

# Thal Limited

Condensed Interim Financial Information  
For the First Quarter Ended September 30, 2015  
(Un-audited)



# Thal Limited

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# Thal Limited

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to share Directors' Review along with the unaudited interim condensed financial accounts for the period ended September 30, 2015.

### Financial Highlights

	Rupees in Millions	
	For the period ended Sep. 30, 2015	For the period ended Sep. 30, 2014
Sales	3,403	3,139
(Loss) / Profit Before Taxes	(121)	407
(Loss) / Profit After Taxes	(57)	312
Earnings Per Share	(0.71)	3.85

### Performance Overview

During Q1 of 2015-16 ended on September 30, 2015, the company posted sales revenue of Rs. 3.403 billion compared to Rs. 3.139 billion in the corresponding quarter last year, showing a growth of Rs. 264 million, or 8.4%. The company posted an impressive growth of 42% in Operating Profit of Rs. 671 million as compared to Rs. 439 million for corresponding period of last year.

Owing to the provision of Rs. 792 million made for Makro-Habib Pakistan Limited, there was an after tax loss of Rs. 57 million compared to after tax profit of Rs. 312 million in the corresponding quarter of last year.

### Business Brief – Engineering Segment

The overall auto market exhibited a healthy growth of 71.8% during the quarter ended September 30, 2015 in comparison to the same period of last year. In line with improved performance of all OEMs, the Engineering Segment registered an impressive growth in sales of 33.4% during Q1 of 2015-16, resulting in sales of Rs. 2.464 billion compared to Rs. 1.847 billion in the corresponding quarter last year. A new service center in Lahore started its operations during the quarter and it is planned to add more service centers in the Punjab region to increase the level of customer satisfaction.

The long-awaited Auto Industry Policy was presented to Economic Coordination Committee (ECC) on August 12, 2015. However, it was not approved as more consultation was recommended with the stakeholders. Engineering Development Board (EDB) has circulated a list of 2nd phase China-Pakistan FTA for which an exercise is in process in Ministry of Commerce. The Company has made its recommendation on this FTA draft with a view of protecting the Auto Industry.

In line with Q1 performance, sales in Q2 are expected to remain strong owing to continued demand for new car models and production for Taxi Scheme. The management continued its focus on improving quality, Health, Safety and Environment initiatives while enhancing cost efficiencies through continuous resourcing and process improvement.

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

Sales revenue of Building Material & Allied Product Segment for the Q1 of 2015 amounted to Rs. 0.939 billion, down from Rs. 1.292 billion in the corresponding quarter of last year.



# Thal Limited

## Papersack Operations

The Papersack sector growth is largely dependent upon the cement sector. The demand from the cement sector remained stable during the quarter, with overall cement dispatches growing marginally by 1.4% over last year. The continued low prices of oil in international markets kept prices of alternative packaging product, woven polypropylene (WPP) sacks on the lower ebb and made it difficult to pass on cost and devaluation impacts to the end consumer. However, the overall market sentiments are positive, with macro indicators showing healthy signs for growth. The papersack business has been able to maintain its market share in the cement segment, while it continued to concentrate on the other customer segments, which has yielded positive results till date.

## Laminates Operations

The Laminates Business was adversely impacted by the Federal Budget 2015-16, through increase in custom duties, imposition of GIDC, additional tax on non-filers (customers), etc. Additionally, the devaluation of the Pak Rupee further strained the profitability of the business, and posed new challenges for the management. However, the business fully supports the government's efforts to document the economy, which would provide a level playing field for all in the long run as well as expand the tax base in the larger interest of the country. The continued focus on the FORMITE brand and sales to corporate customers enabled the operations to sustain itself in the local market, while the export markets witnessed high degree of price competition arising out of higher currency devaluation in the respective competing countries (China, India, Malaysia, Thailand etc).

## Jute Operations

The Jute Business in the quarter under review has been challenging for the company. Major cost increases were absorbed as inputs in terms of raw jute, minimum wage, currency devaluation etc. This led to pressure on profitability as the increase could not be fully passed on in the selling prices. The Jute Business depends on imports of raw jute from Bangladesh and is subject to the internal consumption of Bangladesh and crop of India both of which adversely affected the price of raw jute. The business is continuing to explore new export markets which are highly focused on environmentally friendly products.

## Subsidiaries

### Makro-Habib Pakistan Limited (MHPL)

The Honorable Supreme Court of Pakistan dismissed the Review Petition and as a consequence the Saddar store of MHPL was closed down on September 11, 2015 and the Operation Agreement between MHPL and Metro Habib Cash & Carry Pakistan (Private) Limited (MHCCP) stands terminated.

If MHPL fails to meet its obligations under the Operation Agreement between MHCCP and MHPL, Thal Limited is required to pay up to Rs 792 million to MHCCP under the Joint Venture Agreement. Accordingly, a provision amounting to Rs 792 million has been recognized in the financial statements of Thal Limited.

It has been learnt that Army Welfare Trust (AWT) has filed an application with the Honorable Supreme Court of Pakistan, a restoration of its Review Petition which was earlier dismissed for non-prosecution. As of the date of this report, we have no further information on the proceedings or its possible impact on the Company.

The final cash dividend of MHPL of Rs 36 million as mentioned in the Directors' Report for the year ended June 30, 2015 was not approved by the shareholder of MHPL due to the closure of Saddar store.

### Habib- Metro Pakistan (Private) Limited (HMPL)

Habib Metro owns & manages properties in which Thal Limited holds 60%. We are pleased to report that it has declared the 1st Interim Dividend for the Q1 of 2015-16 and Thal's share of Rs. 63.869 million will be incorporated in next quarter's financial statement.

# Thal Limited

## Thal Boshoku Pakistan (Private) Limited (TBPk)

TBPk is running its operations as per the target and the supply of seat parts and air cleaners to the customers is being made as per their schedule.

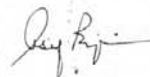
## Investment in Sindh Engro Coal Mining Company Limited

The company entered into a Shareholders Agreement with Engro Powergen Limited, Hub Power Company Limited, Habib Bank Limited and China Everest Development International Limited for joint investment in Sindh Engro Coal Mining Company Limited (SECMC). The company has so far made an investment of Rs 360 million and expects to make a total investment of approximately Rs. 3 billion subject to its board's approval and regulatory clearance. The details of total investment and the final investment amount are being worked out with other investors, including Sponsors' Support Agreement.

## 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 team members who have worked diligently to achieve the results.

On behalf of the Board



**Asif Rizvi**  
Chief Executive

Karachi: October 30, 2015.

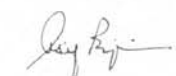
# Thal Limited

## CONDENSED INTERIM BALANCE SHEET

### AS AT SEPTEMBER 30, 2015

	Note	Sep 30, 2015 (Un-audited)	June 30, 2015 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	592,368	599,204
Intangible assets	5	7,604	8,256
Investment property		1,019	1,021
Long-term investments	6	4,054,829	4,065,195
Long-term loans and deposits		13,394	13,124
Deferred tax asset - net		98,709	84,253
		<u>4,767,923</u>	<u>4,771,053</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		89,669	84,299
Stock-in-trade	7	2,633,266	2,295,029
Trade debts		1,238,493	1,118,354
Loans, advances, deposits, prepayments and other receivables		85,067	106,165
Short-term investments	8	3,091,960	3,104,278
Accrued profit		2,463	3,911
Income Tax - net	9	215,022	139,141
Cash and bank balances		749,492	507,726
		<u>8,105,432</u>	<u>7,358,903</u>
<b>TOTAL ASSETS</b>		<u>12,873,355</u>	<u>12,129,956</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
100,000,000 (June 30, 2015: 100,000,000) ordinary shares of Rs.5 each		500,000	500,000
Issued, subscribed and paid-up capital		405,150	405,150
81,029,909 (June 30, 2015: 81,029,909) ordinary shares of Rs. 5/- each			
Reserves		<u>10,298,618</u>	<u>10,366,720</u>
		<u>10,703,768</u>	<u>10,771,870</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term deposits		1,714	1,714
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,098,655	1,326,002
Short-term borrowings		11,017	14,556
Accrued mark-up		11	55
Sales tax payable		58,190	15,759
		<u>2,167,873</u>	<u>1,356,372</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>TOTAL EQUITIES AND LIABILITIES</b>		<u>12,873,355</u>	<u>12,129,956</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.



Asif Rizvi  
Chief Executive



Sohail P. Ahmed  
Vice Chairman



# Thal Limited

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

### FOR THE PERIOD ENDED SEPTEMBER 30, 2015

(Un-audited)

	Note	Sep 30, 2015	Sep 30, 2014
		(Rupees in '000)	
Revenue - net		3,403,879	3,139,704
Cost of sales		2,683,952	2,730,695
<b>Gross Profit</b>		<b>719,927</b>	<b>409,009</b>
Distribution costs		(57,317)	(45,187)
Administrative expenses		(130,918)	(101,448)
		(188,235)	(146,635)
Other income	11	139,729	176,377
<b>Operating Profit</b>		<b>671,421</b>	<b>438,751</b>
Finance costs		(636)	(1,139)
Other charges	12	(792,000)	(30,017)
		(792,636)	(31,156)
<b>(Loss) / Profit before taxation</b>		<b>(121,215)</b>	<b>407,595</b>
Taxation		63,479	(95,379)
<b>(Loss) / Profit after taxation</b>		<b>(57,736)</b>	<b>312,216</b>
		Rupees	
Basic and diluted (loss) / earnings per share	13	(0.71)	3.85

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.



Asif Rizvi  
Chief Executive



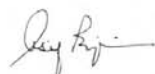
Sohail P. Ahmed  
Vice Chairman

# Thal Limited

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (Un-audited)

	Sep 30, 2015	Sep 30, 2014
	(Rupees in '000)	
(Loss) / Profit after taxation	(57,736)	312,216
Other comprehensive income		
Item to be reclassified to profit and loss account in subsequent periods:		
(Loss) / gain on revaluation of available for sale investments	(10,366)	10,258
<b>Total comprehensive income for the period</b>	<b><u>(68,102)</u></b>	<b><u>322,474</u></b>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.



Asif Rizvi  
Chief Executive



Sohail P. Ahmed  
Vice Chairman



# Thal Limited

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (Un-audited)

	Sep 30, 2015	Sep 30, 2014
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(121,215)	407,595
Adjustments for non-cash charges and other items:		
Depreciation	27,206	26,687
Finance costs	636	1,139
Profit earned on call deposits and short term investments	(53,789)	(24,410)
Profit earned on musharika certificates & treasury bills	-	-
Liabilities no longer payable written back	(451)	-
Gain on revaluation of investments at fair value through profit and loss	(6,666)	(11,784)
Dividend income	(61,534)	(110,741)
Reversal for impairment of debts	14,162	(3,440)
Provision for retirement benefits	2,738	1,148
Gain on disposal of property, plant and equipment	(2,121)	(2,187)
	(79,819)	(123,588)
	(201,034)	284,007
 (Increase) / decrease in current assets		
Stores, spares and loose tools	(5,370)	(6,415)
Stock-in-trade	(338,237)	(389,724)
Trade debts	(134,301)	(544,452)
Loans, advances, deposits, prepayments and other receivables	21,098	(55,354)
 Increase / (decrease) in current liabilities		
Trade and other payables	766,774	87,987
Sales tax payable	42,431	-
	352,395	(907,958)
 Cash used in operations	151,361	(623,951)
Finance costs paid	(680)	(1,114)
Retirement benefits paid	(3,716)	(3,359)
Income tax paid	(14,550)	(35,206)
Net cash generated from / (used in) operating activities	132,415	(663,630)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(19,380)	(24,896)
Long term loans and deposits	(270)	958
Dividends received	61,534	49,761
Profit received	35,634	24,932
Proceeds from disposal of property, plant and equipment	2,274	4,084
Investment in equities	-	-
Short term investments purchased	(510,000)	(600,181)
Net cash used in investing activities	(430,209)	(545,342)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(6,409)	(1,927)
Net cash used in financing activities	(6,409)	(1,927)
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(304,203)	(1,210,899)
 <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	3,590,879	2,129,337
 <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	3,286,676	918,438
Cash and bank balances	749,492	622,776
Short-term investments	2,548,201	295,662
Running finance	(11,017)	-
	3,286,676	918,438

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

  
Asif Rizvi  
Chief Executive


  
Sohail P. Ahmed  
Vice Chairman

# Thal Limited

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Issued, subscribed & paid-up capital	Reserves			Gain /(Loss) on changes in fair value of available for sale investments	Total equity
		Capital reserve	General reserve	Unappropri- ated profit		
------(Rupees in '000)-----						
Balance as at June 30, 2014 (Audited)	405,150	55,704	7,906,999	956,900	93,986	9,418,739
Profit for the period	-	-	-	312,216	-	312,216
Other comprehensive income	-	-	-	-	10,258	10,258
Total comprehensive income	-	-	-	312,216	10,258	322,474
Transfer to general reserve	-	-	754,000	(754,000)	-	-
<u>Transaction with owners, recorded directly in equity</u>						
Final dividend @ Rs. 2.50/= per share for the year ended June 30, 2014	-	-	-	(202,575)	-	(202,575)
Balance as at September 30, 2014 (Un-Audited)	405,150	55,704	8,660,999	312,541	104,244	9,538,638
Balance as at June 30, 2015 (Audited)	405,150	55,704	8,660,999	1,541,512	108,505	10,771,870
Profit for the period	-	-	-	(57,736)	-	(57,736)
Other comprehensive income	-	-	-	-	(10,366)	(10,366)
Total comprehensive income	-	-	-	(57,736)	(10,366)	(68,102)
Transfer to general reserve	-	-	1,136,000	(1,136,000)	-	-
Balance as at September 30, 2015 (Un-Audited)	405,150	55,704	9,796,999	347,776	98,139	10,703,768

  
Asif Rizvi  
Chief Executive

  
Sohail P. Ahmed  
Vice Chairman

# Thal Limited

## SELECTED EXPLANATORY NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (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, Sharae Faisal, Karachi.

- 1.2 This condensed interim financial information is separate financial information 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 This condensed interim financial information has 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 This condensed interim financial information does 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, 2015.

### 3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2015 except that the Company has adopted certain amended International Financial Reporting Standards (as referred to in note 6 to the financial statements for the year ended June 30, 2015 other than those yet to be notified by the SECP for the purpose of applicability in Pakistan). The adoption of such amended standards and interpretation did not have any effect on this condensed interim financial information.

### 4 PROPERTY, PLANT AND EQUIPMENT

	Note	Sep 30, 2015 (Un-audited)	June 30, 2015 (Audited)
		(Rupees in '000)	
Operating fixed assets	4.1	574,663	578,052
Capital work-in-progress	4.2	17,705	21,152
		<u>592,368</u>	<u>599,204</u>



# Thal Limited

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

	Additions at cost		Deletions at book value	
	Sep 30, 2015 (Un-audited)	2014 (Un-audited)	Sep 30, 2015 (Un-audited)	2014 (Un-audited)
	----- (Rupees in '000) -----			
Plant and machinery	7,420	1,910	-	-
Furniture and fittings	123	65	-	-
Vehicles	181	7,546	153	1,893
Office and mills equipment	6,943	-	-	4
Computer equipment	331	1,078	-	-
Jigs and fixtures	8,168	-	-	-
	<u>23,166</u>	<u>10,599</u>	<u>153</u>	<u>1,897</u>

4.2 During the period, capital work in progress amounting to Rs. 13.238 million (September 30, 2014 : Rs. 0.606 million) was transferred to owned assets.

## 5 INTANGIBLE ASSETS

Softwares	<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Note	Sep 30, 2015 (Un-audited)	June 30, 2015 (Audited)	
		(Rupees in '000)		

## 6 LONG-TERM INVESTMENTS

### Investment in related parties

#### Subsidiaries, un-quoted - at cost

Noble Computer Services (Private) Limited	1,086	1,086
Pakistan Industrial Aids (Private) Limited	10,000	10,000
Habib METRO Pakistan (Private) Limited	2,789,223	2,789,223
A-One Enterprises (Private) Limited	61,395	61,395
Thal Boshoku Pakistan (Private) Limited	104,500	104,500
Makro Habib Pakistan Limited	223,885	223,885
Thal Power (Private) Limited	100	100
	<u>3,190,189</u>	<u>3,190,189</u>

#### Associates - at cost

##### Quoted

Indus Motor Company Limited	48,900	48,900
Habib Insurance Company Limited	561	561
Agriauto Industries Limited	9,473	9,473
Shabbir Tiles and Ceramics Limited	21,314	21,314
	<u>80,248</u>	<u>80,248</u>

##### Un-Quoted

METRO Habib Cash & Carry Pakistan (Private) Limited	6.1	284,105	284,105
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### Other investments - available for sale

#### Quoted - at fair value

Habib Sugar Mills Limited	73,799	78,112
GlaxoSmithKline (Pakistan) Limited	359	328
Dynea Pakistan Limited	36,348	40,032
Allied Bank Limited	16,909	18,171
Habib Bank Limited	12,872	14,010
	<u>140,287</u>	<u>150,653</u>

#### Un-Quoted - at cost

Sindh Engro Coal Mining Company Limited	360,000	360,000
	<u>4,054,829</u>	<u>4,065,195</u>

6.1 The Company holds a put option with respect to its holding in MHCCP whereby, if MHCCP does not achieve specified financial performance targets, the Company may require Metro Cash and Carry International Holding BV to acquire the shares of MHCCP at a price to be determined on the basis of a predefined mechanism. The put option is exercisable from June 27, 2014 to June 26, 2019 subject to certain conditions.

# Thal Limited

	Note	Sep 30, 2015 (Un-audited)	June 30, 2015 (Audited)
		(Rupees in '000)	
<b>7 STOCK-IN-TRADE</b>			
Raw material		1,534,314	1,451,245
In hand		415,799	401,582
In transit		243,233	192,326
Work-in-process		439,920	249,876
Finished goods	7.1	<u>2,633,266</u>	<u>2,295,029</u>
7.1 This includes items amounting to Rs. 680.527 million (June 30, 2015 : Rs. 528.384 million) carried at net realizable value. [Cost Rs. 726.159 million (June 30, 2015 : Rs. 584.489 million)]			
<b>8 SHORT TERM INVESTMENTS</b>			
8.1 This includes investment in Term Deposit Receipts amounting to Rs. 2,175.703 million (June 30, 2015: Rs. 2,804.959 million), Government Treasury Bills amounting to Rs. 399.591 million (June 30, 2015: Rs. 199.282 million) and mutual funds amounting to Rs. 516.666 million (June 30, 2015: NIL).			
8.2 Term deposit receipts include Rs. 1,900.909 million (June 30, 2015: Rs. 2,500.909 million) maintained with related party.			
<b>9 INCOME TAX - NET</b>			
Group tax relief adjustments	9.1	593,466	593,466
Income tax provisions less tax payments - net		<u>(378,444)</u>	<u>(454,325)</u>
		<u>215,022</u>	<u>139,141</u>
9.1 In terms of the provisions of Section 59B of the Income Tax Ordinance, 2001 (the Ordinance), a subsidiary company may surrender its tax losses in favour of its holding company for set off against the income of its holding Company subject to certain conditions as prescribed under the Ordinance.			
Accordingly, the 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.			
There was no change in the status of assessments of the Company for the tax years 2008 to 2010 as reported in the annual financial statements for the year ended June 30, 2015.			
<b>10 CONTINGENCIES AND COMMITMENTS</b>			
<b>10.1 Contingencies</b>			
There were no major changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2015 except the following:			
10.1.1 As reported in Note 25.1.3 of the audited financial statements for the year ended June 30, 2015; the Saddar store of the subsidiary company Makro Habib Pakistan Limited (MHPL) was closed down on September 11, 2015 as a consequence of dismissal of the Review Petition by the Honorable Supreme Court of Pakistan. Accordingly, the Operation Agreement with Metro Habib Cash & Carry Pakistan (Private) Limited (MHCCP) stands terminated. As a result a provision of Rs. 792 million has been made under Other Charges.			
10.1.2 Letter of guarantees issued by banks on behalf of the company amounts to Rs. 20.630 million (June 30, 2015 : Rs. 21.315 million).			
10.1.3 Post dated cheques issued to Collector of Customs amounts to Rs. 183.587 million (June 30, 2015 : Rs. 166.379 million).			
<b>10.2 Commitments</b>			
10.2.1 Letter of credits outstanding for raw material and spares amounts to Rs. 959.361 million (June 30, 2015 : Rs. 1,237.316 million).			
10.2.2 Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 2.021 million (June 30, 2015: Rs. 2.429 million).			

# Thal Limited

## 11 OTHER INCOME

This includes dividend income amounting to Rs. 61.534 million (September 30, 2014: 110.741 million) and profit on call deposits & short term investments amounting to Rs. 60.455 million (September 30, 2014: Rs. 36.194 million).

## 12 OTHER CHARGES

Other Charges represent provision of Rs 792 million on account of the closure of the Saddar store of MHPL as explained in Note 10.1.1. If MHPL fails to meet its obligations under the Operation Agreement between MHCCP and MHPL, Thal Limited is required to pay up to Rs. 792 million to MHCCP under the Joint Venture Agreement.

	Sep 30, 2015	Sep 30, 2014
	(Un-audited)	
	(Rupees in '000)	
<b>13 BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE</b>		
(Loss) / Profit after taxation	(57,736)	312,216
	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 (loss) / earnings per share	(0.71)	3.85

## 14 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:

Relationship	Nature of transactions	Sep 30, 2015	Sep 30, 2014
		(Un-audited)	
		(Rupees in '000)	
Subsidiaries	Professional Services acquired	21,366	19,838
	Purchase of goods	7,547	9,216
	Supplies purchased	6,025	6,846
	Rent received	1,256	1,256
	Service Fee	6,301	-
Associates	Sales of goods	1,378,405	1,496,947
	Insurance premium	7,474	4,724
	Purchase of goods	33,013	22,025
	Insurance claim received	-	51
	Mark-up and bank charges paid	450	624
	Profit received on deposits	53,528	21,004
	Rent paid	198	400
Employee benefit plans	Contribution to provident fund	8,592	9,456
	Contribution to retirement benefit fund	1,364	1,902
Key management personnel	Key management personnel compensation	44,330	27,921



# Thal Limited

Sep 30, 2015 (Un-audited)	June 30, 2015 (Audited)
(Rupees in '000)	

## Balances

Receivable from associates in respect of trade debts	339,005	329,261
Other receivables from subsidiaries	577	2,383
Other receivables from associates	17	160
Bank balances with associates	682,991	373,066
Payable to subsidiaries in respect of trade and other payables	3,412	7,175
Payable to associates in respect of trade and other payables	19,273	9,236
Payable to associate in respect of short term borrowings	10,918	13,921

14.1 The investments in related parties are disclosed in note 6 and 8 of the condensed interim financial information.

## 15 GENERAL

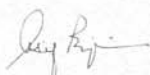
15.1 Figures have been rounded off to the nearest thousands.

15.2 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications / rearrangement to report.

## 16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 30, 2015 by the Board of Directors of the Company.

17 The Board of Directors has recommended final cash dividend of Rs. 5 per share for the year ended June 30, 2015. This condensed interim financial information does not reflect the payment of cash dividend which has been approved by the shareholders in the annual general meeting held on October 5, 2015.



Asif Rizvi  
Chief Executive



Sohail P. Ahmed  
Vice Chairman

# Thal Limited

## CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2015

	Note	Sep 30, 2015 (Un-audited)	June 30, 2015 (Audited)
		(Rupees in '000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,015,923	1,285,391
Intangible assets	5	8,052	8,713
Investment property		7,160,637	7,176,769
Long-term investments	6	2,299,812	2,132,047
Long-term loans and deposits		9,173	11,803
Long-term prepayments		57,320	55,946
Deferred tax asset - net		-	28,612
		<u>10,550,917</u>	<u>10,699,281</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		95,811	91,026
Stock-in-trade	7	2,847,553	2,543,659
Trade debts		1,316,075	1,210,643
Loans, advances, deposits, prepayments and other receivables		190,295	151,654
Short-term investments	8	5,139,530	5,053,988
Accrued profit		2,552	4,053
Income Tax - net	9	231,310	173,214
Sales tax refundable		-	31,219
Cash and bank balances		840,847	645,884
		<u>10,663,973</u>	<u>9,905,340</u>
<b>TOTAL ASSETS</b>		<u><b>21,214,890</b></u>	<u><b>20,604,621</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 100,000,000 (June 30, 2015: 100,000,000) ordinary shares of Rs.5 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital 81,029,909 (June 30, 2015: 81,029,909) ordinary shares of Rs. 5/- each		<u>405,150</u>	<u>405,150</u>
Share deposit money		12	12
Reserves		<u>12,009,694</u>	<u>12,214,199</u>
Equity attributable to equity holders' of the parent		<u>12,414,856</u>	<u>12,619,361</u>
Non-controlling interest		<u>5,828,706</u>	<u>5,790,139</u>
		<u>18,243,562</u>	<u>18,409,500</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term deposits		<u>310,594</u>	<u>309,708</u>
Deferred Tax Liability		<u>42,870</u>	<u>-</u>
		<u>353,464</u>	<u>309,708</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>2,532,385</u>	<u>1,847,549</u>
Short-term borrowings		<u>36,985</u>	<u>23,807</u>
Deferred income		<u>31,226</u>	<u>14,002</u>
Accrued markup		<u>11</u>	<u>55</u>
Sales tax payable		<u>17,257</u>	<u>-</u>
		<u>2,617,864</u>	<u>1,885,413</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	-	-
<b>TOTAL EQUITIES AND LIABILITIES</b>		<u><b>21,214,890</b></u>	<u><b>20,604,621</b></u>

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

  
Asif Rizvi  
Chief Executive

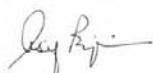
  
Sohail P. Ahmed  
Vice Chairman

# Thal Limited

## CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (Un-audited)

	Note	Sep 30, 2015 (Rupees in '000)	Sep 30, 2014
Revenue - net		4,069,780	3,898,805
Cost of sales		3,278,047	3,393,901
<b>Gross Profit</b>		<b>791,733</b>	<b>504,904</b>
Distribution costs		(61,890)	(52,348)
Administrative expenses		(350,155)	(281,607)
		(412,045)	(333,955)
Other income	11	481,532	458,448
<b>Operating Profit</b>		<b>861,220</b>	<b>629,397</b>
Finance costs		(2,018)	(4,441)
Other charges	12	(1,122,172)	(35,921)
		(1,124,190)	(40,362)
		(262,970)	589,035
Share of net profit of associates - after tax		178,086	55,709
<b>(Loss) / Profit before taxation</b>		<b>(84,884)</b>	<b>644,744</b>
Taxation		(29,922)	(188,844)
<b>(Loss) / Profit after taxation</b>		<b>(114,806)</b>	<b>455,900</b>
<b>Attributable to:</b>			
- Equity holders of the Holding Company		(194,184)	382,068
- Non-controlling interest		79,378	73,832
		(114,806)	455,900
		<b>Rupees</b>	
Basic and diluted (loss) / earnings per share attributable to the equity holders of the Holding Company	13	(2.40)	4.72

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



Asif Rizvi  
Chief Executive



Sohail P. Ahmed  
Vice Chairman




# Thal Limited

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (Un-audited)

	Sep 30, 2015	Sep 30, 2014
	(Rupees in '000)	
(Loss) / Profit after taxation	(114,806)	455,900
Other comprehensive income		
Items to be reclassified to profit and loss account in subsequent periods:		
Share of unrealised gain on revaluation of foreign exchange contracts of an associate	-	-
(Loss) / gain on revaluation of available for sale investments	(10,366)	8,926
	(10,366)	8,926
Items not to be reclassified to profit and loss account in subsequent periods:		
Share of actuarial gain / (loss) on remeasurement of defined benefit plans of associates	45	(67)
Total comprehensive income for the period, net of tax	(125,127)	464,759
Attributable to:		
- Equity holders of the Holding Company	(204,505)	390,927
- Non-controlling interest	79,378	73,832
	(125,127)	464,759

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

  
Asif Rizvi  
Chief Executive

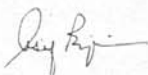
  
Sohail P. Ahmed  
Vice Chairman

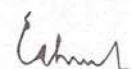
# Thal Limited

## CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (Un-audited)

	Sep 30, 2015	Sep 30, 2014
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(84,884)	644,744
Adjustments for non-cash charges and other items:		
Depreciation and Amortization	105,855	109,814
Amortization of long term prepayments	1,026	-
Share in (profit) / loss of associates - after taxation	(178,086)	(55,709)
Finance costs	1,877	4,285
Profit earned on call deposits and short term investments	(87,150)	(60,014)
Liabilities no longer payable written back	(451)	-
Gain on revaluation of investments at fair value through profit and loss	(7,898)	(11,784)
Dividend income	(318)	(1,021)
Reversal of provision for impairment of trade debts - net	14,162	(3,440)
Provision for retirement benefits	2,738	1,148
Provision for impairment of building of subsidiary company	249,781	-
Gain on disposal of property, plant and equipment	2,320	(2,249)
	103,856	(18,970)
	18,972	625,774
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(4,785)	(12,172)
Stock-in-trade	(303,894)	(383,175)
Trade debts - unsecured, considered good	(119,594)	(652,166)
Loans, advances, deposits, prepayments and other receivables	(14,770)	(71,511)
Deferred income	(2,098)	737
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	664,818	30,984
Sales tax payable	23,272	6,053
	242,949	(1,081,250)
<b>Cash generated from / (used in) operations</b>	261,921	(455,476)
Finance costs paid	(1,921)	(4,260)
Retirement benefits paid	(3,716)	(6,537)
Income tax paid	(6,644)	(95,799)
Net cash used in operating activities	249,640	(562,072)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(74,076)	(15,197)
Long term loans and deposits	(270)	958
Dividends received	318	-
Profit received on call deposits and short term investments	73,125	36,587
Proceeds from disposal of property, plant and equipment	3,001	4,676
Short term investments purchased	(597,941)	(781,176)
Net cash used in investing activities	(595,844)	(754,152)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(6,409)	(1,927)
Long term deposit	886	(180)
Net cash used in financing activities	(5,523)	(2,107)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(351,727)	(1,318,331)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5,256,286	3,485,415
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	4,904,559	2,167,084
Cash and bank balances	840,847	802,850
Short term investments	4,100,697	1,491,188
Short-term running finance	(36,985)	(126,954)
	4,904,559	2,167,084

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

  
Asif Rizvi  
Chief Executive

  
Sohail P. Ahmed  
Vice Chairman

# Thal Limited

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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

Balance as at June 30, 2014 (Audited) 405,150 12 67,929 7,948,874 2,429,917 95,321 5,664,797 16,612,000

Profit for the period	-	-	-	-	382,068	-	73,832	455,900
Other comprehensive income	-	-	-	-	(67)	8,926	-	8,859
Total comprehensive income	-	-	-	-	382,001	8,926	73,832	464,759

Transfer to general reserve - - - 754,000 (754,000) - - -

### Transactions with owners, recorded directly in equity

Final dividend @ Rs. 2.5/= per share  
for the year ended June 30, 2014 - - - - (202,575) - - (202,575)

### Subsidiary Company

Final dividend @ Rs. 0.242/= per share - - - - - (32,919) (32,919)

Balance as at September 30, 2014 (Un-Audited) 405,150 12 67,929 8,702,874 1,855,343 104,247 5,705,710 16,841,265

Balance as at June 30, 2015 (Audited) 405,150 12 67,929 8,702,874 3,334,888 108,508 5,790,139 18,409,500

(Loss)/Profit for the period	-	-	-	-	(194,184)	-	79,378	(114,806)
Other comprehensive income	-	-	-	-	45	(10,366)	-	(10,321)
Total comprehensive income	-	-	-	-	(194,139)	(10,366)	79,378	(125,127)

Transfer to general reserve - - - 1,136,000 (1,136,000) - - -

### Transactions with owners, recorded directly in equity

### Subsidiary Company

Final dividend @ Rs. 0.30/= per share  
for the year ended June 30, 2015 - - - - - (40,811) (40,811)

Balance as at September 30, 2015 (Un-Audited) 405,150 12 67,929 9,838,874 2,004,749 98,142 5,828,706 18,243,562

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

  
Asif Rizvi  
Chief Executive

  
Sohail P. Ahmed  
Vice Chairman



# Thal Limited

## SELECTED EXPLANATORY NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2015 (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 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, 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 and Thal Power (Private) Limited.

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 (Private) Limited owns a land at Multan road, Lahore.

Habib METRO Pakistan (Private) Limited, 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 was incorporated on July 3, 2014 and has not yet commenced its operations.

These subsidiaries have been consolidated in this condensed interim consolidated financial information.

### 2 BASIS OF PREPERATION

This condensed interim consolidated financial information has 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.

This condensed interim consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended June 30, 2015.

### 3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended June 30, 2015 except that the Group has adopted certain amended International Financial Reporting Standards (as referred to in note 7 to the consolidated financial statements for the year ended June 30, 2015 other than those yet to be notified by the SECP for the purpose of applicability in Pakistan). The adoption of such amended standards and interpretation did not have any effect on this condensed interim consolidated financial information.

# Thal Limited

## 4 PROPERTY, PLANT AND EQUIPMENT

	Note	Sep 30, 2015 (Un-audited)	June 30, 2015 (Audited)
(Rupees in '000)			
Operating fixed assets	4.1	998,163	1,264,098
Capital work-in-progress	4.2	17,760	21,293
		<u>1,015,923</u>	<u>1,285,391</u>

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

	Additions at cost		Deletions at book value	
	Sep 30, 2015 (Un-audited)	2014	Sep 30, 2015 (Un-audited)	2014
(Rupees in '000)				
Plant and machinery	7,420	90,430	-	-
Furniture and fittings	123	433	-	-
Vehicles	2,313	12,195	153	960
Office and mills equipment	6,943	3,938	-	5
Computer equipment	810	2,215	-	10
Jigs and Fixtures	8,168	-	-	-
	<u>25,777</u>	<u>109,211</u>	<u>153</u>	<u>975</u>

4.2 During the period, capital work in progress amounting to Rs. 13.324 million (September 30, 2014 : Rs. 153.434 million) was transferred to owned assets.

## 5 INTANGIBLE ASSETS

Softwares	210	-	-	-
		Note	Sep 30, 2015 (Un-audited)	June 30, 2015 (Audited)
(Rupees in '000)				

## 6 LONG-TERM INVESTMENTS

Associates - stated as per equity method

### Quoted

Indus Motor Company Limited	1,495,340	1,328,049
Habib Insurance Company Limited	46,183	43,951
Agriauto Industries Limited	232,102	223,091
Shabbir Tiles and Ceramics Limited	25,900	26,303

### Un-Quoted

METRO Habib Cash & Carry Pakistan (Private) Limited	6.1	-	-
		<u>1,799,525</u>	<u>1,621,394</u>

Other investments - available for-sale

### Quoted - at fair value

Habib Sugar Mills Limited	73,799	78,112
GlaxoSmithKline (Pakistan) Limited	359	328
Dynea Pakistan Limited	36,348	40,032
Allied Bank Limited	16,909	18,171
Habib Bank Limited	12,872	14,010
	<u>140,287</u>	<u>150,653</u>

### Un-Quoted - at cost

Sindh Engro Coal Mining Company Limited	360,000	360,000
	<u>2,299,812</u>	<u>2,132,047</u>

6.1 The Group holds a put option with respect to its holding in MHCCP whereby, if MHCCP does not achieve specified financial performance targets, the Company may require Metro Cash and Carry International Holding BV to acquire the shares of MHCCP at a price to be determined on the basis of a predefined mechanism. The put option is exercisable from June 27, 2014 to June 26, 2019 subject to certain conditions.



# Thal Limited

	Note	Sep 30, 2015 (Un-audited)	June 30, 2015 (Audited)
(Rupees in '000)			
<b>7 STOCK-IN-TRADE</b>			
Raw material			
In hand		1,599,088	1,494,319
In transit		421,774	406,768
		<u>2,020,862</u>	<u>1,901,087</u>
Work-in-process		243,233	192,326
Finished goods		633,300	456,564
Provision for obsolescence and shrinkage		(49,842)	(6,318)
		<u>583,458</u>	<u>450,246</u>
	7.1	<u>2,847,553</u>	<u>2,543,659</u>
7.1	This includes items amounting to Rs. 694.869 million (June 30, 2015 : Rs. 544.484 million) carried at net realizable value. [Cost Rs. 746.550 million (June 30, 2015 : Rs. 606.889 million)]		
<b>8 SHORT TERM INVESTMENTS</b>			
8.1	This includes investment Term Deposit Receipts amounting to Rs. 4,076.630 million (June 30, 2015 : Rs. 4,748.628 million), Government Treasury bills amounting to Rs. 399.591 million (June 30, 2015: 199.282 million) and mutual funds amounting to Rs. 657.160 million (June 30, 2015: NIL).		
8.2	Term deposit receipts include Rs. 3,800.909 million (June 30, 2015: Rs. 4,440.409 million) maintained with related party.		
<b>9 INCOME TAX - Net</b>			
Group tax relief adjustments	9.1	593,466	593,466
Income Tax provision less tax payments - net		<u>(362,156)</u>	<u>(420,252)</u>
		<u>231,310</u>	<u>173,214</u>
9.1	In terms of the provisions of Section 59B of the Income Tax Ordinance, 2001 (the Ordinance), a subsidiary company may surrender its tax losses in favour of its holding company for set off against the income of its holding Company subject to certain conditions as prescribed under the Ordinance.		
	Accordingly, the holding Company has adjusted its tax liabilities for the tax years 2008-2010 by acquiring the losses of its subsidiary company and consequently an aggregate sum of Rs. 593.466 million equivalent to the tax value of the losses acquired has been paid to the subsidiary company.		
	There was no change in the status of assessments of the holding Company for the tax years 2008 to 2010 as reported in the annual financial statements for the year ended June 30, 2015.		
<b>10 CONTINGENCIES AND COMMITMENTS</b>			
<b>10.1 Contingencies</b>			
	There were no material changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended June 30, 2015 other than the following:		
10.1.1	As reported in Note 29.1.3 of the annual consolidated financial statements for the year ended June 30, 2015, the Saddar store of the subsidiary company Makro Habib Pakistan Limited (MHPL) was closed down on September 11, 2015 as a consequence of dismissal of the Review Petition by the Honorable Supreme Court of Pakistan. Accordingly, the Operation Agreement between MHPL and Metro Habib Cash & Carry Pakistan (Private) Limited (MHCCP) stands terminated.		
10.1.2	Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 24.204 million (June 30, 2015 : Rs. 44.079 million).		
10.1.3	Post dated cheques issued to collector of Customs amounts to Rs. 183.587 million (June 30, 2015 : Rs. 166.379 million)		
<b>10.2 Commitments</b>			
10.2.1	Letter of credits outstanding for raw material and spares amounts to Rs. 964.089 million (June 30, 2015 : Rs. 1,282.630 million).		
10.2.2	Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 4.823 million (June 30, 2015 : Rs. 2.429 million).		
10.2.3	Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 3,050.608 million (June 30, 2015 : Rs. 3,063.108 million)		



# Thal Limited

## 11 OTHER INCOME

This includes rental income from investment property amounting to Rs. 339.254 million (September 30, 2014: Rs. 312.413 million) and profit on call deposits & short term investments amounting to Rs. 95.048 million (September 30, 2014: Rs. 71.798 million).

## 12 OTHER CHARGES

Included in other charges, provision amounting to Rs 792 million has been made on account of the closure of Soddar store of MHPL (Refer Note 10.1.1) and a further provision of Rs 323 million has been made in MHPL for impairment of assets.

Sep 30, 2015	Sep 30, 2014
(Un-audited)	
(Rupees in '000)	

## 13 BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

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

(Loss) / Profit after taxation attributable to the equity holders of the holding company

(194,184)	382,068
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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 (loss) / earnings per share

(2.40)	4.72
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## 14 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 this condensed interim consolidated financial information, are as follows:

Relationship	Nature of transactions	Sep 30, 2015	Sep 30, 2014
		(Un-audited)	
		(Rupees in '000)	
Associates	Sales	1,501,600	1,524,797
	Professional Services rendered	43,552	32,870
	Rental Income on properties	337,608	310,818
	Insurance premium	9,102	5,728
	Purchase of assets	-	4,605
	Purchase of goods	62,576	44,091
	Insurance claim received	-	51
	Mark-up and bank charges paid	1,374	779
	Profit received	80,696	50,087
	Supplies purchased	261	292
	Licence fee, signage and others	134	-
	Rent Paid	515	717
Employee benefit plans	Contribution to provident fund	10,250	10,467
	Contribution to retirement benefit fund	1,364	1,902
Key management personnel	Key management personnel compensation	58,834	41,117
		Sep 30, 2015	June 30, 2015
		(Un-audited)	(Audited)
		(Rupees in '000)	
<b>Balances</b>			
	Receivable from associates in respect of trade debts	368,622	344,566
	Other receivables from associates	5,447	179
	Bank balances with associates	693,930	398,802
	Payable to associates in respect of trade and other payables	9,087	14,050
	Payable to associate in respect of short term borrowings	36,886	23,172

14.1 The investments in related parties are disclosed in note 6 and 8 of the condensed interim consolidated financial information.

# Thal Limited

## 15 SEGMENT ANALYSIS

	Sep 30, 2015	Sep 30, 2014	Sep 30, 2015	Sep 30, 2014	Sep 30, 2015	Sep 30, 2014	Sep 30, 2015	Sep 30, 2014
	Engineering	Building material and allied products	Real estate management & others	Elimination	Total			
<b>SALES REVENUE</b>	<b>2,652,185</b>	<b>1,961,980</b>	<b>939,443</b>	<b>1,292,026</b>	<b>517,006</b>	<b>683,155</b>	<b>(38,854)</b>	<b>4,069,780</b>
<b>SEGMENT RESULT</b>	<b>632,330</b>	<b>366,695</b>	<b>67,533</b>	<b>16,716</b>	<b>195,348</b>	<b>253,603</b>	<b>-</b>	<b>895,211</b>
<b>Unallocated corporate (expenses) / income:</b>								<b>637,014</b>
Administrative & distribution costs								(147,137)
Other income								113,146
<b>Operating profit</b>								<b>861,220</b>
Finance cost								(2,018)
Other charges								(1,122,172)
Share in profit of associates								178,086
Taxation								(29,922)
								<b>(114,806)</b>
								<b>455,900</b>

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

The Building material and allied products segment includes jute, papersack and laminate operations.

The Real estate management & others segment includes real estate management, trading and share registrar & management services.

## 16 GENERAL

16.1 Figures have been rounded off to the nearest thousands.

16.2 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications / rearrangement to report.

## 17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on October 30, 2015 by the Board of Directors of the Holding Company.

18 The Board of Directors of the Holding Company has recommended final cash dividend of Rs. 5 per share for the year ended June 30, 2015. This condensed interim consolidated financial information does not reflect the payment of cash dividend which has been approved by the shareholders in the annual general meeting held on October 5, 2015.



Asif Rizvi  
Chief Executive



Sohail P. Ahmed  
Vice Chairman

## Corporate Information

### Board of Directors

Rafiq M. Habib	Chairman
Sohail P. Ahmed	Vice Chairman
Asif Rizvi	Chief Executive
Asif Qadir	Independent Director
Ali S. Habib	Non-Executive Director
Mohamedali R. Habib	Non-Executive Director
Mazhar Valjee	Non-Executive Director

### Chief Financial Officer

Shahid Saleem

### Company Secretary

Ali Asghar Moten

### Audit Committee

Asif Qadir	Chairman - Independent
Mohamedali R. Habib	Member
Mazhar Valjee	Member
Sohail P. Ahmed	Member

### Human Resources & Remuneration Committee

Mazhar Valjee	Chairman
Ali S. Habib	Member
Asif Rizvi	Member

### External Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

### Legal Advisors

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

### Tax Advisors

Ernst & Young Ford Rhodes Sidat Hyder

### 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

### Registered Office

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

### Share Registrar:

Noble Computer Services (Private) Limited  
1st Floor, House of Habib  
3-Jinnah Cooperative Housing Society, Block 7/8  
Shahra-e-Faisal, Karachi - 75350  
PABX: 92(21) 3432-5482-87  
Fax: 92(21) 3432-5442



