

THAL LIMITED
UNCONSOLIDATED 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	3,137,096	2,187,780
Intangible assets		149,557	90,745
Investment property		991	995
Long-term investments	6	5,830,117	5,431,550
Long-term loans		1,652,285	861,282
Long-term deposits		15,417	14,861
Deferred tax asset		210,515	165,194
		10,995,978	8,752,407
CURRENT ASSETS			
Stores, spares and loose tools		115,243	124,710
Stock-in-trade	7	4,881,627	5,635,305
Trade debts		2,891,099	2,347,946
Loans and advances		324,653	21,860
Trade deposits and short-term prepayments	8	334,993	316,623
Interest accrued		7,389	3,699
Other receivables		194,956	71,168
Short-term investments	9	1,970,803	2,943,298
Income tax – net	10	-	93,918
Sales tax refundable		-	300,186
Cash and bank balances		1,106,437	611,509
		11,827,200	12,470,222
TOTAL ASSETS		22,823,178	21,222,629
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		1,000,000	1,000,000
200,000,000 (June 30, 2019: 200,000,000) ordinary shares of Rs.5/- each			
Issued, subscribed and paid-up capital		405,150	405,150
81,029,909 (June 30, 2019: 81,029,909) ordinary shares of Rs.5/- each			
Reserves		19,310,958	18,226,309
		19,716,108	18,631,459
NON-CURRENT LIABILITIES			
Long-term deposits		1,463	1,463
Lease liabilities	3.2	2,594	-
		4,057	1,463
CURRENT LIABILITIES			
Trade and other payables		2,624,502	2,483,601
Accrued mark-up		1,009	-
Unclaimed dividend		56,598	56,697
Unpaid dividend		56,726	49,409
Current maturity of lease liabilities	3.2	7,478	-
Short-term financing	11	145,000	-
Income tax - net	10	94,825	-
Sales tax payable		116,875	-
		3,103,013	2,589,707
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		22,823,178	21,222,629

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


Chief Financial Officer


Chief Executive


Director

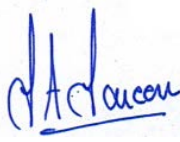
THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

	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		13,493,537	16,493,091	5,609,478	5,938,343
Cost of sales		<u>(11,451,398)</u>	<u>(13,259,604)</u>	<u>(4,679,317)</u>	<u>(4,633,091)</u>
Gross profit		2,042,139	3,233,487	930,161	1,305,252
Distribution costs		<u>(274,677)</u>	<u>(220,377)</u>	<u>(124,888)</u>	<u>(86,455)</u>
Administrative expenses		<u>(558,835)</u>	<u>(527,979)</u>	<u>(193,318)</u>	<u>(153,512)</u>
Other charges		<u>(149,098)</u>	<u>(228,742)</u>	<u>(65,971)</u>	<u>(90,902)</u>
		(982,610)	(977,098)	(384,177)	(330,869)
Other income	13	1,110,059	1,154,688	378,901	330,595
Operating profit		2,169,588	3,411,077	924,885	1,304,978
Finance cost		<u>(11,629)</u>	<u>(7,966)</u>	<u>(5,128)</u>	<u>(1,913)</u>
Profit before taxation		2,157,959	3,403,111	919,757	1,303,065
Taxation		<u>(497,742)</u>	<u>(946,627)</u>	<u>(199,763)</u>	<u>(340,249)</u>
Profit after taxation		1,660,217	2,456,484	719,994	962,816
		Rupees	Rupees	Rupees	Rupees
Basic and diluted earnings per share		<u>20.49</u>	<u>30.32</u>	<u>8.89</u>	<u>11.88</u>

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



Chief Financial Officer



Chief Executive



Director

THAL LIMITED
UNCONSOLIDATED 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	1,660,217	2,456,484	719,994	962,816
Other comprehensive income				
<i>Items not to be reclassified to unconsolidated condensed interim statement of profit or loss in subsequent periods:</i>				
Gain / (loss) on revaluation of investments at fair value through other comprehensive income (OCI)	(6,125)	(40,354)	(38,128)	10,479
Total comprehensive income	1,654,092	2,416,130	681,866	973,295

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

Chief Financial Officer

Chief Executive

Director

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

	RESERVES					Total Equity
	Issued, subscribed & paid-up capital	Capital Reserve	General Reserve	Unappropriated profit	Gain on revaluation of investments at fair value through OCI	
	----- (Rupees in '000) -----					
Balance as at June 30, 2018 (Audited)	405,150	55,704	13,531,499	2,281,141	164,176	16,437,670
Transfer to general reserve	-	-	1,592,000	(1,592,000)	-	-
Final cash 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)
Profit after taxation	-	-	-	2,456,484	-	2,456,484
Other comprehensive income	-	-	-	-	(40,354)	(40,354)
Total comprehensive income	-	-	-	2,456,484	(40,354)	2,416,130
Balance as at March 31, 2019 (Un-audited)	405,150	55,704	15,123,499	2,254,294	123,822	17,962,469
Balance as at June 30, 2019 (Audited)	405,150	55,704	15,123,499	2,952,475	94,631	18,631,459
Impact of first time adoption of IFRS 16 - net of tax	-	-	-	(2,233)	-	(2,233)
Balance as at July 1, 2019 (Restated)	405,150	55,704	15,123,499	2,950,242	94,631	18,629,226
Transfer to general reserve	-	-	2,506,500	(2,506,500)	-	-
Final cash dividend @ Rs. 5.5 per share for the year 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)
Profit after taxation	-	-	-	1,660,217	-	1,660,217
Other comprehensive income	-	-	-	-	(6,125)	(6,125)
Total comprehensive income	-	-	-	1,660,217	(6,125)	1,654,092
Balance as at March 31, 2020 (Un-audited)	405,150	55,704	17,629,999	1,536,749	88,506	19,716,108

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



Chief Financial Officer



Chief Executive



Director

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2020
(UN-AUDITED)

	March 31, 2020	March 31, 2019
	(Rupees in thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,157,959	3,403,111
Adjustments for non-cash charges and other items:		
Depreciation on:		
- Operating fixed assets	298,056	181,173
- Right-of-use assets	4,429	-
- Investment property	4	5
Gain on disposal of operating fixed assets	(6,761)	(36,825)
Amortization	28,872	6,445
Finance cost of:		
- Lease liabilities	1,555	-
- Others	10,074	7,966
Dividend income	(719,773)	(829,594)
Profit earned on deposits accounts and short term investments	(162,158)	(76,088)
Gain on redemption of investments at fair value through profit or loss	(13,744)	(147,518)
Liabilities no longer payable written back	-	(759)
Provision for expected credit losses	114,461	33,668
Provision for staff retirement benefits	4,682	5,980
	(440,303)	(855,547)
Increase in current assets		
Stores, spares and loose tools	9,467	(1,832)
Stock-in-trade	753,678	(2,114,022)
Trade debts	(657,614)	(1,182,874)
Loans and advances	(27,793)	29,618
Trade deposits and short-term prepayments	(18,370)	(166,975)
Other receivables	(123,788)	10,544
Sales tax refundable	417,061	87,468
	352,641	(3,338,073)
(Decrease) / Increase in current liabilities		
Trade and other payables	142,625	236,076
Cash generated from / (used in) operations	2,212,922	(554,433)
Finance cost paid	(10,620)	(7,793)
Staff retirement benefits paid	(6,407)	(6,331)
Income tax paid	(353,408)	(714,545)
Long-term loans - net	2,997	2,997
Long-term deposits - net	(556)	(1,465)
Net cash from / (used in) operating activities	1,844,929	(1,281,570)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,245,084)	(817,442)
Sale proceeds from disposal of operating fixed assets	11,853	41,644
Additions to intangible assets	(87,682)	(8,598)
Long-term loans to subsidiaries	(1,069,000)	(48,850)
Dividend income received	719,773	829,594
Profit received on call deposits and short-term investments	155,746	(323,684)
Long-term investments made during the period	(404,692)	(436,680)
Short-term investments encashed during the period	889,212	3,574,547
Net cash (used in) / generated from investing activities	(1,029,874)	2,810,531
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(559,992)	(873,513)
Short-term financing	145,000	-
Payment against lease liabilities	(4,884)	-
Net cash used in financing activities	(419,876)	(873,513)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	395,179	655,448
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,657,208	1,082,916
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,052,387	1,738,364
Cash and bank balances	1,106,437	749,805
Short-term investments - Term Deposit Receipts	945,950	1,039,769
Short-term financing	-	(51,210)
	2,052,387	1,738,364

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


Chief Financial Officer


Chief Executive


Director

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED MARCH 31, 2020
(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 and is listed on the Pakistan Stock Exchange Limited.

The Company is engaged in the manufacture of jute goods, engineering goods, papersack and laminate sheets. The jute operations are located at Muzaffargarh, Punjab, engineering operations at Karachi, Sindh, papersack operations at Hub, Balochistan and Gadoon, Khyber Pakhtunkhwa and laminate operations at Hub, Balochistan. 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 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 unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019. These unconsolidated condensed interim financial statements are unaudited, however have been subject to a limited scope review by the auditors, and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017

- 2.3 The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2019 and December 31, 2018.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2019 except for as disclosed below;

3.1 New / Revised Standard, Amendments, Interpretation and Improvements

The Company 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 instruments classified 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 Company 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 Company comprises of lease arrangements giving it the right-of-use over properties utilized as office premises, showrooms and guest house.

The Company 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 Company elected to use the transition practical expedient allowing the Company 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 Company 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 Company 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 Company is reasonably certain to exercise and option to terminate which the Company 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	26,091
Impact of discounting	(3,164)
Other adjustment	(7,971)
Lease liabilities at July 01, 2019	<u><u>14,956</u></u>
Weighted average incremental borrowing rate as at July 01, 2019	<u><u>13.86%</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
Deferred tax asset	912
	<u><u>12,723</u></u>
Liabilities	
Lease liabilities	8,443
Current portion of lease liabilities	6,513
	<u><u>14,956</u></u>
Equity	
Unappropriated profit	<u><u>(2,233)</u></u>
Unconsolidated condensed interim statement of profit or loss	
Depreciation charge on right-of-use assets	<u><u>4,429</u></u>
Interest expense on lease liabilities	<u><u>1,555</u></u>
Reversal of deferred tax asset on right of use assets and lease liabilities - net	<u><u>(132)</u></u>

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated 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 unconsolidated condensed interim financial statements are same as those applied in the Company's annual unconsolidated financial statements for the year ended June 30, 2019, except as disclosed otherwise.

	Note	March 31, 2019 (Un-audited) (Rupees in thousands)	June 30, 2019 (Audited) (Rupees in thousands)
5			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	1,929,518	2,047,233
Capital work-in-progress	5.3	1,207,578	140,547
		<u>3,137,096</u>	<u>2,187,780</u>

5.1 Details of additions and disposals are as follows:

	Additions at cost		Disposals at net book value	
	Nine months ended March 31,		Nine months ended March 31,	
	2020 (Un-audited)	2019	2020 (Un-audited)	2019 (Un-audited)
	----- (Rupees in thousands) -----			
Freehold land	-	-	-	650
Building on freehold land	33,393	19,228	-	-
Plant and machinery	62,402	194,730	-	177
Furniture and fittings	2,361	126	25	529
Vehicles	6,070	3,614	4,657	2,889
Office and mills equipment	13,820	3,759	218	144
Computer equipment	47,163	13,834	190	231
Jigs and fixtures	12,676	4,777	-	-
	<u>177,885</u>	<u>240,068</u>	<u>5,090</u>	<u>4,620</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) (Rupees in thousands)	March 31, 2019 (Audited)
Plant and machinery	1,000,309	500,661
Furniture and fittings	3,965	1,052
Office and mills equipment	28,330	7471
Computer equipment	1,180	3,018
Jigs and fixtures	23,939	108,671
Civil works	103,581	144,502
	<u>1,161,304</u>	<u>765,375</u>

6 LONG-TERM INVESTMENTS

During the period, the Company 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 Company 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.

	Note	March 31, 2019 (Un-audited) (Rupees in thousands)	June 30, 2019 (Audited)
7 STOCK-IN-TRADE			
Raw material:			
- In hand		2,543,821	4,260,842
- In transit		837,665	496,245
		<u>3,381,486</u>	<u>4,757,087</u>
Work-in-process		282,890	246,731
Finished goods		1,217,251	631,487
	7.1	<u>4,881,627</u>	<u>5,635,305</u>

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. 191.50 million (June 30, 2019: Rs. 255.53 million).

9 SHORT-TERM INVESTMENTS

Represents Term Deposit Receipts and units of mutual funds amounting to Rs. 952.07 million and Rs. 1,018.74 million (June 30, 2019: Rs 1,049.10 million and Rs. 1,894.20 million), respectively.

	Note	March 31, 2019 (Un-audited) (Rupees in thousands)	June 30, 2019 (Audited)
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		<u>(696,812)</u>	<u>(523,118)</u>
		<u>(94,825)</u>	<u>93,918</u>

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 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.593.47 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.593.47 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.

- 10.2** In terms of the provision of Section 59AA of the Ordinance, the 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 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 SHORT TERM FINANCING

During the period, the Company obtained an Export Refinance Facility from a commercial bank. This carries markup at 3 % per annum and is secured against a joint Pari Passu hypothecation charge on all present and future stocks, book debts and receivables of the Company. The portion of the facility utilized during the period amounted to Rs. 145 million and is repayable within a maximum validity of 180 days.

12 CONTINGENCIES AND COMMITMENTS

12.1 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, 2019.

12.2 Commitments

- 12.2.1** Letter of guarantees issued by banks on behalf of the company amount to Rs. 3,833.37 million (June 30, 2019: Rs. 1,402.91 million)
- 12.2.2** Post dated cheques issued to Collector of Customs amount to Rs. 18.43 million (June 30, 2019: Rs. 141.81 million).
- 12.2.3** Letter of credits outstanding for raw material and spares amount to Rs. 1,528.42 million (June 30, 2019: Rs. 616.16 million).
- 12.2.4** Commitments in respect of capital expenditure are Rs. 4.96 million (June 30, 2019: Rs. 1,049.04 million).
- 12.2.5** Commitments for rentals under Ijarah agreements to a related party in respect of vehicles amount to Rs. 89.77 million (June 30, 2019: Rs. 41.99 million).
- 12.2.6** Commitments in respect of investment is disclosed in note 6 to these unconsolidated condensed interim financial statements.

13 OTHER INCOME

This includes dividend income, profit earned on call deposits and short term investments and gain on redemption of investments at fair value through profit or loss amounting to Rs. 719.77 million, Rs. 162.16 million and Rs. 13.74 million (March 31, 2019: Rs. 829.59 million, Rs. 79.29 million and Rs. 147.52 million), respectively,

14 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiaries, associates, directors, key management personnel and staff retirement benefit funds. Detail of transactions 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	Nine months ended	
		March 31, 2020	March 31, 2019
		(Un-audited) (Rupees in thousands)	
Subsidiaries	Professional services acquired	117,293	138,151
	Dividend income	369,642	291,178
	Purchase of goods	48	584
	Supplies purchased	-	1,568
	Rent received	-	3,693
	Loan to subsidiaries	1,069,000	48,850
	Interest income on loan to subsidiary	4,377	-
	Service fee	24,300	20,411
	Tax loss and challans acquired	6,622	4,709
	Sale of assets	4,413	137
Associates	Sales of goods	5,485,421	8,639,744
	Dividend income	213,634	527,115
	Insurance premium	21,904	18,537
	Purchase of assets	374	196
	Supplies purchased	37,252	35,141
	Insurance claim received	3,640	3,607
	Rent received	2,125	-
Staff retirement benefit funds	Contribution to provident fund	29,723	29,866
	Contribution to retirement benefit fund	4,682	5,980
Key management personnel	Remuneration paid	49,981	26,544
Directors meeting fee		1,570	1,865

15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated 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 unconsolidated financial statements of the Company for the year ended 30 June 2019. There have been no changes in any risk management policies since the year end.

16 FAIR VALUE OF ASSETS AND LIABILITIES

There were no transfers amongst levels during the period.

17 GENERAL

17.1 Figures have been rounded off to the nearest thousand Rupee, unless otherwise stated.

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 unconsolidated condensed interim financial statements were authorized for issue on April 23, 2020 by the Board of Directors of the Company.