores, spares and loose tools		106,907	95,169
Stock-in-trade	6	3,157,604	2,902,257
Trade debts		810,870	841,530
Loans, advances, deposits, prepayments and other receivables		192,698	100,742
Short-term investments	7	900,291	886,910
Accrued profit on bank deposits		3,983	13,136
Income Tax - net	8	-	7,160
Sales tax refundable		8,392	-
Cash and bank balances		568,749	1,069,449
		5,749,494	5,916,353
TOTAL ASSETS		9,865,993	10,027,377
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
100,000,000 (Jun 30, 2012: 100,000,000) ordinary shares of Rs.5 each			
Issued, subscribed and paid-up capital		368,318	368,318
Reserves		8,019,279	7,655,891
		8,387,597	8,024,209
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		-	157
Deferred tax liability		-	3,138
		-	3,295
CURRENT LIABILITIES			
Trade and other payables		1,424,738	1,496,787
Short-term borrowings		36,975	52,403
Current portion of long term finance		-	442,500
Current portion of liabilities against assets subject to finance lease		-	102
Accrued mark-up		131	4,203
Income Tax - net	8	16,552	-
Sales tax payable		-	3,878
		1,478,396	1,999,873
CONTINGENCIES AND COMMITMENTS	9	-	-
TOTAL EQUITIES AND LIABILITIES		9,865,993	10,027,377

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



ALI S. HABIB
Director



SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Un-audited)

	Note	September 30, 2012	2011
		(Rupees in thousands)	
Turnover - net		2,903,426	2,923,114
Cost of sales		2,435,340	2,364,106
Gross Profit		468,086	559,008
Distribution costs		(42,934)	(35,280)
Administrative expenses		(77,321)	(65,052)
		(120,255)	(100,332)
Other operating income		171,856	82,390
Operating Profit		519,687	541,066
Finance costs		(8,056)	(31,284)
Other charges		(38,264)	(36,331)
		(46,320)	(67,615)
Profit before taxation		473,367	473,451
Taxation		122,064	(145,409)
Profit after taxation		351,303	328,042
		Rupees	
		(Restated)	
Basic and diluted earnings per share	10	4.77	4.45

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


ALI S. HABIB
 Director


SOHAIL P. AHMED
 Vice Chairman

Thal Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2012 (Un-audited)

	September 30,	
	2012	2011
	(Rupees in thousands)	
Profit after taxation	351,303	328,042
Other comprehensive income		
Gain on revaluation of available for sale investments	12,085	3,755
Total comprehensive income for the period - net of tax	<u>363,388</u>	<u>331,797</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


ALI S. HABIB
Director



SOHAIL P. AHMED
Vice Chairman

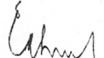
Thal Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2012 (Un-audited)

	September 30,	
	2012	2011
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	473,367	473,451
Adjustments for non-cash charges and other items:		
Depreciation	23,316	25,507
Finance costs	8,056	31,284
Profit earned on call deposits and short term investments	(33,177)	(22,208)
Liabilities no longer payable written back	(281)	(179)
Gain on revaluation of investments at fair value through profit and loss	(7,430)	(2,782)
Dividend income	(117,360)	(48,900)
Reversal for impairment of debts - net	(1,652)	(1,464)
Provision for retirement benefits	1,186	455
Gain on disposal of property, plant and equipment	(163)	(492)
	(127,505)	(18,779)
	345,862	454,672
(Increase) / decrease in current assets		
Stores, spares and loose tools	(11,738)	(16,423)
Stock-in-trade	(255,347)	(174,083)
Trade debts	32,312	(342,770)
Loans, advances, deposits, prepayments and other receivables	17,012	(1,367)
Increase / (decrease) in current liabilities		
Trade and other payables	(72,859)	5,613
Sales tax payable	(3,878)	9,618
	(294,498)	(519,412)
Cash generated from operations	51,364	(64,740)
Finance costs paid	(12,128)	(43,696)
Dividends paid	(96)	(173)
Retirement benefits paid	-	(2,210)
Income tax paid	(104,293)	(72,916)
Payment to subsidiary against tax losses	-	(14,393)
Net cash used in operating activities	(65,153)	(198,128)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(15,287)	(26,896)
Long term loans and deposits	981	1,109
Profit received	36,375	24,805
Proceeds from disposal of property, plant and equipment	566	2,330
Short term investments purchased	5	(48,513)
Net cash used in investing activities	22,640	(47,165)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance repaid	(442,500)	(53,750)
Export refinance obtained	-	50,000
Repayment of liabilities against assets subject to finance lease	(259)	(1,121)
Net cash used in financing activities	(442,759)	(4,871)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(485,272)	(250,164)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,617,046	830,725
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,131,774	580,561
Cash and bank balances	568,749	609,631
Short-term investments	600,000	-
Running finance	(36,975)	(29,070)
	1,131,774	580,561

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


ALI S. HABIB
Director


SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2012 (Un-audited)

Balance as at June 30, 2011

Profit for the year
Other comprehensive income
Total comprehensive income
Transfer to revenue reserve

Balance as at September 30, 2011

Balance as at June 30, 2012

Profit for the year
Other comprehensive income
Total comprehensive income
Transfer to revenue reserve

Balance as at September 30, 2012

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

	Issued, subscribed & paid-up capital	Reserves			Gain/(Loss) on changes in fair value of available for sale investments	Total equity
		Capital reserve	General reserve	Unappropriated profit		
Balance as at June 30, 2011	306,932	55,704	5,112,999	1,091,353	47,417	6,614,405
Profit for the year	-	-	-	328,042	3,755	328,042
Other comprehensive income	-	-	-	328,042	3,755	3,755
Total comprehensive income	-	-	-	328,042	3,755	331,797
Transfer to revenue reserve	-	-	875,000	(875,000)	-	-
Balance as at September 30, 2011	306,932	55,704	5,987,999	544,395	51,172	6,946,202
Balance as at June 30, 2012	368,318	55,704	5,987,999	1,566,073	46,115	8,024,209
Profit for the year	-	-	-	351,303	12,085	351,303
Other comprehensive income	-	-	-	351,303	12,085	12,085
Total comprehensive income	-	-	-	351,303	12,085	363,388
Transfer to revenue reserve	-	-	1,105,000	(1,105,000)	-	-
Balance as at September 30, 2012	368,318	55,704	7,092,999	812,376	58,200	8,387,597


ALI S. HABIB
Director


SOHAIL P. AHMED
Vice Chairman

Thal Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR PERIOD ENDED SEPTEMBER 30, 2012

(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 under the Companies Act, 1913 (now the Companies Ordinance, 1984) and is listed on the Karachi and Lahore Stock Exchanges.

The Company is engaged in the manufacture of jute goods, engineering goods, papersack and laminate sheets. The Jute operation is at Muzaffargarh, engineering operation at Karachi, papersack operation at Hub and Gadoon and laminate operation located at Hub. The registered office of the Company is situated at 4th Floor, House of Habib, 3 Jinnah Co-operative Housing Society, Block 7/8, Sharea Faisal, Karachi.

- 1.2 These condensed interim financial statements are separate 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 condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 These condensed interim financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2012.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2012.

4 PROPERTY, PLANT AND EQUIPMENT

The following additions and deletions were made in property, plant and equipment during the period:

	Additions (at cost)		Deletions (on book value)	
	Period ended		Period ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
	(Rupees in thousands)			
Owened Assets				
Factory building	5,335	-	-	-
Plant and machinery	1,549	-	8	-
Furniture and fittings	531	397	-	302
Vehicles	3,330	1,308	395	1,490
Office and mills equipment	1,318	94	-	-
Computer equipment	2,533	289	-	46
Jigs and fixtures	-	3,773	-	-
	14,596	5,861	403	1,838
Capital work-in-progress				
Civil Works	691	8,632	-	-
Plant and machinery	-	12,303	-	-
Office and mills equipment	-	100	-	-
	691	21,035	-	-
	15,287	26,896	403	1,838

- 4.1 During the period, capital work in progress amounting to Rs. 9.055 million (September 30, 2011 : Rs. Nil million) was transferred to owned assets.

Thal Limited

5 LONG-TERM INVESTMENTS

Investment in related parties

Subsidiaries, unquoted - at cost

Noble Computer Services (Pvt) Limited.
Pakistan Industrial Aids (Pvt) Ltd.
Makro Habib Pakistan Limited
Habib METRO Pakistan (Private) Limited
A-One Enterprises (Private) Limited

September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
(Rupees in thousands)	

1,086	1,086
10,000	10,000
223,885	223,885
2,789,223	2,789,223
61,395	61,395
3,085,589	3,085,589

Associates - at cost

Listed

Indus Motor Company Limited
Habib Insurance Company Limited
Agriauto Industries Limited
Shabbir Tiles and Ceramics Limited

Unlisted

METRO Habib Cash & Carry Pakistan (Private) Limited

48,900	48,900
561	561
9,473	9,473
15,585	15,585
284,105	284,105
358,624	358,624

Other investments - at fair value

Available for-sale - Quoted

Habib Sugar Mills Limited
GlaxoSmithKline (Pakistan) Limited
Dynea Pakistan Limited

51,135	40,717
95	88
18,178	16,518
69,408	57,323
3,513,621	3,501,536

6 STOCK-IN-TRADE

Raw material

In hand
In transit

Work-in-process
Finished goods

2,185,152	1,809,286
367,512	533,510
2,552,664	2,342,796
183,805	168,264
421,135	391,197
3,157,604	2,902,257

- 6.1 This includes items amounting to Rs. 155.442 million (June 30, 2012 : Rs. 143.703) carried at net realizable value. [Cost Rs. 162.492 million (June 30, 2012 : Rs. 150.415 million)]

7 SHORT TERM INVESTMENT

This includes investment Term Deposit Receipts amounting to Rs. 607.139 million (June 30, 2012 : Rs. 601.189 million) and money market mutual funds amounting to Rs. 293.152 million (June 30, 2012: Rs. 285.721 million).

Thal Limited

8 INCOME TAX - NET

	September 30, 2012 (Un-audited) (Rupees in thousands)	June 30, 2012 (Audited)
Group tax relief adjustments	8.1 613,494	613,494
Income tax provisions less tax payments - net	<u>(630,046)</u>	<u>(606,334)</u>
	<u>(16,552)</u>	<u>7,160</u>
8.1 This includes the following:		
Group relief under Section 59B of the Income Tax Ordinance, 2001.	593,466	593,466
Group taxation adjustment under Section 59AA of the Income Tax Ordinance, 2001	<u>20,028</u>	<u>20,028</u>
	<u>613,494</u>	<u>613,494</u>

8.1.1. This note may be read in conjunction with note 17.1.1 and 17.1.2 of the audited financial statements for the year ended June 30, 2012.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There were no major changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2012 except the following:

- Letter of guarantees issued by banks on behalf of the company amounts to Rs. 156.076 million (June 30, 2012 : Rs. 136.919 million)
- Post dated cheques issued to Collector of Customs amounts to Rs. 192.218 million (June 30, 2012 : Rs. 175.359 million)
- Appellate Tribunal Inland Revenue allowed Company appeals and consequently tax demand of Rs. 12.681 million stands deleted as reported earlier under contingency note no. 26.1.2 in the annual financial statements for the year ended June 30, 2012.

9.2 Commitments

- Letter of credits outstanding for raw material and spares amounts to Rs. 937.692 million (June 30, 2012 : Rs. 1,151.605 million).
- Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 23.617 million (June 30, 2012: 27.548 million)

10 BASIC AND DILUTED EARNINGS PER SHARE

	Period ended September 30, 2012 (Un-audited) (Rupees in thousands)	September 30, 2011 (Restated)
Profit after taxation	<u>351,303</u>	<u>328,042</u>
Number of ordinary shares of Rs. 5/- each in issue	73,664	73,664
	Rupees	(Restated)
Basic and diluted earnings per share	4.77	4.45

The number of ordinary shares and earning per share for the period ended September 30, 2011 has been adjusted for the effect of bonus shares issued during the period

Thal Limited

11 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period are as follows:

	Period ended	
	September 30, 2012	September 30, 2011
	(Un-audited)	
	(Rupees in thousands)	
Transactions		
Sales	1,244,580	1,715,494
Payment to subsidiary for tax losses	-	14,393
Professional Services acquired	15,528	13,992
Insurance premium	7,406	5,950
Purchase of goods	24,733	636
Insurance claim received	66	2,357
Mark-up and bank charges paid	1,742	12,096
Profit received	40,755	22,600
Supplies purchased	4,488	9,716
Contribution to provident fund	7,818	6,144
Contribution to retirement benefit fund	1,185	454
Rent paid	99	-
Key management personnel compensation	20,855	16,846

	Period ended	
	September 30, 2012	June 30, 2012
	(Un-audited)	
	(Rupees in thousands)	
Balances		
Trade debts	112,545	192,102
Other receivables	118,578	1,605
Bank balances	534,556	1,021,577
Trade and other payables	34,849	28,826
Short term borrowings	31,150	46,456
Long term finance	-	67,500

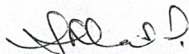
12 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 23, 2012 by the Board of Directors of the Company.

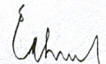
- 13 The Board of Directors has recommended final cash dividend of Rs. 5.75 per share and issue of bonus shares in the proportion of one share for every ten shares held, for the year ended June 30, 2012. These condensed interim financial statements do not reflect the payment of cash dividend and issue of bonus shares which will be approved by the shareholders in the annual general meeting to be held on October 25, 2012.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim financial statements have been signed by a Director and the Vice Chairman of the Company as required under the section 241(2) of the Companies Ordinance, 1984.



ALI S. HABIB
Director



SOHAIL P. AHMED
Vice Chairman

Thal Limited

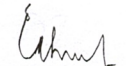
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2012

	Note	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
(Rupees in thousands)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,230,294	1,252,150
Intangible assets	5	579	647
Investment property		7,768,970	7,814,470
Long-term investments	6	2,007,646	2,081,956
Long-term loans and deposits		9,419	9,455
Long-term prepayments		80,841	83,104
		11,097,749	11,241,782
CURRENT ASSETS			
Stores, spares and loose tools		106,907	95,169
Stock-in-trade	7	3,328,793	3,161,842
Trade debts		852,338	886,045
Loans, advances, deposits, prepayments and other receivables		287,254	285,063
Short-term investments	8	1,304,414	915,313
Accrued profit on bank deposits		13,700	13,550
Sales tax refundable		14,750	14,662
Cash and bank balances		676,535	1,240,033
		6,584,691	6,611,677
TOTAL ASSETS		17,682,440	17,853,459
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
100,000,000 (June 30, 2012: 100,000,000) ordinary shares of Rs.5/- each			
Issued, subscribed and paid-up capital		368,318	368,318
Share deposit money		12	12
Reserves		9,705,836	9,319,092
Equity attributable to equity holders' of the parent		10,074,166	9,687,422
Non-controlling interest		5,409,195	5,346,797
Total equity		15,483,361	15,034,219
NON-CURRENT LIABILITIES			
Long term finance		-	159,375
Liabilities against assets subject to finance lease		-	157
Deferred tax liability		27,264	33,099
CURRENT LIABILITIES			
Trade and other payables		2,077,757	1,846,285
Short-term borrowings		36,975	52,403
Deferred income		25,362	37,899
Current portion of long term finance		-	655,000
Current portion of liabilities against assets subject to finance lease		-	102
Accrued markup		131	11,571
Income Tax - net	9	31,590	19,471
Sales tax payable		-	3,878
		2,171,815	2,626,609
CONTINGENCIES AND COMMITMENTS	11	-	-
TOTAL EQUITIES AND LIABILITIES		17,682,440	17,853,459

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.


ALI S. HABIB
Director


SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Un-audited)

	Note	September 30,	
		2012	2011
(Rupees in thousands)			
CONTINUING OPERATIONS			
Turnover - net		3,666,347	3,722,952
Cost of sales		3,118,150	3,076,303
Gross Profit		548,197	646,649
Distribution costs		(48,280)	(39,592)
Administrative expenses		(302,919)	(231,156)
		(351,199)	(270,748)
Other operating income		421,740	91,374
Operating Profit		618,738	467,275
Finance costs		(19,763)	(51,465)
Other charges		(38,370)	(36,458)
		(58,133)	(87,923)
		560,605	379,352
Share of net profit of associates - after tax		31,947	78,375
Profit before taxation		592,552	457,727
Taxation		(155,233)	(135,227)
Profit after taxation		437,319	322,500
DISCONTINUED OPERATIONS	10	-	(10,368)
Profit for the period		437,319	312,132
Attributable to:			
- Equity holders of the Holding Company		374,921	312,113
- Non-controlling interest		62,398	19
		437,319	312,132
		Rupees	
		(Restated)	
Basic and diluted earning per share attributable to the equity holders of the Holding Company	12	5.09	4.24
Basic and diluted earning per share from continuing operations attributable to the equity holders of the Holding Company	12	5.94	4.38

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.


ALI S. HABIB
Director


SOHAIL P. AHMED
Vice Chairman


Thal Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2012 (Un-audited)

	Note	September 30, 2012 2011	
		(Rupees in thousands)	
Profit for the period		437,319	312,132
Other comprehensive income			
Fair value gain on available-for-sale investments		8,078	4,989
Unrealised gain on hedging instruments		3,745	-
Other comprehensive income for the period		11,823	4,989
Total comprehensive income for the period		449,142	317,121
Total comprehensive income attributable to equity holders of the Holding Company arises from:			
- Continued operations		449,142	327,489
- Discontinued operations	10	-	(10,368)
		449,142	317,121
Attributable to:			
- Equity holders of the Holding Company		386,744	317,102
- Non-controlling interest		62,398	19
		449,142	317,121

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.


ALI S. HABIB
Director


SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2012 (Un-audited)

	September 30,	
	2012	2011
	(Rupees in thousands)	
CONTINUING OPERATIONS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	592,552	457,727
Adjustments for non-cash charges and other items:		
Depreciation and Amortization	104,005	76,044
Amortization of long term prepayments	9,091	1,318
Share in profit of associates - after taxation	(31,947)	(78,375)
Financel costs	8,056	31,284
Profit earned	(46,918)	(22,640)
Liabilities no longer payable written back	(281)	(179)
Gain on revaluation of investments at fair value through profit and loss	(7,430)	(2,782)
Reversal for impairment of debts	(1,652)	(1,464)
Provision for retirement benefits	1,186	455
Gain on sale of property, plant and equipment	(528)	(805)
	33,582	2,855
	626,134	460,582
(Increase) / decrease in current assets		
Stores, spares and loose tools	(11,738)	(16,423)
Stock-in-trade	(165,407)	(195,907)
Trade debts	34,416	(351,918)
Loans, advances, deposits, prepayments and other receivables	114,145	(3,103)
Deferred income	(2,465)	(15,512)
Increase / (decrease) in current liabilities		
Trade and other payables	225,274	53,508
Sales tax payable	(3,878)	9,618
	190,347	(519,737)
Cash generated from / (used in) operations	816,481	(59,155)
Finance costs paid	(12,128)	(63,871)
Dividends paid	(96)	(173)
Retirement benefits paid	-	(2,210)
Income tax paid	(106,954)	(75,748)
Net cash generated from / (used in) operating activities	697,303	(201,157)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(44,705)	(37,168)
Long term loans and deposits	981	1,109
Profit received	50,116	26,049
Proceeds from disposal of property, plant and equipment	1,678	3,126
Purchase of investments	(184,836)	(44,056)
Net cash used in investing activities	(176,766)	(50,940)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance repaid	(707,256)	(106,875)
Export refinance repaid	-	50,000
Repayment of liabilities against assets subject to finance lease	(259)	(1,121)
Net cash used in financing activities	(707,515)	(57,996)
DISCONTINUED OPERATIONS		
Operating cashflows	-	(262,546)
Investing cashflows	-	30,649
Financing cashflows	-	-
Net cash flows from discontinued operations	-	(231,897)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(186,978)	(541,990)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,786,538	724,180
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,599,560	182,190
Cash and bank balances	676,535	641,045
Short-term investments	960,000	-
Running Finance	(36,975)	(458,855)
	1,599,560	182,190

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.


ALI S. HABIB
Director



SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2012 (Un-audited)

	Issued, subscribed & paid-up capital	Share deposit money	Capital reserve	General reserve	Unappropriated profit	Unrealised gain/(loss) on hedging instruments	Gain/(loss) on changes in fair value of available for sale investments	Non-controlling interest	Total equity
Balance as at June 30, 2011	306,932	12	67,929	5,114,874	1,551,600	-	48,660	87	7,090,094
Profit for the year					312,113			19	312,132
Other comprehensive income							4,989		4,989
Total comprehensive income					312,113		4,989	19	317,121
Transfer to revenue reserve					875,000	(875,000)			-
Balance as at September 30, 2011	306,932	12	67,929	5,989,874	988,713	-	53,649	106	7,407,215
Balance as at June 30, 2012	368,318	12	67,929	5,989,874	3,211,379	(3,353)	53,263	5,346,797	15,034,219
Profit for the year					374,921			62,398	437,319
Other comprehensive income						3,745	8,078		11,823
Total comprehensive income					374,921	3,745	8,078	62,398	449,142
Transfer to revenue reserve					1,145,000	(1,145,000)			-
Balance as at September 30, 2012	368,318	12	67,929	7,134,874	2,441,300	392	61,341	5,409,195	15,483,361

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.


ALI S. HABIB
Director


SOHAIL P. AHMED
Vice Chairman

Thal Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Un-audited)

1 THE HOLDING COMPANY AND ITS OPERATIONS

Thal Limited (the holding Company) was incorporated on January 31, 1966 as a public company limited by shares under the Companies Act, 1913 (now the Companies Ordinance, 1984) and is listed on the Karachi and Lahore Stock Exchanges.

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, Sharea 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 (Pvt) Limited and Habib Metro Pakistan (Pvt) Ltd.

Noble Computer Services (Private) Limited is engaged in providing share registrar and related accounting services, share floatation services, data entry services and internal audit 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 (Pvt) Limited owns a land at multan road, Lahore.

Habib Metro Pakistan (Pvt) Limited, main business is to own and manage properties.

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

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim consolidated financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2012.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended June 30, 2012.

4 PROPERTY, PLANT AND EQUIPMENT

The following additions and deletions were made in property, plant and equipment during the period:

	Additions (at cost) Period ended		Deletions (on book value) Period ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
	(Rupees in thousands)			
Owned Assets				
Land - Freehold	499	-	-	-
Factory Building	5,335	-	-	-
Non Factory Building on freehold land	-	59	-	-
Non Factory Building on leasehold land	-	3,204	-	-
Plant and machinery	1,883	1,112	8	-
Furniture and fittings	853	2,097	-	302
Vehicles	5,538	5,495	1,142	1,972
Office and mills equipment	1,355	541	-	-
Computer equipment	3,080	1,395	-	173
Jigs and Fixtures	-	3,773	-	-
	18,543	17,676	1,150	2,447
Capital work-in-progress				
Civil works	691	8,632	-	-
Plant and machinery	-	12,245	-	-
Office and mills equipment	-	100	-	-
Advance against:	-	-	-	-
Civil works	-	1,488	-	-
Purchase of vehicles	-	3,947	-	-
	691	26,412	-	-

4.1 During the period, capital work in progress amounting to Rs. 11.881 million (September 30, 2011 : Rs. 0.199 million) was transferred to owned assets.

5 Intangible assets

Software

-	113	-	-
19,234	44,201	1,150	2,447

Thal Limited

6 LONG-TERM INVESTMENT

Associates - stated as per equity method

Listed

Indus Motors Limited
Habib Insurance Company Limited
Agriauto Industries Limited
Shabbir Tiles and Ceramics Limited

Unlisted

METRO Habib Cash & Carry Pakistan (Private) Limited

Other investments - at fair value

Available for-sale

Listed

Habib Sugar Mills Limited
GlaxoSmithKline (Pakistan) Limited
Dynea Pakistan Limited

September 30, 2012
(Un-audited)
(Rupees in thousands)

June 30, 2012
(Audited)

941,216	967,201
35,607	34,446
189,268	177,044
22,102	20,673
750,045	825,269
1,938,238	2,024,633

51,135	40,717
95	88
18,178	16,518
69,408	57,323
2,007,646	2,081,956

7 STOCK-IN-TRADE

Raw material

In hand
In transit

Work-in-process

Finished goods

Provision for obsolescence and shirinkage

2,185,152	1,809,286
367,515	540,045
2,552,667	2,349,331
183,805	168,264
598,210	651,681
(5,889)	(7,434)
592,321	644,247
3,328,793	3,161,842

8 SHORT TERM INVESTMENTS

This includes investment Term Deposit Receipts amounting to Rs. 982.139 million (June 30, 2012 : Rs. 601.189 million) and money market mutual funds amounting to Rs. 322.275 million (June 30, 2012: Rs. 314.124 million).

9 INCOME TAX - Net

Group tax relief adjustments

Income Tax provision less tax payments - net

618,691	614,150
(650,281)	(633,621)
(31,590)	(19,471)

September 30, 2012
(Un-audited)
(Rupees in thousands)

September 30, 2011

10 DISCONTINUED OPERATIONS

Analysis of the result of discontinued operations, and the result recognized on the re-measurement of assets or disposal group, is as follows:

Revenues

Expenses

Profit/(Loss) of discontinued operations - net of taxation

-	3,188,506
-	(3,198,874)
-	(10,368)

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There were no major changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended June 30, 2012 other than the following:

- Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 161.860 million (June 30, 2012 : Rs. 142.703 million);
- Post dated cheques issued to collector of Customs amounts to Rs. 192.218 million (June 30, 2012 : Rs. 175.359 million);
- Appellate Tribunal Inland Revenue allowed Company appeals and consequently tax demand of Rs. 12.681 million stands deleted as reported earlier under contingency note no. 30.1.2 in the annual financial statements for the year ended June 30, 2012.

Thal Limited

11.2 Commitments

- Letter of credits outstanding for capital expenditure, raw material and spares amounts to Rs. 938.192 million (June 30, 2012 : Rs. 1,152.105 million).
- Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 3,243.292 million (June 30, 2012 : Rs. 3,255.792 million)
- Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 23.617 million (June 30, 2012 : Rs. 27.548 million).

12 BASIC AND DILUTED EARNINGS PER SHARE

	Period ended	
	September 30, 2012	September 30, 2011
	(Un-audited)	
	(Rupees in thousands)	
Profit for the period after taxation attributable to the shareholders of the holding company	374,921	312,113
	Number of shares in thousands	
	(Restated)	
Number of ordinary shares of Rs. 5/- each in issue	73,664	73,664
	Rupees	
	(Restated)	
Basic and diluted earnings per share	5.09	4.24

The number of ordinary shares and earning per share for the year 2011 has been adjusted for the effect of bonus share issued during the year.

The basic and diluted EPS from continuing operations is as under:

Profit for the period after taxation from continuing operations attributable to the shareholders of the Holding Company.

	437,319	322,500
	Number of shares in thousands	
	(Restated)	
Number of ordinary shares of Rs. 5/- each in issue	73,664	73,664
	Rupees	
	(Restated)	
	5.94	4.38

The number of ordinary shares and earning per share for the period ended September 30, 2011 has been adjusted for the effect of bonus shares issued during the period

13 TRANSACTIONS WITH RELATED PARTIES

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

	Period ended	
	September 30, 2012	September 30, 2011
	(Un-audited)	
	(Rupees in thousands)	
Transactions		
Sales	1,282,691	1,715,494
Professional Services rendered	33,742	31,683
Rental Income	289,507	-
Insurance premium	8,628	5,950
Sale/purchase of assets	7,731	-
Purchase of goods	66,455	-
Insurance claim received	960	2,357
Mark-up and bank charges paid	3,046	12,096
Profit received	55,090	22,600
Licence fee, signage and others	1,104	9,836
Contribution to provident fund	9,020	10,593
Contribution to retirement benefit fund	1,185	454
Rent paid	174	-
Key management personnel compensation	35,145	21,789
	September 30, 2012	June 30, 2012
	(Un-audited) (Audited)	
	(Rupees in thousands)	
Balances		
Trade debts	123,151	210,056
Other receivables	118,672	131,142
Bank balances	545,372	1,164,097
Trade and other payables	123,838	11,886
Short term borrowings	31,150	46,456
Long term finance	-	67,500

Thal Limited

14 SEGMENT ANALYSIS

	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Total
	Engineering	Building material and allied products	Others	Elimination	Others	Elimination	Others	Elimination	Others	Elimination	Total
Rupees in thousand											
CONTINUING OPERATIONS											
SALES REVENUE	1,690,542	2,021,287	1,212,884	901,827	790,379	824,182	(27,449)	(24,344)	3,666,347	3,722,952	
SEGMENT RESULT	362,310	468,446	78,014	67,586	200,797	(29,236)	-	-	641,121	596,796	
Unallocated corporate (expenses) / income:											
Administrative & distribution costs									(92,598)	(77,356)	
Other operating income									70,125	37,835	
Operating profit									618,738	467,275	
Finance cost									(19,763)	(51,465)	
Other charges									(36,370)	(36,458)	
Share in profit of associates									31,947	78,375	
Taxation									(155,233)	(135,222)	
DISCONTINUED OPERATIONS									437,319	342,360	
Operating loss from discontinued operations						(10,368)			-	(10,368)	
									437,319	312,132	

The Engineering segment is engaged in the manufacturing of automotive parts.

The Building material and allied products segment include jute, paper sack and laminate operations.

The third segment includes cash & carry business, trading, share registrar & management services and real estate.

Thal Limited

15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on October 23, 2012 by the Board of Directors of the Company

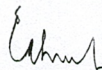
- 16 The Board of Directors has recommended final cash dividend of Rs. 5.75 per share and issue of bonus shares in the proportion of one share for every ten shares held, for the year ended June 30, 2012. These condensed consolidated interim financial statements do not reflect the payment of cash dividend and issue of bonus shares which will be approved by the shareholders in the annual general meeting to be held on October 25, 2012.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim consolidated financial statements have been signed by a Director and the Vice Chairman of the Group as required under the section 241(2) of the Companies Ordinance, 1984.



ALI S. HABIB
Director



SOHAIL P. AHMED
Vice Chairman

Thal Limited

1999-2000 Financial Year

The following table shows the results of the operations of the Company for the financial year ended 31st March 1999.

The results of the operations of the Company for the financial year ended 31st March 1999 are as follows:

The results of the operations of the Company for the financial year ended 31st March 1999 are as follows:

Thal Limited
1999-2000

Thal Limited
1999-2000

Corporate Information

Board of Directors

Rafiq M. Habib	Chairman
Sohail P. Ahmed	Vice Chairman
Asif Rizvi	Chief Executive
Ali S. Habib	Director
Mohamedali R. Habib	Director
Mazhar Valjee	Director
Shahid Mahmood Khan	Director

Audit Committee

Shahid Mahmood Khan Chairman
(Independent)

Mohamedali R. Habib Member

Sohail P. Ahmed Member
Ali S. Habib Member

Human Resource & Remuneration Committee

Mazhar Valjee	Chairman
Ali S. Habib	Member
Asif Rizvi	Member

Business Review Committee

Ali S. Habib	Chairman
Sohail P. Ahmed	Member
Asif Rizvi	Member

Chief Financial Officer

Shahid Saleem

Company Secretary

Ali Asghar Moten

Internal Auditors

Noble Computer Services (Private) Limited

External Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

A. K. Brohi & Co., Karachi.
K. A. Wahab & Co., Karachi.
Fazl-e-Ghani Associates, Karachi.

Tax Advisers

Ernst & Young Ford Rhodes Sidat Hyder

Bankers

Al Baraka Islamic Bank
Bank Al - Habib Limited
Barclays Bank, PLC Pakistan
Faysal Bank Limited
Habib Bank Limited
HSBC Bank Middle East Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Registered Office

4th Floor, House of Habib,
3-Jinnah Cooperative Housing Society, Block 7/8
Shahra-e-Faisal, Karachi - Pakistan.
Tel : 92(21) 3431-2030, 3431-2185
E-mail : tl@hoh.net
Web : www.thallimited.com

Share Registrar

Noble Computer Services (Private) Limited
First Floor, House of Habib,
3-Jinnah Cooperative Housing Society, Block 7/8
Shahra-e-Faisal, Karachi - Pakistan.
Tel : 92(21) 3432-5482-7, 3432-5442

Listing on Stock Exchanges

Thal Limited equity shares are listed on Karachi
and Lahore Stock Exchanges

Stock Code

The stock code for dealer in equity shares of
Thal Limited at KSE & LSE is THALL

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