

Thal Limited

Condensed Interim Financial Statements
For the Half Year Ended December 31, 2017
(Un-audited)



THE HISTORY OF

THE UNITED STATES OF AMERICA
FROM 1776 TO 1876

BY
JAMES M. SMITH

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Thal Limited

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Thal Limited

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to share Directors' Review along with the unaudited interim condensed financial statements for the period ended December 31, 2017.

Financial Highlights

	Rupees in Millions	
	For the Half Year ended Dec. 31, 2017	For the Half Year ended Dec. 31, 2016
Sales Revenue	8,448	7,598
Profit Before Taxation	1,691	3,425
Profit After Taxation	1,273	2,582
Earnings Per Share	15.71	31.87

Performance Overview:

Sales revenue for the first half of the year ended on December 31, 2017, was Rs. 8.448 billion as compared to Rs. 7.598 billion in the corresponding period of last year, showing an increase of 11.2%. Profit after tax for the period was lower by Rs 1.309 billion compared to the corresponding period last year mainly on account of gain on the divestment of shares in Metro Habib Cash & Carry Pakistan (Private) Limited that took place in the comparative period last year. The basic & diluted Earnings Per Share (EPS) was Rs 15.71 compared to Rs 31.87 in the corresponding period last year.

Business Brief – Engineering Segment:

The domestic auto industry volumes registered a growth of 27% over the same period last year on the back of successful launches of new models by the local auto assemblers and an increase in auto leasing due to availability of attractive rates.

Import of used vehicles continues to rise sharply, exhibiting an increase of about 85% from last year, led by an increase in Hybrid passenger cars. This continues to have an adverse impact on the performance of the local auto industry with around 44,760 units imported during 6 months compared to 24,166 units imported in last year. Despite continuous efforts of Automobile Manufacturers and Auto Parts Suppliers, Government is yet to implement any policy to restrict the import of used cars.

The government is in the process of negotiating Free Trade Agreements (FTAs) with China, Thailand and Turkey. In this respect, the Company's management has put forward its opinion to the government with a view to protect the auto vendor industry and will continue its engagement on this issue.

Sales revenue for the half-year ended December 31, 2017 was Rs. 5.83 billion as compared to Rs. 5.53 billion in the corresponding period of last year, showing an increase of 5.4%.

The aftermarket segment has performed well during the half-year period. Demand for products of the company for the commercial vehicle segment performed particularly well with the induction of new customers and with the sales of new products to existing customers.

In line with the half-year performance, sales during next half of financial year are expected to remain strong. Robust demand of local products is expected with tightened regulations on imported cars.

The management will continue its focus on improving product quality, human health and safety and its environment preservation initiatives. Efforts towards continuous improvement yield higher efficiencies and assist in improving the economics of the business.

Thal Limited

Business Brief – Building Material & Allied Product Segment

Sales revenue of Building Material & Allied Product Segment during the half year ended December 31, 2017 was Rs 2.62 billion against Rs 2.07 billion in the corresponding period last year reflecting in an increase of 27%.

Jute Operations

Jute Business, through its focused approach, was able to improve sales volume and market share. Despite challenging external conditions such as devaluation of the Pak Rupee and rising trend of fuel & energy cost, the management's prudent cost control measures; productivity improvement initiatives and market penetration strategies bore positive results.

Export prospects remain positive and we expect more penetration in international markets. While in the local market, we foresee a healthy demand of grain sacks from the Government buying departments in the ensuing wheat season and hope for improvement in the local market as well.

Papersack Operations

First half of the year remained challenging in terms of profitability due to raw material shortages and due to increase in the Euro exchange rate. Though the company has managed to increase selling prices to mitigate the erosion of the Pak Rupee, it has not been able to pass on the full impact of the increase in paper prices. Management is endeavoring to sustain margins and is also working to keep its overhead costs in control.

From a Sales Volume perspective, volumes of cement bags compared to the same period last year have shown an increase of 14%. The volumes of Industrial sacks & SOS bags have also improved as compared to same period last year.

The outlook for the year is expected to be challenging as a result of the exchange rate impact. Commercial production of Carrier bags has commenced after some delay and is expected to create more value for the business. The industrial sacks and food bag segments are also expected to show a healthy growth trend that the Company is geared up to capitalize upon.

Laminates Operations

The Laminates Business operates in three major segments High Pressure Laminates (HPL), Compact Laminates and Lamination of Boards. Competing in an undocumented environment, the Business has undertaken demanding measures to improve its processes to maintain competitiveness.

There has been a recent induction of large production lines to produce boards used as lamination substitutes by major players of the local industry. The Company relies on other manufacturers for its requirement of local boards and thus operates at a higher cost. The market shift from HPL to Lamination and lower prices by competition is an indication that the business will remain challenging in this segment.

The Company is looking to expand its customer base, as well as to develop new products by investing in new equipment in order to maintain customer interest and market share.

Thal Limited

Subsidiaries

Thal Boshoku Pakistan (Private) Limited (TBPk)

During the first half of FY 2017-18, the Sales Revenue for the Company registered a decline vis-à-vis budget mainly due to less off take by customers. However, the Company succeeded in largely mitigating the corresponding drop in profit, through effective financial management, improved cost control, and efficient inventory management.

As per plan, the Company has launched its efforts towards expansion of its operations. The future outlook of the Company remains encouraging as auto sector demand exhibits a rising trend. The business is expected to show better performance in the second half of the year.

Habib- Metro Pakistan (Private) Limited (HMPL)

The main business of Habib METRO Pakistan (Private) Limited (HMPL) is to own and manage retail store properties and accordingly, about 90% of its revenue is generated from rental income. Thal Limited holds 60% shareholding in the subsidiary while 40% is held by METRO Cash & Carry International Holding BV. The Company is exploring various business opportunities to complement the cash & carry retail rental business and to enhance enterprise value from its store locations. During the quarter, HMPL approved interim dividend of Rs.98 million for payment to Thal Limited.

Makro-Habib Pakistan Limited (MHPL)

The Honorable Supreme Court of Pakistan dismissed MHPL's Review Petition for the Saddar Store and as a consequence, the Saddar Store of MHPL was closed down on September 11, 2015.

As a later development on December 9, 2015, the Honorable Supreme Court of Pakistan accepted the Army Welfare Trust's (AWT) request for restoration of its Review Petition. In its hearing held on February 2, 2016, the Honorable Chief Justice commented that while reviewing AWT's review petition, both MHPL and Ministry of Defense will also get a chance to argue their points on merit as they are respondents in AWT's petition.

AWT's review petition was fixed for hearing on October 17, 2017 before a new bench. However, there were no proceedings during the hearing on account of adjournment filed by counsel representing Shehri & KWSB. The Company is a wholly owned subsidiary of Thal Limited.

Investment in Power Sector

Thal Power (Private) Limited

The Company has entered into a Joint Venture Agreement with Novatex Limited, for collaboration to develop a 330 MW mine mouth coal-fired power generation plant located at Thar, Sindh. This power plant will be based on lignite coal extracted from the mine operated by Sind Engro Coal Mining Company (SECMC).

The Company through its wholly owned subsidiary, Thal Power (Private) Limited has incorporated a JV project company, i.e., ThalNova Power Thar Private Limited ("ThalNova"), to develop the project.

ThalNova has obtained the Letter of Intent (LOI) and the Letter of Support (LOS) from the Private Power Infrastructure Board (PPIB). National Electric Power Regulatory Authority (NEPRA) has issued the Generation License and awarded the Upfront Tariff on Thar coal to the project company. ThalNova has also been issued a No Objection Certificate (NOC) by the Sindh Environmental Protection Agency (SEPA). China Machinery & Engineering Corporation has been appointed as the EPC Contractor. ThalNova has entered into Coal Supply Agreement (CSA) with SECMC to supply 1.9 million tons per annum lignite. It has also entered into a Power Purchase Agreement (PPA) with the Central Power Purchase Agency (Guarantee) Ltd and the Implementation Agreement ("IA") with PPIB. China Development Bank ("CDB") and Habib Bank Limited ("HBL") have been engaged for arrangement of foreign and local currency project debt respectively. Whilst the project has sound fundamentals being based on indigenous resources and enjoys good support

Thal Limited

and encouragement from the respective governments, it also presents significant challenges in achieving timely financial close. ThalNova is actively engaged in concluding all project agreements and securing financial close for the project.

Sindh Engro Coal Mining Company Limited:

SECMC is a joint venture between the Government of Sindh, Thal Limited, Engro Powergen Limited, Hub Power Company Limited, Habib Bank Limited, CMEC Thar Mining Investments Limited and SPI Mengdong. It is engaged in developing Pakistan's first open pit mining project at Thar Coal Block II. The project achieved its Financial close on April 4, 2016.

The project is under construction and presently the progress is ahead of schedule. To date c. 72 Million BCM of overburden has been removed and the mine has reached a depth of 120 meters. Related infrastructure projects of Effluent Disposal Line and Left Bank Outfall Drainage Scheme are expected to come online as per schedule.

For the first phase of the project, the Board of Directors of Thal Limited approved a total exposure of Pak Rupee equivalent of US\$ 36.1 million, which includes equity investment of US\$ 24.3 million, US\$ 5 million for cost over-run and US\$ 6.8 million for debt servicing reserve. To date the Company has invested Rs. 1,199 million equivalent to US\$ 11.51 million.

SECMC has entered into Coal Supply Agreements with ThalNova Power Thar (Pvt) Ltd and Thar Energy Ltd to supply additional 1.9 million tons of lignite per annum to each 330 MW power plant respectively.

Acknowledgement

We would like to thank the Almighty for all His blessings in these challenging times and to convey our appreciation to our Board of Directors, customers, dealers, bankers and the joint venture & technical partners for their continued support and confidence in the Company. We also want to recognize the efforts of all our fellow employees who have worked with commitment to achieve the results.

On behalf of the Board



Mazhar Valjee
Chief Executive

Karachi: February 23, 2018.

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of **Thal Limited** as at **31 December 2017** and the related unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statements of comprehensive income, cash flows and changes in equity, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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



Chartered Accountants

Review Engagement Partner: Arslan Khalid

Date: 23 February 2018


Place: Karachi

Thal Limited


UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2017

	Note	Dec 31, 2017 (Un-audited)	June 30, 2017 (Audited)
(Rupees in thousands)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,138,401	1,019,171
Intangible assets		13,879	9,788
Investment property		1,003	1,009
Long-term investments	5	4,421,851	4,143,986
Long-term loans	6	535,427	411,425
Long-term deposits		13,679	13,964
Deferred tax asset - net		215,016	186,642
		<u>6,339,256</u>	<u>5,785,985</u>
CURRENT ASSETS			
Stores, spares and loose tools		128,471	101,460
Stock-in-trade	7	3,731,094	2,913,980
Trade debts		1,650,811	1,041,399
Loans and advances		112,489	63,911
Trade deposits and short-term prepayments		87,196	78,321
Interest accrued		1,320	1,683
Other receivables		5,690	76,738
Short-term investments	8	4,799,317	6,707,942
Income tax – net	9	154,653	72,269
Sales tax refundable		70,575	61,254
Cash and bank balances		620,555	522,284
		<u>11,362,171</u>	<u>11,641,241</u>
TOTAL ASSETS		<u>17,701,427</u>	<u>17,427,226</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 200,000,000 (June 30, 2017: 100,000,000) ordinary shares of Rs.5/- each		<u>1,000,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital 81,029,909 (June 30, 2017: 81,029,909) ordinary shares of Rs.5/- each		<u>405,150</u>	<u>405,150</u>
Reserves		<u>14,982,818</u>	<u>15,027,930</u>
		<u>15,387,968</u>	<u>15,433,080</u>
NON-CURRENT LIABILITIES			
Long-term deposits		1,624	1,624
CURRENT LIABILITIES			
Trade and other payables		2,311,488	1,983,384
Short-term running finance		347	9,137
Accrued mark-up		-	1
		<u>2,311,835</u>	<u>1,992,522</u>
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITIES AND LIABILITIES		<u>17,701,427</u>	<u>17,427,226</u>

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive



Salman Burney
Director

Thal Limited


UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

Note	Half year ended		Quarter ended	
	Dec 31, 2017 (Rupees in thousand)	Dec 31, 2016 (Rupees in thousand)	Dec 31, 2017 (Rupees in thousand)	Dec 31, 2016 (Rupees in thousand)
Revenue – net	8,447,632	7,598,233	4,357,017	4,038,290
Cost of sales	<u>(6,904,287)</u>	<u>(5,925,062)</u>	<u>(3,545,673)</u>	<u>(3,144,641)</u>
Gross profit	1,543,345	1,673,171	811,344	893,649
Distribution costs	<u>(102,844)</u>	<u>(106,208)</u>	<u>(47,195)</u>	<u>(44,615)</u>
Administrative expenses	<u>(357,500)</u>	<u>(315,106)</u>	<u>(185,431)</u>	<u>(166,525)</u>
Other charges	<u>(115,275)</u> <u>(575,619)</u>	<u>(209,974)</u> <u>(631,288)</u>	<u>(68,882)</u> <u>(301,508)</u>	<u>(151,194)</u> <u>(362,334)</u>
Other income	11 727,016	2,387,373	528,408	2,102,595
Operating profit	1,694,742	3,429,256	1,038,244	2,633,910
Finance costs	<u>(3,393)</u>	<u>(4,400)</u>	<u>564</u>	<u>(2,163)</u>
Profit before taxation	1,691,349	3,424,856	1,038,808	2,631,747
Taxation	<u>(418,191)</u>	<u>(842,359)</u>	<u>(265,202)</u>	<u>(651,566)</u>
Profit after taxation	<u>1,273,158</u>	<u>2,582,497</u>	<u>773,606</u>	<u>1,980,181</u>
<hr/>				
	Rupees			
Basic and diluted earnings per share	12 <u>15.71</u>	<u>31.87</u>	<u>9.55</u>	<u>24.44</u>

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive



Salman Burney
Director

Thal Limited

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

Note	Half year ended		Quarter ended	
	Dec 31, 2017 (Rupees in thousand)	Dec 31, 2016 (Rupees in thousand)	Dec 31, 2017 (Rupees in thousand)	Dec 31, 2016 (Rupees in thousand)
Profit after taxation	1,273,158	2,582,497	773,606	1,980,181
Other comprehensive income				
Items to be reclassified to profit and loss account in subsequent periods:				
(Loss) / gain on revaluation of available for sale investments	(21,791)	34,787	3,476	14,876
Total comprehensive income for the period	<u>1,251,367</u>	<u>2,617,284</u>	<u>777,082</u>	<u>1,995,057</u>

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive




Salman Burney
Director

Thal Limited


UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Dec 31, 2017	Dec 31, 2016
	(Rupees in thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,691,349	3,424,856
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	89,852	56,708
Finance costs	3,393	4,400
Profit earned on call deposits and short term investments	(130,790)	(91,657)
Liabilities no longer payable written back	(83)	-
Gain on revaluation / redemption of investments	(60,979)	(23,386)
at fair value through profit and loss	(501,829)	(407,059)
Dividend income	1,884	10,675
Provision for impairment of trade debts		
Reversal of provision for impairment of		
loan - Makro-Habib Pakistan Limited	(7,503)	(1,528)
Gain on disposal of investment in an associate -		
METRO Habib Cash & Carry Pakistan (Private) Limited	-	(1,835,895)
Provision for retirement benefits	3,536	2,827
Gain on disposal of property, plant and equipment	(1,077)	(2,590)
	(603,596)	(2,287,505)
(Increase) / decrease in current assets		
Stores, spares and loose tools	(27,011)	(7,375)
Stock-in-trade	(817,114)	(657,632)
Trade debts	(611,296)	(557,035)
Loans and advances	(41,075)	(23,874)
Trade deposits and short-term prepayments	(8,875)	(11,124)
Other receivables	(2,007)	(567)
Sales tax refundable	(9,321)	-
Increase / (decrease) in current liabilities		
Trade and other payables	312,959	362,667
Sales tax payable	-	62,697
	(1,203,740)	(832,243)
Cash (used in) / generated from operations		
Finance costs paid	(115,987)	305,108
Retirement benefits paid	(3,394)	(4,442)
Income tax paid	(6,221)	(5,114)
Long-term loans	(528,949)	(448,779)
Long-term deposits	1,998	8,023
Net cash used in operating activities	285	(135)
	(652,268)	(145,339)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(218,359)	(207,802)
Long-term loans to subsidiaries - net	(126,000)	(165,000)
Dividends received	574,884	407,059
Profit received on call deposits		
and short-term investments	140,050	85,966
Proceeds from disposal of property, plant and equipment	4,325	2,815
Proceeds from disposal of investment in an associate -		
METRO Habib Cash & Carry Pakistan (Private) Limited	-	2,120,000
Long-term investments made during the period	(299,656)	(36,362)
Short-term investments encashed / (made) during the period	321,982	(1,096,035)
Net cash generated from investing activities	397,226	1,110,641
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,276,622)	(499,972)
Net cash used in financing activities	(1,276,622)	(499,972)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(1,531,664)	465,330
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,970,397	4,042,926
	3,438,733	4,508,256
Cash and bank balances	620,555	400,437
Short-term investments	2,818,525	4,108,770
Short-term running finance	(347)	(951)
	3,438,733	4,508,256

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive



Salman Burney
Director

Thal Limited


UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	RESERVES					Total Equity
	Issued, subscribed & paid-up capital	Capital Reserve	General Reserve	Unappropriated profit	Gain / (loss) on changes in fair value of available for sale investments	
	(Rupees in '000)					
Balance as at June 30, 2016 (Audited)	405,150	55,704	9,796,999	1,875,317	94,408	12,227,578
Transfer to general reserve	-	-	1,368,500	(1,368,500)	-	-
Final dividend @ Rs. 6.25 /- share for the year ended June 30, 2016	-	-	-	(506,437)	-	(506,437)
Profit for the period	-	-	-	2,582,497	-	2,582,497
Other comprehensive income	-	-	-	-	34,787	34,787
Total comprehensive income	-	-	-	2,582,497	34,787	2,617,284
Balance as at December 31, 2016 (Un-audited)	405,150	55,704	11,165,499	2,582,877	129,195	14,338,425
Balance as at June 30, 2017 (Audited)	405,150	55,704	11,165,499	3,662,802	143,925	15,433,080
Transfer to general reserve	-	-	2,366,000	(2,366,000)	-	-
Final dividend @ Rs. 16 /- share for the year ended June 30, 2017	-	-	-	(1,296,479)	-	(1,296,479)
Profit for the period	-	-	-	1,273,158	-	1,273,158
Other comprehensive income	-	-	-	-	(21,791)	(21,791)
Total comprehensive income	-	-	-	1,273,158	(21,791)	1,251,367
Balance as at December 31, 2017 (Un-audited)	405,150	55,704	13,531,499	1,273,481	122,134	15,387,968

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive


Salman Burney
Director

Thal Limited

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (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 Companies Act, 2017) and is listed on the Pakistan Stock Exchange.

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, Shahrah-e-Faisal, Karachi.

- 1.2 These unconsolidated condensed interim financial statements are separate condensed interim financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest and are not consolidated or accounted for using equity method.

2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) – 34, "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984 (note 2.1.1). In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

- 2.1.1 The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However, as allowed by the SECP vide its circular dated October 04, 2017, these unconsolidated financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

- 2.2 These unconsolidated condensed interim 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 audited unconsolidated financial statements for the year ended June 30, 2017.

- 2.3 These unconsolidated condensed interim financial statements are un-audited but subject to limited scope review by the auditors except for the figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's audited unconsolidated financial statements for the year ended June 30, 2017. The Company has adopted certain amended International Financial Reporting Standards which became effective during the period and referred to in note 5.1 to the audited unconsolidated financial statements for the year ended June 30, 2017. The adoption of such amended standards did not have any effect on these unconsolidated condensed interim financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Dec 31, 2017 (Un-audited) (Rupees in thousands)	June 30, 2017 (Audited)
Operating fixed assets	4.1	939,592	928,841
Capital work-in-progress	4.2	198,809	90,330
		<u>1,138,401</u>	<u>1,019,171</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	
	Half year ended Dec 31,		Half year ended Dec 31,	
	2017	2016	2017	2016
	(Un-audited)		(Un-audited)	
(Rupees in '000)				
Operating fixed assets				
Building on freehold land	774	-	-	-
Plant and machinery	72,804	2,247	374	-
Furniture and fittings	768	355	-	-
Vehicles	1,604	1	2,702	202
Office and mills equipment	8,493	2,962	-	23
Computer equipment	3,604	3,104	172	-
Jigs and fixtures	12,231	22,144	-	-
	<u>100,278</u>	<u>30,813</u>	<u>3,248</u>	<u>225</u>

4.2 During the period, capital work-in-progress amounting to Rs. 37.625 million (December 31, 2016: Rs.3.235 million) was transferred to operating fixed assets.

	Dec 31, 2017 (Un-audited)	June 30, 2017 (Audited)
	(Rupees in thousands)	

5 LONG-TERM INVESTMENTS

Investments in related parties

Subsidiaries - unquoted, 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
Thal Power (Private) Limited	100	100

Makro-Habib Pakistan Limited (MHPL)

Less: Provision for impairment

223,885	223,885
(223,885)	(223,885)

2,966,304	2,966,304
-----------	-----------

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>

Other investments - Available-for-sale

Quoted- at fair value

Habib Sugar Mills Limited	66,406	69,916
GlaxoSmithKline (Pakistan) Limited	366	430
Dynea Pakistan Limited	71,797	82,156
Allied Bank Limited	15,452	16,295
Habib Bank Limited	10,881	17,526
TPL Properties Limited	11,880	12,250
	<u>176,782</u>	<u>198,573</u>

Unquoted - at cost

Sindh Engro Coal Mining Company Limited	1,198,517	898,861
	<u>4,421,851</u>	<u>4,143,986</u>

6. LONG-TERM LOANS

These include interest free loan amounting to Rs. 526.436 million (June 30, 2017: 400.436 million) given for purchase of shares of ThalNova Power Thar (Private) Limited (ThalNova) to Thal Power (Private) Limited. The loan is likely to be converted into share capital based on the progress achieved by ThalNova for its underlying project.

Thal Limited

	Note	Dec 31, 2017 (Un-audited) (Rupees in thousands)	June 30, 2017 (Audited)
7. STOCK-IN-TRADE			
Raw material			
In hand		2,063,301	1,868,669
In transit		630,070	384,306
		<u>2,693,371</u>	<u>2,252,975</u>
Work-in-process		197,146	156,863
Finished goods		840,577	504,142
	7.1	<u>3,731,094</u>	<u>2,913,980</u>

- 7.1 This includes items amounting to Rs. 36.201 million (June 30, 2017: Rs.690.797 million) carried at net realizable value [Cost Rs.90.206 million (June 30, 2017: Rs.734.922 million)].

8. SHORT-TERM INVESTMENTS

- 8.1 These represent investment in Term Deposit Receipts amounting to Rs. 2,091.249 million (June 30, 2017: Rs. 3,493.246 million), Government Treasury Bills amounting to Rs. 747.936 million (June 30, 2017: Rs. 993.524 million) and Mutual Funds amounting to Rs. 1,960.132 million (June 30, 2017: 2,221.172 million).
- 8.2 Term deposit receipts include Rs.1,053.653 million (June 30, 2016: Rs.1,257.408 million) maintained with Habib Metropolitan Bank, a related party.

	Note	Dec 31, 2017 (Un-audited) (Rupees in thousands)	June 30, 2017 (Audited)
9. INCOME TAX– net			
Group Tax Relief adjustments	9.1	593,466	593,466
Group Taxation adjustments	9.2	31	10,040
Income tax provision less tax payments – net		<u>(438,844)</u>	<u>(531,237)</u>
		<u>154,653</u>	<u>72,269</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 adjusted its tax liabilities for the tax years 2008 to 2010 by acquiring the losses of its subsidiary company and consequently an aggregate sum of Rs.593.466 million equivalent to the tax value of the losses acquired has been paid to the subsidiary company.

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

- 9.2 In terms of the provision of Section 59AA of the Income Tax Ordinance, 2001 (the Ordinance), the Company, and its wholly owned subsidiaries namely MHPL and A-One Enterprises (Private) Limited have irrevocably opted to be taxed as one fiscal unit for the tax year 2018.

Thal Limited

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There were no material changes in the status of contingencies as reported in the audited unconsolidated financial statements for the year ended June 30, 2017 except the following:

10.1.1 Letter of guarantees issued by banks on behalf of the company amount to Rs. 1,767.544 million (June 30, 2017: Rs. 2,151.283 million).

10.1.2 Post dated cheques issued to Collector of Customs amount to Rs.24.438 million (June 30, 2017: Rs.103.974 million).

10.2 Commitments

10.2.1 Letter of credits outstanding for raw material and spares amounts to Rs. 1,839.327 million (June 30, 2017: Rs. 725.450 million).

10.2.2 Commitments in respect of capital expenditure amount to Rs.82.107 million (June 30, 2017: Rs. 66.817 million).

10.2.3 Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 32.124 million (June 30, 2017: Rs. 21.424 million).

	Note	Half year ended	
		Dec 31, 2017	Dec 31, 2016
		(Un audited)	
		(Rupees in thousand)	
11. OTHER INCOME			
Income from financial assets			
Dividend income	11.1	501,829	407,059
Profit earned on call deposits and short term investments		130,790	91,657
Gain on revaluation / redemption of investments at fair value through profit and loss		60,979	23,386
Others		7,586	2,385
		<u>701,184</u>	<u>524,487</u>
Income from non-financial assets			
Gain on disposal of investment in an associate - MHCCP		-	1,835,895
Gain on disposal of property, plant and equipment		1,077	2,590
Others		24,755	24,401
		<u>25,832</u>	<u>1,862,886</u>
		<u>727,016</u>	<u>2,387,373</u>

11.1 Includes dividend income from a subsidiary company amounting to Rs.163.975 million (December 31, 2016: Rs. 72.806 million) and associate companies amounting to Rs.333.717 million (December 31, 2016: Rs.331.073 million).

	Half year ended	
	Dec 31, 2017	Dec 31, 2016
	(Un audited)	
	(Rupees in thousand)	
12. BASIC AND DILUTED EARNINGS PER SHARE		
There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
Profit after taxation	1,273,158	2,582,497
	Number of shares in thousands	
Weighted average number of ordinary shares of Rs. 5/- each in issue	81,030	81,030
	Rupees	
Basic and diluted earnings per share	15.71	31.87

Thal Limited

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Company comprise subsidiaries and associate companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions and balances with related parties during the period, other than those disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

Relationship	Nature of transactions	Half year ended	
		Dec 31, 2017	Dec 31, 2016
		(Un audited)	
		(Rupees in thousand)	
Subsidiaries	Professional Services acquired	75,278	52,883
	Purchase of assets	3,907	-
	Purchase of goods	2,174	1,145
	Supplies purchased	-	394
	Sale of goods	32	-
	Rent received	2,684	2,638
	Loan to Subsidiary	126,000	165,000
	Service Fee	13,860	13,860
	Tax Loss acquired under Group Taxation	1,639	3,752
	Sale of assets	1,568	-
Associates	Sales of goods	5,103,760	4,510,624
	Insurance premium	16,092	13,059
	Purchase of assets	-	2,400
	Purchase of goods	65,051	61,576
	Supplies purchased	6,316	16,018
	Insurance claim received	1,342	1,801
	Mark-up and bank charges paid	3,329	768
	Profit received on call deposits and short-term investments	49,483	48,631
	Rent paid	1,623	2,919
Employee benefit plans	Contribution to provident fund	18,202	16,758
	Contribution to retirement benefit fund	3,536	3,078
Key management personnel	Key management personnel compensation	96,469	95,004
		Dec 31, 2017	June 30, 2017
		(Un-audited)	(Audited)
		(Rupees in thousands)	
Balances			
	Receivable from associates in respect of trade debts	613,053	268,307
	Prepayments made to associates	5,622	5,757
	Other receivables from subsidiaries	2,374	73,753
	Other receivables from associates	-	141
	Bank balances with associates	427,276	396,398
	Payable to subsidiaries in respect of trade and other payables	9,655	9,109
	Payable to associates in respect of trade and other payables	5,073	6,094
	Payable to associate in respect of short-term running finance	208	5,473

Thal Limited

- 13.1 The investments in related parties are disclosed in note 5 and 8 to these unconsolidated condensed interim financial statements.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

There were no transfers amongst levels during the period.

15. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors has proposed and approved an interim cash dividend of Rs. 2.5/- per share for the half year ended December 31, 2017, in its meeting held on February 23, 2018.

16. GENERAL

- 16.1 Figures have been rounded off to the nearest thousands.

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

17. DATE OF AUTHORISATION FOR ISSUE

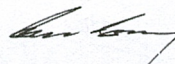
These unconsolidated condensed interim financial statements were authorized for issue on February 23, 2018 by the Board of Directors of the Company.



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director


Thal Limited

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET


AS AT DECEMBER 31, 2017

	Note	Dec 31, 2017 (Un-audited)	June 30, 2017 (Audited)
(Rupees in thousands)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,470,701	1,201,577
Intangible assets		14,262	10,249
Investment property		6,770,788	6,845,446
Long-term investments	5	4,007,609	3,533,232
Long-term loans		11,313	10,989
Long-term deposits		19,160	17,746
Long-term prepayments		22,501	22,501
Deferred tax asset - net		215,952	187,551
		12,532,286	11,829,291
CURRENT ASSETS			
Stores, spares and loose tools		135,124	107,905
Stock-in-trade	6	3,803,315	2,992,333
Trade debts		1,755,342	1,094,863
Loans and advances		124,364	71,198
Trade deposits and short-term prepayments		146,839	89,063
Interest accrued		1,588	2,198
Other receivables		6,487	5,943
Short-term investments	7	8,521,002	10,510,173
Income Tax - net	8	69,020	33,395
Sales tax refundable		65,391	66,822
Cash and bank balances		1,049,371	842,399
		15,677,843	15,816,292
TOTAL ASSETS		28,210,129	27,645,583
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
200,000,000 (June 30, 2017: 100,000,000) ordinary shares of Rs.5 each		1,000,000	500,000
Issued, subscribed and paid-up capital			
81,029,909 (June 30, 2017: 81,029,909) ordinary shares of Rs. 5/- each		405,150	405,150
Share deposit money		12	12
Reserves		18,621,933	18,447,119
Equity attributable to equity holders' of the parent		19,027,095	18,852,281
Non-controlling interest		6,197,546	6,116,611
		25,224,641	24,968,892
NON-CURRENT LIABILITIES			
Long-term deposits		318,548	316,762
CURRENT LIABILITIES			
Trade and other payables		2,651,961	2,343,765
Short-term borrowings		347	9,137
Deferred income		14,632	7,026
Accrued markup		-	1
		2,666,940	2,359,929
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITIES AND LIABILITIES		28,210,129	27,645,583

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive


Salman Burney
Director

Thal Limited


CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Half year ended Dec 31,		Quarter ended Dec 31,	
	2017	2016	2017	2016
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- (Rupees in thousands) -----			
Revenue - net	8,954,051	8,096,651	4,612,371	4,303,273
Cost of sales	<u>(7,221,127)</u>	<u>(6,267,437)</u>	<u>(3,704,133)</u>	<u>(3,324,876)</u>
Gross Profit	1,732,924	1,829,214	908,238	978,397
Distribution costs	(107,042)	(110,683)	(49,207)	(47,029)
Administrative expenses	(743,602)	(672,062)	(373,168)	(349,386)
Other charges	(118,786)	(221,189)	(70,910)	(155,087)
	<u>(969,430)</u>	<u>(1,003,934)</u>	<u>(493,285)</u>	<u>(551,502)</u>
Other income	10 1,141,639	3,310,030	566,996	2,817,457
Operating Profit	<u>1,905,133</u>	<u>4,135,310</u>	<u>981,949</u>	<u>3,244,352</u>
Finance costs	(3,925)	(4,779)	290	(2,358)
	<u>1,901,208</u>	<u>4,130,531</u>	<u>982,239</u>	<u>3,241,994</u>
Share of net profit of associates - after tax	405,348	384,216	238,768	206,477
Profit before taxation	<u>2,306,556</u>	<u>4,514,747</u>	<u>1,221,007</u>	<u>3,448,471</u>
Taxation	(623,101)	(1,065,921)	(366,768)	(789,236)
Profit after taxation	<u>1,683,455</u>	<u>3,448,826</u>	<u>854,239</u>	<u>2,659,235</u>
Attributable to:				
- Equity holders of the Holding Company	1,493,203	3,267,130	757,980	2,565,999
- Non-controlling interest	190,252	181,696	96,259	93,236
	<u>1,683,455</u>	<u>3,448,826</u>	<u>854,239</u>	<u>2,659,235</u>


----- (Rupees) -----

Basic and diluted earnings per share attributable to the equity holders of the Holding Company	11	<u>18.43</u>	<u>40.32</u>	<u>9.35</u>	<u>31.67</u>
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The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive


Salman Burney
Director

Thal Limited

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

(UN-AUDITED)

	Half year ended Dec 31,		Quarter ended Dec 31,	
	2017	2016	2017	2016
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- (Rupees in thousands) -----			
Profit after taxation	1,683,455	3,448,826	854,239	2,659,235
Other comprehensive income				
<i>Items to be reclassified to profit and loss account in subsequent periods:</i>				
(Loss) / gain on revaluation of available for sale investments	(21,791)	34,787	3,476	14,876
<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	(119)	(53)	-	-
Total comprehensive income for the period, net of tax	<u>1,661,545</u>	<u>3,483,560</u>	<u>857,715</u>	<u>2,674,111</u>
Attributable to:				
- Equity holders of the Holding Company	1,471,293	3,301,864	761,456	2,580,875
- Non-controlling interest	190,252	181,696	96,259	93,236
	<u>1,661,545</u>	<u>3,483,560</u>	<u>857,715</u>	<u>2,674,111</u>

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

Thal Limited


CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

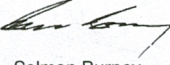
(UN-AUDITED)

	Dec 31, 2017	Dec 31, 2016
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,306,556	4,514,747
Adjustments for non-cash charges and other items:		
Depreciation and amortization	233,414	204,171
Share in profit of associates - after taxation	(405,348)	(384,216)
Finance costs	3,925	4,779
Profit earned on call deposits and short-term investments	(206,966)	(168,559)
Liabilities no longer payable written back	(83)	(2,946)
Gain on revaluation / redemption of investments at fair value through profit and loss	(100,182)	(37,531)
Dividend income	(4,137)	(3,180)
Provision for impairment of trade debts	2,819	11,731
Provision for slow moving stock	-	2,377
Provision for retirement benefits	3,536	2,827
Gain on disposal of investments in an associate - METRO Habib Cash & Carry Pakistan (Private) Limited	-	(2,120,000)
Gain on disposal of property, plant and equipment	(2,306)	(195,787)
	(475,328)	(2,686,334)
	1,831,228	1,828,413
(Increase) / decrease in current assets		
Stores, spares and loose tools	(27,219)	(5,999)
Stock-in-trade	(810,982)	(664,552)
Trade debts	(663,298)	(587,019)
Loans and advances	(53,166)	(27,500)
Trade deposits and short-term prepayments	(57,776)	(50,962)
Other receivables	(73,217)	507,856
Sales tax refundable	1,431	-
Increase / (decrease) in current liabilities		
Deferred income	7,606	6,866
Trade and other payables	365,724	397,738
Sales tax payable	-	69,974
	(1,310,897)	(353,598)
Cash generated from operations	520,331	1,474,815
Finance costs paid	(3,926)	(4,821)
Retirement benefits paid	(6,221)	(5,114)
Income tax paid	(687,127)	(618,162)
Long-term loans	(324)	2,023
Long-term deposits - net	372	2,840
Net cash (used in) / generated from operating activities	(176,895)	851,581
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(436,129)	(296,013)
Dividends received	410,909	334,253
Profit received on call deposits and short term investments	209,678	160,960
Long-term investments made during the period	(424,656)	(118,862)
Proceeds from disposal of investment in an associate - METRO Habib Cash & Carry Pakistan (Private) Limited	-	2,120,000
Proceeds from disposal of property, plant and equipment	4,598	262,226
Short-term investments encashed / (made) during the period	141,107	(2,357,671)
Net cash (used in) / generated from investing activities	(94,493)	104,893
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,458,994)	(589,010)
Net cash used in financing activities	(1,458,994)	(589,010)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,730,382)	367,464
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7,541,508	6,001,336
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,811,126	6,368,800
Cash and bank balances	1,049,371	767,981
Short-term investments	4,762,102	5,601,770
Short-term running finance	(347)	(951)
	5,811,126	6,368,800

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.


Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive


Salman Burney
Director


Thal Limited

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2017

		RESERVES						
Issued, sub-scribed & paid-up capital	Share deposit money	Capital reserve	General reserve	Unappropriated profit	Gain / (Loss) on changes in fair value of available for sale investments	Non-controlling interest	Total equity	
(Rupees in '000)								
405,150	12	67,929	9,838,874	4,060,410	94,227	5,907,241	20,373,843	
-	-	-	1,368,500	(1,368,500)	-	-	-	
-	-	-	-	(506,437)	-	-	(506,437)	
(48,535)							(48,535)	
-	-	-	-	3,267,130	-	181,696	3,448,826	
-	-	-	-	(53)	34,787	-	34,734	
-	-	-	-	3,267,077	34,787	181,696	3,483,560	
405,150	12	67,929	11,207,374	5,452,550	129,014	6,040,402	23,302,431	
405,150	12	67,929	11,207,374	7,027,888	143,928	6,116,611	24,968,892	
-	-	-	2,366,000	(2,366,000)	-	-	-	
-	-	-	-	(1,296,479)	-	-	(1,296,479)	
-	-	-	-	-	-	(41,303)	(41,303)	
-	-	-	-	-	-	(68,014)	(68,014)	
-	-	-	-	1,493,203	(21,791)	190,252	1,683,455	
-	-	-	-	(119)	(21,791)	-	(21,910)	
-	-	-	-	1,493,084	(21,791)	190,252	1,661,545	
405,150	12	67,929	13,573,374	4,858,493	122,137	6,197,546	25,224,641	


Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive


Salman Burney
Director

Thal Limited

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

- 1.1 Thal Limited (the Holding Company) was incorporated on January 31, 1966 as a public company limited by shares and is listed on the Pakistan Stock Exchange.

The Holding Company is engaged in the manufacture of jute goods, engineering goods, papersacks and laminate sheets. The registered office of the holding company is situated at 4th Floor, House of Habib, 3 Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.

The Group comprises of the Holding Company and its subsidiaries, Noble Computer Services (Private) Limited, Pakistan Industrial Aids (Private) Limited, Makro-Habib Pakistan Limited, A-One Enterprises (Private) Limited, Habib METRO Pakistan (Private) Limited, Thal Boshoku Pakistan (Private) Limited and Thal Power (Private) Limited.

Noble Computer Services (Private) Limited is engaged in providing Internal Audit Services, I.T. related Services, Advisory Services, H.R Services and Management Services.

Pakistan Industrial Aids (Private) Limited is engaged in trading of various products.

Makro-Habib Pakistan Limited is engaged in a chain of wholesale / retail cash and carry stores.

A-One Enterprises (Private) Limited was incorporated in Pakistan on December 16, 2011 as a private limited company.

Habib METRO Pakistan (Private) Limited's main business is to own and manage properties.

Thal Boshoku Pakistan (Private) Limited is engaged in the manufacturing of Air cleaner set assembly, Seat track sub assembly and Seat side frame sub assembly for automobiles.

Thal Power (Private) Limited has entered into a joint venture agreement with M/s Novatex for collaboration to develop a 330 MW Coal-fired Power Generation Plant at Thar, Sindh.

Thal Electrical (Private) Limited was incorporated in Pakistan on January 12, 2018 as a private limited company.

These subsidiaries have been consolidated in these consolidated condensed interim financial statements except Thal Electrical (Private) Limited, which was formed subsequent to the period ended December 31, 2017.

2 BASIS OF PREPERATION

- 2.1 These consolidated 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 repealed Companies Ordinance, 1984 (note 2.1.1). In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.
- 2.1.1 The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However, as allowed by the SECP vide its circular dated October 04, 2017, these consolidated financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended June 30, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended June 30, 2017. The Group has adopted certain amended International Financial Reporting Standards which became effective during the period and reported in note 6.1 to the audited consolidated financial statements for the year ended June 30, 2017. The adoption of such amended standards and interpretation did not have any effect on these consolidated condensed interim financial statements.

Thal Limited

4 PROPERTY, PLANT AND EQUIPMENT

	Note	Dec 31, 2017 (Un-audited) (Rupees in thousands)	June 30, 2017 (Audited) (Rupees in thousands)
Operating fixed assets	4.1	1,103,060	1,111,247
Capital work-in-progress	4.2	367,641	90,330
		<u>1,470,701</u>	<u>1,201,577</u>

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

	Additions at cost Half Year Ended Dec 31,		Deletions at book value Half Year Ended Dec 31,	
	2017 (Un-audited)	2016	2017 (Un-audited)	2016
	----- (Rupees in thousands) -----			
Operating fixed assets				
Leasehold land	-	793	-	64,798
Building on freehold land	774	-	-	-
Plant and machinery	72,929	3,724	557	363
Furniture and fittings	1,223	803	-	-
Vehicles	544	8,063	1,706	1,253
Office and mills equipment	10,169	3,158	6	25
Computer equipment	4,374	4,435	23	-
Jigs and Fixtures	12,231	22,144	-	-
	<u>102,244</u>	<u>43,120</u>	<u>2,292</u>	<u>66,439</u>

4.2 During the period, capital work in progress amounting to Rs. 37.625 million (December 31, 2016 : 4.845 million) was transferred to operating fixed assets.

Dec 31, 2017 (Un-audited) (Rupees in thousands)	June 30, 2017 (Audited)
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5 LONG-TERM INVESTMENTS

Associates - stated as per equity method

Quoted

Indus Motor Company Limited	1,848,786	1,769,481
Habib Insurance Company Limited	41,927	39,394
Agriauto Industries Limited	302,058	291,714
Shabbir Tiles and Ceramics Limited	22,152	22,747
	<u>2,214,923</u>	<u>2,123,336</u>

Joint venture - stated as per equity method

ThalNova Power Thar (Private) Limited	417,387	312,462
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Other investments - available for-sale

Quoted - at fair value

Habib Sugar Mills Limited	66,406	69,916
Dynea Pakistan Limited	71,797	82,156
GlaxoSmithKline (Pakistan) Limited	366	430
Habib Bank Limited	10,881	17,526
Allied Bank Limited	15,452	16,295
TPL Properties Limited	11,880	12,250
	<u>176,782</u>	<u>198,573</u>

Un-Quoted - at cost

Sindh Engro Coal Mining Company Limited	1,198,517	898,861
	<u>4,007,609</u>	<u>3,533,232</u>

Thal Limited

	Note	Dec 31, 2017 (Un-audited) (Rupees in thousands)	June 30, 2017 (Audited)
6 STOCK-IN-TRADE			
Raw material			
In hand		2,094,511	1,926,121
In transit		648,212	385,845
		<u>2,742,723</u>	<u>2,311,966</u>
Work-in-process		197,146	156,863
Finished goods			
In hand		859,965	520,378
In transit		3,481	3,126
		<u>863,446</u>	<u>523,504</u>
	6.1	<u>3,803,315</u>	<u>2,992,333</u>

- 6.1 This includes items amounting to Rs. 36.201 million (June 30, 2017 : Rs. 690.797 million) carried at net realizable value. [Cost Rs. 90.206 million (June 30, 2017 : Rs. 734.922 million)]

7 SHORT-TERM INVESTMENTS

- 7.1 This represents investment in Term Deposit Receipts amounting to Rs. 4,206.191 million (June 30, 2017: Rs. 5,586.880 million), Government Treasury bills amounting to Rs. 1,008.573 million (June 30, 2017: 1,246.093 million) and mutual funds amounting to Rs. 3,306.238 million (June 30, 2017: 3,677.200 million).
- 7.2 Term deposit receipts include Rs. 3,057.599 million (June 30, 2017: Rs. 3,262 million) maintained with Habib Metropolitan Bank Limited, a related party.

	Note	Dec 31, 2017 (Un-audited) (Rupees in thousands)	June 30, 2017 (Audited)
8 INCOME TAX - Net			
Group Tax Relief adjustments	8.1	593,466	593,466
Group Taxation adjustments	8.2	31	10,040
Income Tax provision less tax payments - net		<u>(524,477)</u>	<u>(570,111)</u>
		<u>69,020</u>	<u>33,395</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 Holding Company has adjusted its tax liabilities for the tax years 2008-2010 by acquiring the losses of its subsidiary company and consequently an aggregate sum of Rs. 593.466 million equivalent to the tax value of the losses acquired has been paid to the subsidiary company.

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

Thal Limited

- 8.2 In terms of the provision of Section 59AA of the Income Tax Ordinance, 2001 (the Ordinance), the Company and its wholly owned subsidiaries MHPL and A-One Enterprises (Private) Limited have irrevocably opted to be taxed as one fiscal unit for the tax year 2018.

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, 2017 except the following:

- 9.1.1 Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 1,791.951 million (June 30, 2017 : Rs. 2,175.690 million).

- 9.1.2 Post dated cheques issued to collector of Customs amounts to Rs. 24.438 million (June 30, 2017 : Rs. 103.974 million)

9.2 Commitments

- 9.2.1 Letter of credits outstanding for raw material and spares amounts to Rs. 1,864.737 million (June 30, 2017 : Rs. 755.157 million).

- 9.2.2 Commitments in respect of capital expenditure amounts to Rs. 82.107 million (June 30, 2017: Rs. 66.817 million).

- 9.2.3 Commitments for rentals under ljarah agreements in respect of vehicles amount to Rs. 34.418 million (June 30, 2017 : Rs. 21.424 million).

- 9.2.4 Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 2,153.232 million (June 30, 2017 : Rs. 2,544.660 million)

Half Year Ended
Dec 31, Dec 31,
2017 2016

(Un-audited)
(Rupees in thousands)

10 OTHER INCOME

Income from financial assets

Dividend income	4,137	3,180
Profit earned on call deposits and short-term investments	206,966	168,559
Gain on revaluation / redemption of investments at fair value through profit and loss	100,182	37,531
Others	83	3,803
	<hr style="width: 50%; margin: auto;"/> 311,368	<hr style="width: 50%; margin: auto;"/> 213,073

Income from non-financial assets

Gain on disposal of investment in an associate - MHCCP	-	2,120,000
Gain on disposal of property, plant and equipment	2,306	195,787
Rental income	725,987	705,809
Others	101,978	75,361
	830,271	3,096,957
	<hr style="width: 50%; margin: auto;"/> 1,141,639	<hr style="width: 50%; margin: auto;"/> 3,310,030

Thal Limited

Half Year Ended
Dec 31, Dec 31,
2017 2016
(Un-audited)
(Rupees in thousands)

11 BASIC AND DILUTED EARNINGS PER SHARE

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

Profit after taxation attributable to the equity holders of the holding company

1,493,203 3,267,130

Number of shares
in thousands

Weighted average number of ordinary shares of Rs. 5/- each in issue

81,030 81,030

Basic and diluted earnings per share

Rupees
18.43 40.32

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Half Year Ended
Dec 31, Dec 31,
2017 2016
(Un-audited)
(Rupees in thousands)

Associates

Sales	5,217,502	4,626,996
Professional Services rendered	124,395	186,952
Rental Income on properties	740,336	728,535
Professional Services acquired	-	2,388
Insurance premium	17,816	14,213
Purchase of assets	-	4,598
Purchase of goods	65,094	62,075
Insurance claim received	1,447	1,858
Mark-up and bank charges paid	3,850	1,130
Profit received	115,788	121,674
Supplies purchased	199,433	17,390
Licence fee, signage and others	5,814	134
Rent Paid	1,623	3,603

Employee benefit plans

Contribution to provident fund	20,135	18,525
Contribution to retirement benefit fund	3,536	3,078

Key management personnel

Key management personnel compensation	144,290	117,568
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Thal Limited

	Dec 31, 2017 (Un-audited)	June 30, 2017 (Audited)
	(Rupees in thousands)	
Balances		
Receivable from associates in respect of trade debts	645,244	280,603
Prepayments made to associates	6,275	6,033
Other receivables from associates	2,620	2,237
Long-term deposit with associates	293,326	293,326
Bank balances with associates	853,246	713,295
Payable to associates in respect of trade and other payables	8,323	6,094
Payable to associate in respect of short term running finance	208	5,473

- 12.1 The investments in related parties are disclosed in note 5 and 7 to these consolidated condensed interim financial statements.

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

There were no transfers amongst levels during the period.

	Half Year Ended						Elimination		Total
	Dec 31, 2016		Dec 31, 2017		Dec 31, 2016				
	Engineering		Building material and allied products		Real estate management & others				
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016			
SALES REVENUE	6,186,433	5,916,562	2,616,894	2,066,112	228,358	175,463	(77,634)	(61,486)	8,096,651
SEGMENT RESULT	1,295,122	1,380,330	222,077	262,911	564,547	509,662	-	-	2,152,903
Unallocated corporate (expenses) / income:									
Administrative & distribution costs									
Other income									
Operating profit									
Finance cost								(3,925)	(4,779)
Other charges								(118,786)	(221,189)
Share in profit of associates								405,348	384,216
Taxation								(623,101)	(1,065,921)
								1,683,455	3,448,826

Rupees in thousands

پروجیکٹ زیر تعمیر ہے اور موجودہ طور پر کام شیڈول سے آگے ہے۔ آج کی تاریخ تک ملبہ جات کا c.72 Million BCM صاف کیا جا چکا ہے اور کان 120 میٹر کی گہرائی تک پہنچ چکی ہے۔ ایف لوڈنگ ڈسپوزل لائن اور لیفٹ بینک آؤٹ فال ڈریج اسکیم کے مسئلہ انفراسٹرکچر پروجیکٹس ممکنہ طور پر شیڈول کے مطابق مکمل کر لئے جائیں گے۔

پروجیکٹ کے پہلے مرحلے کیلئے تھل لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 36.1 ملین امریکی ڈالر کے مساوی پاک روپے میں مجموعی ایکسپوزر کی منظوری دی تھی جس میں 24.3 ملین امریکی ڈالر کی ایکویٹی سرمایہ کاری، 5 ملین امریکی ڈالر برائے کاسٹ اوور رن اور 6.8 ملین امریکی ڈالر برائے ڈپتھ سرنگ ریزرو بھی شامل ہے۔ آج کی تاریخ تک کمپنی 11.51 ملین امریکی ڈالر کے مساوی 1,199 ملین روپے کی سرمایہ کاری کر چکی ہے۔

ایس ای سی ایم سی نے تھل نو واپا ورتھر (پرائیویٹ) لمیٹڈ اور تھرانز جی لمیٹڈ کے ساتھ بالترتیب ہر ایک 330 میگا واٹ پاور پلانٹ کو 1.9 ملین ٹن لگنائیٹ سالانہ اضافی طور پر فراہم کرنے کیلئے کول سپلائی کے معاہدے کئے ہیں۔

اظہار تشکر

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

منجانب بورڈ



مظہر واجبی
چیف ایگزیکٹو

کراچی:

مورخہ: 23 فروری 2018

پاور سیکٹر میں سرمایہ کاری تھل پاور (پرائیویٹ) لمیٹڈ

کمپنی نے تھرسندھ میں واقع 330 میگا واٹ مائن ماؤتھ کول - فائرڈ پاور جنریشن پلانٹ کو تیار کرنے کے لئے اشتراک کے سلسلے میں نووا ٹیکس لمیٹڈ کے ساتھ ایک جوائنٹ ونچر ایگریمنٹ تشکیل دیا ہے۔ یہ پاور پلانٹ سندھ اینیگر کول مائننگ کمپنی (ایس ای سی ایم سی) کے ذریعے چلائی جانے والی مائن سے حاصل کردہ لیگنانٹ کول پر انحصار کرے گا۔

کمپنی نے اپنے مکمل ملکیتی ذیلی ادارے تھل پاور (پرائیویٹ) لمیٹڈ کے ذریعے ایک جوائنٹ ونچر کمپنی یعنی تھل نووا پاور تھل پرائیویٹ لمیٹڈ ("تھل نووا") پروجیکٹ کی تعمیر کے ضمن میں تشکیل دی ہے۔

تھل نووا نے پرائیویٹ پاور انفراسٹرکچر بورڈ (پی پی آئی بی) سے لیٹر آف انٹینٹ (ایل او آئی) اور لیٹر آف سپورٹ (ایل او ایس) حاصل کر لیا ہے نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (نپرا) نے پروجیکٹ کمپنی کو تھل کول پراجزیشن لائسنس جاری کر دیا ہے اور اپ فرنٹ ٹیرف بھی تفویض کر دیا گیا ہے۔ تھل نووا کو سندھ اینوائزمنٹل پریوینشن ایکشن (ایس ای سی پی اے) کی جانب سے بھی نوآئینکیشن سرٹیفکیٹ (این او سی) جاری کیا جا چکا ہے۔ چائنا مشینری اینڈ انجینئرنگ کارپوریشن کو بحیثیت ای سی سی کٹرکٹر مقرر کیا گیا ہے۔ تھل نووا نے 1.9 ملین ٹن سالانہ لیگنانٹ کی فراہمی کیلئے ایس ای سی ایم سی کے ساتھ کول سپلائی ایگریمنٹ (سی ایس اے) کیا ہے۔ سینٹرل پاور پراجزیشن ایجنسی (گارنٹی) لمیٹڈ کے ساتھ پاور پراجز ایگریمنٹ (پی پی اے) اور پی پی آئی بی کے ساتھ اپیلی میٹیشن ایگریمنٹ (آئی اے) بھی تکمیل دیا جا رہا ہے۔ چائنا ڈیولپمنٹ بینک (سی ڈی بی) اور حبیب بینک لمیٹڈ (ایچ بی ایل) بالترتیب غیر ملکی اور مقامی کرنسی پروجیکٹ قرضے کے انتظامات میں مصروف عمل ہیں۔

چونکہ یہ پروجیکٹ ملکی وسائل پر مبنی ہونے کی وجہ سے مستحکم بنیادوں کا حامل ہے اور متعلقہ حکومتوں کی جانب سے بھی اس کو بھرپور حمایت اور حوصلہ افزائی مل رہی ہے پھر بھی اسے بروقت فنانشل کلوز کیلئے کئی اہم چیلنجوں کا سامنا کرنا پڑا۔ تھل نووا نے تمام پروجیکٹ کے معاہدے اور پروجیکٹ کے لئے فنانشل کلوز حاصل کرنے میں بھرپور فعال کردار ادا کیا۔

سندھ اینیگر کول مائننگ کمپنی لمیٹڈ

ایس ای سی ایم سی حکومت سندھ، تھل لمیٹڈ، اینیگر و پاور جن لمیٹڈ، حب پاور کمپنی لمیٹڈ، سی ایم ای سی تھل مائننگ اتو سٹیمٹس لمیٹڈ اور ایس پی آئی منڈ ونگ کے مابین ایک جوائنٹ ونچر ہے۔ یہ تھل کول بلاک-II میں پاکستان کے پہلے اوپن پٹ مائننگ پروجیکٹ کو تیار کرنے میں سرگرم عمل ہے۔ پروجیکٹ نے 4 اپریل 2016 کو اپنا فنانشل کلوز حاصل کیا۔

ذیلی ادارے

تھل بوشوکو پاکستان (پرائیویٹ) لمیٹڈ (ٹی بی پی کے)

مالی سال 2017-18 کی پہلی ششماہی کے دوران کمپنی کے سیلرز یونیونے بجٹ کے ساتھ کی ظاہر کی جس کی بنیادی وجہ صارفین کی جانب سے کم اٹھاؤ تھا۔ تاہم کمپنی بہترین مالی انتظام، باکفایت لاگت کنٹرول اور مستعد انویسٹری مینجمنٹ کے ذریعے منافع جات میں رواں کمی کے سدباب میں بڑی حد تک کامیاب رہی۔

پلان کے مطابق کمپنی نے اپنے آپریشنز میں توسیع کے ضمن میں اپنی کوششیں شروع کر دی ہیں۔ کمپنی کا مستقبل خاصہ حوصلہ افزا ہے کیونکہ آٹو سیکٹر کی طلب میں تیزی کا رجحان دیکھا جا رہا ہے۔ امکانات ہیں کہ سال کی دوسری ششماہی ہی میں کاروبار بہتر کارکردگی کا مظاہرہ کرے گا۔

حبیب میٹروپاکستان (پرائیویٹ) لمیٹڈ (ایچ ایم پی ایل)

حبیب میٹروپاکستان (پرائیویٹ) لمیٹڈ (ایچ ایم پی ایل) کا بنیادی کاروبار ریٹیل اسٹور املاک کی ملکیت اور اس کا انتظام سنبھالنا ہے اور اس کے مطابق آمدنی کا 90 فیصد حصہ ریٹیل آمدنی سے حاصل ہوتا ہے۔ تھل لمیٹڈ اپنی ذیلی کمپنی میں 60 فیصد شیئرز ہولڈنگ کا حامل ہے جبکہ 40 فیصد میٹروکیش اینڈ کیری انٹرنیشنل ہولڈنگ بی وی کے پاس ہیں۔ کمپنی نے کاروباری مواقع تلاش کر رہی ہے تاکہ کیش اینڈ کیری ریٹیل ریٹیل برنس کو فروغ حاصل ہو اور اس کے اسٹور کی لوکیٹیشنز سے ادارے کی قدر و قیمت بڑھائی جائے۔ سہ ماہی کے دوران ایچ ایم پی ایل نے تھل لمیٹڈ کو ادائیگی کے لئے 98 ملین روپے کے منافع منقسمہ کی منظوری دی تھی۔

میکرو۔ حبیب پاکستان لمیٹڈ (ایم ایچ پی ایل)

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

بعد ازاں 9 دسمبر 2015 کو ہونے والی ایک پیش رفت کے طور پر فاضل سپریم کورٹ آف پاکستان نے نظر ثانی پیشین کی بحالی کے لئے آر می ویلیفیر ٹرسٹ (اے ڈبلیو ٹی) کی درخواست کو منظور کر لیا۔ اپنی 2 فروری 2016 کی سماعت میں معزز چیف جسٹس نے اے ڈبلیو ٹی کی نظر ثانی درخواست کا جائزہ لیتے ہوئے تبصرہ کیا کہ ایم ایچ پی ایل اور وزارت دفاع دونوں کو میرٹ پر اپنے نکات پر بحث میں حصہ لینے کا موقع دیا جائے گا جیسا کہ یہ دونوں اے ڈبلیو ٹی کی پیشین میں جوابداران ہیں۔

اے ڈبلیو ٹی کی نظر ثانی پیشین کی سماعت پہلے ایک نئے بیج کے روبرو 17 اکتوبر 2017 کو مقرر کی گئی تھی تاہم شہری اور کے ڈبلیو ایس بی کی نمائندگی کرنے والی کونسل کی جانب سے داخل کردہ التواء کی درخواست کے باعث سماعت کے دوران مزید کوئی کارروائی نہ ہو سکی۔ یہ کمپنی تھل لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے۔

برآمدی امکانات بدستو ثبت رہے ہیں اور ہمیں توقع ہے کہ بین الاقوامی مارکیٹ میں مزید توسیع حاصل ہوگی۔ جبکہ کہ مقامی مارکیٹ میں ہم حکومت کے خریداری کے حکموں سے غلہ کی بوریوں کی ایک وسیع تر طلب دیکھ رہے ہیں جو آنے والی گندم کی فصل کے دوران کی جائے گی اور ہمیں مقامی مارکیٹ میں بھی بہتری کی امید ہے۔

پیسپر سیک بزنس

سال کی پہلی ششماہی خام مال کی قلت اور یورو ایسپیج ریٹ میں اضافے کے باعث منافع جات کے حوالے سے چیلنجنگ رہی۔ اگرچہ کمپنی نے پاک روپے کی قدر میں کمی کو فروخت کے نرخوں میں اضافے کے ذریعے کم کرنے کی کوشش کی تاہم یہ کاغذ کے نرخوں میں اضافے کے مکمل اثرات کو منتقل کرنے کے قابل نہ ہو سکی۔ انتظامیہ لاگتوں پر کنٹرول کیلئے مستقل طور پر کوششیں جاری رکھے ہوئے ہے۔

سیلز کے حجم کے تصور سے سینٹ کی بوریوں کا حجم گزشتہ سال کی اس مدت کے مقابلے میں 14 فیصد تک بڑھ گیا۔ صنعتی بوریوں کا حجم اور ایس او ایس نے بھی گزشتہ سال کی اس مدت میں مقابلتا بہتری ظاہر کی۔

سال کیلئے آؤٹ لک کے بارے میں توقع ہے کہ یہ زرمبادلہ کے نرخوں کے اثرات کے باعث چیلنجنگ رہے گا۔ کیریئر بیگز کی کمرشل پروڈکشن کا آغاز کچھ تاخیر سے کر دیا گیا ہے اور توقع ہے کہ کاروبار کیلئے یہ مفید ثابت ہوگی۔ صنعتی بوریوں اور خوراک کے بیگز کا شعبہ بھی امکانی طور پر ایک صحت مندانہ شرح نمو کا رجحان ظاہر کر رہا ہے جس سے کمپنی کو سرمایہ کاری کے ضمن میں فائدہ حاصل ہوگا۔

لیمینیشن آپریشنز

لیمینیشن کا کاروبار 13 اہم شعبوں میں کام کر رہا ہے۔ ہائی پریشر لیمینیشن (ایچ پی ایل)، کمپیکٹ لیمینیشن اور بورڈز کی لیمینیشن۔ ایک غیر دستاویزی کاروباری ماحول میں مسابقت کے باعث بزنس کو چند اہم مطلوبہ اقدامات کرنے پڑے تاکہ مسابقت کو برقرار رکھنے کے لئے طریقہ کار میں بہتری لائی جائے۔

حال ہی میں مقامی صنعت کے چند بڑے اداروں کی جانب سے لیمینیشن کو بطور متبادل استعمال کرتے ہوئے بورڈ تیار کرنے کیلئے چند وسیع تر پیداواری لائنز کا اضافہ ہوا ہے۔ کمپنی مقامی بورڈ کی اپنی ضروریات کیلئے دیگر مینوفیکچررز پر انحصار کر رہی ہے لہذا بلند تر لاگت پر کام ہو رہا ہے۔ مارکیٹ ایچ پی ایل سے لیمینیشن تک منتقلی اور مسابقت کے ذریعے کم ترین نرخ اس امر کا اشارہ ہیں کہ کاروبار اس شعبے میں چیلنجنگ ہی رہے گا۔

کمپنی اپنے صارفین کا دائرہ کار بڑھتا ہوا دیکھنے کے ساتھ نئے ایکویپمنٹ میں سرمایہ کاری کے ذریعے نئی پروڈکٹس لانے کی کوشش کر رہی ہے تاکہ صارفین کی دلچسپی اور مارکیٹ شیئر کو برقرار رکھا جائے۔

استعمال شدہ گاڑیوں کی درآمد کا سلسلہ بہت تیزی سے بڑھتا رہا اور گزشتہ سال کے مقابلے میں یہ لگ بھگ 85 فیصد بڑھ گئی جس کی بڑی وجہ ہائی برڈ مسافر کاروں کی درآمد میں اضافہ تھا۔ اس صورتحال سے مقامی آٹو انڈسٹری کی کارکردگی پر منفی اثرات مرتب ہونے کا سلسلہ بھی جاری رہا کیونکہ چھ ماہ کی مدت کے دوران تقریباً 44,760 یونٹس درآمد کیے گئے جبکہ گزشتہ سال میں اس کے مقابلے میں 24,166 یونٹس درآمد کیے گئے تھے۔ آٹو موبائل مینیوفیکچررز اور آٹو پارٹس سلائرز کی مستقل کوششوں کے باوجود حکومت ابھی تک استعمال شدہ گاڑیوں کی درآمد پر پابندی عائد کرنے کے لئے کوئی پالیسی نافذ نہیں کر سکی۔

حکومت چین، تھائی لینڈ اور ترقی کے ساتھ فری ٹریڈ ایگریمنٹس (ایف ٹی ایز) پر بات چیت کے مرحلے میں ہے۔ اس سلسلے میں کمپنی کی انتظامیہ نے آٹو اینڈ رائٹسٹری کے تحفظ کے سلسلے میں اپنا موقف حکومت کے سامنے پیش کر دیا ہے اور اس معاملے پر اپنی کارروائی جاری رکھے گی۔

31 دسمبر 2017 کو ختم ہونے والے سال کے لئے سیلز ریویو 5.83 بلین روپے رہا جو گزشتہ سال کی اس مدت میں مقابلاً 5.53 بلین روپے تھا، اور اس طرح 5.4 فیصد کا اضافہ ظاہر ہوا۔

ششماہی مدت کے دوران بعد از مارکیٹ شعبے نے بہتر کارکردگی ظاہر کی۔ کمرشل گاڑیوں کے شعبے کیلئے کمپنی کی پروڈکٹس کیلئے طلب خصوصی طور پر بہتر رہی کیونکہ نئے صارفین اس میں شامل ہوئے اور موجودہ صارفین نے بھی نئی پروڈکٹس کی خریداری میں دلچسپی ظاہر کی۔

ششماہی کارکردگی کے ساتھ آگے بڑھتے ہوئے رواں مالی سال کی آئندہ ششماہی کے دوران بھی سیلز متوقع طور پر مستحکم رہنے کا امکان ہے۔ توقع ہے کہ درآمد شدہ گاڑیوں پر سخت قواعد و ضوابط لاگو کیے جانے کے سبب مقامی مصنوعات کی طلب میں نمایاں اضافہ ہوگا۔ انتظامیہ نے پروڈکٹ کا معیار بہتر بنانے، انسانی صحت اور مینوفیکچر پر اپنے ماحولیات کو محفوظ بنانے کے اقدامات کے ذریعے بھرپور توجہ دی۔ مستقل بہتری کے خنمن میں کئے جانے والے اقدامات سے کارکردگی بہتر ہوئے اور کاروبار پر اس کے مثبت اثرات ظاہر ہوئے۔

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

31 دسمبر 2017 کو ختم ہونے والی ششماہی کے دوران بلڈنگ میٹریل اور متعلقہ مصنوعات کے شعبے میں سیلز ریویو 2.62 بلین روپے رہا جو گزشتہ سال کی اسی سہ ماہی میں 2.07 بلین روپے تھا اور نیچتاً 27 فیصد کا اضافہ دیکھنے میں آیا۔

جوٹ آپریٹرز

اپنی خصوصی حکمت عملی کے ذریعے جوٹ کا کاروبار اپنی فروخت کا حجم بڑھانے اور مارکیٹ شیئر میں اضافے کا اہل ہو سکا۔ چیلنجنگ کی بیرونی صورتحال مثلاً پاکستانی روپے کی قدر میں کمی اور ایندھن و اجرت کی لاگت میں اضافے کے رجحان کے باوجود انتظامیہ کے محتاط باکفایت کاسٹ کنٹرول کارروائیوں، پیداواری بہتری کے اقدام اور مارکیٹ میں اپنے قدم مضبوط بنانے کی حکمت عملیوں کے سبب انتہائی مثبت نتائج حاصل ہوئے۔

تھل لیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ برائے شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کی جانب سے میں ڈائریکٹرز کا جائزہ بشمول 31 دسمبر 2017 کو ختم ہونے والی مدت کے لئے غیر آڈٹ شدہ عبوری مجموعی مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

فنانس کی خاص خاص باتیں

روپے بلین میں		
برائے نصف سال مختتمہ 31 دسمبر 2016	برائے نصف سال مختتمہ 31 دسمبر 2017	
7,598	8,448	سیلز ریونیو
3,425	1,691	قبل از ٹیکس منافع
2,582	1,273	بعد از ٹیکس منافع
31.87	15.71	فی شیئر آمدنی (روپے میں)

کارکردگی کا عمومی جائزہ

31 دسمبر 2017 کو ختم ہونے والی ششماہی کے لئے سیلز ریونیو 8.448 بلین روپے رہا جبکہ گزشتہ سال کی اسی مدت کے دوران یہ حجم 7.598 بلین روپے تھا جس سے اس مدت کے دوران منافع بعد از ٹیکس میں 11.2 فیصد اضافہ ظاہر ہوتا ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 1.309 بلین روپے کم تھا جو بنیادی طور پر میٹرو حبیب کیش اینڈ کیوری پاکستان (پرائیویٹ) لمیٹڈ میں شیئرز کی ڈائی ویسٹمنٹ پر منافع کے باعث ممکن ہوا جو اس مدت کے دوران کی گئی تھی۔ بنیادی اور خالص آمدنی فی شیئر (ای پی ایس) 15.71 روپے رہی جو گزشتہ سال کی اس مدت میں 31.87 روپے تھی۔

کاروبار کی مختصر صورت حال

انجینئرنگ کا شعبہ

مقامی آٹو انڈسٹری کا حجم گزشتہ سال کی اس مدت کے مقابلے میں 27 فیصد تک بڑھ کر مستحکم اور بہتر رجسٹرڈ کیا گیا جس کی وجہ مقامی آٹو اسمبلرز کی جانب سے نئی ماڈلز کو کامیاب انداز میں متعارف کرانا اور پُرکشش نرخوں کی دستیابی کے باعث آٹولیزنگ میں اضافہ تھا۔

CORPORATE INFORMATION

Board of Directors

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

Chief Financial Officer

Shahid Saleem

Company Secretary

Umair Riaz Siddiqi

Audit Committee

Asif Qadir	Chairman - Independent
Sohail P. Ahmed	Member
Mohamedali R. Habib	Member
Salman Burney	Member

Human Resources & Remuneration Committee

Asif Qadir	Chairman - Independent
Salman Burney	Member
Ali S. Habib	Member
Mazhar Valjee	Member

External Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisors

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

Tax Advisors

EY Ford Rhodes
Chartered Accountants

Bankers

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
National Bank of Pakistan
Habib Metropolitan Bank Limited
Meezan Bank Limited
Albaraka Islamic Bank
Bank Al-Habib Limited
Faysal Bank Limited
Industrial & Commercial Bank of China Limited

Registered Office

4th Floor, House of Habib
3-Jinnah Cooperative Housing Society, Block 7/8
Sharae Faisal, Karachi - 75350
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

FAMCO Associates (Private) Limited
8-F, next to Hotel Faran, Nursery, Block-6, P.E.C.H.S.,
Shahra-e-Faisal, Karachi.
Tel: 34380101-5, 34384621-3
Fax: 34380106 and 32428310
Email: info.shares@famco.com.pk
Website: www.famco.com.pk

ACQUAINTANCE

THE FIRST OF TWO VOLUMES OF THE
SERIES

THE SECOND OF TWO VOLUMES OF THE
SERIES

THE THIRD OF TWO VOLUMES OF THE
SERIES

THE FOURTH OF TWO VOLUMES OF THE
SERIES

THE FIFTH OF TWO VOLUMES OF THE
SERIES

THE SIXTH OF TWO VOLUMES OF THE
SERIES

THE SEVENTH OF TWO VOLUMES OF THE
SERIES

THE EIGHTH OF TWO VOLUMES OF THE
SERIES

THE NINTH OF TWO VOLUMES OF THE
SERIES

THE TENTH OF TWO VOLUMES OF THE
SERIES

THE ELEVENTH OF TWO VOLUMES OF THE
SERIES

THE TWELFTH OF TWO VOLUMES OF THE
SERIES