

Thal Limited

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2018

	Note	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
(Rupees in thousands)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,630,951	1,201,577
Intangible assets		12,969	10,249
Investment property		6,733,047	6,845,446
Long-term investments	5	4,345,223	3,533,232
Long-term loans		9,681	10,989
Long-term deposits		18,722	17,746
Long-term prepayments		22,501	22,501
Deferred tax asset - net		228,736	187,551
		<u>13,001,830</u>	<u>11,829,291</u>
CURRENT ASSETS			
Stores, spares and loose tools		150,322	107,905
Stock-in-trade	6	4,095,144	2,992,333
Trade debts		2,277,215	1,094,863
Loans and advances		197,961	71,198
Trade deposits and short-term prepayments		172,669	89,063
Interest accrued		3,005	2,198
Other receivables		12,399	5,943
Short-term investments	7	8,495,628	10,510,173
Income Tax - net	8	-	33,395
Sales tax refundable		-	66,822
Cash and bank balances		962,928	842,399
		<u>16,367,271</u>	<u>15,816,292</u>
TOTAL ASSETS		<u>29,369,101</u>	<u>27,645,583</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		405,150	405,150
Share deposit money		12	12
Reserves		19,440,823	18,447,119
Equity attributable to equity holders' of the parent		19,845,985	18,852,281
Non-controlling interest		6,230,045	6,116,611
		<u>26,076,030</u>	<u>24,968,892</u>
NON-CURRENT LIABILITIES			
Long-term deposits		317,789	316,762
CURRENT LIABILITIES			
Trade and other payables		2,639,162	2,271,212
Unclaimed dividend		108,762	72,553
Short-term borrowings		-	9,137
Deferred income		17,808	7,026
Sales tax payable		47,240	-
Accrued markup		-	1
Income Tax - net	8	162,310	-
		<u>2,975,282</u>	<u>2,359,929</u>
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITIES AND LIABILITIES		<u>29,369,101</u>	<u>27,645,583</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 PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2018 (UN-AUDITED)

Note	Nine months ended March 31,		Quarter ended March 31,	
	2018 (Un-audited)	2017 (Un-audited)	2018 (Un-audited)	2017 (Un-audited)
----- (Rupees in thousands) -----				
Revenue - net	14,389,487	13,271,203	5,435,436	5,174,552
Cost of sales	<u>(11,589,578)</u>	<u>(10,205,052)</u>	<u>(4,368,451)</u>	<u>(3,937,615)</u>
Gross Profit	2,799,909	3,066,151	1,066,985	1,236,937
Distribution costs	(162,699)	(156,701)	(55,657)	(46,018)
Administrative expenses	(1,139,017)	(1,032,983)	(395,415)	(360,921)
Other charges	(188,399)	(304,354)	(69,613)	(83,165)
	<u>(1,490,115)</u>	<u>(1,494,038)</u>	<u>(520,685)</u>	<u>(490,104)</u>
Other income	10 1,699,668	3,930,202	558,029	620,172
Operating Profit	3,009,462	5,502,315	1,104,329	1,367,005
Finance costs	<u>(7,371)</u>	<u>(7,427)</u>	<u>(3,446)</u>	<u>(2,648)</u>
	<u>3,002,091</u>	<u>5,494,888</u>	<u>1,100,883</u>	<u>1,364,357</u>
Share of net profit of associates - after tax	653,745	587,836	248,397	203,620
Profit before taxation	3,655,836	6,082,724	1,349,280	1,567,977
Taxation	<u>(959,512)</u>	<u>(1,490,879)</u>	<u>(336,411)</u>	<u>(424,958)</u>
Profit after taxation	<u>2,696,324</u>	<u>4,591,845</u>	<u>1,012,869</u>	<u>1,143,019</u>
Attributable to:				
- Equity holders of the Holding Company	2,408,065	4,315,438	914,862	1,048,308
- Non-controlling interest	288,259	276,407	98,007	94,711
	<u>2,696,324</u>	<u>4,591,845</u>	<u>1,012,869</u>	<u>1,143,019</u>
----- (Rupees) -----				
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	11 29.72	53.26	11.29	12.94

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 PERIOD ENDED MARCH 31, 2018

(UN-AUDITED)

	Nine months ended March 31,		Quarter ended March 31,	
	2018 (Un-audited)	2017 (Un-audited)	2018 (Un-audited)	2017 (Un-audited)
	----- (Rupees in thousands) -----			
Profit after taxation	2,696,324	4,591,845	1,012,869	1,143,019
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	64,311	40,964	86,102	6,177
<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	20,383	(492)	20,502	(439)
Total comprehensive income for the period, net of tax	<u>2,781,018</u>	<u>4,632,317</u>	<u>1,119,473</u>	<u>1,148,757</u>
Attributable to:				
- Equity holders of the Holding Company	2,492,759	4,355,910	1,021,466	1,054,046
- Non-controlling interest	288,259	276,407	98,007	94,711
	<u>2,781,018</u>	<u>4,632,317</u>	<u>1,119,473</u>	<u>1,148,757</u>

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CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2018 (UN-AUDITED)

	March 31, 2018	March 31, 2017
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,655,836	6,082,724
Adjustments for non-cash charges and other items:		
Depreciation and amortization	353,584	308,668
Share in profit of associates - after taxation	(653,745)	(587,836)
Finance costs	7,371	7,427
Profit earned on call deposits and short-term investments	(294,810)	(263,974)
Liabilities no longer payable written back	(103)	(3,450)
Gain on revaluation / redemption of investments at fair value through profit and loss	(144,228)	(93,909)
Dividend income	(7,404)	(8,314)
(Reversal) / Provision for impairment of trade debts	(2,875)	11,225
Provision for slow moving stock	-	2,177
Provision for retirement benefits	5,573	1,617
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	(5,935)	(262,990)
	<u>(742,572)</u>	<u>(3,009,359)</u>
	2,913,264	3,073,365
(Increase) / decrease in current assets		
Stores, spares and loose tools	(42,417)	(8,929)
Stock-in-trade	(1,102,811)	(598,753)
Trade debts	(1,179,477)	(982,486)
Loans and advances	(126,763)	(41,496)
Trade deposits and short-term prepayments	(83,606)	(81,397)
Other receivables	(79,129)	500,260
Increase / (decrease) in current liabilities		
Deferred income	10,782	7,463
Trade and other payables	368,516	741,760
Sales tax payable	114,062	77,258
	<u>(2,120,843)</u>	<u>(386,320)</u>
Cash generated from operations	792,421	2,687,045
Finance costs paid	(7,372)	(7,469)
Retirement benefits paid	(6,418)	(2,048)
Income tax paid	(804,992)	(848,684)
Long-term loans	1,308	3,022
Long-term deposits - net	51	3,508
Net cash (used in) / generated from operating activities	<u>(25,002)</u>	<u>1,835,374</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(676,915)	(408,960)
Dividends received	581,563	466,926
Profit received on call deposits and short term investments	305,201	255,496
Long-term investments made during the period	(574,656)	(318,857)
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	9,571	347,256
Short-term investments encashed / (made) during the period	568,980	(3,523,021)
Net cash generated from / (used in) investing activities	<u>213,744</u>	<u>(1,061,160)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,637,671)	(734,043)
Net cash used in financing activities	<u>(1,637,671)</u>	<u>(734,043)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,448,929)</u>	<u>40,171</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>7,541,508</u>	<u>6,001,336</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>6,092,579</u></u>	<u><u>6,041,507</u></u>
Cash and bank balances	962,928	921,995
Short-term investments	5,129,651	5,119,550
Short-term running finance	-	(38)
	<u>6,092,579</u>	<u>6,041,507</u>

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Shahid Saleem
Chief Financial Officer


Mazhar Valjee
Chief Executive


Salman Borney
Director

Thal Limited

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018

	Issued, sub- scribed & paid-up capital	Share deposit money	RESERVES			Gain / (Loss) on changes in fair value of available for sale invest- ments	Non- controlling interest	Total equity
			Capital reserve	General reserve	Unappro- priated profit			
(Rupees in '000)								
Balance as at June 30, 2016 (Audited)	405,150	12	67,929	9,838,874	4,060,410	94,227	5,907,241	20,373,843
Transfer to general reserve	-	-	-	1,368,500	(1,368,500)	-	-	-
Final dividend @ Rs. 6.25/- per share for the year ended June 30, 2016	-	-	-	-	(506,437)	-	-	(506,437)
Interim dividend @ Rs. 3.75/- per share for the half year ended December 31, 2016	-	-	-	-	(303,862)	-	-	(303,862)
Subsidiary Companies								
Interim dividend @ Rs. 0.357/- per share for the period ended September 30, 2016	-	-	-	-	-	-	(48,535)	(48,535)
Interim dividend @ Rs. 0.362/- per share or the half year ended December 31, 2016	-	-	-	-	-	-	(49,185)	(49,185)
Profit for the period	-	-	-	-	4,315,438	-	276,407	4,591,845
Other comprehensive income	-	-	-	-	(492)	40,964	-	40,472
Total comprehensive income	-	-	-	-	4,314,946	40,964	276,407	4,632,317
Balance as at March 31, 2017 (Un-Audited)	405,150	12	67,929	11,207,374	6,196,557	135,191	6,085,928	24,098,141
Balance as at June 30, 2017 (Audited)	405,150	12	67,929	11,207,374	7,027,888	143,928	6,116,611	24,968,892
Transfer to general reserve	-	-	-	2,366,000	(2,366,000)	-	-	-
Final dividend @ Rs. 16/- per share for the year ended June 30, 2017	-	-	-	-	(1,296,479)	-	-	(1,296,479)
Interim dividend @ Rs. 2.50/- per share for the half year ended December 31, 2017	-	-	-	-	(202,576)	-	-	(202,576)
Subsidiary Companies								
Final dividend @ Rs. 0.304/- per share for the year ended June 30, 2017	-	-	-	-	-	-	(41,303)	(41,303)
Interim dividend @ Rs. 0.500/- per share for the period ended September 30, 2017	-	-	-	-	-	-	(68,014)	(68,014)
Interim dividend @ Rs. 0.482/- per share for the half year ended December 31, 2017	-	-	-	-	-	-	(65,508)	(65,508)
Profit for the period	-	-	-	-	2,408,065	-	288,259	2,696,324
Other comprehensive income	-	-	-	-	20,383	64,311	-	84,694
Total comprehensive income	-	-	-	-	2,428,448	64,311	288,259	2,781,018
Balance as at March 31, 2018 (Un-Audited)	405,150	12	67,929	13,573,374	5,591,281	208,239	6,230,045	26,076,030

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Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director

Thal Limited

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2018 (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.

2 BASIS OF PREPERATION

- 2.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 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	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
(Rupees in thousands)			
Operating fixed assets	4.1	1,265,587	1,111,247
Capital work-in-progress	4.2	365,364	90,330
		<u>1,630,951</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		Deletions at book value	
	Nine Months Ended March 31,		Nine Months Ended March 31,	
	2018 (Un-audited)	2017	2018 (Un-audited)	2017
----- (Rupees in thousands) -----				
Operating fixed assets				
Leasehold land	171,279	1,705	-	74,887
Building on freehold land	3,035	1,191	-	-
Plant and machinery	101,238	90,541	556	5,336
Furniture and fittings	1,263	1,334	-	18
Vehicles	682	10,501	2,899	3,866
Office and mills equipment	22,704	7,478	157	159
Computer equipment	8,750	14,982	24	-
Jigs and Fixtures	14,437	23,132	-	-
	<u>323,388</u>	<u>150,864</u>	<u>3,636</u>	<u>84,266</u>

4.2 During the period, capital work in progress amounting to Rs. 42.474 million (March 31, 2017: 74.044 million) was transferred to operating fixed assets.

	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
(Rupees in thousands)		

5 LONG-TERM INVESTMENTS

Associates - stated as per equity method

Quoted

Indus Motor Company Limited	1,922,260	1,769,481
Habib Insurance Company Limited	63,558	39,394
Agriauto Industries Limited	311,622	291,714
Shabbir Tiles and Ceramics Limited	<u>22,547</u>	<u>22,747</u>
	2,319,987	2,123,336

Joint venture - stated as per equity method

ThalNova Power Thar (Private) Limited	563,835	312,462
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Other investments - available for-sale

Quoted - at fair value

Habib Sugar Mills Limited	68,814	69,916
Dynea Pakistan Limited	152,098	82,156
GlaxoSmithKline (Pakistan) Limited	413	430
Habib Bank Limited	13,815	17,526
Allied Bank Limited	17,904	16,295
TPL Properties Limited	9,840	12,250
	<u>262,884</u>	<u>198,573</u>

Un-Quoted - at cost

Sindh Engro Coal Mining Company Limited	1,198,517	898,861
	<u>4,345,223</u>	<u>3,533,232</u>

Thal Limited

	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
	(Rupees in thousands)	
6 STOCK-IN-TRADE		
Raw material		
In hand	2,500,628	1,926,121
In transit	<u>682,205</u>	<u>385,845</u>
	<u>3,182,833</u>	<u>2,311,966</u>
Work-in-process	188,944	156,863
Finished goods		
In hand	<u>723,367</u>	<u>520,378</u>
In transit	<u>-</u>	<u>3,126</u>
	<u>723,367</u>	<u>523,504</u>
	<u>4,095,144</u>	<u>2,992,333</u>

7 SHORT TERM INVESTMENTS

7.1 This represents investment in Term Deposit Receipts amounting to Rs. 3,444.290 million (June 30, 2017: Rs. 5,586.880 million), Government Treasury bills amounting to Rs. 1,801.154 million (June 30, 2017: 1,246.093 million) and mutual funds amounting to Rs. 3,250.184 million (June 30, 2017: 3,677.200 million).

7.2 Term deposit receipts include Rs. 2,519.872 million (June 30, 2017: Rs. 3,262 million) maintained with Habib Metropolitan Bank Limited, a related party.

	Note	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
		(Rupees in thousands)	
8 INCOME TAX - Net			
Group Tax Relief adjustments	8.1	(593,466)	(593,466)
Group Taxation adjustments	8.2	(858)	(10,040)
Income Tax provision less tax payments - net		<u>756,634</u>	<u>570,111</u>
		<u>162,310</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.

8.2 In terms of the provision of Section 59AA of the Income Tax Ordinance, 2001 (the Ordinance), the Holding 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.

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, 2017 except the following:

9.1.1 Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 1,784.308 million (June 30, 2017 : Rs. 2,175.690 million).

9.1.2 Post dated cheques issued to collector of Customs amounts to Rs. 23.123 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. 1,806.853 million (June 30, 2017 : Rs. 755.157 million).

9.2.2 Commitments in respect of capital expenditure amounts to Rs. 36.553 million (June 30, 2017: Rs. 66.817 million).

9.2.3 Commitments for rentals under ljarah agreements in respect of vehicles to a related party amount to Rs. 27.263 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)

Nine Months Ended	
March 31, 2018	March 31, 2017
(Un-audited)	
(Rupees in thousands)	

10 OTHER INCOME

Income from financial assets

Dividend income	7,404	8,314
Profit earned on call deposits and short-term investments	294,810	263,974
Gain on revaluation / redemption of investments at fair value through profit and loss	144,228	93,909
Others	3,369	5,088
	<u>449,811</u>	<u>371,285</u>

Income from non-financial assets

Gain on disposal of investment in an associaite - MHCCP	-	2,120,000
Gain on disposal of property, plant and equipment	5,935	262,990
Rental income	1,088,980	1,058,709
Others	154,942	117,218
	<u>1,249,857</u>	<u>3,558,917</u>
	<u>1,699,668</u>	<u>3,930,202</u>

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	<u>2,408,065</u>	<u>4,315,438</u>
	Number of shares in thousands	
Weighted average number of ordinary shares of Rs. 5/- each in issue	<u>81,030</u>	<u>81,030</u>
	Rupees	
Basic and diluted earnings per share	<u>29.72</u>	<u>53.26</u>

Thal Limited

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:

Relationship	Nature of transactions	Nine months ended	
		March 31, 2018	March 31, 2017
		(Un audited)	
		(Rupees in thousand)	
Associates	Sales	7,398,713	7,358,942
	Professional Services rendered and acquired	189,602	160,361
	Rental Income on properties	1,108,897	1,092,787
	Insurance premium	23,746	25,409
	Purchase of assets	1,644	9,386
	Purchase of goods	95,141	98,128
	Insurance claim received	610	1,273
	Mark-up and bank charges paid	2,892	1,878
	Profit received	168,682	188,781
	Supplies purchased	363,058	422,854
	Licence fee, signage and others	5,814	-
	Rent Paid	1,929	1,672
ljarah Rentals	16,599	7,255	
Employee benefit plans	Contribution to provident fund	29,690	27,336
	Contribution to retirement benefit fund	5,575	3,837
Key management personnel	Key management personnel compensation	215,054	161,135
		March 31, 2018	June 30, 2017
		(Un-audited)	(Audited)
		(Rupees in thousands)	
Balances			
	Receivable from associates in respect of trade debts	653,347	280,603
	Prepayments made to associates	4,596	6,033
	Other receivables from associates	2,627	2,237
	Long-term deposit with associates	293,326	293,326
	Bank balances with associates	554,862	713,295
	Payable to associates in respect of trade and other payables	20,300	6,094
	Payable to associate in respect of short term running finance	-	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.

SEGMENT ANALYSIS

	Nine Months Ended						Total
	March 31, 2018	March 31 2017	March 31 2018	March 31 2017	March 31 2018	March 31 2017	
	Engineering		Building material and allied products		Real estate management & others		Elimination
	9,663,985	9,362,729	4,504,900	3,735,911	341,181	287,925	
	2,011,325	2,291,369	469,856	495,273	844,082	765,775	
SALES REVENUE					14,389,487	13,271,203	
SEGMENT RESULT					3,325,263	3,552,417	
Unallocated corporate (expenses) / income:							
Administrative & distribution costs					(622,443)	(536,550)	
Other income					495,041	2,790,802	
Operating profit					3,197,861	5,806,669	
Finance cost					(7,371)	(7,427)	
Other charges					(186,399)	(304,354)	
Share in profit of associates					653,745	587,836	
Taxation					(959,512)	(1,490,879)	
					2,696,324	4,591,845	

* All figures are in thousands of Rupees unless otherwise stated.

	Quarter Ended			
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Engineering	3,446,167	1,669,799	92,462	5,174,552
Building material and allied products	1,888,006	247,779	(42,945)	5,435,436
Real estate management & others	112,823	279,535	-	1,243,517
Elimination	(33,876)			
Total	5,435,436	1,243,517	1,399,514	

Rupees in thousands

SALES REVENUE	3,477,552	911,039	256,113		
SEGMENT RESULT	716,203	247,779	279,535		
Unallocated corporate (expenses) / income:					
Administrative & distribution costs					(225,833)
Other income					156,258
Operating profit					1,173,942
Finance cost					(3,446)
Other charges					(69,613)
Share in profit of associates					248,397
Taxation					(336,411)
					1,012,869
					1,143,019

15 NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Holding Company has approved second interim cash dividend of Rs. 2.5/- per share for the period ended March 31, 2018 in its meeting held on April 26, 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 rearrangement to report.

17 DATE OF AUTHORISATION FOR ISSUE

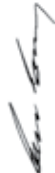
These consolidated condensed interim financial statements were authorised for issue on April 26, 2018 by the Board of Directors of the Holding Company.



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burney
Director