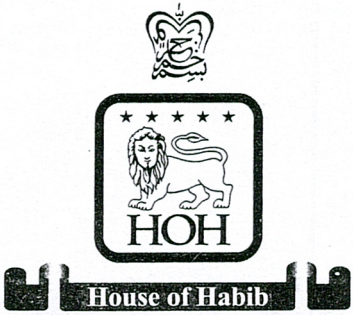
# Thal Limited

Condensed Interim Financial Statements
For the First Quarter Ended September 30, 2013
(Un-audited)



# Thal Limited

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Corporate Directory

# Thal Limited

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The Directors of your Company are pleased to place before you the performance for Q1 ended September 30, 2013 along with the unaudited interim condensed financial statements.

The business in the quarter under review has been challenging for the company. Post National Elections in May 2013 there was a great sense of optimism in the country in respect of improved business scenario as the country had witnessed dismal economic growth in the earlier years, however these positive vibes have yet to transform into creating a business environment which can take the country into achieving higher GDP growth in the future years which is strategically important for Pakistan.

The quarter under review witnessed spiral PKR devaluation against the foreign currencies along with massive increases in the power tariff and other energy inputs. These are expected to have adverse impact on the inflation in the country in the financial year 13/14. Thal Limited will be directly impacted with these cost push factors and its partial impact of increase in the cost of operations has already come in the first quarter.

**Company Operations:**

The sales revenue for the first quarter of the financial year 13/14 at Rs 2.630 billion was lower than Rs 2.903 billion in the corresponding quarter last year and consequently Profit after tax for the first quarter under review was down to Rs 203 million as compared to Rs 351 million in the corresponding quarter last year.

**Engineering Segment**

The Auto industry in the country witnessed modest growth in the volumes during this quarter however this growth was lower than the general market expectations because of sluggish economic activities in the country, the reasons which we have dealt in the earlier paragraphs and the lower base numbers of the corresponding quarter. This business segment of the Company however witnessed reduced volumes compared to corresponding quarter as its key OEM customer`s market share in the auto sector showed a downward trend and this resulted in reduced revenue for the first quarter under review which was Rs.1.528 billion Compared to Rs 1.690 billion in the corresponding quarter last year, a decline of 10%.

However, aftermarket sales of thermal division though a small component in this business segment presently showed healthy increases as compared to last year due to inclusion of the new products and increase focus on service through process efficiencies and effective cost controls.

The company continues to make concerted efforts on improving the quality and creating cost efficiencies through cost cutting, material resourcing, training & development, along with the constant focus on exploring new business opportunities and these activities have been recognized by the Original Equipment Manufacturer (OEM) regularly in their evaluation of various KPI`s relating to quality and deliveries.

Your company is also expecting that the second quarter of the financial year 13/14 will equally be challenging in terms of sales volumes because of the sluggish business scenario in the country, impeding model changes by OEM and also of traditional new year registration where the customers defer their purchases of the cars till the advent of the New Year. This is expected to have adverse impact on the profitability the company in shape of lower sales revenue, lower capacity utilization and higher inventories. The company will be making all-out effort to mitigate this impact by exploring new business opportunities from other OEM.

The government recently announced issuing the Auto Industry Policy for comments by stake holders and we expect that the government will provide level playing field to the local auto industry entire supply chain which will have positive impact on the overall economy in the country.

**Building Material & Allied Products Segment**

The sale revenue of the Building Material & Allied Products Segment for the first quarter of financial year 13/14 amounted to Rs 1.102 billion from Rs 1.212 billion in the corresponding quarter which reflects a reduction of 9%.

**Jute Operations:**

The export business was challenging due to the political crisis in the major exports market and currency depreciation in India one of our competitor with the results that the exports during the quarter were lower in addition to this the bottom line of the business was also affected by substantial increases in power tariff, rise in wages cost during the period which could not be passed on fully.

This sector is to a large extent dependent on the global factors as the raw materials is imported and the exports sales constitutes a sizeable part of its top line, however the business is focused to enhance its share in international markets by producing & exporting environment friendly jute goods and in this regard we have recently got compliance report from accredited Independent Consultant for Vegetable Oil Treated (VOT). This is expected to support our business in newer markets. The demand in local market though under pressure is expected to improve in coming months with sizeable demand of grain sacks.

**Papersack Operations:**

Paperback business witnessed a decline in order quantities from the cement sector, as the cement units exhausted their stocks in hand to comply with the requirements of printing of selling prices on bags in this year Federal budget, however by the end of quarter under review order positions have normalized to a large extent.

The Papersack business continued to concentrate on export markets, however, devaluation of currency in India has hampered our efforts to penetrate the market in the short term. The business continued to export papersacks to its other regional customers, and future orders from these markets are already in the pipeline.

The Self Operating Satchel (SOS) business is also expected to gain momentum, as the business has initiated the process for ISO 22000 Certification. Additionally, the expected expansion in existing global fast food franchises and arrival of new chains in Pakistan will create the demand for quality packaging materials, which the business is geared to provide.

**Laminate Operations:**

In the quarter under review the Laminates business maintained its positive momentum in terms of sales revenue, with concentration on exports and corporate customers, which enabled the business to partially mitigate the rising cost of inputs in the short term. In the longer term, the continuing devaluation of the Pak Rupee and rising cost of energy will strain the profitability of the business and can have an adverse impact on the bottom line. The situation will be further compounded by the fact that most of the competing units operate in the unorganized / undocumented sector.

We are pleased to share that Laminates Business has also been nominated as the Logistical Distributor for DuPont's Corian® & Montelli® range of solid surfaces. The management is confident that this product will further complement the FORMITE product line and expand the reach of the business.

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

MHPL continued its Cash and Carry business on the Saddar store. The operation of this store is handled by METRO Habib Cash and Carry Pakistan under the terms of the Operation Agreement. The Company`s holding is 100%. The store is subject to a legal case pending adjudication in the Supreme Court of Pakistan.

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

HMPL own and manage properties. Our holding is 60 %. We are pleased to report that HMPL has declared 1st interim dividend for the quarter ended September 30, 2013 and our Company share of Rs 54.686 million will be incorporated in the next quarter financials.

**Acknowledgement:**

In the end we would like to thank the Almighty for all His blessings in these challenging times and to convey our appreciation to all our Customers, Dealers, Bankers and 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 29, 2013.

# Thal Limited

## CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2013

| | Note | September 30, 2013 (Un-audited) | June 30, 2013 (Audited) |
|---|---|---|---|
| | | (Rupees in thousands) | |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 4 | **594,002** | 614,419 |
| Investment property | | **1,031** | 1,032 |
| Long-term investments | 5 | **3,528,982** | 3,520,969 |
| Long-term loans and deposits | | **6,385** | 6,385 |
| Long-term prepayments | | **6,615** | 7,560 |
| Deferred tax asset | | **26,666** | 22,024 |
| | | **4,163,681** | 4,172,389 |
| **CURRENT ASSETS** | | | |
| Stores, spares and loose tools | | **93,430** | 78,636 |
| Stock-in-trade | 6 | **2,869,514** | 2,456,436 |
| Trade debts | | **1,166,645** | 1,007,691 |
| Loans, advances, deposits, prepayments and other receivables | | **96,078** | 130,356 |
| Short-term investments | 7 | **1,722,500** | 1,804,641 |
| Accrued profit on bank deposits | | **2,528** | 4,271 |
| Income Tax - net | 8 | **117,753** | 109,873 |
| Sales tax refundable | | **41,883** | - |
| Cash and bank balances | | **460,817** | 727,492 |
| | | **6,571,148** | 6,319,396 |
| **TOTAL ASSETS** | | **10,734,829** | 10,491,785 |
| **EQUITY AND LIABILITIES** | | | |
| **SHARE CAPITAL AND RESERVES** | | | |
| Authorised capital | | | |
| 100,000,000 (Jun 30, 2012: 100,000,000) ordinary shares of Rs.5 each | | **500,000** | 500,000 |
| Issued, subscribed and paid-up capital | | **405,150** | 405,150 |
| Reserves | | **8,848,289** | 8,636,647 |
| | | **9,253,439** | 9,041,797 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | | **1,471,867** | 1,441,774 |
| Short-term borrowings | | **9,506** | 7,368 |
| Accrued mark-up | | **17** | 7 |
| Sales tax payable | | **-** | 839 |
| | | **1,481,390** | 1,449,988 |
| **CONTINGENCIES AND COMMITMENTS** | 9 | **-** | - |
| **TOTAL EQUITIES AND LIABILITIES** | | **10,734,829** | 10,491,785 |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

(Un-audited)

| | Note | September 30, 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in thousands) | |
| Turnover - net | | **2,629,868** | 2,903,426 |
| Cost of sales | | **2,241,892** | 2,435,340 |
| **Gross Profit** | | **387,976** | 468,086 |
| Distribution costs | | **(39,677)** | (42,934) |
| Administrative expenses | | **(93,227)** | (77,321) |
| | | **(132,904)** | (120,255) |
| Other income | | **65,186** | 171,856 |
| **Operating Profit** | | **320,258** | 519,687 |
| Finance costs | | **(1,371)** | (8,056) |
| Other charges | | **(28,022)** | (38,264) |
| | | **(29,393)** | (46,320) |
| **Profit before taxation** | | **290,865** | 473,367 |
| Taxation | | **(87,236)** | (122,064) |
| **Profit after taxation** | | **203,629** | 351,303 |
| | | **Rupees** | |
| | | | (Restated) |
| Basic and diluted earnings per share | **10** | **2.51** | 4.34 |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

(Un-audited)

| | September 30, 2013 | 2012 |
|---|---|---|
| | (Rupees in thousands) | |
| **Profit after taxation** | **203,269** | 351,303 |
| **Other comprehensive income** | | |
| Gain on revaluation of available for sale investments | 8,013 | 12,085 |
| **Total comprehensive income for the period - net of tax** | **211,642** | 363,388 |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

(Un-audited)

| | September 30, 2013 | 2012 |
|---|---|---|
| | (Rupees in thousands) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit before taxation | **290,865** | 473,367 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | **26,471** | 23,316 |
| Finance costs | **1,371** | 8,056 |
| Profit earned on call deposits and short term investments | **(25,210)** | (33,177) |
| Liabilities no longer payable written back | **-** | (281) |
| Gain on revaluation of investments at fair value through profit and loss | **(18,546)** | (7,430) |
| Dividend income | **-** | (117,360) |
| Reversal for impairment of debts - net | **(14,558)** | (1,652) |
| Provision for retirement benefits | **1,181** | 1,186 |
| Gain on disposal of property, plant and equipment | **(96)** | (163) |
| | **(29,387)** | (127,505) |
| | **261,478** | 345,862 |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | **(14,794)** | (11,738) |
| Stock-in-trade | **(413,078)** | (255,347) |
| Trade debts | **(144,396)** | 32,312 |
| Loans, advances, deposits, prepayments and other receivables | **(7,605)** | 17,012 |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | **34,118** | (72,859) |
| Sales tax payable | **(839)** | (3,878) |
| | **(546,594)** | (294,498) |
| Cash generated from operations | **(285,116)** | 51,364 |
| Finance costs paid | **(1,361)** | (12,128) |
| Dividends paid | **(465)** | (96) |
| Retirement benefits paid | **(4,742)** | - |
| Income tax paid | **(99,758)** | (104,293) |
| Net cash used in operating activities | **(391,442)** | (65,153) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Fixed capital expenditure | **(6,188)** | (15,287) |
| Long term loans and deposits | **945** | 981 |
| Profit received | **27,637** | 36,375 |
| Proceeds from disposal of property, plant and equipment | **232** | 566 |
| Short term investments purchased | **3** | 5 |
| Net cash generated from investing activities | **22,629** | 22,640 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Long term finance repaid | **-** | (442,500) |
| Repayment of liabilities against assets subject to finance lease | **-** | (259) |
| Net cash used in financing activities | **-** | (442,759) |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | **(368,813)** | (485,272) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD** | **1,520,124** | 1,617,046 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | **1,151,311** | 1,131,774 |
| Cash and bank balances | **460,817** | 568,749 |
| Short-term investments | **700,000** | 600,000 |
| Running finance | **(9,506)** | (36,975) |
| | **1,151,311** | 1,131,774 |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

| | Issued, subscribed & paid-up capital | Reserves | | | | Total equity |
|---|---|---|---|---|---|---|
| | | Capital reserve | General reserve | Unappropriated profit | Gain /(Loss) on changes in fair value of available for sale investments | |
| **Balance as at June 30, 2012 (Audited)** | 368,318 | 55,704 | 5,987,999 | 1,566,073 | 46,115 | 8,024,209 |
| Profit for the period | - | - | - | 351,303 | - | 351,303 |
| Other comprehensive income | - | - | - | - | 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 (Un-audited)** | **368,318** | **55,704** | **7,092,999** | **812,376** | **58,200** | **8,387,597** |
| **Balance as at June 30, 2013 (Audited)** | **405,150** | **55,704** | **7,092,999** | **1,422,396** | **65,548** | **9,041,797** |
| Profit for the year period | - | - | - | 203,629 | - | 203,629 |
| Other comprehensive income | - | - | - | - | 8,013 | 8,013 |
| Total comprehensive income | - | - | - | 203,629 | 8,013 | 211,642 |
| Transfer to revenue reserve | - | - | 814,000 | (814,000) | - | - |
| **Balance as at September 30, 2013 (Un-audited)** | **405,150** | **55,704** | **7,906,999** | **812,025** | **73,561** | **9,253,439** |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

(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 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, 2013.

### 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, 2013.

### 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, 2013** | September 30, 2012 | **September 30, 2013** | September 30, 2012 |
| | **(Rupees in thousands)** | | | |
| **Owned Assets** | | | | |
| Factory building | **-** | 5,335 | **-** | - |
| Plant and machinery | **2,061** | 1,549 | | 8 |
| Furniture and fittings | **17** | 531 | **-** | - |
| Vehicles | **2,106** | 3,330 | **136** | 395 |
| Office and mills equipment | **108** | 1,318 | **-** | - |
| Computer equipment | **208** | 2,533 | **-** | - |
| | **4,500** | 14,596 | **136** | 403 |
| **Capital work-in-progress** | | | | |
| Civil Works | **-** | 691 | **-** | - |
| Office and mills equipment | **106** | - | **-** | |
| | **106** | 691 | **-** | - |
| | **4,606** | 15,287 | **136** | 403 |

| 5 LONG-TERM INVESTMENTS | | September 30, 2013 (Un-audited) | June 30, 2013 (Audited) |
|---|---|---|---|
| | | (Rupees in thousands) | |
| **Investment in related parties** | | | |
| **Subsidiaries, unquoted - at cost** | | | |
| Noble Computer Services (Pvt) Limited. | | **1,086** | 1,086 |
| Pakistan Industrial Aids (Pvt) Ltd. | | **10,000** | 10,000 |
| Makro Habib Pakistan Limited | | **223,885** | 223,885 |
| Habib METRO Pakistan (Private) Limited | | **2,789,223** | 2,789,223 |
| A-One Enterprises (Private) Limited | | **61,395** | 61,395 |
| | | **3,085,589** | 3,085,589 |
| **Associates - at cost** | | | |
| ***Listed*** | | | |
| 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 | | **15,585** | 15,585 |
| ***Unlisted*** | | | |
| METRO Habib Cash & Carry Pakistan (Private) Limited | | **284,105** | 284,105 |
| | | **358,624** | 358,624 |
| **Other investments - at fair value** | | | |
| **Available for-sale - Quoted** | | | |
| Habib Sugar Mills Limited | | **56,493** | 44,096 |
| GlaxoSmithKline (Pakistan) Limited | | **164** | 185 |
| Dynea Pakistan Limited | | **28,112** | 32,475 |
| | | **84,769** | 76,756 |
| | | **3,528,982** | 3,520,969 |

| 6 STOCK-IN-TRADE | | | |
|---|---|---|---|
| Raw material | | | |
| In hand | | **1,875,407** | 1,653,805 |
| In transit | | **367,657** | 439,914 |
| | | **2,243,064** | 2,093,719 |
| Work-in-process | | **181,661** | 176,847 |
| Finished goods | | **444,789** | 185,870 |
| | | **2,869,514** | 2,456,436 |

6.1 This includes items amounting to Rs. 168.631 million (June 30, 2013 : Rs. 484.391) carried at net realizable value. [Cost Rs. 173.604 million (June 30, 2013 : Rs. 500.872 million)]

**7 SHORT TERM INVESTMENTS**

This includes investment Term Deposit Receipts amounting to Rs. 708.156 million (June 30, 2013 : Rs. 808.845 million) and money market mutual funds amounting to Rs. 1,014.344 million (June 30, 2013: Rs. 995.796 million).

| 8 INCOME TAX - NET | | September 30, 2013 (Un-audited) | June 30, 2013 (Audited) |
|---|---|---|---|
| | | (Rupees in thousands) | |
| Group tax relief adjustments | 8.1 | **593,466** | 593,466 |
| Income tax provisions less tax payments - net | | **(475,713)** | (483,593) |
| | | **117,753** | 109,873 |

8.1 This note may be read in conjunction with note 18.1.1 and 18.1.2 of the audited financial statements for the year ended June 30, 2013.

## 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, 2013 except the following:

9.1.1 Letter of guarantees issued by banks on behalf of the company amounts to Rs. 47.035 million (June 30, 2013 : Rs. 67.644 million)

9.1.2 Post dated cheques issued to Collector of Customs amounts to Rs. 174.037 million (June 30, 2013 : Rs. 196.942 million)

### 9.2 Commitments

9.2.1 Letter of credits outstanding for raw material and spares amounts to Rs. 1,058.916 million (June 30, 2013 : Rs. 882.288 million).

9.2.2 Commitments in respect of capital expenditure amounts to Rs. 72.330 million (June 30, 2013 : Rs. 61.809 million)

9.2.3 Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 21.100 million (June 30, 2013: 23.371 million)

## 10 BASIC AND DILUTED EARNINGS PER SHARE

| | Period ended | |
|---|---|---|
| | **September 30, 2013** | September 30, 2012 |
| | **(Un-audited)** | |
| | **(Rupees in thousands)** | |
| Profit after taxation | **203,629** | 351,303 |
| | **Number of shares in thousands** | |
| | | (Restated) |
| Number of ordinary shares of Rs. 5/- each in issue | **81,030** | 81,030 |
| | **Rupees** | |
| | | (Restated) |
| Basic and diluted earnings per share | **2.51** | 4.34 |

The number of ordinary shares and earning per share for the period ended September 30, 2012 has been adjusted for the effect of bonus shares issued during the period.

## 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, 2013** | September 30, 2012 |
| | **(Un-audited)** | |
| | **(Rupees in thousands)** | |
| **Transactions** | | |
| Sales | 1,073,280 | 1,244,580 |
| Professional Services acquired | 20,188 | 15,528 |
| Insurance premium | 10,924 | 7,406 |
| Purchase of goods | 20,778 | 24,733 |
| Insurance claim received | 817 | 66 |
| Mark-up and bank charges paid | 825 | 1,742 |
| Profit received | 25,592 | 40,755 |
| Supplies purchased | 4,961 | 4,488 |
| Contribution to provident fund | 10,055 | 7,818 |
| Contribution to retirement benefit fund | 1,880 | 1,185 |
| Rent paid | 396 | 99 |
| Key management personnel compensation | 27,035 | 20,855 |

| | September 30, 2013 (Un-audited) | June 30, 2013 (Audited) |
|---|---|---|
| | (Rupees in thousands) | |
| **Balances** | | |
| Trade debts | **223,467** | 158,568 |
| Other receivables | **4,180** | 7,663 |
| Bank balances | **411,599** | 637,545 |
| Trade and other payables | **8,562** | 9,038 |
| Short term borrowings | **8,811** | 6,948 |

**12 GENERAL**

12.1 Following reclassifiction has been made during the period pursuant to the amendments in the Fourth Schedule to the Companies Ordinance, 1984 notified by the Securities and Exchange Commission of Pakistan, which specifically classifies major spare parts and standby equipment into property, plant and equipment.

| | | September 30, 2013 | June 30, 2013 |
|---|---|---|---|
| | | (Rupees in thousands) | |
| **Reclassfication from** | **Reclassfication to** | | |
| Stores, spares and loose tools | Property, plant and equipment | 31,208 | 33,997 |

12.2 Figures have been rounded off to the nearest thousand.

**13 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on October 29, 2013 by the Board of Directors of the Company.

**14** The Board of Directors has recommended final cash dividend of Rs. 7.50 per share for the year ended June 30, 2013. These condensed interim financial statements do not reflect the payment of cash dividend which has been approved by the shareholders in the annual general meeting held on October 29, 2013.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2013

| | Note | September 30, 2013 (Un-audited) | June 30, 2013 (Audited) |
|---|---|---|---|
| | | (Rupees in thousands) | |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 4 | **1,205,271** | 1,238,618 |
| Intangible assets | | **808** | 956 |
| Investment property | | **7,558,144** | 7,591,744 |
| Long-term investments | 5 | **1,773,174** | 1,757,093 |
| Long-term loans and deposits | | **9,261** | 9,261 |
| Long-term prepayments | | **71,786** | 74,049 |
| | | **10,618,444** | 10,671,721 |
| **CURRENT ASSETS** | | | |
| Stores, spares and loose tools | | **93,430** | 78,636 |
| Stock-in-trade | 6 | **3,096,965** | 2,723,622 |
| Trade debts | | **1,264,110** | 1,089,780 |
| Loans, advances, deposits, prepayments and other receivables | | **205,877** | 171,885 |
| Short-term investments | 7 | **2,684,241** | 2,712,928 |
| Accrued profit on bank deposits | | **2,616** | 4,436 |
| Income Tax - net | 8 | **85,636** | 75,184 |
| Sales tax refundable | | **44,051** | 9,282 |
| Cash and bank balances | | **620,468** | 813,455 |
| | | **8,097,394** | 7,679,208 |
| **TOTAL ASSETS** | | **18,715,838** | 18,350,929 |
| **EQUITY AND LIABILITIES** | | | |
| **SHARE CAPITAL AND RESERVES** | | | |
| Authorised capital | | | |
| 100,000,000 (June 30, 2012: 100,000,000) ordinary shares of Rs.5/- each | | **500,000** | 500,000 |
| Issued, subscribed and paid-up capital | | **405,150** | 405,150 |
| Share deposit money | | **12** | 12 |
| Reserves | | **10,588,262** | 10,262,060 |
| Equity attributable to equity holders' of the parent | | **10,993,424** | 10,667,222 |
| Non-controlling interest | | **5,561,743** | 5,501,071 |
| Total equity | | **16,555,167** | 16,168,293 |
| **NON-CURRENT LIABILITIES** | | | |
| Long term security deposit | | **307,904** | **307,962** |
| Deferred tax liability | | **3,549** | **8,191** |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | | **1,812,386** | 1,834,300 |
| Short-term borrowings | | **9,506** | 7,368 |
| Deferred income | | **27,309** | 24,808 |
| Accrued markup | | **17** | 7 |
| | | **1,849,218** | 1,866,483 |
| **CONTINGENCIES AND COMMITMENTS** | 9 | - | - |
| **TOTAL EQUITIES AND LIABILITIES** | | **18,715,838** | 18,350,929 |

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

(Un-audited)

| | Note | September 30, 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in thousands) | |
| Turnover - net | | **3,318,914** | 3,666,347 |
| Cost of sales | | **2,858,306** | 3,118,150 |
| **Gross Profit** | | **460,608** | 548,197 |
| Distribution costs | | **(43,391)** | (48,280) |
| Administrative expenses | | **(263,691)** | (302,919) |
| | | **(307,082)** | (351,199) |
| Other operating income | | **421,109** | 421,740 |
| **Operating Profit** | | **574,635** | 618,738 |
| Finance costs | | **(1,415)** | (19,763) |
| Other charges | | **(28,114)** | (38,370) |
| | | **(29,529)** | (58,133) |
| | | **545,106** | 560,605 |
| Share of net profit of associates - after tax | | **8,289** | 31,947 |
| **Profit before taxation** | | **553,395** | 592,552 |
| Taxation | | **(169,484)** | (155,233) |
| **Profit after taxation** | | **383,911** | 437,319 |
| **Attributable to:** | | | |
| - Equity holders of the Holding Company | | **323,240** | 374,921 |
| - Non-controlling interest | | **60,671** | 62,398 |
| | | **383,911** | 437,319 |
| | | **Rupees** | |
| | | | (Restated) |
| Basic and diluted earning per share attributable to the equity holders of the Holding Company | **10** | **3.99** | 4.63 |

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMEBR 30, 2013

(Un-audited)

| | September 30, 2013 | 2012 |
|---|---|---|
| | (Rupees in thousands) | |
| **Profit for the period** | **383,911** | 437,319 |
| **Other comprehensive income** | | |
| Fair value gain on available-for-sale investments | **1,514** | 8,078 |
| Unrealised gain on hedging instruments | **1,448** | 3,745 |
| **Other comprehensive income for the period** | **2,962** | 11,823 |
| **Total comprehensive income for the period** | **386,873** | 449,142 |
| **Attributable to:** | | |
| **- Equity holders of the Holding Company** | **326,202** | 386,744 |
| **- Non-controlling interest** | **60,671** | 62,398 |
| | **386,873** | 449,142 |

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

(Un-audited)

| | September 30, 2013 | 2012 |
|---|---|---|
| | (Rupees in thousands) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit before taxation | **553,395** | 592,552 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation and Amortization | **103,894** | 104,005 |
| Amortization of long term prepayments | **-** | 9,091 |
| Share in profit of associates - after taxation | **(8,289)** | (31,947) |
| Financel costs | **1,400** | 8,056 |
| Profit earned | **(45,194)** | (46,918) |
| Liabilities no longer payable written back | **-** | (281) |
| Gain on revaluation of investments at fair value through profit and loss | **(23,935)** | (7,430) |
| Reversal for impairment of debts | **(14,558)** | (1,652) |
| Provision for retirement benefits | **1,181** | 1,186 |
| Gain on sale of property, plant and equipment | **(423)** | (528) |
| | **14,076** | 33,582 |
| | **567,471** | 626,134 |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | **(14,794)** | (11,738) |
| Stock-in-trade | **(373,343)** | (165,407) |
| Trade debts | **(159,772)** | 34,416 |
| Loans, advances, deposits,prepayments and other receivables | **(66,541)** | 114,145 |
| Deferred income | **(7,242)** | (2,465) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | **(13,100)** | 225,274 |
| Sales tax payable | **(839)** | (3,878) |
| | **(635,631)** | 190,347 |
| Cash (used in) / generated from operations | **(68,160)** | 816,481 |
| Finance costs paid | **(1,390)** | (12,128) |
| Dividends paid | **(465)** | (96) |
| Retirement benefits paid | **(4,742)** | - |
| Income tax paid | **(184,825)** | (106,954) |
| Net cash (used in) / generated from operating activities | **(259,582)** | 697,303 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Fixed capital expenditure | **(38,753)** | (44,705) |
| Long term loans and deposits | **945** | 981 |
| Profit received | **47,698** | 50,116 |
| Proceeds from disposal of property, plant and equipment | **2,378** | 1,678 |
| Purchase of investments | **(5,438)** | (184,836) |
| Net cash generated from / (used in) investing activities | **6,830** | (176,766) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Long term finance repiad | **-** | (707,256) |
| Repayment of liabilities against assets subject to finance lease | **-** | (259) |
| Long term deposit | **(58)** | - |
| Net cash (used in) financing activities | **(58)** | (707,515) |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | **(252,810)** | (186,978) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD** | **2,444,087** | 1,786,538 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | **2,191,277** | 1,599,560 |
| Cash and bank balances | **620,468** | 676,535 |
| Short-term investments | **1,580,315** | 960,000 |
| Running Finance | **(9,506)** | (36,975) |
| | **2,191,277** | 1,599,560 |

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

**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, 2013

| | Issued, subscribed & paid-up capital | Share deposit money | RESERVES | | | | | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | | | Capital reserve | General reserve | Unappropriated profit | Unrealised gain/(loss) on hedging instruments | Gain /(Loss) on changes in fair value of available for sale investments | | |
| **Balance as at June 30, 2012 (Audited)** | **368,318** | **12** | **67,929** | **5,989,874** | **3,211,379** | **(3,353)** | **53,263** | **5,346,797** | **15,034,219** |
| Profit for the period | - | - | - | - | 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 (Un-audited)** | **368,318** | **12** | **67,929** | **7,134,874** | **2,441,300** | **392** | **61,341** | **5,409,195** | **15,483,361** |
| **Balance as at June 30, 2013 (Audited)** | **405,150** | **12** | **67,929** | **7,134,874** | **2,988,785** | **(1,448)** | **71,920** | **5,501,071** | **16,168,293** |
| Profit for the period | - | - | - | - | 323,240 | - | - | 60,671 | **383,911** |
| Other comprehensive income | - | - | - | - | - | 1,448 | 1,514 | - | **2,962** |
| Total comprehensive income | - | - | - | - | 323,240 | 1,448 | 1,514 | 60,671 | **386,873** |
| Transfer to revenue reserve | - | - | - | 814,000 | (814,000) | - | - | - | - |
| **Balance as at September 30, 2013 (Un-audited)** | **405,150** | **12** | **67,929** | **7,948,874** | **2,498,025** | **-** | **73,434** | **5,561,742** | **16,555,166** |

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.

**ASIF RIZVI**
Chief Executive

**SOHAIL P. AHMED**
Vice Chairman

# Thal Limited

## SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2013

(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, 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 (Pvt) Limited, Habib Metro Pakistan (Pvt) Ltd and Thal Boshoku Pakistan (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 (Pvt) Limited owns a land at Multan road, Lahore.

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

Thal Boshoku Pakistan (Private) Limited has not yet commenced its operations.

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

### 2 BASIS OF PREPERATION

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 disclosures 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, 2013.

### 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, 2013.

### 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, 2013** | September 30, 2012 | **September 30, 2013** | September 30, 2012 |
| | **(Rupees in thousands)** | | | |
| **Owned Assets** | | | | |
| Land - Freehold | **-** | 499 | **-** | - |
| Factory Building | **-** | 5,335 | **-** | - |
| Plant and machinery | **2,061** | 1,883 | **-** | 8 |
| Furniture and fittings | **17** | 853 | **-** | - |
| Vehicles | **2,106** | 5,538 | **1,942** | 1,142 |
| Office and mills equipment | **184** | 1,355 | **10** | - |
| Computer equipment | **631** | 3,080 | **3** | - |
| | **4,999** | 18,543 | **1,955** | 1,150 |
| **Capital work-in-progress** | | | | |
| Civil works | **-** | 691 | **-** | - |
| Office and mills equipment | **106** | - | **-** | |
| | **106** | 691 | **-** | - |
| | **5,105** | 19,234 | **1,955** | 1,150 |

4.1 During the period, capital work in progress amounting to Rs. 0.724 million (September 30, 2012 : Rs. 11.881 million) was transferred to owned assets.

| 5 LONG-TERM INVESTMENT | September 30, 2013 (Un-audited) | June 30, 2013 (Audited) |
|---|---|---|
| | (Rupees in thousands) | |
| **Associates - stated as per equity method** | | |
| *Listed* | | |
| Indus Motors Limited | **1,100,809** | 998,109 |
| Habib Insurance Company Limited | **40,633** | 35,984 |
| Agriauto Industries Limited | **195,912** | 189,433 |
| Shabbir Tiles and Ceramics Limited | **22,263** | 22,107 |
| *Unlisted* | | |
| METRO Habib Cash & Carry Pakistan (Private) Limited | **328,788** | 434,704 |
| | **1,688,405** | 1,680,337 |
| **Other investments - at fair value** | | |
| **Available for-sale** | | |
| *Listed* | | |
| Habib Sugar Mills Limited | **56,493** | 44,096 |
| GlaxoSmithKiline (Pakistan) Limited | **164** | 185 |
| Dynea Pakistan Limited | **28,112** | 32,475 |
| | **84,769** | 76,756 |
| | **1,773,174** | 1,757,093 |

| 6 STOCK-IN-TRADE | | | |
|---|---|---|---|
| Raw material | | | |
| In hand | | **1,875,407** | 1,653,805 |
| In transit | | **367,657** | 439,914 |
| | | **2,243,064** | 2,093,719 |
| Work-in-process | | **181,661** | 176,847 |
| Finished goods | | **673,507** | 457,049 |
| Provision for obsolescence and shirinkage | | **(1,267)** | (3,993) |
| | | **672,240** | 453,056 |
| | 6.1 | **3,096,965** | 2,723,622 |

6.1 This includes items amounting to Rs. 209.861 million (June 30, 2013 : Rs. 533.490) carried at net realizable value. [Cost Rs. 218.194 million (June 30, 2013 : Rs. 553.972 million)]

**7 SHORT TERM INVESTMENTS**

This includes investment Term Deposit Receipts amounting to Rs. 1,580.054 million (June 30, 2013 : Rs. 1,678.325 million) and money market mutual funds amounting to Rs. 1,104.187 million (June 30, 2013: Rs. 1,034.603 million).

**8 INCOME TAX - Net**

| | | | |
|---|---|---|---|
| Group tax relief adjustments | **8.1** | **588,636** | 586,064 |
| Income Tax provision less tax payments - net | | **(503,000)** | (510,880) |
| | | **85,636** | 75,184 |

8.1 This note may be read in conjunction with note 19.1 and 19.2 of the audited consolidated financial statements for the year ended June 30, 2013.

## 9 CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended June 30, 2013 other than the following:

9.1.1 Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 52.819 million (June 30, 2013 : Rs. 73.428 million)

9.1.2 Post dated cheques issued to collector of Customs amounts to Rs. 174.037 million (June 30, 2013 : Rs. 196.942 million)

### 9.2 Commitments

9.2.1 Letter of credits outstanding for raw material and spares amounts to Rs. 1,058.916 million (June 30, 2013 : Rs. 882.288 million).

9.2.2 Commitments in respect of capital expenditure amounts to Rs. 72.330 million (June 30, 2013: Rs. 61.809 million).

9.2.3 Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 3,192.754 million (June 30, 2013 : Rs. 3,192.754 million)

9.2.4 Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 21.100 million (June 30, 2013 : Rs. 23.371 million).

## 10 BASIC AND DILUTED EARNINGS PER SHARE

| | Period ended | |
|---|---|---|
| | **September 30, 2013** | September 30, 2012 |
| | **(Un-audited)** | |
| | **(Rupees in thousands)** | |
| Profit for the period after taxation attributable to the shareholders of the holding company | **323,240** | 374,921 |
| | **Number of shares in thousands** | |
| | | (Restated) |
| Number of ordinary shares of Rs. 5/- each in issue | **81,030** | 81,030 |
| | **Rupees** | |
| | | (Restated) |
| Basic and diluted earnings per share | **3.99** | 4.63 |

The number of ordinary shares and earning per share for the period ended September 30, 2012 has been adjusted for the effect of bonus shares issued during the period.

## 11 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, 2013** | September 30, 2012 |
| | **(Un-audited)** | |
| | **(Rupees in thousands)** | |
| **Transactions** | | |
| Sales | **1,098,809** | 1,282,691 |
| Professional Services rendered | **39,819** | 33,742 |
| Rental Income | **290,404** | 289,507 |
| Insurance premium | **11,786** | 8,628 |
| Sale/purchase of assets | **-** | 7,731 |
| Purchase of goods | **28,656** | 66,455 |
| Insurance claim received | **817** | 960 |
| Mark-up and bank charges paid | **830** | 3,046 |
| Profit received | **42,683** | 55,090 |
| Licence fee, signage and others | **-** | 1,104 |
| Contribution to provident fund | **10,929** | 9,020 |
| Contribution to retirement benefit fund | **1,880** | 1,185 |
| Rent paid | **-** | 174 |
| Key management personnel compensation | **37,895** | 35,145 |

| | **September 30, 2013** | June 30, 2013 |
|---|---|---|
| | **(Un-audited)** | (Audited) |
| | **(Rupees in thousands)** | |
| **Balances** | | |
| Trade debts | **238,326** | **173,552** |
| Other receivables | **1,013** | **272** |
| Bank balances | **421,067** | **670,545** |
| Trade and other payables | **19,048** | **39,799** |
| Short term borrowings | **8,811** | **6,948** |

## 12 SEGMENT ANALYSIS

| | Engineering | | Building material and allied products | | Real estate management & others | | Elimination | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **September 30, 2013** | September 30, 2012 | **September 30, 2013** | September 30, 2012 | **September 30, 2013** | September 30, 2012 | **September 30, 2013** | September 30, 2012 | **September 30, 2013** | September 30, 2012 |
| | ---------- Rupees in thousand ---------- | | | | | | | | | |
| **SALES REVENUE** | **1,528,116** | 1,690,542 | **1,101,752** | 1,212,884 | **720,932** | 790,370 | **(31,886)** | (27,449) | **3,318,914** | 3,666,347 |
| **SEGMENT RESULT** | **290,701** | 362,310 | **72,066** | 78,935 | **224,687** | 200,782 | **-** | **-** | **587,454** | 642,027 |
| **Unallocated corporate (expenses) / income:** | | | | | | | | | | |
| Administrative & distribution costs | | | | | | | | | **(107,695)** | (93,414) |
| Other income | | | | | | | | | **94,876** | 70,125 |
| **Operating profit** | | | | | | | | | **574,635** | 618,738 |
| Finance cost | | | | | | | | | **(1,415)** | (19,763) |
| Other charges | | | | | | | | | **(28,114)** | (38,370) |
| Share in profit of associates | | | | | | | | | **8,289** | 31,947 |
| Taxation | | | | | | | | | **(169,484)** | (155,233) |
| | | | | | | | | | **383,911** | 437,319 |

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 third segment includes real estate management, trading and share registrar & management services.

## 13 GENERAL

13.1 Following reclassifiction has been made during the period pursuant to the amendments in the Fourth Schedule to the Companies Ordinance, 1984 notified by the Securities and Exchange Commission of Pakistan, which specifically classifies major spare parts and standby equipment into property, plant and equipment.

| **Reclassfication from** | **Reclassfication to** | **September 30, 2013** | June 30, 2013 |
|---|---|---|---|
| | | **(Rupees in thousands)** | |
| Stores, spares and loose tools | Property, plant and equipment | **31,208** | 33,997 |

13.2 Figures have been rounded off to the nearest thousand.

**14 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim consolidated financial statements were authorised for issue on October 29, 2013 by the Board of Directors of the Company.

**15** The Board of Directors has recommended final cash dividend of Rs. 7.50 per share for the year ended June 30, 2013. These condensed interim consolidated financial statements do not reflect the payment of cash dividend which has been approved by the shareholders in the annual general meeting held on October 29, 2013.

**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 |
| Ali S. Habib | - Non Executive Director |
| Mohamedali R. Habib | - Non Executive Director |
| Mazhar Valjee | - Independent Director |
| Asif Qadir | - Independent Director |

**Chief Financial Officer:**
Shahid Saleem

**Company Secretary:**
Ali Asghar Moten

**External Auditors:**
Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

**Legal Advisers:**
A. K. Brohi & Co., Karachi
K. A. Wahab & Co., Karachi
Fazal-e-Ghani Advocates, Karachi

**Tax Advisers:**
Ernst & Young Ford Rhodes Sidat Hyder

**Bankers:**
Albaraka 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, 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, Sharae Faisal,
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