

THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	Note	December 31, 2019 (Un-audited) (Rupees in thousands)	June 30, 2019 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,144,988	2,187,780
Intangible assets		146,688	90,745
Investment property		993	995
Long-term investments	6	5,868,244	5,431,550
Long-term loans		859,284	861,282
Long-term deposits		15,123	14,861
Deferred tax asset		170,348	165,194
		10,205,668	8,752,407
CURRENT ASSETS			
Stores, spares and loose tools		125,772	124,710
Stock-in-trade	7	6,029,677	5,635,305
Trade debts		2,027,010	2,347,946
Loans and advances		92,455	21,860
Trade deposits and short-term prepayments	8	113,448	316,623
Interest accrued		4,812	3,699
Other receivables		138,516	71,168
Short-term investments	9	2,123,670	2,943,298
Income tax – net	10	123,471	93,918
Sales tax refundable		250,226	300,186
Cash and bank balances		499,257	611,509
		11,528,314	12,470,222
TOTAL ASSETS		21,733,982	21,222,629
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 200,000,000 (June 30, 2019: 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, 2019: 81,029,909) ordinary shares of Rs.5/- each		405,150	405,150
Reserves		18,750,636	18,226,309
		19,155,786	18,631,459
NON-CURRENT LIABILITIES			
Long-term deposits		1,463	1,463
Lease liabilities	3.2	4,221	-
		5,684	1,463
CURRENT LIABILITIES			
Trade and other payables		2,353,523	2,483,601
Accrued mark-up		33	-
Unclaimed dividend		56,650	56,697
Unpaid dividend		54,828	49,409
Current maturity of lease liabilities	3.2	7,478	-
Short-term financing	11	100,000	-
		2,572,512	2,589,707
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		21,733,982	21,222,629

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer

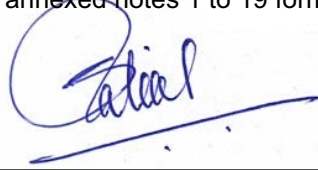

Chief Executive


Director

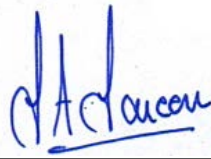
THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2019
(UN-AUDITED)

	Note	Half year ended		Quarter ended	
		December 31, 2019 (Rupees in thousands)	December 31, 2018 (Rupees in thousands)	December 31, 2019 (Rupees in thousands)	December 31, 2018 (Rupees in thousands)
Revenue – net		7,884,059	10,554,748	3,885,901	5,673,832
Cost of sales		(6,772,081)	(8,626,513)	(3,122,097)	(4,592,177)
Gross profit		1,111,978	1,928,235	763,804	1,081,655
Distribution costs		(149,789)	(133,922)	(59,036)	(53,023)
Administrative expenses		(365,517)	(374,467)	(186,742)	(195,075)
Other charges		(83,127)	(137,840)	(62,994)	(86,966)
		(598,433)	(646,229)	(308,772)	(335,064)
Other income	13	731,158	824,093	501,810	642,446
Operating profit		1,244,703	2,106,099	956,842	1,389,037
Finance cost		(6,501)	(6,053)	(3,927)	(2,915)
Profit before taxation		1,238,202	2,100,046	952,915	1,386,122
Taxation		(297,979)	(606,378)	(207,081)	(403,527)
Profit after taxation		940,223	1,493,668	745,834	982,595
		Rupees	Rupees	Rupees	Rupees
Basic and diluted earnings per share		11.60	18.43	9.20	12.13

The annexed notes 1 to 19 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 HALF YEAR ENDED DECEMBER 31, 2019
(UN-AUDITED)

	Half year ended		Quarter ended	
	December 31, 2019 (Rupees in thousands)	December 31, 2018	December 31, 2019 (Rupees in thousands)	December 31, 2018
Profit after taxation	940,223	1,493,668	745,834	982,595
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)	32,003	(50,833)	36,101	(31,204)
Total comprehensive income	972,226	1,442,835	781,935	951,391

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

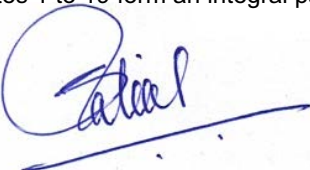
Chief Executive

Director


THAL LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	RESERVES				Gain on revaluation of investments at fair value through OCI	Total Equity
	Issued, subscribed & paid-up capital	Capital Reserve	General Reserve	Unappropriated profit		
----- (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)
Profit after taxation	-	-	-	1,493,668	-	1,493,668
Other comprehensive income	-	-	-	-	(50,833)	(50,833)
Total comprehensive income	-	-	-	1,493,668	(50,833)	1,442,835
Balance as at December 31, 2018 (Un-audited)	405,150	55,704	15,123,499	1,494,054	113,343	17,191,750
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)
Profit after taxation	-	-	-	940,223	-	940,223
Other comprehensive income	-	-	-	-	32,003	32,003
Total comprehensive income	-	-	-	940,223	32,003	972,226
Balance as at December 31, 2019 (Un-audited)	405,150	55,704	17,629,999	938,299	126,634	19,155,786

The annexed notes 1 to 19 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 HALF YEAR ENDED DECEMBER 31, 2019
(UN-AUDITED)

	December 31, 2019	December 31, 2018
	(Rupees in thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,238,202	2,100,046
Adjustments for non-cash charges and other items:		
Depreciation on:		
- Operating fixed assets	196,003	119,267
- Right-of-use assets	2,952	-
- Investment property	2	2
Gain on disposal of operating fixed assets	(4,443)	(35,169)
Amortization	16,124	4,166
Finance cost of:		
- Lease liabilities	1,037	-
- Others	5,464	6,053
Dividend income	(497,186)	(590,351)
Profit earned on deposits accounts and short term investments	(122,911)	(35,138)
Gain on redemption of investments at fair value through profit or loss	(12,355)	(118,051)
Liabilities no longer payable written back	-	(752)
Provision for expected credit losses	48,803	12,123
Provision for staff retirement benefits	3,859	4,061
	(362,651)	(633,789)
Increase in current assets		
Stores, spares and loose tools	(1,062)	(13,241)
Stock-in-trade	(394,372)	(1,433,934)
Trade debts	272,133	(625,171)
Loans and advances	(70,595)	9,671
Trade deposits and short-term prepayments	203,175	(31,130)
Other receivables	(67,348)	3,227
Sales tax refundable	49,960	(28,421)
	(8,109)	(2,118,999)
(Decrease) / Increase in current liabilities		
Trade and other payables	(126,416)	109,451
Cash generated from / (used in) operations	741,026	(543,291)
Finance cost paid	(6,468)	(5,952)
Staff retirement benefits paid	(7,519)	(7,298)
Income tax paid	(331,774)	(647,402)
Long-term loans - net	1,998	1,998
Long-term deposits - net	(262)	(156)
Net cash from / (used in) operating activities	397,001	(1,202,101)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,148,776)	(528,764)
Sale proceeds from disposal of operating fixed assets	8,869	39,940
Additions to intangible assets	(72,071)	-
Long-term loans to subsidiaries	-	(48,850)
Dividend income received	497,186	590,351
Profit received on call deposits and short-term investments	120,009	33,604
Long-term investments made during the period	(404,691)	(250,776)
Short-term investments encashed during the period	684,023	3,172,311
Net cash (used in) / generated from investing activities	(315,451)	3,007,816
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(440,294)	(680,704)
Short-term financing	100,000	-
Payment against lease liabilities	(3,257)	-
Net cash used in financing activities	(343,551)	(680,704)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(262,001)	1,125,011
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,657,208	1,281,994
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,395,207	2,407,005
Cash and bank balances	499,257	538,071
Short-term investments - Term Deposit Receipts	895,950	1,889,912
Short-term financing	-	(20,978)
	1,395,207	2,407,005

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

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Chief Financial Officer

Chief Executive

Director

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2019
(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	2,952
Interest expense on lease liabilities	1,037
Reversal of deferred tax asset on right of use assets and lease liabilities - net	<u><u>(88)</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	December 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	2,017,663	2,047,233
Capital work-in-progress	5.3	1,127,325	140,547
		3,144,988	2,187,780

5.1 Details of additions and disposals are as follows:

	Additions at cost		Disposals at net book value	
	Half year ended December 31, 2019 (Un-audited)	2018	Half year ended December 31, 2019 (Un-audited)	2018
	----- (Rupees in thousands) -----			
Freehold land	-	-	-	650
Building on freehold land	33,393	-	-	-
Plant and machinery	49,265	34,359	-	177
Furniture and fittings	1,685	-	13	521
Vehicles	6,049	3,564	4,057	2,858
Office and mills equipment	13,650	3,154	207	144
Computer equipment	46,352	9,800	149	226
Jigs and fixtures	11,442	3,649	-	-
	161,836	54,526	4,426	4,576

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

5.3 Details of additions at cost are as follows:

	December 31, 2019 (Un-audited) (Rupees in thousands)	December 31, 2018 (Audited) (Rupees in thousands)
Plant and machinery	986,155	345,275
Furniture and fittings	2,746	-
Office and mills equipment	18,867	592
Computer equipment	1,180	1,615
Jigs and fixtures	5,017	28,667
Civil works	62,406	109,520
	1,076,371	485,669

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 (December 31, 2018: Rs. 250.78 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	December 31, 2019 (Un-audited) (Rupees in thousands)	June 30, 2019 (Audited)
7. STOCK-IN-TRADE			
Raw material:			
- In hand		3,732,698	4,260,842
- In transit		<u>749,491</u>	<u>496,245</u>
		4,482,189	4,757,087
Work-in-process		302,118	246,731
Finished goods		<u>1,245,370</u>	<u>631,487</u>
	7.1	<u>6,029,677</u>	<u>5,635,305</u>

7.1 This includes items costing Rs. 170.40 million (June 30, 2019: Rs. 276.76 million) carried at net realizable value amounting to Rs. 34.59 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. 53.55 million (June 30, 2019: Rs. 255.53 million).

9. SHORT-TERM INVESTMENTS

Represents Term Deposit Receipts and units of mutual funds amounting to Rs. 901.13 million and Rs. 1,222.54 million (June 30, 2019: Rs 1,049.10 million and Rs. 1,894.20 million), respectively.

	Note	December 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	<u>(21,027)</u>	<u>(15,645)</u>
Income tax provision less tax payments – net		<u>(488,777)</u>	<u>(523,118)</u>
		<u>123,471</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.1.59 million (June 30, 2019: Rs. 2.97 million) for the current period. Moreover, the taxable income transferred by A-One amounted to Rs. 11.63 million (June 30, 2019: Rs. 18.61 million).
- 10.3** Includes adjustment of tax challans acquired from MHPL and A-One amounting to Rs. 0.12 million (June 30, 2019: Rs. 0.11 million) and Rs. 8.75 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. 100 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. 1,546.98 million (June 30, 2019: Rs. 1,402.91 million)
- 12.2.2** Post dated cheques issued to Collector of Customs amount to Rs. 108.92 million (June 30, 2019: Rs. 141.81 million).
- 12.2.3** Letter of credits outstanding for raw material and spares amount to Rs. 870.55 million (June 30, 2019: Rs. 616.16 million).
- 12.2.4** Commitments in respect of capital expenditure are Rs. 15.99 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. 50.64 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. 497.19 million, Rs. 122.91 million and Rs. 12.35 million (December 31, 2018 Rs. 590.35 million, Rs. 35.14 million and Rs. 118.05 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	Half year ended	
		2019	2018
		(Un-audited)	
		(Rupees in thousands)	
Subsidiaries	Professional services acquired	78,689	92,825
	Dividend income	207,216	185,665
	Purchase of goods	48	332
	Supplies purchased	-	1,568
	Rent received	-	2,770
	Loan to subsidiary	-	48,850
	Service fee	16,200	13,861
	Tax loss and challans acquired	4,486	4,709
	Sale of assets	4,413	137
Associates	Sales of goods	3,128,100	6,495,234
	Dividend income	184,294	398,519
	Insurance premium	15,684	13,125
	Purchase of assets	176	196
	Insurance claim received	8	3,575
	Rent received	1,416	-
Staff retirement benefit funds	Contribution to provident fund	19,562	20,299
	Contribution to retirement benefit fund	4,066	4,061
Key management personnel	Remuneration paid	33,421	19,200
Directors meeting fee		1,040	1,350

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 SUBSEQUENT EVENT


- 17.1 The Board of Directors has proposed and approved an interim cash dividend of Rs. 1.50 per share for the half year period ended December 31, 2019, in its meeting held on February 20, 2020. These unconsolidated condensed interim financial statements do not include the effect of the above interim cash dividend which will be accounted for as a subsequent event.

18 GENERAL

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

19 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 20, 2020 by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive



Director