

Thal Limited

Condensed Interim Financial Information
For the First Quarter Ended September 30, 2014
(Un-audited)



Thal Limited

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Thal Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The Directors of your Company are pleased to place before you the performance for Q1 ended September 30, 2014 along with the unaudited condensed interim financial information.

Company Operations:

The sales revenue for Q1 of the financial year 2014-15 was Rs 3.14 B as compared to Rs 2.63 B in the corresponding quarter last year, showing a growth of Rs 0.51 B i.e. 19%. The profit after tax for Q1- 2015 grew to Rs 312 million compared to Rs 204 million in the corresponding quarter last year. The basic and diluted earnings per share was Rs 3.85 compared to Rs 2.51 for last year.

Engineering Segment

The turnover of the Engineering Segment for Q1 2015 was Rs 1.85 B as against Rs 1.53 B in the corresponding quarter last year.

The sales growth is attributed to the launch of a new model by one of our main customer. This new model has been well received in the market. Additionally, appreciation of the Pakistani rupee against the US dollar / JPY has had a favorable impact on car sales and auto parts manufacturers both of which factors have helped the Company.

During the quarter under review the Company started production of automobile starters and alternators for OEM customers under a Technical Assistance Agreement with Denso Corporation, Japan. With this start-up the Company has now been able to successfully achieve the localisation of two high-tech components.

The Business has continued to achieve positive growth in the aftermarket sales. This has been achieved through enhanced focus on customer service, product enrichment & penetration strategies. Additional customers in the bus and truck segment have been added to the portfolio.

The unpredictable political situation, continued poor law & order condition and energy disruption, are all adversely affecting operations and are posing challenges to operate smoothly and economically.

Building Material & Allied Products Segment

The sale revenue of the Building Material & Allied Products Segment for Q1 - 2015 amounted to Rs 1.29 B up from Rs 1.10 B in the corresponding quarter last year.

Jute Operations:

During the quarter under review, even though the local and international markets remained depressed due to deteriorating political conditions the top line showed a healthy growth. The

increase in input costs mainly in wages and power also impacted the profitability of the business adversely.

This quarter is again a challenging one for the jute sector however; favorable local market sentiments are expected in coming months which would result in improvement and stability of the business.

Papersack Operations:

After a slow start due to heavy rains and resultant floods, the cement sector, which remains the main driver for sack demand, is expected to get back on track and has reported overall growth of 4.7% YoY.

The business has been aggressively exploring export markets and has received positive leads, which are expected to materialize in the latter part of the year. Additionally, new customers in the local market have also been tapped to further diversify our customer base and enhance our reach.

The demand for papersacks is expected to remain stable in the coming periods, while costs are being closely monitored & controlled to ensure price competitiveness and stability of the business.

Laminates Operations:

Being a market supplier, the business is susceptible to customer sentiments and external environmental elements. As a consequence of the recent flooding, socio-political uncertainty and deteriorating law and order condition, the business has seen slowdown in demand. Additionally the impact of the business being documented in an otherwise undocumented sector bears heavily on its performance.

The FORMITE brand continues to enjoy premium status in the market and quality conscious customers patronize our product line due to its diversified range and quality.

FORMITE has also established itself in several export regions, and is working to further solidify its presence in the global marketplace. The development work for Dubai EXPO 2020 is expected to benefit the business and the FORMITE brand.

The environment in which the business operates is difficult to predict, however, is geared to face the external market challenges and is fine-tuning itself on a continuous basis to ensure long-term sustainability.

Makro-Habib Pakistan Limited:

Makro-Habib 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 store is subject to a legal case pending adjudication in the Supreme Court of Pakistan.

Habib METRO Pakistan (Private) Limited:

Habib METRO owns and manages properties. The Company's holding is 60%. We are pleased to report that it has declared the 1st interim dividend for the quarter ended September 30, 2014 and our Company's share of Rs 65.91 million will be incorporated in the next quarter's financials.

Thal Boshoku Pakistan (Private) Limited:

The Company has started commercial operations in July'14. This new business has successfully fulfilled all the requirements of the customer.

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 Joint Venture 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 24, 2014

Thal Limited

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2014

	Note	UN-AUDITED Sep 30, 2014	AUDITED Jun 30, 2014
(Rupees in thousands)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	604,944	608,630
Investment property		1,023	1,025
Long-term investments	5	3,664,165	3,653,907
Long-term loans and deposits		13,303	13,316
Long-term prepayments		2,835	3,780
Deferred tax asset		50,163	45,555
		4,336,433	4,326,213
CURRENT ASSETS			
Stores, spares and loose tools		90,727	84,270
Stock-in-trade	6	3,480,981	3,091,257
Trade debts		1,421,368	873,476
Loans, advances, deposits, prepayments and other receivables		133,864	77,611
Short-term investments	7	910,985	1,751,523
Accrued profit on bank deposits		2,488	2,845
Income Tax - net	8	228,687	293,468
Sales tax refundable		84,500	24,419
Cash and bank balances		622,776	384,675
		6,976,376	6,583,544
TOTAL ASSETS		11,312,809	10,909,757
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
100,000,000 (June 30, 2014: 100,000,000) ordinary shares of Rs.5 each		500,000	500,000
Issued, subscribed and paid-up capital		405,150	405,150
Reserves		9,133,488	9,013,589
		9,538,638	9,418,739
NON-CURRENT LIABILITIES			
Long term deposits		1,714	1,714
CURRENT LIABILITIES			
Trade and other payables		1,772,398	1,483,932
Short-term borrowings		-	5,338
Accrued mark-up		59	34
		1,772,457	1,489,304
CONTINGENCIES AND COMMITMENTS	9	-	-
TOTAL EQUITIES AND LIABILITIES		11,312,809	10,909,757

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2014 (Un-audited)

	Note	Sep 30, 2014	Sep 30, 2013
		(Rupees in thousands)	
Revenue - net		3,139,704	2,629,868
Cost of sales		2,730,695	2,241,892
Gross Profit		409,009	387,976
Distribution costs		(45,187)	(39,677)
Administrative expenses		(101,448)	(93,227)
		(146,635)	(132,904)
Other income		176,377	65,186
Operating Profit		438,751	320,258
Finance costs		(1,139)	(1,371)
Other charges		(30,017)	(28,022)
		(31,156)	(29,393)
Profit before taxation		407,595	290,865
Taxation		(95,379)	(87,236)
Profit after taxation		312,216	203,629
		Rupees	
Basic and diluted earnings per share	11	3.85	2.51

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2014 (Un-audited)

	Sep 30, 2014	Sep 30, 2013
	<u>(Rupees in thousands)</u>	
Profit after taxation	312,216	203,629
Other comprehensive income		
<i>Item to be reclassified to profit and loss account in subsequent periods:</i>		
Gain on revaluation of available for sale investments	10,258	8,013
Total comprehensive income for the period	<u>322,474</u>	<u>211,642</u>

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2014 (Un-audited)

	Sep 30, 2014	Sep 30, 2013
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	407,595	290,865
Adjustments for non-cash charges and other items:		
Depreciation	26,687	26,471
Finance costs	1,139	1,371
Profit earned on call deposits and short term investments	(21,165)	(25,210)
Profit earned on musharika certificates & treasury bills	(3,245)	-
Gain on revaluation of investments at fair value through profit and loss	(11,784)	(18,546)
Dividend income	(110,741)	-
Reversal for impairment of debts	(3,440)	(14,558)
Provision for retirement benefits	1,148	1,181
Gain on disposal of property, plant and equipment	(2,187)	(96)
	<u>(123,588)</u>	<u>(29,387)</u>
	284,007	261,478
(Increase) / decrease in current assets		
Stores, spares and loose tools	(6,415)	(14,794)
Stock-in-trade	(389,724)	(413,078)
Trade debts	(544,452)	(144,396)
Loans, advances, deposits, prepayments and other receivables	(55,354)	(7,605)
Increase / (decrease) in current liabilities		
Trade and other payables	87,987	34,118
Sales tax payable	-	(839)
	<u>(907,958)</u>	<u>(546,594)</u>
Cash used in operations	(623,951)	(285,116)
Finance costs paid	(1,114)	(1,361)
Retirement benefits paid	(3,359)	(4,742)
Income tax paid	<u>(35,206)</u>	<u>(99,758)</u>
Net cash used in operating activities	(663,630)	(390,977)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(24,896)	(6,188)
Long term loans and deposits	958	945
Dividends received	49,761	-
Profit received	24,932	27,637
Proceeds from disposal of property, plant and equipment	4,084	232
Short term investments purchased	<u>(600,181)</u>	<u>3</u>
Net cash (used in) / generated from investing activities	(545,342)	22,629
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,927)	(465)
Net cash used in financing activities	<u>(1,927)</u>	<u>(465)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,210,899)	(368,813)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,129,337	1,520,124
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>918,438</u>	<u>1,151,311</u>
Cash and bank balances	622,776	460,817
Short-term investments	295,662	700,000
Running finance	-	(9,506)
	<u>918,438</u>	<u>1,151,311</u>

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2014

	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, 2013 (Audited)	405,150	55,704	7,092,999	1,422,396	65,548	9,041,797
Profit for the period	-	-	-	203,629	-	203,629
Other comprehensive income	-	-	-	-	8,013	8,013
Total comprehensive income	-	-	-	203,629	8,013	211,642
Transfer to general 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
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
Final dividend @ Rs. 2.50/= per share for the year ended June 30, 2014	-	-	-	(202,575)	-	(202,575)
Transfer to revenue reserve	-	-	754,000	(754,000)	-	-
Balance as at September 30, 2014 (Un-audited)	405,150	55,704	8,660,999	312,541	104,244	9,538,638

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



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 QUARTER ENDED SEPTEMBER 30, 2014 (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, 2014.

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, 2014 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, 2014 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

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

	Additions (at cost)		Deletions (on book value)	
	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
(Rupees in thousands)				
Owned Assets				
Plant and machinery	1,910	2,061	-	-
Furniture and fittings	65	17	-	-
Vehicles	7,546	2,106	1,893	136
Office and mills equipment	-	108	4	-
Computer equipment	1,078	208	-	-
	10,599	4,500	1,897	136
Capital work-in-progress				
Plant and machinery	14,403	-	-	-
Vehicles	500	-	-	-
Office and mills equipment	-	106	-	-
	14,903	106	-	-
	25,502	4,606	1,897	136

Thal Limited

5 LONG-TERM INVESTMENTS

UN-AUDITED Sep 30, 2014	AUDITED Jun 30, 2014
(Rupees in thousands)	

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
Makro Habib Pakistan Limited	223,885	223,885
Thal Boshoku Pakistan (Private) Limited	104,500	104,500
	3,190,089	3,190,089

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	15,585	15,585
	74,519	74,519

Un-Quoted

METRO Habib Cash & Carry Pakistan (Private) Limited	284,105	284,105
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Other investments - at fair value

Available for-sale - Quoted

Habib Sugar Mills Limited	77,738	68,142
GlaxoSmithKline (Pakistan) Limited	337	279
Dynea Pakistan Limited	37,377	36,773
	115,452	105,194
	3,664,165	3,653,907

6 STOCK-IN-TRADE

Raw material		
In hand	2,245,867	2,146,446
In transit	505,983	314,131
Work-in-process	202,118	171,239
Finished goods	527,013	459,441
6.1	3,480,981	3,091,257

6.1 This includes items amounting to Rs. 845.844 million (June 30, 2014 : Rs. 793.164) carried at net realizable value. [Cost Rs. 945.155 million (June 30, 2014 : Rs. 841.973 million)]

7 SHORT TERM INVESTMENTS

This includes investment in Term Deposit Receipts amounting to Rs. 101.009 million (June 30, 2014: Rs. 1,701.358 million), Government Treasury Bills amounting to Rs.198.011 million (June 30, 2014: NIL) and mutual funds amounting to Rs. 611.965 million (June 30, 2014: NIL).

Thal Limited

8 INCOME TAX - NET

		UN-AUDITED Sep 30, 2014	AUDITED Jun 30, 2014
		(Rupees in thousands)	
Group tax relief adjustments	8.1	593,466	593,466
Income tax provisions less tax payments - net		(364,779)	(299,998)
		<u>228,687</u>	<u>293,468</u>

- 8.1 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, 2014.

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, 2014 except the following:

- 9.1.1 Letter of guarantees issued by banks on behalf of the company amounts to Rs. 25.131 million (June 30, 2014: Rs. 24.075 million)

- 9.1.2 Post dated cheques issued to Collector of Customs amounts to Rs. 228.451 million (June 30, 2014 : Rs. 218.276 million)

9.2 Commitments

- 9.2.1 Letter of credits outstanding for raw material and spares amounts to Rs. 1,209.883 million (June 30, 2014 : Rs. 996.761 million).

- 9.2.2 Commitments in respect of capital expenditure amounts to Rs. 1.045 million (June 30, 2014 : Rs. 12.294 million)

- 9.2.3 Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 8.473 million (June 30, 2014: 11.305 million)

10 OTHER INCOME

This includes dividend income amounting to Rs. 110.741 million (September 30, 2013: NIL) and profit on call deposits & short term investments amounting to Rs. 21.165 million (September 30, 2013: Rs. 25.210 million).

11 BASIC AND DILUTED EARNINGS PER SHARE

	UN-AUDITED Sep 30, 2014	Sep 30, 2013
	(Rupees in thousands)	
Profit after taxation	<u>312,216</u>	<u>203,629</u>
	Number of shares in thousands	
Weighted average number of outstanding shares	<u>81,030</u>	<u>81,030</u>
	Rupees	
Basic and diluted earnings per share	<u>3.85</u>	<u>2.51</u>

Thal Limited

12 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:

	UN-AUDITED	
	Sep 30, 2014	Sep 30, 2013
	(Rupees in thousands)	
Transactions		
Sales	1,496,947	1,073,280
Professional Services acquired	19,838	20,188
Insurance premium	4,724	10,924
Purchase of goods	31,403	20,778
Insurance claim received	51	817
Mark-up and bank charges paid	624	825
Profit received	21,004	25,592
Supplies purchased	6,684	4,961
Contribution to provident fund	9,456	10,055
Contribution to retirement benefit fund	1,902	1,880
Rent paid	400	396
Rent received	1,256	-
Key management personnel compensation	27,921	27,035
	UN-AUDITED Sep 30, 2014	AUDITED Jun 30, 2014
	(Rupees in thousands)	
Balances		
Trade debts	407,398	44,234
Other receivables	61,496	850
Bank balances	574,062	352,496
Trade and other payables	9,528	6,029
Short term borrowings	-	4,972

13 GENERAL

Figures have been rounded off to the nearest thousand.

14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 24, 2014 by the Board of Directors of the Company.



ASIF RIZVI
Chief Executive



SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2014

	Note	UN-AUDITED Sep 30, 2014	AUDITED Jun 30, 2014
(Rupees in thousands)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,333,303	1,359,936
Intangible assets		489	379
Investment property		7,368,994	7,432,450
Long-term investments	5	1,619,031	1,565,041
Long-term loans and deposits		11,982	11,996
Long-term prepayments		62,738	65,002
Deferred tax asset		23,180	26,754
		10,419,717	10,461,558
CURRENT ASSETS			
Stores, spares and loose tools		97,970	85,756
Stock-in-trade	6	3,769,734	3,386,559
Trade debts		1,598,581	942,975
Loans, advances, deposits, prepayments and other receivables		211,034	140,460
Short-term investments	7	2,393,080	3,121,623
Accrued profit on bank deposits		2,579	2,961
Income Tax - net	8	209,396	296,027
Sales tax refundable		140,078	83,505
Cash and bank balances		802,850	520,971
		9,225,302	8,580,837
TOTAL ASSETS		19,645,019	19,042,395
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
100,000,000 (June 30, 2014: 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		10,730,393	10,542,041
Equity attributable to equity holders' of the parent		11,135,555	10,947,203
Non-controlling interest		5,705,710	5,664,797
Total equity		16,841,265	16,612,000
NON-CURRENT LIABILITIES			
Long term security deposit		307,939	308,119
CURRENT LIABILITIES			
Trade and other payables		2,330,526	2,034,191
Short-term borrowings		126,954	74,059
Deferred income		38,276	13,995
Accrued markup		59	31
		2,495,815	2,122,276
CONTINGENCIES AND COMMITMENTS	9	-	-
TOTAL EQUITIES AND LIABILITIES		19,645,019	19,042,395

The annexed notes from 1 to 15 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 QUARTER ENDED SEPTEMBER 30, 2014 (Un-audited)

	Note	Sep 30, 2014	Sep 30, 2013
		(Rupees in thousands)	
Revenue - net		3,898,805	3,318,914
Cost of sales		3,393,901	2,858,306
Gross Profit		504,904	460,608
Distribution costs		(52,348)	(43,391)
Administrative expenses		(281,607)	(263,691)
		(333,955)	(307,082)
Other income		458,448	421,109
Operating Profit		629,397	574,635
Finance costs		(4,441)	(1,415)
Other charges		(35,921)	(28,114)
		(40,362)	(29,529)
		589,035	545,106
Share of net profit of associates - after tax		55,709	8,289
Profit before taxation		644,744	553,395
Taxation		(188,844)	(169,484)
Profit after taxation		455,900	383,911
Attributable to:			
- Equity holders of the Holding Company		382,068	323,240
- Non-controlling interest		73,832	60,671
		455,900	383,911
		Rupees	
Basic and diluted earning per share attributable to the equity holders of the Holding Company	11	4.72	3.99

The annexed notes from 1 to 15 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 QUARTER ENDED SEPTEMBER 30, 2014 (Un-audited)

Note	Sep 30, 2014	Sep 30, 2013
	(Rupees in thousands)	
Profit for the period	455,900	383,911
Other comprehensive income		
<i>Items to be reclassified to profit and loss account in subsequent periods:</i>		
Gain on revaluation of available for sale investments	8,926	1,514
Share of unrealised gain on revaluation of foreign exchange contracts of an associate	-	1,448
Other comprehensive income for the period	8,926	2,962
<i>Items not to be reclassified to profit and loss account in subsequent periods:</i>		
Share of actuarial loss on remeasurement of defined benefit plans of associates	(67)	-
Total comprehensive income for the period - net of tax	464,759	386,873
Attributable to:		
- Equity holders of the Holding Company	390,927	326,202
- Non-controlling interest	73,832	60,671
	464,759	386,873

The annexed notes from 1 to 15 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 QUARTER ENDED SEPTEMBER 30, 2014 (Un-audited)

	Sep 30, 2014	Sep 30, 2013
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	644,744	553,395
Adjustments for non-cash charges and other items:		
Depreciation and Amortization	109,814	103,894
Share in profit of associates - after taxation	(55,709)	(8,289)
Finance costs	4,285	1,400
Profit earned on call deposits and short term investments	(56,769)	(45,194)
Profit earned on musharika certificates & treasury bills	(3,245)	-
Gain on revaluation of investments at fair value through profit and loss	(11,784)	(23,935)
Dividend income	(1,021)	-
Reversal for impairment of debts	(3,440)	(14,558)
Provision for retirement benefits	1,148	1,181
Gain on sale of property, plant and equipment	(2,249)	(423)
	<u>(18,970)</u>	<u>14,076</u>
	625,774	567,471
(Increase) / decrease in current assets		
Stores, spares and loose tools	(12,172)	(14,794)
Stock-in-trade	(383,175)	(373,343)
Trade debts	(652,166)	(159,772)
Loans, advances, deposits, prepayments and other receivables	(71,511)	(66,541)
Deferred income	737	(7,242)
Increase / (decrease) in current liabilities		
Trade and other payables	30,984	(13,100)
Sales tax payable	6,053	(839)
	<u>(1,081,250)</u>	<u>(635,631)</u>
	(455,476)	(68,160)
Cash used in operations		
Finance costs paid	(4,260)	(1,390)
Retirement benefits paid	(6,537)	(4,742)
Income tax paid	(95,799)	(184,825)
Net cash used in operating activities	<u>(562,072)</u>	<u>(259,117)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(15,197)	(38,753)
Long term loans and deposits	958	945
Profit received	36,587	47,698
Proceeds from disposal of property, plant and equipment	4,676	2,378
Purchase of investments	(781,176)	(5,438)
Net cash (used in) / generated from investing activities	<u>(754,152)</u>	<u>6,830</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,927)	(465)
Long term deposit	(180)	(58)
Net cash used in financing activities	<u>(2,107)</u>	<u>(523)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,318,331)</u>	<u>(252,810)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,485,415</u>	<u>2,444,087</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>2,167,084</u>	<u>2,191,277</u>
Cash and bank balances	802,850	620,468
Short-term investments	1,491,188	1,580,315
Running Finance	(126,954)	(9,506)
	<u>2,167,084</u>	<u>2,191,277</u>

The annexed notes from 1 to 15 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 QUARTER ENDED SEPTEMBER 30, 2014

	Issued, subscribed & paid-up capital	Share deposit money	RESERVES				Gain /(Loss) on changes in fair value of available for sale investments	Non- controlling interest	Total equity
			Capital reserve	General reserve	Unappropriated profit	Unrealised gain/(loss) on hedging instruments			
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	16,188,293
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
Balance as at June 30, 2014 (Audited)	405,150	12	67,929	7,948,874	2,429,917	-	95,321	5,684,797	16,612,000
Profit for the period	-	-	-	-	382,068	-	-	73,832	455,900
Other comprehensive income	-	-	-	-	-	-	8,859	-	8,859
Total comprehensive income	-	-	-	-	382,068	-	8,859	73,832	464,759
Transfer to revenue reserve	-	-	-	754,000	(754,000)	-	-	-	-
Final dividend @ Rs. 2.50/- per share for the year ended June 30, 2014	-	-	-	-	(202,575)	-	-	-	(202,575)
Subsidiary Company									
Final dividend @ Rs. 0.242 per share for the year ended June 30, 2014	-	-	-	-	-	-	-	(32,919)	(32,919)
Balance as at September 30, 2014 (Un-audited)	405,150	12	67,929	8,702,874	1,855,410	-	104,180	5,705,710	16,841,265



ASIF RIZVI
Chief Executive



SOHAIL P. AHMED
Vice Chairman

**SELECTED EXPLANATORY NOTES TO AND FORMING PART OF
THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2014
(Un-audited)**

Thal Limited

5 LONG-TERM INVESTMENTS

UN-AUDITED Sep 30, 2014	AUDITED Jun 30, 2014
(Rupees in thousands)	

Associates - stated as per equity method

Quoted

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

1,239,027	1,142,528
47,100	41,431
196,470	199,090
20,982	20,552
-	56,246
1,503,579	1,459,847

Un-Quoted

METRO Habib Cash & Carry Pakistan (Private) Limited

Other investments - at fair value

Available for-sale - Quoted

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

77,738	68,142
337	279
37,377	36,773
115,452	105,194
1,619,031	1,565,041

6 STOCK-IN-TRADE

Raw material

In hand
In transit

2,277,351	2,182,610
515,555	330,713
2,792,906	2,513,323

Work-in-process

Finished goods
Provision for obsolescence and shrinkage

202,118	171,239
782,963	707,923
(8,253)	(5,926)
774,710	701,997

6.1 **3,769,734** **3,386,559**

- 6.1 This includes items amounting to Rs. 865.734 million (June 30, 2014 : Rs. 814.864) carried at net realizable value. [Cost Rs. 970.545 million (June 30, 2014 : Rs. 869.673 million)]

7 SHORT TERM INVESTMENTS

This includes investment Term Deposit Receipts amounting to Rs. 1,338.458 million (June 30, 2014 : Rs. 2,999.813 million), Government Treasury bills amounting to Rs. 198.011 million (June 30, 2014: NIL) and mutual funds amounting to Rs. 865.611 million (June 30, 2014: NIL).

8 INCOME TAX - Net

Group tax relief adjustments
Income Tax provision less tax payments - net

8.1	593,466	593,466
	(384,070)	(297,439)
	209,396	296,027

- 8.1 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, 2014.

Thal Limited

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, 2014 other than the following:

9.1.1 Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 30.915 million (June 30, 2014 : Rs. 29.859 million)

9.1.2 Post dated cheques issued to collector of Customs amounts to Rs. 228.451 million (June 30, 2014 : Rs. 218.276 million)

9.2 Commitments

9.2.1 Letter of credits outstanding for raw material and spares amounts to Rs. 1,241.610 million (June 30, 2014 : Rs. 1,028.488 million).

9.2.2 Commitments in respect of capital expenditure amounts to Rs. 7.283 million (June 30, 2014: Rs. 18.532 million).

9.2.3 Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 3,075.682 million (June 30, 2014 : Rs. 3,182.566 million)

9.2.4 Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 8.473 million (June 30, 2014 : Rs. 11.305 million).

10 OTHER INCOME

This includes rental income from investment property amounting to Rs. 312.413 million (September 30, 2013: Rs. 289.846 million) and profit on call deposits & short term investments amounting to Rs. 56.769 million (September 30, 2013: Rs. 45.194 million).

11 BASIC AND DILUTED EARNINGS PER SHARE

	UN-AUDITED	
	Sep 30, 2014	Sep 30, 2013
	(Rupees in thousands)	
Profit for the period after taxation attributable to the equity holders of the holding company	382,068	323,240
	Number of shares in thousands	
Weighted average number of outstanding shares	81,030	81,030
	Rupees	
Basic and diluted earnings per share	4.72	3.99

Thal Limited

12 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:

	UN-AUDITED	
	Sep 30, 2014	Sep 30, 2013
	(Rupees in thousands)	
Transactions		
Sales	1,524,797	1,098,809
Professional Services rendered	32,870	39,819
Rental Income	310,818	290,404
Insurance premium	5,728	11,786
Purchase of assets	4,605	-
Purchase of goods	44,091	28,656
Insurance claim received	51	817
Mark-up and bank charges paid	779	830
Profit received	50,087	42,683
Supplies purchased	292	-
Contribution to provident fund	10,467	10,929
Contribution to retirement benefit fund	1,902	1,880
Rent paid	717	554
Rent received	1,256	-
Key management personnel compensation	41,117	37,895

	UN-AUDITED Sep 30, 2014	AUDITED Jun 30, 2014
	(Rupees in thousands)	
Balances		
Trade debts	429,337	51,457
Other receivables	11,743	907
Bank balances	677,838	377,927
Trade and other payables	24,697	5,195
Short term borrowings	126,954	73,693

Thal Limited

13 SEGMENT ANALYSIS

	Sep 30, 2014	Sep 30, 2013	Engineering	Sep 30, 2014	Sep 30, 2013	Building material and allied products	Sep 30, 2014	Sep 30, 2013	Real estate management & others	Sep 30, 2014	Sep 30, 2013	Elimination	Sep 30, 2014	Sep 30, 2013	Total
-----Rupees in thousand-----															
SALES REVENUE	1,961,980	1,528,116		1,292,026	1,101,752		683,155	720,932		(38,356)	(31,886)		3,898,805	3,318,914	
SEGMENT RESULT	367,070	290,701		4,216	72,066		253,603	224,687		-	-		624,889	587,454	
Unallocated corporate (expenses) / income:															
Administrative & distribution costs													(104,997)	(107,695)	
Other income													109,505	94,876	
Operating profit													629,397	574,635	
Finance cost													(4,441)	(1,415)	
Other charges													(35,921)	(28,114)	
Share in profit of associates													55,709	8,289	
Taxation													(188,844)	(169,484)	
													455,900	383,911	

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.

Thal Limited

14 GENERAL

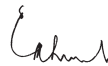
Figures have been rounded off to the nearest thousand.

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on October 24, 2014 by the Board of Directors of the Holding Company.



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	Non-Executive Director
Asif Qadir	Independent 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 Resource & 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:

Albaraka Islamic Bank
Bank Al-Habib Limited
Barclays Bank, PLC Pakistan
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan 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
Sharaf 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

