THALINDUSTRIES
CORPORATION







CONDENSED INTERIM FINANCIAL INFORMATION FOR THE 1ST QUARTER ENDED 31 DECEMBER 2019 (UN-AUDITED)

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THALINDUSTRIES CORPORATION

Company Information

BOARDOFDIRECTORS

CHAIRPERSON

Mrs.QaiserShamimKhan

CHIEFEXECUTIVE

Mr.MuhammadShamimKhan

MANAGINGDIRECTOR

Mr.NaumanAhmedKhan

DIRECTORS

Mr.MuhammadShamimKhan	(Director)
Mrs.QaiserShamimKhan	(Director)
Mr.AdnanAhmedKhan	(Director)
Mr.NaumanAhmedKhan	(Director)
Mr.MuhammadKhan	(Director)
Mr.MuhammadAshrafKhanDurani	(IndependentDirector)
Mr.AbdulWahidKhan	(IndependentDirector)

AUDITCOMMITTEE

Mr.MuhammadAshrafKhanDurani	(Chairman)
Mrs.QaiserShamimKhan	(Member)
Mr.AdnanAhmedKhan	(Member)

HUMANRESOURCE& REMUNERATION COMMITTEE

Mr.AbdulWahidKhan	(Chairman/Member)
Mr.AdnanAhmedKhan	(Member)
Mr.MuhammadKhan	(Member)

NOMINATIONCOMMITTEE

Mr.AbdulWahidKhan(Chairman)
Mr.MuhammadAshrafKhanDurani

RISKMANAGEMENT COMMITTE

Mr.AbdulWahidKhan(Chairman)
Mr.MuhammadAshrafKhanDurani

CHIEFFINANCIALOFFICER

Mr. Hafiz Muhammad Arif

COMPANYSECRETARY

Mr.WasifMahmood

AUDITORS

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants, Lahore

LEGALADVISOR

Mr. Shehzad Ata Elahi, Advocate
Ch.AltafHussainAdvocate

BANKERS	Albaraka Bank Pakistan Limited Allied Bank Limited Askari Bank Limited Bank Al-Habib Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited MCB Islamic Bank Limited Meezan Bank Limited NationalBankofPakistan Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited United Bank Limited
SHAREREGISTRAR	M/s.CORPLINK (Pvt) Ltd WingsArcade,1-K-Commercial Model Town, Lahore Tel:042-35839182,35887262 Fax:042-35869037
REGISTEREDOFFICE	23-PirKhurshidColonyGulgasht,Multan Tel:061-6524621,6524675 Fax:061-6524675
LAHOREOFFICE	2-D-1Gulberg-III, Lahore – 54600 Tel:042-35771066-71 Fax:042-35771175
FACTORYADDRESSES	**Unit1:**Layyah Sugar Mills, Layyah Tel:0606-411981-4,0606-410014 Fax:0606-411284 **Unit2:** Safina Sugar Mills, Lalian District Chinniot. Tel:047-6610011-6 Fax:047-6610010
WEBSITE	www.thalindustries.com

Directors' Review

TheDirectorsofyourCompanyarepleasedtopresenttheUn-AuditedAccountsoftheCompany forthe1stQuarterEnded31December2019incompliancewiththesection237oftheCompanies Act,2017.

INDUSTRYOVERVIEW

During the period under review, sugarcane crop size was considerably on lower side and yield peracrebeingreportedwasalsolowerascomparedtocorrespondingperiodlastyear.Moreover, sugar recoveries are expected lower as compared to last crushing season. Cumulatively the Company'ssugarproductioninthisseasonisexpectedtobelowerinlinewithcountry'ssugar productionascomparedtothelastyear.

For current crushing season 2019-20, notified support price of sugarcane is Rs. 190/- per 40 kg inPunjab&KPKandRs.192/-per40KgintheProvinceofSindh.

COMPANYPERFORMANCE

OperatingHighlights

The Company was able to crush 548,798.408 M. Tons sugarcane and produced 48,838.500 M. Tons white refined sugar at an average recovery of 9.383% during the first quarter ending December31,2019ascomparedtolastyearsugarcanecrushingof358,481.415M.Tonsand production of 32,071 M. Tons white refined sugar at an average recovery of 9.722%. Increased productioninperiodunderreviewisattributabletoearlystartofcrushingseason.

FinancialHighlights

Net sales of the Company were recorded at Rs. 1,890.336 million during the first quarter from 1st October-2019 to 31 December-2019 as compared to Rs. 1,433.815 million against the correspondingperiodoflastyear.

The Company earned pretax profit of Rs. 212.439 million during the quarter under review as compared to pretax loss of Rs. (232.447) million in the corresponding period of last year and after-tax profit of Rs. 150.832 million against after-tax loss of Rs. (250.854) million over the same period of last year. This substantial increase in profitability is triggered by favorable sugar prices inthemarketascomparedtocorrespondingperiodoflastyear.

All out efforts are being made to increase the production and profitability of the Company through process efficiency, installing modern, latest technology equipments, reducing production cost duetoclosesupervision,developinggoodqualitycane,byprovidingthelatestimprovedseed varieties, fertilizer, pesticides etc. and facilitating the cane growers constantly, which ultimately will result in higher sugar recovery and also financial benefit to the cane growers.

CORPORATEGOVERNANCE

BestCorporatePractices

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of PakistanStockExchange.ThestatementofcompliancewiththeCCGisenclosed.

1. Thetotalnumberofdirectorsaresevenasperthefollowing:

    - Male: Six
    - Female: One

2. TheCompositionoftheBoardofDirectors(theBoard")isasfollows:

Category	Names
IndependentDirectors	Mr.MuhammadAshrafKhanDurani Mr.AbdulWahidKhan
ExecutiveDirec tors	Mr.MuhammadShamimKhan(CEO) Mr.NaumanAhmedKhan
Non-ExecutiveDirectors	Mrs.QaiserShamimKhan Mr.AdnanAhmedKhan Mr.MuhammadKhan

3. TheBoardhasformedcommitteescomprisingofmembersgivenbelow:

AUDITCOMMITTEE

- Mr. Muhmmad Ashraf Khan Durani (Chairman)
- Mrs. Qaiser Shamim Khan
- Mr. Adnan Ahmed Khan

HRANDREMUNERATIONCOMMITTEE

- Mr. Abdul Wahid Khan (Chairman)
- Mr. Adnan Ahmed Khan
- Mr. Muhammad Khan

NOMINATIONCOMMITTEE

- Mr. Abdul Wahid Khan (Chairman)
- Mr. Muhammad Ashraf Khan Durani

RISKMANAGEMENTCOMMITTE

- Mr. Abdul Wahid Khan (Chairman)
- Mr. Muhammad Ashraf Khan Durani

FUTUREOUTLOOK

Itisevidentfromsurveysthatsugarcanecrop&yieldperacreintheyear2019-20willbeonlower sideascomparedto2018-19.Inthisscenario,expectedlytherewillbeatoughcompetitionover the sugarcane purchase among sugar mills of surrounding area. Carryover of the sugar stock for season 2019-20 is much lower as compared to last year. Therefore, we expect that sugar priceswillremaincomparativelybetterin2019-20aswell.Molassesandbagassepricesarealso expectedtoremainhighduetoexpectedlysameorreducedmolassesproductionin2019-20.

Overall, the country is passing through a tough economic climate and increase in KIBOR rates to almost double the level as compared to last year is putting strain particularly on seasonal industrieslikesugarwhichmainlyrelyonborrowingtobridgethetimegapbetweenproduction

and sale. However, due to currency devaluation Pakistan's sugar industry is now globally competitiveatlargeinspiteofhighlydepressedsugarpricesintheinternationalmarkets.

Keeping in view the expectedly less sugar production in the country, Pakistan Sugar Mills Association has taken up with the Federal Government for Tolling Policy to overcome the uncertainty of less sugar production and to reap the benefit of export market potential. Therefore, itishopedthattheFederal&ProvincialGovernmentswillkeeptheeconomicissuesinmindwhile makingpolicydecisions.

Your Company together with Almoiz Industries Limited and Naubahar Bottling Company Private Limited, associated companies (collectively as the Group), intends to acquire ordinary shares up to 54.03% of overall shareholding in Isis Central Sugar Mill Company Limited located in Bundaberg regionofQueensland,Australia("ICSM")byparticipatingone-thirdshareeach("Transaction"or "Acquisition"),subjecttoapplicablestatutoryandregulatoryapprovals,withoverallcostofAUD 36.10Mn(AustralianDollarsThirtySixMillionOneHundredThousand)equivalenttoUSD26.6 Mn.

ACKNOWLEDGEMENT

The Board would like to record their appreciation for the efforts and devotion of all the Company's employeesandhopetheywillcontinuetheircontributiontowardstheenhancementofproductivity and well-being of the Company in the future as well. The Board also wishes to thank the financial institutions, farmers and all stakeholders associated with the company for their support and cooperation.

ForandonbehalfofBoardofDirectors,
TheThalIndustriesCorporationLtd.

MuhammadShamimKhan
ChiefExecutive

NaumanAhmedKhan
Director

LAHORE: 24 January 2020

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 دسمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیرِ جائزہ مدت کے دوران گنے کی فصل کا سائز نمایاں طور پر کم ہے اور گزشتہ سال کے مقابلے فی ایکڑ پیداوار بھی بہت کم بتائی گئی ہے۔ مزید برآں، شوگر ریکوریز گزشتہ کرشنگ سیزن کے مقابلے کم رہنے کی توقع ہے۔ مجموعی طور پر اس سیزن میں کمپنی کی چینی کی پیداوار گزشتہ سال کے مقابلے کمپنی کی چینی کی پیداوار کے مطابق کم رہنے کی توقع ہے۔

موجودہ کرشنگ سیزن 20-2019 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/190 روپے فی من جبکہ صوبہ سندھ میں امدادی قیمت -/192 روپے فی من کا اعلان کیا گیا ہے۔

کمپنی کی کارکردگی

آپریٹنگ جھلکیاں

31 دسمبر 2019ء کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی نے 548,798.408 میٹرک ٹن گنے کی کرشنگ کی اور 9.383 فیصد اوسط ریکوری کے ساتھ 48,838.500 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ سال 358,481.415 میٹرک ٹن گنے کی کرشنگ کی اور 9.772 فیصد اوسط ریکوری کے ساتھ 32,071 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ زیرِ جائزہ مدت میں زیادہ پیداوار کرشنگ سیزن کے جلد آغاز کے باعث ممکن ہوئی۔

مالی جھلکیاں

گزشتہ سال کی اسی مدت میں 1,433.815 ملین روپے خالص فروخت کے برعکس یکم اکتوبر 2019 تا 31 دسمبر 2019 پہلی سہ ماہی کے دوران 1,890.336 ملین روپے درج کی گئی۔

کمپنی کو زیرِ جائزہ سہ ماہی کے دوران ٹیکس سے قبل 212.439 ملین روپے آمدنی حاصل ہوئی جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل (232.447) ملین روپے کا نقصان ہوا تھا اور گزشتہ سال کی اسی مدت میں ٹیکس کے بعد نقصان (250.854) روپے کے مقابلے میں 150.832 ملین روپے ٹیکس کے بعد منافع ہوا۔ منافع یابی میں یہ کافی اضافہ گزشتہ سال کی اسی مدت کے مقابلے میں مقامی مارکیٹ میں چینی کی موزوں قیمتوں کی وجہ سے زیادہ ہوا۔

تمام تر کوششیں گنے کے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں، کیڑے مار ادویات اور باہم سہولیات پہنچا کر عمل کارکردگی بہتر بنانے، جدت طرازی، جدید ترین ٹیکنالوجی آلات نصب، کڑی نگرانی سے پیداواری اخراجات کو کم کر کے گنے کے معیار کو بہتر بنانے کے ذریعے کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جارہی ہیں جس کے نتیجہ میں چینی کی ریکوری زیادہ اور گنے کے کاشتکاروں کو مالی فوائد بھی حاصل ہوں گے۔

کارپوریٹ گورننس

بہترین کارپوریٹ عوامل

ڈائریکٹرز بہتر کارپوریٹ گورننس پر عملدرآمد اور فہرستی کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج کی رُول بک کی ضروریات کو پورا کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کے مطابق تعمیل کا بیان منسلک ہے۔

1۔ مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات ہے:

- مرد: چھ
- خاتون: ایک

2۔ بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل مندرجہ ذیل ہے:

کیٹگری	نام
آزاد ڈائریکٹرز	جناب محمد اشرف خان درانی جناب عبدالواحد خان
ایگزیکٹو ڈائریکٹرز	جناب محمد شمیم خان (سی ای او) جناب نعمان احمد خان
نان ایگزیکٹو ڈائریکٹرز	محترمہ قیصر شمیم خان جناب عدنان احمد خان جناب محمد خان

3۔ بورڈ نے حسبِ ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں۔

آڈٹ کمیٹی

- جناب محمد اشرف خان درانی (چیئرمین)
- محترمہ قیصر شمیم خان
- جناب عدنان احمد خان

ایچ آر اینڈ ریمنریشن کمیٹی

- جناب عبدالواحد خان (چیئرمین)
- جناب عدنان احمد خان
- جناب محمد خان

نامزدگی کمیٹی

- جناب عبدالواحد خان (چیئرمین)
- جناب محمد اشرف خان درانی

رسک مینجمنٹ کمیٹی

- جناب عبدالواحد خان (چیئرمین)
- جناب محمد اشرف خان درانی

مستقبل کا نقطہ نظر

سروے سے یہ بات واضح ہے کہ سال 2019-20 کے دوران گنے کی فصل اور فی ایکڑ پیداوار 2018-19 کے مقابلہ میں کم ہوگی۔ اس سے آس پاس کے علاقے کی شوگر ملوں کے مابین گنے کی خریداری پر قیمتوں میں جنگ شروع ہوسکتی ہے۔ پچھلے سال کے مقابلہ میں 2019-20 سیزن کے لئے شوگر اسٹاک کا کیری اوور بہت کم ہے، لہذا ہمیں توقع ہے کہ چینی کی قیمتیں 2019-20 میں مقابلتاً بہتر رہیں گی۔ مولاسس اور بیگاس کی قیمتیں 2019-20 میں بھی مولاسس کی متوقع پیداوار یکساں یا کم رہنے کی وجہ سے زیادہ ہونے کی توقع ہے۔

مجموعی طور پر، ملک ایک سخت معاشی حالات سے گذر رہا ہے اور گذشتہ سال کے مقابلہ میں کائبر (KIBOR) کی شرحوں میں لگ بھگ دوگنی سطح تک اضافہ ہوا ہے، خاص طور پر چینی جیسی سیزنل صنعتوں پر تناؤ بڑھ رہا ہے، جو اپنی پیداوار اور فروخت کے درمیان خلاء کو پُر کرنے کے لئے بھاری مالیاتی قرضوں پر انحصار کرتی ہیں۔ تاہم، بین الاقوامی منڈیوں میں چینی کی قیمتیں انتہائی دباؤ کے باوجود کرنسی کی قدر میں کمی کی وجہ سے پاکستان کی چینی کی صنعت عالمی سطح پر مسابقتی ہے۔

ملک میں چینی کی متوقع کم پیداوار کو مدنظر رکھتے ہوئے، پاکستان شوگر ملز ایسوسی ایشن نے چینی کی کم پیداوار کی غیر یقینی صورتحال پر قابو پانے اور ممکنہ برآمد مارکیٹ سے فائدہ اٹھانے کے لئے ٹولنگ پالیسی کے لئے وفاقی حکومت سے رابطہ کیا ہے۔ لہذا، امید کی جاتی ہے کہ وفاقی اور صوبائی حکومتیں پالیسی بناتے وقت معاشی مسائل کو دھیان میں رکھیں گی۔

آپ کی کمپنی معہ المعز انڈسٹریز لمیٹڈ اور نوبہار بوٹلنگ کمپنی پرائیویٹ لمیٹڈ، شریک کمپنیاں (اجتماعی طور پر گروپ)، کوئینز لینڈ، آسٹریلیا کے علاقے بنڈابرگ میں واقع Isis سنٹرل شوگر مل کمپنی لمیٹڈ ("ICSM") میں، قابل اطلاق قانونی اور ریگولیٹری منظوریوں کے حوالہ سے 36.10 ملین آسٹریلین ڈالر (چھتیس ملین ایک سو ہزار آسٹریلین ڈالر) مساوی 26.6 ملین امریکی ڈالر کے ساتھ، ایک تہائی حصہ ہر ایک ("ٹرانزیکشن" یا "حصول") کی شراکت سے مجموعی شیئر ہولڈنگ کی 54.03 فیصد عام حصص حاصل کرنے کا ارادہ رکھتا ہے۔

اظہار تشکر

کمپنی کے ڈائریکٹرز تمام ملازمین کی کوششوں اور لگن کو سراہتے ہیں اور امید کرتے ہیں کہ وہ پیداوار میں اضافہ اور کمپنی کی بھلائی کی خاطر مستقبل میں بھی اپنی کوششوں کو جاری رکھیں گے۔ بورڈ کمپنی کے ساتھ شریک مالی اداروں، کسانوں اور تمام شریک اسٹیک ہولڈرز کی حمایت اور تعاون کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹر
تھل انڈسٹریز کارپوریشن لمیٹڈ

محمد شمیم خان
چیف ایگزیکٹو

نعمان احمد خان
ڈائریکٹر

لاہور: 24 جنوری 2020ء

Condensed Interim Statement of Financial Position

As at 31 December 2019 (Un-Audited)

	Note	(Un-Audited) 31December 2019	(Audited) 30September 2019
		.....(Rupees).....	
EQUITY&LIABILITIES			
ShareCapitalandReserves			
Sharecapital	5	150,232,320	150,232,320
Revenuereserves		93,800,000	93,800,000
Accumulated profit		2,130,623,346	1,979,791,613
		2,374,655,666	2,223,823,933
NonCurrentLiabilities			
Long term finance	6	1,055,581,017	1,250,031,565
Liabilities against assets subject to finance lease	7	36,358,890	21,839,579
Loans from directors	8	574,800,000	574,800,000
Deferredliabilities		223,983,286	221,757,770
		1,890,723,193	2,068,428,914
CurrentLiabilities			
Tradeandotherpayables		2,605,019,826	1,740,022,303
Financecostpayable		145,559,399	184,700,507
Shorttermborrowings-secured	9	3,497,884,570	1,967,664,631
Advancesfromdirectors		335,300,000	355,300,000
Currentportionoflongtermliabilities		526,031,516	438,630,825
UncashedDividendwarrants		22,643,818	57,560,349
Provisionfortaxation		88,298,844	226,294,702
		7,220,737,973	4,970,173,317
ContingenciesandCommitments	10		
		11,486,116,832	9,262,426,164

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive | Chief Financial Officer | Director

	Note	(Un-Audited) 31December 2019	(Audited) 30September 2019
		.....(Rupees).....	
PROPERTYANDASSETS			
NonCurrentAssets			
Property,plant&equipment	11	5,046,798,517	4,879,358,204
IntangibleAssets		7,958,116	9,362,489
Long term deposits		464,500	464,500
Long term advances		30,384,413	30,384,413
		5,085,605,546	4,919,569,606
CurrentAssets			
Stores,sparepartsandloosetools		669,507,757	641,148,747
Stock-in-trade		3,433,185,594	1,542,450,249
Tradedebts		1,009,398,333	903,639,619
Loans and advances		422,564,361	502,442,119
Tradedeposits,prepayments&otherreceivables		179,469,664	97,482,966
Currentportionoflongtermadvances		20,569,308	20,569,308
Taxesrecoverable/adjustable		360,562,146	469,570,929
Cashandbankbalances		305,254,123	165,552,621
		6,400,511,286	4,342,856,558
		11,486,116,832	9,262,426,164

Chief Executive | Chief Financial Officer | Director

THALINDUSTRIES CORPORATION

Condensed Interim Statement of Profit or Loss

For the First Quarter Ended 31 December 2019 (Un-Audited)

	Note	Quarterended 31December 2019	31December 2018
		.....(Rupees).....	
Sales-Net		1,890,335,840	1,433,814,451
Costofsales	12	(1,408,488,391)	(1,418,088,044)
Gross profit		481,847,449	15,726,407
Operatingexpenses			
Distributionandsellingexpenses		(41,848,562)	(70,461,340)
Administrativeexpenses		(120,415,401)	(106,009,608)
		(162,263,963)	(176,470,948)
Operating profit/(loss)		319,583,486	(160,744,541)
Otherincome	13	22,984,076	38,809,265
		342,567,562	(121,935,276)
Financecost		(114,383,824)	(110,511,306)
Otherexpenses		(15,744,678)	-
		(130,128,502)	(110,511,306)
Profit / (Loss) before taxation		212,439,060	(232,446,582)
Taxation		(61,607,327)	(18,407,796)
Profit / (Loss) after taxation		150,831,733	(250,854,378)
EarningsPerShare-Basic &Diluted	14	10.04	(16.70)

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive | Chief Financial Officer | Director

Condensed Interim Statement of Comprehensive Income

For the First Quarter Ended 31 December 2019 (Un-Audited)

	Quarterended	
	31December 2019	31December 2018
	.....(Rupees).....	
Profit / (loss) after tax	150,831,733	(250,854,378)
OtherComprehensiveIncome-NetofTax		
Items that will be reclassified to profit or loss:	-	-
Items that will never be reclassified to profit or loss:	-	-
Totalcomprehensiveincome/(loss)fortheperiod	150,831,733	(250,854,378)

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive | Chief Financial Officer | Director

Condensed Interim Statement of Changes in Equity

For the First Quarter Ended 31 December 2019 (Un-Audited)

Particular	Share Capital	General Reserves	Accumulated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as on 01 October 2018	150,232,320	93,800,000	1,641,525,185	1,885,557,505
Total Comprehensive (Loss) for the three months	-	-	(250,854,378)	(250,854,378)
Balance as on 31 December 2018	150,232,320	93,800,000	1,390,670,807	1,634,703,127
Total Comprehensive Income for the nine months	-	-	589,120,806	589,120,806
Balance as on 30 September 2019	150,232,320	93,800,000	1,979,791,613	2,223,823,933
Total Comprehensive Income for the three months	-	-	150,831,733	150,831,733
Balance as on 31 December 2019	150,232,320	93,800,000	2,130,623,346	2,374,655,666

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive **Chief Financial Officer** **Director**

Condensed Interim Statement of Cash Flows

For the First Quarter Ended 31 December 2019 (Un-Audited)

	Note	31December 2019	31December 2018
		.....(Rupees).....	
CASHFLOWFROMOPERATINGACTIVITIES			
Profit before taxation		212,439,060	(232,446,582)
Adjustmentfor:			
Depreciation		104,434,674	104,647,043
Amortization		1,404,373	1,404,373
Provisionforgratuity		5,459,993	11,936,802
Gain on disposal of fixed assets		(1,465,104)	-
Financecost		114,383,824	110,511,306
Workers' Profit Participation Fund		11,409,187	-
WorkersWelfareFund		4,335,491	-
		239,962,438	228,499,524
Operating cash flows before changes in working capital		452,401,498	(3,947,058)
Changesinworkingcapital	15	(1,068,700,381)	588,854,752
Cashgeneratedfromoperations		(616,298,883)	584,907,694
Gratuitypaid		(3,234,477)	(5,113,345)
Financecostpaid		(153,524,932)	(107,450,736)
Incometaxpaid		(199,603,186)	(33,019,071)
NETCASHFLOWUSEDINOPERATINGACTIVITIES		(972,661,478)	439,324,542
CASHFLOWFROMINVESTINGACTIVITIES			
Fixedcapitalexpenditure		(242,821,736)	(116,221,473)
Proceeds from disposal of fixed assets		1,700,853	-
NETCASHUSEDININVESTINGACTIVITIES		(241,120,883)	(116,221,473)
CASHFLOWFROMFINANCINGACTIVITIES			
Long term finance		(113,590,138)	180,188,855
Lease payments		(8,229,407)	(4,889,256)
Shorttermborrowings-net		1,530,219,939	(512,786,295)
Advancesfromdirectors		(20,000,000)	80,000,000
Dividendpaid		(34,916,531)	(40,176,351)
NETCASHFLOWFROMFINANCINGACTIVITIES		1,353,483,863	(297,663,047)
NETINCREASE/(DECREASE)INCASH&CASHEQUIVALENTS		139,701,502	25,440,022
CASHANDCASHEQUIVALENTSATTHE BEGINNINGOFTHEPERIOD		165,552,621	172,896,061
CASHANDCASHEQUIVALENTSATTHEENDOFTHEPERIOD		305,254,123	198,336,083

The annexed notes form an integral part of this condensed interim financial information.

Chief Executive **Chief Financial Officer** **Director**

Selected Notes to the Condensed Interim Financial Information

For the First Quarter Ended 31 December 2019 (Un-Audited)

1. STATUS AND ACTIVITIES

The Thal Industries Corporation Limited (Company) was incorporated in Pakistan on 07 September 1953 under The Companies Act, 1913 (Now Companies Act, 2017) as public company limited by shares. Its shares are quoted on Pakistan stock exchange in Pakistan.
The Company is principally engaged in production and sale of refined sugar and its by-products.

Geographical location and address of business units/plants

Purpose	Location	Address
Registered Office	Multan	23-Pir Khursid Colony Gulgasht , Multan
Head Office	Lahore	2-D-1 Gulberg III , Lahore
Mill Site Unit-1	Layyah	Layyah Sugar Mills , Layyah
Mill Site Unit-2	Chinniot	Safina Sugar Mills , Lalian District Chinniot

2. BASIS OF PREPARATION

The condensed interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the company for the year ended 30 September 2019.

The comparative figures as at 30 September 2019 in the condensed interim statement of financial position and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim profit or loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and related notes to the condensed interim financial information for quarter ended 31 December 2018 are based on un-audited condensed interim financial information. The condensed interim profit or loss account and condensed interim statement of other comprehensive income for the quarter ended 31 December 2019 and 31 December 2018 are neither audited nor reviewed.

3. STATEMENT OF COMPLIANCE

These 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 Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4. ACCOUNTINGPOLICIES

4.1 Theaccountingpoliciesandthemethodsofcomputationadoptedinthepreparationofthese condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended September 30, 2019.

4.2 Previous period's figures are re-arranged / re-classified where necessary to facilitate comparison and are rounded off to the nearest rupee; appropriate disclosure is given in relevantnoteincaseofmaterialrearrangement.

5. SHARECAPITAL

NumberofShares			(Un-Audited) 31December 2019	(Audited) 30September 2019
31-12-2019	30-09-2019		.....(Rupees).....	
AuthorizedCapital:				
100,000,000	100,000,000	OrdinarysharesofRs.10/-each	1,000,000,000	1,000,000,000
Issued,subscribedandpaidupcapital:				
8,368,846	8,368,846	OrdinarysharesofRs.10/-eachfullypaidincash	83,688,460	83,688,460
142,770	142,770	OrdinarysharesofRs.10/-each issuedasfullypaidforconsideration otherwisethancash	1,427,700	1,427,700
6,511,616	6,511,616	OrdinarysharesofRs.10/-eachissuedasbonusshares	65,116,160	65,116,160
15,023,232	15,023,232		150,232,320	150,232,320

6. LONGTERMFINANCE

Loans from banking companies-secured	6.1	1,055,581,017	1,250,031,565

6.1 Demand finance / Diminishing musharaka facilities of Rs. 835 million (2019: Rs. 835 million) and term finance facilities of Rs. 1,400 million (2019: Rs. 1,400 million) have been obtained from various banking companies. These loans are secured against first pari passu / hypothecation charge over all present and future fixed assets of the Company, personal guarantees of directors of the Company andsubordinationofdirectors'loan.Thefacilitiesarebeingrepaidinquarterlyinstalmentsbeginning from 21 January 2015 and ending on 05 December 2023. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 0.75 % (2019: 3 to 6 month KIBOR + 0.50 % to 0.75 %) p.a.

	(Un-Audited) 31December 2019	(Audited) 30September 2019
	.....(Rupees).....	
7. LIABILITIESAGAINSTASSETSSUBJECT TOFINANCELEASE		
Openingbalance	49,885,385	37,763,160
Obtainedduringtheyear	29,289,000	30,625,561
Payments/adjustmentsduringtheyear	(5,300,508)	(18,503,336)
	73,873,877	49,885,385
Less: Security deposits adjustable on expiry of lease term	(10,692,870)	(7,763,970)
	63,181,007	42,121,415
Less: Current portion grouped under current liabilities	(26,822,117)	(20,281,836)
	36,358,890	21,839,579

7.1 Reconciliationbetweenminimumleasepaymentsandpresentvalueofminimumleasepayments isasfollows:

	31December2019		
	Rupees		
	Minimum Lease Payments	Less:Future Finance Cost	PresentValue ofMinimum LeasePayments
Notlaterthanoneyear	35,232,862	(7,262,782)	27,970,080
Later than one year but not later than five years	41,539,176	(6,328,249)	35,210,927
	76,772,038	(13,591,031)	63,181,007

	30September2019		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Notlaterthanoneyear	25,526,173	(5,244,337)	20,281,836
Later than one year but not later than five years	25,013,580	(3,174,001)	21,839,579
	50,539,753	(8,418,338)	42,121,415

7.2 The Company has a finance lease agreement of Rs. 116 million (2019 : Rs. 116 Million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly instalments ending on November 2022. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2019: 3 months KIBOR + 1.00% to 1.25%) p.a. The lease is secured by way vehicle registered in the name of Bank Al Habib Limited with 10% of vehicle value held as security.

7.3 The company intends to exercise its option to purchase the leased assets upon the maturity of lease term. Taxes, repairs and insurance cost is to be borne by the company. In case of termination of the agreement, the company has to pay the entire rentals for the unexpired period for the lease agreement.

	Note	(Un-Audited) 31 December 2019	(Audited) 30 September 2019
		.....(Rupees).....	
8. LOANS FROM DIRECTORS			
Loans from directors - unsecured	8.1	574,800,000	574,800,000

8.1 These unsecured loans have been obtained from directors of the Company, and will be paid as and when convenient to the Company. These loans carry markup @ NIL p.a. (2019: 3 month KIBOR +1 % p.a.) prevailing at the year end. The management for the time being does not intend to repay any amount against these loans until the end of next financial year and hence no current maturity has been provided. These loans are subordinated to bank loans.

9. SHORT TERM BORROWINGS - SECURED			
FROM BANKING COMPANIES			
Running Finance	9.1	506,263,330	712,044,188
Cash Finance	9.2	2,991,621,240	1,255,620,443
		3,497,884,570	1,967,664,631

9.1 Running finance facilities of Rs. 1,165 million (2019: 1,165 million) have been obtained from various banks to meet the working capital requirements and are secured against first pari passu hypothecation / registered ranking charge over current assets of the Company and personal guarantees of directors. These are subject to mark up at the rate of 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 1.00% (2019: 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 1.00%) p.a. The limits will expire on various dates by 30 March 2022 but are renewable.

9.2 Cash finance facilities of Rs. 9,860 million (2019: 9,860 million) have been obtained from various banks and are secured against pledge over sugar bags of equivalent value with 10% to 20% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to 3 months KIBOR plus 0.30% to 1.00% (2019: 1 to 3 months KIBOR plus 0.30% to 1.00%) p.a. The limits will expire on various dates by 30 March 2022 but are renewable.

	Note	(Un-Audited) 31December 2019	(Audited) 30September 2019
		.....(Rupees).....	
10. CONTINGENCIESANDCOMMITMENTS			
Contingencies			
Various claims against the company not acknowledged asdebtswhicharependinginthecourtfordecision		1,568,000	1,568,000
Salestaxonmolasses		1,217,508	1,217,508
Incometaxcases		11,955,520	11,955,520
Additionaltaxu/s87ofIncomeTaxOrdinance,1979		4,500,353	4,500,353
Bankguarantees		747,631,653	747,631,653
		766,873,034	766,873,034
Commitments			
Contractsforcapitalexpenditure		27,733,706	27,733,706
Letters of credit for capital expenditure		142,231,518	142,231,518
Letters of credit for other than capital expenditure		31,908,909	31,908,909
		201,874,133	201,874,133
11. PROPERTY,PLANT&EQUIPMENT			
OperatingFixedAssets	11.1	4,370,380,042	4,201,220,854
CapitalWorkinProgress-TangibleAssets		676,418,475	678,137,350
		5,046,798,517	4,879,358,204
11.1 OperatingFixedAssets			
Openingwrittendownvalue		4,201,220,854	4,352,220,574
Additionsduringtheperiod-atcost	11.1.1	273,829,611	286,566,373
Disposals during the period- at WDV		(235,749)	(4,418,503)
Depreciationcharged		(104,434,674)	(433,147,590)
		4,370,380,042	4,201,220,854

11.1 Additions and Disposals Operating Fixed Assets

	(Un-Audited) Quarter ended 31 December 2019		(Audited) Year ended 30 September 2019	
	Addition At Cost	Disposal At WDV	Addition At Cost	Disposal At WDV
	Rupees	Rupees	Rupees	Rupees
Owned Assets				
Freehold land	-	-	-	-
Building on freehold land	1,979,142	-	22,602,522	-
Plant and machinery	241,292,499	-	141,196,246	(373,648)
Tools, implements and other factory equipments	1,159,255	-	35,543,826	-
Computer & other office equipments	277,392	-	4,198,513	(45,483)
Electric installations	528,990	-	7,095,039	(2,445,736)
Vehicles	4,702,333	(235,749)	39,473,006	(1,553,636)
	249,939,611	(235,749)	250,109,152	(4,418,503)
Leased Assets				
Vehicles	23,890,000	-	36,457,221	-
	23,890,000	-	36,457,221	-
	273,829,611	(235,749)	286,566,373	(4,418,503)

	Note	(Un-Audited) 31 December 2019	(Un-Audited) 31 December 2018
		.....(Rupees).....	
12. COST OF SALES			
Finished goods - opening		1,537,727,208	2,930,758,478
Add: Cost of goods manufactured	12.1	3,137,651,811	2,027,747,221
		4,675,379,019	4,958,505,699
Finished goods - closing		(3,266,890,628)	(3,540,417,655)
		1,408,488,391	1,418,088,044
12.1 Cost of goods manufactured			
Work in process - opening		4,723,041	6,778,912
Raw material consumed		2,821,176,313	1,634,885,908
Salaries, wages and other benefits		114,133,387	94,331,236
Fuel and power		27,009,283	143,406,886
Stores, spares and loose tools		62,066,064	39,763,344
Repairs and maintenance		157,237,191	175,074,641
Insurance		2,434,909	1,862,736
Depreciation		96,883,845	99,058,668
Vehicles running		17,239,709	9,489,931
Miscellaneous		1,043,035	1,039,398
		3,303,946,777	2,205,691,660
Work in process - closing		(166,294,966)	(177,944,439)
		3,137,651,811	2,027,747,221

	(Un-Audited) 31December 2019	(Un-Audited) 31December 2018
	.....(Rupees).....	
13. OTHERINCOME/(EXPENSES)		
FinancialAssets		
Profit on deposit accounts	285,601	111,140
Others		
Saleofscrap	15,550,273	32,371,422
RentalIncome	390,742	86,957
GainonDisposalofFixedAssets	1,465,104	-
Others	5,292,356	6,239,746
	22,984,076	38,809,265

14. EARNINGS/(LOSS)PERSHARE-BASICANDDILUTED

Earnings / (loss) per share is calculated by dividing the profit after taxation for the period by the weightedaveragenumberofsharesoutstandingduringtheperiodasfollows:

	Quarterended	
	(Un-Audited) 31December 2019	(Un-Audited) 31December 2018
	.....(Rupees).....	
Profit / (loss) after taxation	150,831,733	(250,854,378)
Weightedaveragenumberofordinaryshares inissueduringtheperiod	15,023,232	15,023,232
Earnings/(loss)pershare	10.04	(16.70)

No figure for diluted earnings per share has been presented as the company has not issued any instrumentscarryingoptionswhichwouldhaveanimpactonearningspersharewhenexercised.

15. CHANGESINWORKINGCAPITAL

(Increase)/decreaseincurrentassets:		
Stores,sparepartsandloosetools	(28,359,010)	(26,036,470)
Stock-in-trade	(1,890,735,345)	(780,824,704)
Tradedebts	(105,758,714)	34,614,041
Loans and advances	79,877,758	(80,634,967)
Tradedeposits,prepaymentsandotherreceivables	(81,986,698)	(427,464,823)
Taxesrecoverable/adjustable	109,008,783	(35,544,697)
Increase/(decrease)incurrentliabilities:		
Tradeandotherpayables	849,252,845	1,904,746,372
	(1,068,700,381)	588,854,752

16. REMUNERATIONOFCHIEFEXECUTIVE,DIRECTORSANDEXECUTIVES

Remuneration of Chief Executive, Directors and Executives charged during the period under reviewisasunder:

	Quarterended31December2019				Quarterended31December2018			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	.....RUPEES.....				.....			
Managerialremuneration	510,000	510,000	18,243,188	19,263,188	510,000	510,000	22,649,398	23,669,398
Utilities	-	-	487,772	487,772	-	-	489,725	489,725
Total	510,000	510,000	18,730,960	19,750,960	510,000	510,000	23,139,123	24,159,123
NumberofPersons	1	1	33	35	1	1	36	38

17. TRANSACTIONSWITHRELATEDPARTIES

The related parties comprise associated companies, entities over which the directors are able to exercise influence, staff retirement funds, directors and key management personnel. The transactions with related parties other than remuneration and benefits to key management personnelunderthetermsoftheiremploymentwhicharedisclosedintheNote16areasfollows:

			Quarterended	
			(Un-Audited) 31December 2019	(Un-Audited) 31December 2018
NameofCompany	Transaction	NatureofRelationship	.....(Rupees).....	
NaubaharBottling Company(Pvt)Limited	Saleofgoods	CommonDirectorship	193,582,500	154,020,500
Al-MoizIndustries Limited	Saleofgoods	CommonDirectorship	18,096,423	55,450,394
	Purchaseof Goods	CommonDirectorship	92,612,539	150,537,023
BabaFaridSugar MillsLimited	Saleofgoods	CommonDirectorship	1,592,800	-

The company continues to have a policy whereby all transactions with related parties and associatedundertakingsarepricedatcomparableuncontrolledmarketprice.

Keymanagementpersonnel:

Advancesreceivedfrom/(Returnedto)directors duringtheperiod	(20,000,000)	80,000,000
Markuponloansfromdirectors	-	16,597,350

	(Un-Audited) 31December 2019	(Audited) 30September 2019
	.....(Rupees).....	
Balanceduefrom/(dueto)relatedpartiesasat 31 December 2019 are as below:		
NaubaharBottlingCompany(Pvt)limited	33,660,000	(14,549,000)
Al-Moiz Industries Limited	(15,566,200)	-
Baba Farid Sugar Mills Limited	2,282,893	690,094
Loans from directors - Long Term	(574,800,000)	(574,800,000)
Advancesfromdirectors-ShortTerm	(335,300,000)	(355,300,000)

18. FINANCIALINSTRUMENTS-FAIRVALUES

		CarryingAmount			FairValue		
		Loans and receivables	Other financial liabilities	Total	Level1	Level2	Level3
	Note	----------Rupees----------					
On-balance sheet financial instruments							
31December2019(Un-Audited)							
Financial assets measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
Financial assets not measured at fair value	18.1						
Long term Deposits		464,500	-	464,500	-	-	-
Long term advances		50,953,721	-	50,953,721			
Tradedebts		1,009,398,333	-	1,009,398,333	-	-	-
Loans and advances		3,304,967	-	3,304,967	-	-	-
Tradedeposits,prepaymentsandotherReceivables		6,083,967	-	6,083,967	-	-	-
Cashandbankbalances		305,254,123	-	305,254,123	-	-	-
		1,375,459,611	-	1,375,459,611	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
Financial liabilities not measured at fair value	18.1						
Loans from directors		-	574,800,000	574,800,000	-	-	-
Long term finance		-	1,554,790,416	1,554,790,416	-	-	-
Liabilities against assets subject to finance lease		-	63,181,007	63,181,007	-	-	-
Tradeandotherpayables		-	1,014,303,120	1,014,303,120	-	-	-
Unpresenteddividendwarrants			22,643,818	22,643,818	-	-	-
Financecostpayable		-	145,559,399	145,559,399	-	-	-
Shorttermborrowings		-	3,497,884,570	3,497,884,570	-	-	-
Advancesfromdirectors		-	335,300,000	335,300,000	-	-	-
		-	7,208,462,330	7,208,462,330	-	-	-
30September2019(Audited)							
Financial assets measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
Financial assets not measured at fair value	18.1						
Long term Deposits		464,500	-	464,500	-	-	-
Long term advances		50,953,721	-	50,953,721			
Tradedebts		910,884,682	-	910,884,682	-	-	-
Loans and advances		2,773,023	-	2,773,023	-	-	-
Tradedeposits,prepaymentsandotherReceivables		3,487,133	-	3,487,133	-	-	-
Cashandbankbalances		165,552,621	-	165,552,621	-	-	-
		1,134,115,680	-	1,134,115,680	-	-	-
		-	-	-	-	-	-
Financial liabilities not measured at fair value	18.1						
Loans from directors		-	574,800,000	574,800,000	-	-	-
Long term finance		-	1,668,380,554	1,668,380,554	-	-	-
Liabilities against assets subject to finance lease		-	42,121,415	42,121,415	-	-	-
Tradeandotherpayables		-	281,618,347	281,618,347	-	-	-
Unpresenteddividendwarrants			57,560,349	57,560,349			
Financecostpayable		-	184,700,507	184,700,507	-	-	-
Shorttermborrowings		-	1,967,664,631	1,967,664,631	-	-	-
Advancesfromdirectors		-	355,300,000	355,300,000	-	-	-
		-	5,132,145,803	5,132,145,803	-	-	-

18.1 The management considers the carrying amount of all financial assets and liabilities not measured at fair valueattheendofthereportingperiodtoapproximatetheirfairvalueasatthereportingdate.

19. SEASONALITY

Thecompany'sbusinessisseasonalinnature.Entirecanecrushingandmanufacturingofsugaris doneduringseasonfromNovembertothefollowingMarch.Sugarsalesaremadethroughoutthe year.

20. SUBSEQUENTMATERIALEVENTS

There are no significant activities since 31 December 2019, affecting the condensed interim financial information apart from those disclosed in the condensed interim financial information.

21. DATEOFAUTHORIZATION

This condensed interim financial information has been authorized for issue on 24 January 2020 by theBoardofDirectors.

Chief Executive **Chief Financial Officer** **Director**

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THALINDUSTRIES

CORPORATION

Ifundelivered,pleasereturnto:

THE THALINDUSTRIESCORPORA TIONLIMITED

Registered Office: 23-PirKhurshidColonyGulgashtMultan.
Ph:061-6524621-6524675
Fax:061-6524675

Lahore Office: 2-D-1Gulberg-III,Lahore–54600
Tel:042-35771066-71
Fax:042-35771175