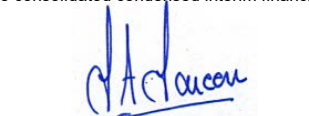


THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	Note	March 31, 2020 (Un-audited) (Rupees in thousands)	June 30, 2019 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,254,274	3,365,205
Intangible assets		156,542	94,193
Investment property		6,710,478	6,422,476
Long-term investments	6	7,581,250	5,402,004
Long-term loans		999	3,996
Long-term deposits		23,749	23,188
Long-term prepayments		22,501	22,501
Deferred tax asset - net		186,093	139,796
		18,935,886	15,473,359
CURRENT ASSETS			
Stores, spares and loose tools		131,925	134,503
Stock-in-trade	7	5,130,813	5,788,036
Trade debts		3,012,328	2,431,440
Loans and advances		97,645	28,224
Trade deposits and short-term prepayments	8	356,595	331,515
Interest accrued		11,791	7,648
Other receivables		181,908	83,559
Short-term investments	9	7,043,487	7,549,725
Sales tax refundable		-	357,073
Cash and bank balances		1,573,898	1,068,600
		17,540,390	17,780,323
TOTAL ASSETS		36,476,276	33,253,682
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 200,000,000 (June 30, 2018: 200,000,000) ordinary shares of Rs.5 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital 81,029,909 (June 30, 2018: 81,029,909) ordinary shares of Rs. 5/- each		405,150	405,150
Share deposit money		12	12
Reserves		24,425,939	22,568,368
Equity attributable to equity holders' of the parent		24,831,101	22,973,530
Non-controlling interest		6,446,433	6,596,482
		31,277,534	29,570,012
NON-CURRENT LIABILITIES			
Long-term deposits		328,923	323,777
Lease liabilities	3.2	617,290	-
		946,213	323,777
CURRENT LIABILITIES			
Trade and other payables		3,108,029	2,880,445
Unclaimed dividend		56,598	56,697
Unpaid dividend		56,726	49,409
Accrued markup		1,009	-
Income Tax - net	10	316,265	90,706
Sales tax payable		35,437	-
Current maturity of lease liabilities	3.2	196,950	-
Short-term borrowings		464,141	274,131
Deferred income		17,374	8,505
		4,252,529	3,359,893
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITIES AND LIABILITIES		36,476,276	33,253,682

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.


 Chief Financial Officer


 Chief Executive


 Director

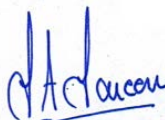
THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

Note	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees in thousands)		(Rupees in thousands)	
Revenue - net	14,075,996	17,372,159	5,832,227	6,253,263
Cost of sales	<u>(12,044,970)</u>	<u>(13,894,792)</u>	<u>(4,919,023)</u>	<u>(4,862,038)</u>
Gross Profit	2,031,026	3,477,367	913,204	1,391,225
Distribution costs	<u>(278,692)</u>	<u>(225,963)</u>	<u>(126,619)</u>	<u>(89,201)</u>
Administrative expenses	<u>(1,155,481)</u>	<u>(1,133,764)</u>	<u>(366,273)</u>	<u>(370,109)</u>
Other charges	<u>(149,098)</u>	<u>(231,491)</u>	<u>(65,971)</u>	<u>(91,258)</u>
	<u>(1,583,271)</u>	<u>(1,591,218)</u>	<u>(558,863)</u>	<u>(550,568)</u>
Other income	12 2,376,576	1,897,108	795,868	638,992
Operating Profit	2,824,331	3,783,256	1,150,209	1,479,648
Finance costs	<u>(128,656)</u>	<u>(15,827)</u>	<u>(44,476)</u>	<u>(8,176)</u>
	<u>2,695,675</u>	<u>3,767,429</u>	<u>1,105,733</u>	<u>1,471,472</u>
Share of net profit of associates - after tax	1,088,292	731,697	436,921	230,392
Profit before taxation	3,783,967	4,499,126	1,542,654	1,701,864
Taxation	<u>(901,318)</u>	<u>(1,285,886)</u>	<u>(342,933)</u>	<u>(459,320)</u>
Profit after taxation	<u>2,882,649</u>	<u>3,213,240</u>	<u>1,199,721</u>	<u>1,242,544</u>
Attributable to:				
- Equity holders of the Holding Company	2,649,054	2,899,679	1,122,571	1,139,334
- Non-controlling interest	<u>233,595</u>	<u>313,562</u>	<u>77,150</u>	<u>103,211</u>
	<u>2,882,649</u>	<u>3,213,240</u>	<u>1,199,721</u>	<u>1,242,544</u>
	<u>Rupees</u>		<u>Rupees</u>	
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	<u>32.69</u>	<u>35.79</u>	<u>13.85</u>	<u>14.06</u>

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive

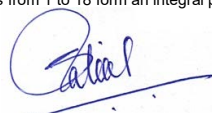


Director

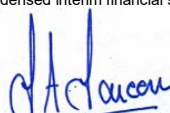
THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2020 (Rupees in thousands)	March 31, 2019	March 31, 2020 (Rupees in thousands)	March 31, 2019
Profit after taxation	2,882,649	3,213,240	1,199,721	1,242,544
Other comprehensive income				
(Loss) / gain on revaluation of investments at fair value through other comprehensive income	(6,125)	(40,354)	(2,027)	10,479
Share of actuarial loss on remeasurement of defined benefit plans of associates	(10,091)	(10,009)	(5,082)	(5,313)
Total comprehensive income for the period, net of tax	<u>2,866,433</u>	<u>3,162,877</u>	<u>1,192,612</u>	<u>1,247,710</u>
Attributable to:				
- Equity holders of the Holding Company	2,632,838	2,849,316	1,115,462	1,144,500
- Non-controlling interest	233,595	313,562	77,150	103,211
	<u>2,866,433</u>	<u>3,162,877</u>	<u>1,192,612</u>	<u>1,247,710</u>

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

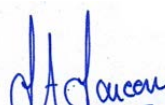
THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2020

	Issued, subscribed & paid-up capital	Share deposit money	RESERVES				Non-controlling interest	Total equity
			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, 2018 (Audited)	405,150	12	67,929	13,573,374	6,152,487	164,179	6,484,082	26,847,213
Transfer to general reserve	-	-	-	1,592,000	(1,592,000)	-	-	-
Final dividend @ Rs 8.5/- per share for the year ended June 30, 2018	-	-	-	-	(688,755)	-	-	(688,755)
1st Interim dividend @ Rs. 2.50/- per share for the half-year ended December 31, 2018	-	-	-	-	(202,576)	-	-	(202,576)
Subsidiary Companies								
Final dividend @ Rs. 0.408/- per share for the year ended June 30, 2018	-	-	-	-	-	-	(55,519)	(55,519)
Interim dividend @ Rs. 0.502/- per share for the year ended September 30, 2018	-	-	-	-	-	-	(68,258)	(68,258)
Interim dividend @ Rs. 0.517/- per share for the period ended December 31, 2018	-	-	-	-	-	-	(70,342)	(70,342)
Profit for the period	-	-	-	-	2,899,679	-	313,562	3,213,240
Other comprehensive income	-	-	-	-	(10,009)	(40,354)	-	(50,363)
Total comprehensive income	-	-	-	-	2,889,670	(40,354)	313,562	3,162,877
Balance as at March 31, 2019 (Unaudited)	405,150	12	67,929	15,165,374	6,558,826	123,825	6,603,525	28,924,640
Balance as at June 30, 2019 (Audited)	405,150	12	67,929	15,165,374	7,240,431	94,634	6,596,482	29,570,012
Impact of first time adoption of IFRS 16 - net of tax	-	-	-	-	(208,057)	-	(137,216)	(345,273)
Balance as at July 1, 2019 (Restated)	405,150	12	67,929	15,165,374	7,032,374	94,634	6,459,266	29,224,739
Transfer to general reserve	-	-	-	2,506,500	(2,506,500)	-	-	-
Final dividend @ Rs. 5.50/- per share for the period ended June 30, 2019	-	-	-	-	(445,666)	-	-	(445,666)
1st Interim dividend @ Rs. 1.50/- per share for the half year ended December 31, 2019	-	-	-	-	(121,544)	-	-	(121,544)
Subsidiary Companies								
Final dividend @ Rs. 0.339/- per share for the year ended June 30, 2019	-	-	-	-	-	-	(46,184)	(46,184)
Interim dividend @ Rs. 0.676/- per share for the period ended September 30, 2019	-	-	-	-	-	-	(91,960)	(91,960)
Interim dividend @ Rs. 0.796/- per share for the half-year ended December 31, 2019	-	-	-	-	-	-	(108,284)	(108,284)
Profit for the period	-	-	-	-	2,649,054	-	233,595	2,882,649
Other comprehensive income	-	-	-	-	(10,091)	(6,125)	-	(16,216)
Total comprehensive income	-	-	-	-	2,638,963	(6,125)	233,595	2,866,433
Balance as at March 31, 2020 (Unaudited)	405,150	12	67,929	17,671,874	6,597,627	88,509	6,446,433	31,277,534

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive

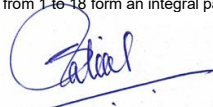


Director

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

	March 31, 2020	March 31, 2019
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,783,967	4,499,126
Adjustments for non-cash charges and other items:		
Depreciation on:		
- Operating fixed assets	395,243	202,486
- Right-of-use assets	23,734	-
- Investment property	221,421	176,830
Provision for impairment of factory building	-	12,200
Gain / (loss) on disposal of property, plant and equipment	(7,820)	(29,990)
Gain / (loss) on disposal of investment property	(2,630)	-
Amortisation	31,073	7,275
Share in profit of associates - after taxation	(1,088,292)	(731,697)
Finance cost of:		
- Lease liabilities	78,699	-
- Others	49,957	15,825
Profit earned on call deposits and short-term investments	(370,823)	(238,256)
Liabilities no longer payable written back	-	(759)
Gain on revaluation / redemption of investments at fair value through profit and loss	(235,389)	(276,718)
Dividend income	(138,931)	(11,301)
Provision for impairment of trade debts	114,549	33,534
Provision for retirement benefits	4,682	5,980
	(924,527)	(834,591)
	2,859,440	3,664,535
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,578	(4,576)
Stock-in-trade	657,223	(2,149,246)
Trade debts	(695,437)	(1,225,184)
Loans and advances	(69,421)	35,513
Trade deposits and short-term prepayments	(25,080)	(203,830)
Other receivables	(98,349)	20,798
Sales tax refundable	417,061	51,467
Increase / (decrease) in current liabilities		
Deferred income	8,869	6,809
Sales tax Payable	(24,551)	-
Trade and other payables	229,308	247,681
	402,201	(3,220,568)
Cash generated from operations	3,261,641	443,967
Finance costs paid	(127,647)	(15,653)
Retirement benefits paid	(6,407)	(6,331)
Income tax paid	(721,144)	(1,039,877)
Long-term loans	2,997	4,053
Long-term deposits - net	4,585	1,637
Net cash used in operating activities	2,414,026	(612,203)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,435,897)	(1,534,149)
Dividends received	352,565	544,822
Profit Received	336,710	(649,987)
Long-term investments made during the period	(1,320,804)	(436,680)
Proceeds from disposal of property, plant and equipment	21,666	49,395
Short-term investments encashed / (made) during the period	488,137	3,671,050
Net cash generated from investing activities	(1,557,623)	1,644,451
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(806,420)	(1,067,632)
Short-term financing	370,000	-
Payment against lease liabilities	(18,155)	-
Net cash used in financing activities	(454,575)	(1,067,632)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	401,828	(35,385)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,624,189	3,855,466
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,026,017	3,820,081
Cash and bank balances	1,573,898	838,618
Short-term investments	2,546,260	3,259,582
Short-term running finance	(94,141)	(278,119)
	4,026,017	3,820,081

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.


 Chief Financial Officer


 Chief Executive


 Director

THAL LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2020
(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, Thal Power (Private) Limited and Thal Electrical (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.

1.2 Geographical location and address of business units

Holding Company:

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.

Plants

The Jute operations are located at Muzaffargarh, Punjab.

Engineering operations are located at Korangi and Port Qasim, Karachi, Sindh

Papersack operations are located at Hub, Balochistan and Gadoon, Khyber Pakhtunkhwa.

Laminate operations are located at Hub, Balochistan

Subsidiaries:

Noble Computer Services (Private) Limited operations are located at 2nd Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi,

Pakistan Industrial Aids (Private) Limited operations are located at - Plot number 192, Korangi Industrial area, Sector 22, Karachi.

Makro Habib Pakistan Limited is located at 2nd, House of Habib - 3- Jinnah Co-Operative Housing Society, Sharae Faisal, Karachi.

A-One Enterprises (Private) Limited is located at 4th Floor, House of Habib - 3- Jinnah Co-Operative Housing Society, Sharae-Faisal, Karachi

Habib Metro Pakistan (Private) Limited operations are located at Mezzanine Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.

Thal Boshoku Pakistan (Private) Limited operations are located at - Plot number SP-C, North Western Industrial Road, Port Qasim, Karachi.

Thal Power (Private) Limited operations are located at 4th Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.

Thal Electrical (Private) Limited operations are located at 4th Floor, House of Habib, 3-Jinnah Co-operative Housing Society, Block 7/8, Sharae Faisal, Karachi.

2. BASIS OF PREPARATION

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 Standards 34; 'Interim Financial Reporting', (IAS 34) issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act),
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act and IFAS differ with the requirements of IAS 34, the provisions of and directives issued under the Act and IFAS 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, 2019.

2.3 These consolidated condensed interim financial statements are being submitted to the shareholders as required by the Section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019 except for the adoption of new standards effective as of July 1, 2019 as stated below.

3.1 New / Revised Standard, Amendments, Interpretation and Improvements

The Group has adopted the following accounting standards, amendments and interpretations of IFRSs and the improvements to accounting standards which became effective for the current period:

Standard, Amendments and Interpretation

IFRS 16	- Leases
IFRIC 23	- Uncertainty over income tax treatments
IFRS 9	- Prepayment Features with Negative Compensation (Amendments)
IAS 28	- Long-term Interests in Associates and Joint Ventures (Amendments)
IAS 19	- Plan Amendment, Curtailment or Settlement (Amendments)

Improvements to Accounting Standards Issued by the IASB in December 2017:

IFRS 3	- Business Combinations - Previously held Interests in a joint operation
IFRS 11	- Joint Arrangements - Previously held Interests in a joint operation
IAS 12	- Income Taxes - Income tax consequences of payments on financial instrument as equity
IAS 23	- Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the accounting policies of the Group except for IFRS 16. The impact of adoption of IFRS 16 is described in note 3.2 to these unconsolidated condensed interim financial statements:

3.2 IFRS 16 – Leases

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and 'SIC-27' Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions will be recognized in statement of financial position by way of right-of-use assets along with their corresponding lease liabilities.

Lease obligations of the Group comprises of lease arrangements giving it the right-of-use over properties utilized as office premises, showrooms and guest house.

The Group adopted IFRS 16 with effect from July 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative information. The Group elected to use the transition practical expedient allowing the Group to use a single discount rate to a portfolio of leases with the similar characteristics.

IFRS 16 allows two options for transition under the modified retrospective method as follows:

- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases, or;
- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset at its carrying value as if the new standard had always been applied.

In applying the standard, the Group has recognized lease liability at the date of initial application as present value of remaining lease payments discounted using the incremental borrowing rate at the date of initial application and a right-of-use asset at its carrying value as if the new standard had always been applied.

Lease term is the non-cancelable period for which the Group has right to use the underlying asset in line with the lease contract together with the periods covered by an option to extend which the Group is reasonably certain to exercise and option to terminate which the Group is not reasonably certain to exercise.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

	Rupees in '000
Operating lease commitments as at June 30, 2019	2,406,292
Impact of discounting	(1,559,160)
Other adjustment	(7,971)
Lease liabilities at July 01, 2019	<u><u>839,161</u></u>
Weighted average incremental borrowing rate as at July 01, 2019	<u><u>14.00%</u></u>

The impact of adoption of IFRS 16 as at July 01, 2019 [(increase/ (decrease))] is as follows:

Assets	
Property, plant and equipment	11,811
Investment property	474,399
Deferred tax asset	912
	<u><u>487,122</u></u>
Liabilities	
Lease liabilities	832,648
Current portion of lease liabilities	6,513
	<u><u>839,161</u></u>

Equity	
Unappropriated profit	(208,057)
Non-controlling interest	(137,216)
	<u>(345,273)</u>

Consolidated condensed interim statement of profit or loss

Depreciation charge on right-of-use assets	23,721
Interest expense on lease liabilities	78,719
Reversal of deferred tax asset on right of use assets and lease liabilities - net	(132)

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are same as those applied in the Group's annual consolidated financial statements for the year ended June 30, 2019.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
(Rupees in thousands)			
Operating fixed assets	5.1 & 5.2	3,046,696	3,224,658
Capital work-in-progress	5.3	1,207,578	140,547
		<u>4,254,274</u>	<u>3,365,205</u>

5.1 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,	
	2020	2019	2020	2019
	(Un-audited)		(Un-audited)	
------(Rupees in thousands)-----				
Operating fixed assets				
Land - Freehold	-	-	-	650
Building on freehold land	35,218	19,228	-	-
Plant and machinery	72,700	194,730	-	178
Furniture and fittings	4,312	126	25	533
Vehicles	13,523	18,908	8,838	5,607
Office and mills equipment	22,114	4,434	237	154
Computer equipment	50,966	18,520	238	368
Jigs and Fixtures	20,241	4,777	-	-
	<u>219,074</u>	<u>260,723</u>	<u>9,338</u>	<u>7,491</u>

5.2 This includes right-of-use assets amounting to Rs. 11.81 million.

5.3 Details of additions at cost are as follows:

	March 31, 2020 (Un-audited)	March 31, 2019 (Audited)
(Rupees in thousands)		
Plant and machinery	1,000,309	865,082
Furniture and fittings	3,965	1,052
Vehicles	-	-
Office and mills equipment	28,330	7,471
Computer equipment	1,180	7,052
Jigs and fixtures	23,939	108,671
Civil works	103,581	383,624
	<u>1,161,304</u>	<u>1,372,952</u>

6 LONG-TERM INVESTMENTS

- 6.1 During the period, the Group has made further investment in Sindh Engro Coal Mining Company amounting to Rs. 404.69 million (March 31, 2019: Rs. 436.68 million) in the line with its commitment to invest USD 24.30 million in PKR equivalent. Up to the unconsolidated condensed interim statement of financial position date, the Group has invested Rs. 2,365.31 million acquiring 159,602,637 shares having a face value of Rs. 10 each, at a price of Rs. 14.82 per share. The balance commitment of the investment is USD 5.58 million in PKR equivalent.

	March 31, 2019	June 30, 2019
Note	(Un-audited)	(Audited)
	(Rupees in thousands)	
7 STOCK-IN-TRADE		
Raw material		
In hand	2,711,194	4,367,020
In transit	902,437	520,207
	3,613,631	4,887,227
Work-in-process	282,890	246,731
Finished goods		
In hand	1,234,292	654,031
In transit	-	47
	1,234,292	654,078
7.1	5,130,813	5,788,036

- 7.1 This includes items costing Rs. 146.29 million (June 30, 2019: Rs. 276.76 million) carried at net realizable value amounting to Rs. 17.95 million (June 30, 2019: Rs. 183.12 million).

8 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Includes margin paid against letters of credit amounting to Rs. 197.43 million (June 30, 2019: Rs. 255.53 million).

9 SHORT TERM INVESTMENTS

- 9.1 This represents investment in Term Deposit Receipts amounting to Rs. 1,461.38 million (June 30, 2019: Rs. 2,303.67 million), Government Treasury Bills amounting to Rs. 1,278.11 million (June 30, 2019: 788.64 million) and mutual funds amounting to Rs. 4,304.00 million (June 30, 2019: 4,457,41 million).

	March 31, 2019	June 30, 2019
Note	(Un-audited)	(Audited)
	(Rupees in thousands)	
10 INCOME TAX - Net		
Group Tax Relief adjustments	10.1 (633,275)	(632,681)
Group Taxation adjustments	10.2 31,288	15,645
Income Tax provision less tax payments - net	918,252	707,742
	316,265	90,706

- 10.1 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 Holding 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 Holding Company under Section 59B of the Ordinance aggregating to Rs. 593.466 million. The Holding 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 Holding 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 Holding 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.

In addition to the above, the Holding Company has decided to acquire tax losses incurred by Thal Boshoku Pakistan (Private) Limited (TBPK) during tax year 2019 amounting to Rs. 39.215 million for set off against its tax liability.

- 10.2** In terms of the provision of Section 59AA of the Ordinance, the Holding Company and its wholly owned subsidiaries Makro-Habib Pakistan Limited (MHPL) and A-One Enterprises (Private) Limited (A-One) have irrevocably opted to be taxed as one fiscal unit with effect from tax year 2017. Accordingly, the tax loss of MHPL for the period has been adjusted against the taxable income of the Holding Company which resulted in a reduction of tax liability of Rs.2.27 million (June 30, 2019: Rs. 2.97 million) for the current period. Moreover, the taxable income transferred by A-One amounted to Rs. 17.91 million (June 30, 2019: Rs. 18.61 million).
- 10.3** Includes adjustment of tax challans acquired from MHPL and A-One amounting to Rs. 0.27 million (June 30, 2019: Rs. 0.11 million) and Rs. 13.58 million (June 30, 2019: Rs.14.52 million) respectively.

11 CONTINGENCIES AND COMMITMENTS

11.1 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, 2019.

11.2 Commitments

- 11.2.1** Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 7,588.87 million (June 30, 2019: Rs. 1,418.90 million).
- 11.2.2** Post dated cheques issued to collector of Customs amounts to Rs. 31.59 million (June 30, 2019: Rs. 141.81 million)
- 11.2.3** Letter of credits outstanding for raw material and spares amounts to Rs. 1,579.35 million (June 30, 2019: Rs. 684.30 million).
- 11.2.4** Commitments in respect of capital expenditure amounts to Rs. 4.96 million (June 30, 2019: Rs. 1,049.04 million).
- 11.2.5** Commitments for rentals under Ijarah agreements in respect of vehicles and computers to a related party amount to Rs. 114.67 million (June 30, 2019: 43.00 million).
- 11.2.6** Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 2,386.14 million (June 30, 2019: Rs. 2,386.14 million)

12 OTHER INCOME

This includes dividend income, profit earned on call deposits and short term investments, income on Term Finance Certificates and gain on redemption of investments at fair value through profit or loss amounting to Rs. 195.49 million, Rs. 370.82 million, Rs 28.27 million and Rs. 235.39 million (March 31, 2019: Rs. 11.30 million, Rs. 241.45 million, nil and Rs 276.72 million), respectively,

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Group comprise associates, 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, 2020	March 31, 2019
		(Un-audited)	
		Rupees in thousand	
Associates	Sales	5,630,404	8,819,666
	Dividend income	213,634	527,115
	Professional Services rendered	157,094	54,517
	Services acquired	-	-
	Rental Income on properties	1,193,696	1,149,042
	Insurance premium	24,270	20,643
	Purchase of assets	3,529	11,250
	Purchase of goods	137	453,522
	Insurance claim received	3,761	3,646
	Supplies purchased	407,444	35,148
	Licence fee, signage and others	1,659	5,193
	Employee benefit plans	Contribution to provident fund	35,904
Contribution to retirement benefit fund		4,682	5,980
Key management personnel	Key management personnel compensation	124,674	113,632
Directors' meeting fee		-	-

14 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks. These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 30 June 2019. There have been no changes in any risk management policies since the year end.

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no transfers amongst levels during the period.

16 SEGMENT ANALYSIS

Nine months ended										
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Engineering		Building material and allied products		Real estate management & others		Elimination		Total		
-----Rupees in thousand-----										
SALES REVENUE	7,819,031	12,052,389	6,099,266	5,120,794	304,725	330,604	(147,026)	(131,628)	14,075,996	17,372,159
SEGMENT RESULT	910,130	2,454,878	733,848	658,956	939,541	881,781	114	2	2,583,633	3,995,616
Unallocated corporate (expenses) / income:										
Administrative & distribution costs									(637,417)	(603,608)
Other income									1,031,590	622,739
Operating profit									2,977,806	4,014,747
Finance cost									(128,656)	(15,827)
Other charges									(149,098)	(231,491)
Share in profit of associates									1,088,292	731,697
Taxation									(901,318)	(1,285,886)
									2,887,026	3,213,240

Quarter ended										
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Engineering		Building material and allied products		Real estate management & others		Elimination		Total		
-----Rupees in thousand-----										
SALES REVENUE	3,249,000	4,241,452	2,555,016	1,937,900	101,330	115,984	(73,119)	(42,073)	5,832,227	6,253,263
SEGMENT RESULT	410,301	954,069	367,165	289,392	315,316	297,136	-	-	1,092,782	1,540,596
Unallocated corporate (expenses) / income:										
Administrative & distribution costs									(220,854)	(180,378)
Other income									348,629	210,688
Operating profit									1,220,557	1,570,906
Finance cost									(44,476)	(8,176)
Other charges									(65,971)	(91,258)
Share in profit of associates									436,921	230,392
Taxation									(342,933)	(459,320)
									1,204,098	1,242,544

17 GENERAL

17.1 Figures have been rounded off to the nearest thousands.

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

18 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 23, 2020 by the Board of Directors of the Holding Company.


Chief Financial Officer


Chief Executive


Director