


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
Intangible assets		14,262
Investment property		6,770,788
Long-term investments	5	4,007,609
Long-term loans		11,313
Long-term deposits		19,160
Long-term prepayments		22,501
Deferred tax asset - net		215,952
		<u>12,532,286</u>
CURRENT ASSETS		
Stores, spares and loose tools		135,124
Stock-in-trade	6	3,803,315
Trade debts		1,755,342
Loans and advances		124,364
Trade deposits and short-term prepayments		146,839
Interest accrued		1,588
Other receivables		6,487
Short-term investments	7	8,521,002
Income Tax - net	8	69,020
Sales tax refundable		65,391
Cash and bank balances		1,049,371
		<u>15,677,843</u>
		<u>11,829,291</u>
TOTAL ASSETS		<u><u>28,210,129</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		500,000
200,000,000 (June 30, 2017: 100,000,000) ordinary shares of Rs.5 each		<u>1,000,000</u>
Issued, subscribed and paid-up capital		405,150
81,029,909 (June 30, 2017: 81,029,909) ordinary shares of Rs. 5/- each		405,150
Share deposit money		12
Reserves		18,621,933
Equity attributable to equity holders' of the parent		19,027,095
Non-controlling interest		6,197,546
		<u>25,224,641</u>
		<u>24,968,892</u>
NON-CURRENT LIABILITIES		
Long-term deposits		318,548
		316,762
CURRENT LIABILITIES		
Trade and other payables		2,651,961
Short-term borrowings		347
Deferred income		14,632
Accrued markup		-
		<u>2,666,940</u>
		<u>2,359,929</u>
CONTINGENCIES AND COMMITMENTS		
	9	
TOTAL EQUITIES AND LIABILITIES		<u><u>28,210,129</u></u>
		<u><u>27,645,583</u></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 HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Half year ended Dec 31,		Quarter ended Dec 31,	
	2017 (Un-audited)	2016 (Un-audited)	2017 (Un-audited)	2016 (Un-audited)
----- (Rupees in thousands) -----				
Revenue - net	8,954,051	8,096,651	4,612,371	4,303,273
Cost of sales	(7,221,127)	(6,267,437)	(3,704,133)	(3,324,876)
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)
	(969,430)	(1,003,934)	(493,285)	(551,502)
Other income	10 1,141,639	3,310,030	566,996	2,817,457
Operating Profit	1,905,133	4,135,310	981,949	3,244,352
Finance costs	(3,925)	(4,779)	290	(2,358)
	1,901,208	4,130,531	982,239	3,241,994
Share of net profit of associates - after tax	405,348	384,216	238,768	206,477
Profit before taxation	2,306,556	4,514,747	1,221,007	3,448,471
Taxation	(623,101)	(1,065,921)	(366,768)	(789,236)
Profit after taxation	1,683,455	3,448,826	854,239	2,659,235
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
	1,683,455	3,448,826	854,239	2,659,235
----- (Rupees) -----				
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	11 18.43	40.32	9.35	31.67

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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 (Un-audited)	2016 (Un-audited)	2017 (Un-audited)	2016 (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)
	<u>(475,328)</u>	<u>(2,686,334)</u>
	<u>1,831,228</u>	<u>1,828,413</u>
(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
	<u>(1,310,897)</u>	<u>(353,598)</u>
Cash generated from operations	<u>520,331</u>	<u>1,474,815</u>
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	<u>(176,895)</u>	<u>851,581</u>
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	<u>(94,493)</u>	<u>104,893</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,458,994)	(589,010)
Net cash used in financing activities	<u>(1,458,994)</u>	<u>(589,010)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,730,382)</u>	<u>367,464</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>5,811,126</u>	<u>6,368,800</u>
Cash and bank balances	1,049,371	767,981
Short-term investments	4,762,102	5,601,770
Short-term running finance	(347)	(951)
	<u>5,811,126</u>	<u>6,368,800</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 STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	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)
Subsidiary Companies								
Interim dividend @ Rs. 0.357/- per share for the period ended September 30, 2016	-	-	-	-	-	-	(48,535)	(48,535)
Profit for the period	-	-	-	-	3,267,130	-	181,696	3,448,826
Other comprehensive income	-	-	-	-	(53)	34,787	-	34,734
Total comprehensive income	-	-	-	-	3,267,077	34,787	181,696	3,483,560
Balance as at December 31, 2016 (Un-Audited)	405,150	12	67,929	11,207,374	5,452,550	129,014	6,040,402	23,302,431
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)
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)
Profit for the period	-	-	-	-	1,493,203	-	190,252	1,683,455
Other comprehensive income	-	-	-	-	(119)	(21,791)	-	(21,910)
Total comprehensive income	-	-	-	-	1,493,084	(21,791)	190,252	1,661,545
Balance as at December 31, 2017 (Un-Audited)	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 (Un-audited)	2017 (Un-audited)	2016 (Un-audited)
	----- (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) (Rupees in thousands)

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)

10 OTHER INCOME

Income from financial assets

	Half Year Ended Dec 31, 2017	Dec 31, 2016
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
	<u>311,368</u>	<u>213,073</u>

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
	<u>830,271</u>	<u>3,096,957</u>
	<u>1,141,639</u>	<u>3,310,030</u>

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, 2017	Dec 31, 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

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.

SEGMENT ANALYSIS

	Half Year Ended							
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Total	
	Engineering		Building material and allied products		Real estate management & others			Elimination
SALES REVENUE	<u>6,186,433</u>	<u>5,916,562</u>	<u>2,616,894</u>	<u>2,086,112</u>	<u>228,358</u>	<u>1,75,463</u>	<u>8,954,051</u>	<u>8,096,651</u>
SEGMENT RESULT	<u>1,295,122</u>	<u>1,380,330</u>	<u>222,077</u>	<u>262,911</u>	<u>564,547</u>	<u>509,662</u>	<u>2,081,746</u>	<u>2,152,903</u>
Unallocated corporate (expenses) / income:								
Administrative & distribution costs								
Other income								
Operating profit								
Finance cost								
Other charges								
Share in profit of associates								
Taxation								
	(396,610)	(349,788)						
	<u>338,783</u>	<u>2,553,384</u>						
	<u>2,023,919</u>	<u>4,356,499</u>						
	(3,925)	(4,779)						
	<u>(118,786)</u>	<u>(221,189)</u>						
	<u>405,348</u>	<u>384,216</u>						
	<u>(623,101)</u>	<u>(1,065,921)</u>						
	<u>1,683,455</u>	<u>3,448,826</u>						

* In Rupee thousands

	Quarter Ended					Total				
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017		Dec 31, 2016			
	Engineering	Building material and allied products	Real estate management & others	Elimination						
SALES REVENUE	<u>3,104,625</u>	<u>3,059,454</u>	<u>1,430,912</u>	<u>1,181,793</u>	<u>116,304</u>	<u>89,094</u>	<u>(39,470)</u>	<u>(27,068)</u>	<u>4,612,371</u>	<u>4,303,273</u>
SEGMENT RESULT	<u>659,036</u>	<u>734,983</u>	<u>143,123</u>	<u>158,660</u>	<u>290,824</u>	<u>253,343</u>	-	-	<u>1,092,983</u>	<u>1,146,986</u>
Unallocated corporate (expenses) / income:										
Administrative & distribution costs									(204,314)	(166,421)
Other income									164,190	2,438,874
Operating profit									<u>1,052,859</u>	<u>3,399,439</u>
Finance cost									290	(2,358)
Other charges									(70,910)	(155,087)
Share in profit of associates									238,768	206,477
Taxation									<u>(366,768)</u>	<u>(789,236)</u>
									<u>884,239</u>	<u>2,659,236</u>

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

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

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

15 NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the holding Company has 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 rearrangement to report.

17 DATE OF AUTHORISATION FOR ISSUE

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



Shahid Saleem
Chief Financial Officer



Mazhar Valjee
Chief Executive



Salman Burrey
Director