

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Un-audited) (Rupees in thousands)	June 30, 2020 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,128,648	4,223,380
Intangible assets		162,804	178,827
Investment property		6,645,041	6,725,717
Long-term investments	6	8,542,986	7,822,309
Long-term deposits		20,693	20,431
Long-term prepayments		22,501	22,501
Deferred tax asset - net		90,551	73,434
		19,613,224	19,066,599
CURRENT ASSETS			
Stores, spares and loose tools		157,049	142,151
Stock-in-trade	7	5,819,342	5,945,770
Trade debts		2,862,398	2,639,796
Loans and advances		90,323	50,181
Trade deposits and short-term prepayments	8	366,554	191,928
Interest accrued		6,203	7,375
Other receivables		289,510	203,527
Short-term investments	9	9,164,330	7,525,548
Sales tax refundable		26,472	60,688
Cash and bank balances		1,292,159	1,384,288
		20,074,340	18,151,252
TOTAL ASSETS		39,687,564	37,217,851
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		26,162,304	24,696,764
Equity attributable to equity holders' of the parent		26,567,466	25,101,926
Non-controlling interest		6,460,819	6,451,573
		33,028,285	31,553,499
NON-CURRENT LIABILITIES			
Long-term deposits		329,369	328,860
Long-term borrowings		393,543	394,638
Lease liabilities		814,561	779,054
		1,537,473	1,502,552
CURRENT LIABILITIES			
Trade and other payables		3,813,318	3,172,046
Unclaimed dividend		66,195	66,197
Unpaid dividend		129,827	45,252
Accrued markup		1,234	6,803
Income Tax - net	10	395,797	260,554
Current portion of long-term borrowings		49,786	49,786
Current portion of lease liabilities		8,298	103,648
Short-term borrowings	11	637,936	438,000
Deferred income		19,415	19,514
		5,121,806	4,161,800
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITIES AND LIABILITIES		39,687,564	37,217,851

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Chief Executive

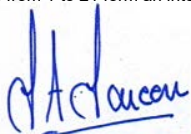

Director


Chief Financial Officer

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020
(UN-AUDITED)

	Note	Quarter ended	
		September 30, 2020 (Rupees in thousands)	September 30, 2019
Revenue - net		5,513,930	4,186,504
Cost of sales		<u>(4,752,790)</u>	<u>(3,834,221)</u>
Gross Profit		761,140	352,283
Distribution costs		(60,067)	(51,440)
Administrative expenses		(309,918)	(380,834)
Other charges	13	<u>(31,536)</u>	<u>(60,631)</u>
		(401,521)	(492,905)
Other income	14	820,852	771,422
Operating Profit		1,180,471	630,800
Finance costs		<u>(43,190)</u>	<u>(39,873)</u>
		1,137,281	590,927
Share of net profit of associates - after tax		681,354	272,590
Profit before taxation		1,818,635	863,517
Taxation		<u>(332,697)</u>	<u>(213,157)</u>
Profit after taxation		1,485,938	650,360
Attributable to:			
- Equity holders of the Holding Company		1,391,987	570,399
- Non-controlling interest		93,951	79,961
		1,485,938	650,360
		Rupees	
Basic and diluted earnings per share attributable to the equity holders of the Holding Company		17.18	7.04

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Chief Executive



Director

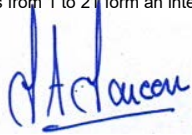


Chief Financial Officer

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020
(UN-AUDITED)

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in thousands)	
Profit after taxation	1,485,938	650,360
Other comprehensive income		
(Loss) / gain on revaluation of investments at fair value through other comprehensive income	77,840	(4,098)
Share of actuarial loss on remeasurement of defined benefit plans of associates	(4,287)	(5,009)
Total comprehensive income for the period, net of tax	1,559,491	641,253
Attributable to:		
- Equity holders of the Holding Company	1,465,540	561,292
- Non-controlling interest	93,951	79,961
	1,559,491	641,253

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Director

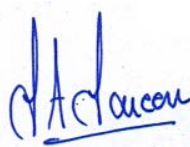


Chief Financial Officer

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 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, 2019 (Audited)	405,150	12	67,929	15,165,374	7,240,431	94,634	6,596,482	29,570,012
First time adoption of IFRS 16					(209,881)		(137,216)	(347,097)
Deferred tax impact					912			912
	405,150	12	67,929	15,165,374	7,031,462	94,634	6,459,266	29,223,827
Transfer to general reserve	-	-	-	2,506,500	(2,506,500)	-	-	-
Subsidiary Companies								
Final dividend @ Rs. 0.399/- per share for the year ended June 30, 2019	-	-	-	-	-	-	(46,184)	(46,184)
Profit for the period	-	-	-	-	570,399	-	79,961	650,360
Other comprehensive income	-	-	-	-	(5,009)	(4,098)	-	(9,107)
Total comprehensive income	-	-	-	-	565,390	(4,098)	79,961	641,253
Balance as at September 30, 2019 (unaudited)	405,150	12	67,929	17,671,874	5,090,352	90,536	6,493,043	29,818,896
Balance as at June 30, 2020 (Audited)	405,150	12	67,929	17,671,874	6,841,559	115,402	6,451,573	31,553,499
Transfer to general reserve	-	-	-	1,460,000	(1,460,000)	-	-	-
Subsidiary Companies								
Final dividend @ Rs. 0.623/- per share for the year ended June 30, 2020	-	-	-	-	-	-	(84,705)	(84,705)
Profit for the period	-	-	-	-	1,391,987	-	93,951	1,485,938
Other comprehensive income	-	-	-	-	(4,287)	77,840	-	73,553
Total comprehensive income	-	-	-	-	1,387,700	77,840	93,951	1,559,491
Balance as at September 30, 2020 (Unaudited)	405,150	12	67,929	19,131,874	6,769,259	193,242	6,460,819	33,028,285

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Chief Executive



Director

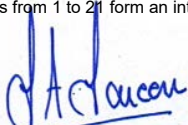


Chief Financial Officer

THAL LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020
(UN-AUDITED)

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,818,635	863,517
Adjustments for non-cash charges and other items:		
Depreciation on:		
- Operating fixed assets	154,180	131,352
- Right-of-use assets	9,051	33,446
- Investment property	76,113	46,993
Provision for impairment of property, plant and equipment	4,730	-
Gain / (loss) on disposal of property, plant and equipment	(2,849)	(2,920)
Gain / (loss) on disposal of investment property	(3,200)	(41)
Amortisation	16,023	6,924
Share in profit of associates - after taxation	(681,354)	(272,590)
Finance cost of:		
- Lease liabilities	27,449	26,231
- Others	15,741	13,642
Interest earned on call deposits and short-term investments	(65,765)	(114,717)
Gain on revaluation / redemption of investments at fair value through profit and loss	(64,553)	(102,720)
Dividend income	(31,443)	(68,623)
(Reversal) / Provision for expected credit loss	(38,678)	40,539
Provision for retirement benefits	1,749	3,773
Exchange gain on long-term borrowing	(1,095)	-
	<u>(583,901)</u>	<u>(258,711)</u>
	1,234,734	604,806
(Increase) / decrease in current assets		
Stores, spares and loose tools	(14,898)	(6,601)
Stock-in-trade	126,428	4,746
Trade debts	(183,924)	673,841
Loans and advances	(40,142)	(74,249)
Trade deposits and short-term prepayments	(174,626)	55,082
Other receivables	(51,753)	(13,228)
Sales tax refundable	(119,143)	113,896
Increase / (decrease) in current liabilities		
Deferred income	(99)	6,889
Sales tax Payable	153,359	(13,000)
Trade and other payables	640,416	(126,510)
	<u>335,618</u>	<u>620,866</u>
Cash generated from operations	1,570,352	1,225,672
Finance costs paid	(48,759)	(39,873)
Retirement benefits paid	(893)	(3,773)
Income tax paid	(214,571)	(162,881)
Long-term loans	-	999
Long-term deposits - net	247	1,872
Net cash used in operating activities	<u>1,306,376</u>	<u>1,022,016</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(62,798)	(107,151)
Additions to investment property	(7,424)	(1,888)
Additions to intangible assets	-	(22,269)
Dividends received	31,443	68,623
Interest received	61,238	102,189
Long-term investments made during the period	-	(33,144)
Proceeds from disposal of property, plant and equipment	7,605	6,447
Short-term investments encashed / (made) during the period	(2,528,533)	(686,274)
Net cash generated from investing activities	<u>(2,498,469)</u>	<u>(673,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(132)	68,746
Short-term financing	199,936	103,014
Payment against lease liabilities	(59,843)	(27,533)
Net cash used in financing activities	<u>139,961</u>	<u>144,227</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,052,132)</u>	<u>492,776</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,600,241	3,898,320
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>2,548,109</u>	<u>4,391,096</u>
Cash and bank balances	1,292,159	1,021,336
Short-term investments	1,255,950	3,300,484
	<u>2,548,109</u>	<u>4,321,820</u>

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

THAL LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 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, 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.

- 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.

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, 2020.

2.3 These consolidated condensed interim financial statements are being submitted to the shareholders as required by 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, 2020.

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, 2020.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
(Rupees in thousands)			
Operating fixed assets	5.1 & 5.2	4,064,136	4,162,166
Capital work-in-progress	5.3	64,512	61,214
		<u>4,128,648</u>	<u>4,223,380</u>

5.1 The following additions and deletions were made in operating fixed assets during the period

	Additions at cost		Deletions at book value	
	Quarter ended September 30,		Quarter ended September 30,	
	2020 (Un-audited)	2019 (Un-audited)	2020 (Un-audited)	2019 (Un-audited)
----- (Rupees in thousands) -----				
Operating fixed assets				
Building on freehold land	19,186	13,023	-	-
Plant and machinery	5,997	6,238	156	-
Furniture and fittings	570	1,432	3	13
Vehicles	97	258	1,250	2,396
Office and mills equipment	3,875	13,665	147	27
Computer equipment	6,726	4,904	-	91
Jigs and Fixtures	23,049	8,146	-	-
	<u>59,500</u>	<u>47,666</u>	<u>1,556</u>	<u>2,527</u>

5.2 This includes right-of-use assets amounting to Rs. 10.654 million.

5.3 Details of additions at cost are as follows:

	September 30, 2020 (Un-audited)	September 30, 2019 (Audited)
(Rupees in thousands)		
Plant and machinery	4,314	-
Office and mills equipment	7,960	-
Computer equipment	-	42,004
Jigs and fixtures	-	7,426
Civil works	-	28,463
	<u>12,274</u>	<u>77,893</u>

6 LONG-TERM INVESTMENTS

- 6.1 This includes investment in Sindh Engro Coal Mining Company Limited (SECMC) and ThalNova Power Thar (Private) Limited (TNTPL) amounting to Rs 3,816.953 million and Rs 1,504.296 million (June 30, 2020: Rs 3,408.659 million and Rs 1,506.429 million), respectively.
- 6.2 The Group undertook to invest a total of USD 25.6 million in SECMC to expand the mine to 7.6 mtpa. Phase I of the Project achieved commercial operations in July 2019 and Phase II achieved financial close in Dec 2019. As on the statement of financial position date the Company has invested Rs. 2,365.311 million acquiring 159,602,637 ordinary shares having face value of Rs. 10 each, at a price of Rs. 14.82 per share. The balance commitment of the investment is USD 5.5 million.
- 6.3 The Group undertook to invest USD 34.3 million in PKR equivalent in TNTPL and upto the statement of financial position date it has invested Rs. 1,534.534 million acquiring 153,453,275 ordinary shares having face value of Rs. 10 each. The balance commitment of the investment is USD 22.6 million in PKR equivalent. TNTPL achieved financial close on September 30, 2020.

	Note	September 30,	June 30,
		2020 (Un-audited)	2020 (Audited)
(Rupees in thousands)			
7 STOCK-IN-TRADE			
Raw material			
In hand		3,206,424	4,390,214
In transit		1,539,282	699,877
		4,745,706	5,090,091
Work-in-process		427,471	377,192
Finished goods			
In hand		856,578	673,704
In transit		-	-
		856,578	673,704
Less: Provision for slow moving & obsolete stock		(210,413)	(195,217)
		5,819,342	5,945,770

8 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Includes margin paid against letters of credit amounting to Rs. 245.62 million (June 30, 2020: Rs. 72.399 million).

9 SHORT TERM INVESTMENTS

- 9.1 This represents investment in Term Deposit Receipts, Treasury Bills and units of mutual funds amounting to Rs. 1,406.847 million, Rs 1,963.455 million and Rs. 5,719.606 million (June 30, 2020: Rs 2,358.1 million, Rs. 1,077.626 million and Rs 4,021.099 million), respectively.

	Note	September 30,	June 30,
		2020 (Un-audited)	2020 (Audited)
(Rupees in thousands)			
10 INCOME TAX - Net			
Group Tax Relief adjustments	10.1	(684,121)	(683,879)
Group Taxation adjustments	10.2	48,710	46,197
Income Tax provision less tax payments - net		1,031,208	898,236
		395,797	260,554

- 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 Company had also acquired the tax losses of subsidiary, Thal Boshoku Pakistan (Private) Limited in tax year 2020 and 2019.

- 10.2** In terms of provision of Section 59AA of Income Tax Ordinance, 2001 (the Ordinance), Thal Limited and certain subsidiaries have irrevocably opted to be taxed as one fiscal unit. Accordingly, the tax loss and tax transferred by these subsidiaries under group taxation opted by the Company amounted to Rs. 0.672 million and Rs 3.185 million (September 30, 2019: Rs. 0.944 million and Rs 1.338 million), respectively.

11 SHORT TERM FINANCING

This includes Export Refinance Facility availed by the Company 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 certain receivables of the Company. The portion of the facility utilized during the period amounted to Rs. 361 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 annual consolidated financial statements for the year ended June 30, 2020.

12.2 Commitments

- 12.2.1** Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 7,683.112 million (June 30, 2020: Rs. 3,987.251 million).
- 12.2.2** Post dated cheques issued to collector of Customs amounts to Rs. 121.411 million (June 30, 2020: Rs. 120.792 million)
- 12.2.3** Letter of credits outstanding for raw material and spares amounts to Rs. 3,298.002 million (June 30, 2020: Rs. 770.899 million).
- 12.2.4** Commitments in respect of raw material are nil (June 30, 2020: Rs. 576.655 million).
- 12.2.5** Commitments in respect of capital expenditure amounts to Rs. 14.023 million (June 30, 2020: Rs. 28.655 million).
- 12.2.6** Commitments for rentals under Ijarah agreements in respect of vehicles and computers to a related party amount to Rs. 90.321 million (June 30, 2020: 89.981 million).

13 OTHER CHARGES

This includes reversal of allowance for expected credit losses amounting to Rs 38.678 million (September 30, 2019: charge of Rs 40.539 million).

14 OTHER INCOME

This includes dividend income, interest earned on call deposits and short term investments, income on Term Finance Certificates and gain on disposal / revaluation of investments at fair value through profit or loss amounting to Rs. 31.443 million, Rs. 59.777 million, Rs 5.988 million and Rs. 64.553 million (September 30, 2019: Rs. 68.623 million, Rs. 105.518 million, Rs 9.199 and Rs 102.72 million), respectively,

15 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	Quarter ended	
		September 30, 2020	September 30, 2019
		(Un-audited)	
		Rupees in thousand	
Associates	Sales	2,678,307	1,716,870
	Professional services rendered	52,315	64,130
	Rental income on properties	422,463	398,856
	Licence fee, signage and others	11,184	1,659
	Insurance premium paid	11,132	12,045
	Insurance claim received	1,719	3,619
	Supplies purchased	158,719	9,674
	Purchase of assets	-	176
	Purchase of goods	55	125,827
Employee benefit plans	Contribution to provident fund	14,054	14,853
	Contribution to retirement benefit fund	1,749	2,135
Key management personnel	Key management personnel compensation	45,282	33,542
Directors	Directors' meeting fee	220	515

16 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 2020. There have been no changes in any risk management policies since the year end.

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no transfers amongst levels during the period.

18 SEGMENT ANALYSIS

	Quarter ended					
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Engineering	3,470,338	2,449,775	99,904	100,181	(41,865)	5,513,930
Building material and allied products	1,985,553	1,674,859	333,758	311,534	-	1,115,974
Real estate management & others	454,116	46,574	171,282	114	(38,311)	529,504
SALES REVENUE	3,470,338	2,449,775	99,904	100,181	(41,865)	5,513,930
SEGMENT RESULT	454,116	46,574	333,758	311,534	-	529,504

Rupees in thousand

Unallocated corporate (expenses) / income:						
Administrative & distribution costs						(203,848)
Other income						325,236
						650,892
Finance cost						(39,873)
Other charges						(70,214)
Share in profit of associates						681,354
Taxation						(332,697)
						1,485,938
						650,360

19 SUBSEQUENT EVENT

The Board of Directors had recommended final cash dividend of Rs. 3.50 per share for the year ended June 30, 2020. These consolidated condensed interim financial statements do not reflect the payment of cash dividend which was approved by the shareholders in the Annual General Meeting held on October 22, 2020.

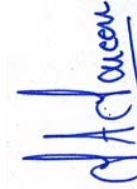
20 GENERAL

20.1 Figures have been rounded off to the nearest thousands.

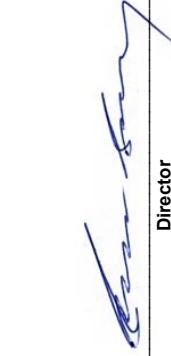
20.2 Corresponding figures have been re-arranged, wherever necessary. However, there were no significant rearrangements to report.

21 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 27, 2020 by the Board of Directors of the Holding Company.



Chief Executive



Director



Chief Financial Officer