THALINDUSTRIES

CORPORATION



CONDENSED INTERIM FINANCIAL INFORMATION
For the 1st Quarter Ended 31 December 2020
(Un-audited)



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COMPANYINFORMATION

BOARDOFDIRECTORS

CHAIRPERSON

Mrs. Qaiser Shamim Khan

CHIEFEXECUTIVE

Mr. Muhammad Shamim Khan

MANAGINGDIRECTOR

Mr. Nauman Ahmed Khan

DIRECTORS

Mr. Muhammad Shamim Khan	(Director)
Mrs. Qaiser Shamim Khan	(Director)
Mr. Adnan Ahmed Khan	(Director)
Mr. Nauman Ahmed Khan	(Director)
Mr. Muhammad Khan	(Director)
Mr. Muhammad Ashraf Khan Durani	(Independent Director)
Mr. Abdul Wahid Khan	(Independent Director)

CHIEFFINANCIALOFFICER

Mr. Hafiz Muhammad Arif

COMPANYSECRETARY

Mr. Wasif Mahmood

AUDITORS

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

LEGALADVISOR

Mr. Shehzad Ata Elahi, Advocate

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
National Bank of Pakistan
NBP Aitemaad Islamic Bank Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

AUDITCOMMITTEE	Mr. Muhammad Ashraf Khan Durani	(Chairman)
	Mrs. Qaiser Shamim Khan	(Member)
	Mr. Adnan Ahmed Khan	(Member)
HUMANRESOURCE& REMUNERATION COMMITTEE	Mr. Abdul Wahid Khan	(Chairman)
	Mr. Adnan Ahmed Khan	(Member)
	Mr. Muhammad Khan	(Member)
RISKMANAGEMENT COMMITTE	Mr. Abdul Wahid Khan	(Chairman)
	Mr. Muhammad Ashraf Khan Durani	(Member)
NOMINATIONCOMMITTEE	Mr. Abdul Wahid Khan	(Chairman)
	Mr. Muhammad Ashraf Khan Durani	(Member)
SHAREREGISTRAR	M/s.CORPLINK (Pvt) Ltd Wings Arcade, 1-K- Commercial Model Town, Lahore Tel: 042-35839182, 35887262 Fax: 042-35869037	
REGISTEREDOFFICE	23- Pir Khurshid Colony Gulgasht, Multan Tel: 061-6524621, 6524675 Fax: 061-6524675	
LAHOREOFFICE	2-D-1 Gulberg-III, Lahore – 54600 Tel: 042-35771066-71 Fax: 042-35756687	
FACTORYADDRESSES	**Unit1:**Layyah Sugar Mills, Layyah Tel: 0606-411981-4, 0606-410014 Fax: 0606-411984 **Unit2:** Safina Sugar Mills, Lalian District Chinniot. Tel: 047-6610011-6, 047-7629990 Fax: 047-6610010	
WEBSITE	www.thalindustries.com	

DIRECTORS'REVIEW

The Directors of your Company are pleased to present the Un-Audited Accounts of the Company for the 1st Quarter Ended 31 December 2020 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRYOVERVIEW

During the period under review, sugarcane crop availability remained considerably lesser. Yield per acre being reported by the growers is also lower than last period. Moreover, sugar recovery is expected to be lower as compared to last crushing season. The early start of crushing season also effected the yield and recovery of cane. Company's sugar production in this season is expected to be lower in line with country's sugar production as compared to the last season.

For current crushing season 2020-21, notified support price of sugarcane is Rs. 200/- per 40 kg in Punjab & KPK and Rs. 202/- per 40 kg in the province of Sindh.

Due to early start of crushing season from 10 November 2020 tough competition has been observed in cane procurement that resulted into price war like situation in the region. Still average purchase cost is increasing day by day and how things will unfold is difficult to assess.

OPERATINGHIGHLIGHTS

The Company was able to crush 962,017.550 M. Tons sugarcane and produced 86,702.500 M. Tons white refined sugar at an average recovery of 9.360% during the first quarter ending December 31, 2020 as compared to last year sugarcane crushing of 548,798.408 M. Tons and production of 48,838.500 M. Tons white refined sugar at an average recovery of 9.383%. The main reason of high production in current period under review is due to early start of crushing season and that was by almost 20 days.

Net sales were recorded at Rs. 1,869.697 million during the first quarter of current financial year as compared to Rs. 1,890.336 million against the corresponding period of last year.

The Company earned pretax profit of Rs. 321.204 million during the quarter under review as compared to pretax profit of Rs. 212.439 million in the corresponding period of last year. This substantial increase in profitability is caused by favorable sugar prices in the market and lower financial charges as compared to last year due to reduction in Kibor rate by State Bank of Pakistan.

All out efforts are being made to increase the production and profitability of the Company through process efficiency, installing modern and latest technology, reducing production cost by close supervision, developing good quality cane by providing the latest improved seed 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 Pakistan Stock Exchange. The statement of compliance with the CCG is enclosed.

1. The total number of directors are seven as per the following:

    - Male:Six
    - Female: One

2. The composition of the Board of Directors (the Board") is as follows:

Category	Names
Independent Directors	Mr. Muhammad Ashraf Khan Durani Mr. Abdul Wahid Khan
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Mr. Muhammad Khan

3. The Board has formed committees comprising of members given below:

AUDITCOMMITTEE

- Mr. Muhammad 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

RISKMANAGEMENTCOMMITTEE

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

4. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and Regulations. The detail is given in Note: 16 to the FinancialStatement.

FUTUREOUTLOOK

It is evident from growers surveys that sugarcane crop & yield per acre in the year 2020-21 will be equal or on lower side as compared to 2019-20. Early start of crushing has been detrimental to yield and recovery. In anticipation of the prevailing sugar prices in local market, it is expected that there will be price war over the sugarcane purchase among sugar mills of surrounding area. Carryover sugar stock for season 2020-21 was much less as compared to last year. It is expected that in spite of lower sugar production in the country sugar prices may be under pressure in the coming period due to expected

intervention of federal and local government. Molasses and bagasse prices are expected to remain high partially due to rupee devaluation and partially due to expectedly reduced molasses production in 2020-21.

During COVID-19 pandemic Federal and Provincial Governments responded well to the crisis and implemented a carefully crafted lockdown during first phase. It is expected that current wave of Covid-19 would also be managed well. The country's macroeconomic indicators are expected to slowly revert to a stable trajectory as revival efforts for businesses

ACKNOWLEDGEMENT

The Board would like to record their appreciation for the efforts and devotion of all the Company's employees and hope they will continue their contribution towards the enhancement of productivity 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.

For and on behalf of Board of Directors,
TheThalIndustriesCorporationLtd.

MuhammadShamimKhan
ChiefExecutive

Mrs.QaiserShamimKhan
Chairperson

LAHORE: 23 January 2021

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹر کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 دسمبر 2020 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 کی دستیابی نمایاں طور پر کم رہی۔ گزشتہ سال کے مقابلے کاشتکاروں کی طرف سے فی ایکڑ پیداوار بھی بہت کم بتائی جارہی ہے۔ مزید برآں، شوگر ریکوریز گزشتہ کرشنگ سیزن کے مقابلے کم رہنے کی توقع ہے۔ کرشنگ سیزن کے جلد آغاز سے گنے کی پیداوار اور ریکوری بھی متاثر ہوئی ہے۔ مجموعی طور پر اس سیزن میں کمپنی کی چینی کی پیداوار گزشتہ سال کے مقابلے ملکی سطح پر چینی کی پیداوار کے مطابق کم رہنے کی توقع ہے۔

موجودہ کرشنگ سیزن 21-2020 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/200 روپے فی من اور صوبہ سندھ میں -/202 روپے فی من کا اعلان کیا گیا ہے۔

10 نومبر 2020 سے کرشنگ سیزن کے جلد آغاز کی وجہ سے گنے کی خریداری میں سخت مقابلہ دیکھا گیا جس کے نتیجے میں خطے میں قیمت جنگ کی صورت حال پائی گئی۔ ابھی بھی اوسط قیمت خرید روز بروز بڑھ رہی ہے اور چیزیں کس طرح سامنے آئیں گی اس کا اندازہ لگانا مشکل ہے۔

آپریٹنگ جھلکیاں

31 دسمبر 2020ء کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی نے 962,017.550 میٹرک ٹن گنے کی کرشنگ کی اور 9.360 فیصد اوسط ریکوری کے ساتھ 86,702.500 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ سال 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۔ زیرِ جائزہ حالیہ مدت میں زیادہ پیداوار کی بڑی وجہ کرشنگ سیزن کا جلد آغاز ہے جو کہ تقریباً 20 دن زیادہ ملے۔

گزشتہ سال کی اسی مدت میں 1,890.336 ملین روپے خالص فروخت کے برعکس رواں مالی سال کی پہلی سہ ماہی کے دوران 1,869.697 ملین روپے درج کی گئی۔

کمپنی کو زیرِ جائزہ سہ ماہی کے دوران ٹیکس سے قبل 321.204 ملین روپے منافع حاصل ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 212.439 ملین روپے کا منافع ہوا تھا۔ منافع میں یہ خاطر خواہ اضافہ مارکیٹ میں چینی کی مناسب قیمتوں اور بینک دولت پاکستان کی طرف سے Kibor شرح میں کمی کے باعث گزشتہ سال کے مقابلے کم فنانشل چارجز کی وجہ سے ہوا ہے۔

تمام تر کوششیں عمل کارکردگی بہتر بنانے، جدید ترین ٹیکنالوجی آلات نصب کرنے، کڑی نگرانی کی بدولت پیداواری اخراجات کو کم کرنے، اچھا معیاری گنا حاصل کرنے کے لئے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں، ادویات وغیرہ اور دیگر باہم سہولیات پہنچا کر کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جارہی ہیں، جس کے نتیجے بالآخر 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

4۔ بورڈ آف ڈائریکٹرز ایکٹ اور ریگولیشنز کے مطابق ڈائریکٹرز کے معاوضے کے لئے رسمی پالیسی اور شفاف طریقہ کار رکھتے ہیں۔ تفصیل مالی گوشواروں کے نوٹ 16 میں دی گئی ہے۔

مستقبل کا نقطہ نظر

سروے سے یہ بات واضح ہے کہ سال 2020-21 کے دوران گنے کی فصل اور فی ایکڑ پیداوار 2019-20 کے برابر یا اس کے مقابلہ میں کم ہوگی۔ کرشنگ کا جلد آغاز پیداوار اور ریکوری کے لئے نقصان دہ ہے۔ مقامی مارکیٹ میں چینی کی موجودہ قیمتوں کی وجہ 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 2020-21 سیزن کے لئے شوگر اسٹاک کا کیری اوور بہت کم ہے۔ توقع کی جارہی ہے کہ وفاقی اور مقامی حکومت کی متوقع مداخلت کی وجہ سے آئندہ مدت میں چینی کی کم پیداوار کے باوجود ملک کی چینی کی قیمتیں دباؤ میں رہیں گی۔ مولاسس اور بیگاس کی قیمتیں 2020-21 میں بھی روپے کی قدر میں کمی اور مولاسس کی متوقع پیداوار کم رہنے کی وجہ سے جزوی طور پر زیادہ ہونے کی توقع ہے۔

COVID-19 وبائی بیماری کے دوران وفاقی اور صوبائی حکومتوں نے اس بحران پر مکمل قابو پایا اور پہلے مرحلے کے دوران محتاط انداز سے لاک ڈاؤن نافذ کیا۔ توقع کی جارہی ہے کہ Covid-19 کی موجودہ لہر پر بھی اچھی طرح سے قابو پالیا جائے گا۔ ملک کے معاشی اشاروں سے توقع ہے کہ کاروبار کی بحالی کی کوششوں سے کاروبار آہستہ آہستہ ایک مستحکم راستہ پر واپس آجائیں گے۔

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	محترمہ قیصر شمیم خان
چیف ایگزیکٹو	چیئرپرسن

لاہور: 23 جنوری 2021ء

CONDENSEDINTERIMSTATEMENTOF FINANCIALPOSITION

Asat31December2020(Un-Audited)

	Note	(Un-Audited) 31December 2020	(Audited) 30 September 2020
		.....(Rupees).....	
EQUITY&LIABILITIES			
ShareCapitalandReserves			
Share capital	5	150,232,320	150,232,320
Revenue reserves		93,800,000	93,800,000
Accumulated profit		3,453,214,204	3,228,371,604
		3,697,246,524	3,472,403,924
NonCurrentLiabilities			
Long term finance	6	742,688,807	790,725,680
Lease Liabilities	7	78,561,238	76,983,903
Loans from directors	8	574,800,000	574,800,000
Government Grant		818,822	1,302,673
Deferred liabilities		308,345,065	297,313,927
		1,705,213,932	1,741,126,183
CurrentLiabilities			
Trade and other payables		2,751,108,536	1,843,671,429
Finance cost payable		33,148,518	31,534,455
Short term borrowings-secured	9	3,954,507,521	465,524,759
Advances from directors		145,300,000	265,300,000
Current portion of long term liabilities		435,842,031	470,660,854
Uncashed Dividend warrants		22,375,537	22,968,904
Provision for taxation		123,052,632	298,427,455
		7,465,334,775	3,398,087,856
ContingenciesandCommitments	10		
		12,867,795,231	8,611,617,963

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

Chief Executive | Chief Financial Officer | Director

	Note	(Un-Audited) 31 December 2020	(Audited) 30 September 2020
		.....(Rupees).....	
PROPERTY AND ASSETS			
Non Current Assets			
Property, plant & equipment	11	4,869,077,553	4,940,192,856
Intangible Assets		2,340,622	3,744,996
Long term deposits		464,500	464,500
Long term advances		9,008,368	13,412,458
		4,880,891,043	4,957,814,810
Current Assets			
Stores, spare parts and loose tools		712,715,048	683,656,187
Stock-in-trade		5,576,444,107	983,869,301
Trade debts		804,135,692	679,686,515
Loans and advances		203,319,988	370,595,631
Trade deposits, prepayments & other receivables		122,780,556	70,690,212
Current portion of long term advances		38,616,697	38,360,843
Taxes recoverable / adjustable		37,635,608	358,288,798
Cash and bank balances		491,256,492	468,655,666
		7,986,904,188	3,653,803,153
		12,867,795,231	8,611,617,963

Chief Executive | Chief Financial Officer | Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2020 (Un-Audited)

	Note	Quarter ended 31 December 2020	31 December 2019
		.....(Rupees).....	
Sales - Net		1,869,697,057	1,890,335,840
Cost of sales	12	(1,307,940,070)	(1,408,488,391)
Gross profit		561,756,987	481,847,449
Operating expenses			
Distribution and selling expenses		(27,558,530)	(41,848,562)
Administrative expenses		(159,369,159)	(120,415,401)
		(186,927,689)	(162,263,963)
Operating profit		374,829,298	319,583,486
Other income	13	19,638,233	22,984,076
		394,467,531	342,567,562
Finance cost		(49,458,170)	(114,383,824)
Other expenses		(23,805,646)	(15,744,678)
		(73,263,816)	(130,128,502)
Profit before taxation		321,203,715	212,439,060
Taxation		(96,361,115)	(61,607,327)
Profit after taxation		224,842,600	150,831,733
Other Comprehensive Income - Net of Tax			
Items that will be reclassified to profit or loss		-	-
Items that will never be reclassified to profit or loss:			
Remeasurement of staff gratuity (loss)/gain		-	-
Related impact on deferred tax		-	-
		-	-
Total comprehensive income / (loss) for the year		224,842,600	150,831,733
Earnings Per Share-Basic & Diluted	14	14.97	10.04

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

Chief Executive | Chief Financial Officer | Director

CONDENSEDINTERIMSTATEMENTOF CHANGESINEQUITY

FortheFirstQuarterEnded31December2020(Un-Audited)

Particular	Share Capital	General Reserves	Accumulated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balanceason01October2019	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
Balanceason31December2019	150,232,320	93,800,000	2,130,623,346	2,374,655,666
Total Comprehensive Income for the nine months	-	-	1,120,283,106	1,120,283,106
Cash dividend @ 15% i.e Rs. 1.5 per share	-	-	(22,534,848)	(22,534,848)
Balanceason30September2020	150,232,320	93,800,000	3,228,371,604	3,472,403,924
Total Comprehensive Income for the three months	-	-	224,842,600	224,842,600
Balanceason31December2020	150,232,320	93,800,000	3,453,214,204	3,697,246,524

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 2020 (Un-Audited)

	Note	31 December 2020	31 December 2019
		.....(Rupees).....	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		321,203,715	212,439,060
Adjustment for:			
Depreciation		122,493,421	104,434,674
Amortization		1,404,373	1,404,373
Provision for gratuity		13,588,874	5,459,993
Gain on disposal of fixed assets		-	(1,465,104)
Finance cost		49,458,170	114,383,824
Workers' Profit Participation Fund		17,250,468	11,409,187
Workers Welfare Fund		6,555,178	4,335,491
		210,750,484	239,962,438
Operating cash flows before changes in working capital		531,954,199	452,401,498
Changes in working capital	15	(3,383,072,108)	(1,068,700,381)
Cash generated from operations		(2,851,117,909)	(616,298,883)
Gratuity paid		(2,557,736)	(3,234,477)
Finance cost paid		(42,928,332)	(153,524,932)
Income tax paid		(271,735,938)	(199,603,186)
NET CASH FLOW USED IN OPERATING ACTIVITIES		(3,216,796,474)	(972,661,478)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(24,900,883)	(242,821,736)
Proceed from disposal of fixed assets		-	1,700,853
NET CASH USED IN INVESTING ACTIVITIES		(24,900,883)	(241,120,883)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finance		(88,289,226)	(113,590,138)
Government Grant		(893,262)	-
Lease payments		(14,908,724)	(8,229,407)
Short term borrowings - net		3,488,982,762	1,530,219,939
Advances from directors		(120,000,000)	(20,000,000)
Dividend paid		(593,367)	(34,916,531)
NET CASH FLOW FROM FINANCING ACTIVITIES		3,264,298,183	1,353,483,863
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		22,600,826	139,701,502
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		468,655,666	165,552,621
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		491,256,492	305,254,123

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

Chief Executive | Chief Financial Officer | Director

SELECTEDNOTESTOTHECONDENSED INTERIMFINANCIALINFORMATION

FortheFirstQuarterEnded31December2020(Un-Audited)

1. STATUSANDACTIVITIES

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 byproducts.

Geographical location and address of business units/plants

Purpose	Location	Address
Registered Office	Multan	23-Pir Khurshid 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. BASISOFPREPARATION

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 2020.

The comparative figures as at 30 September 2020 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 statement of profit or loss, condensed interim statement of cash flows , condensed interim statement of changes in equity and related notes to the condensed interim financial information for the 1st quarter ended 31 December 2019 are based on un-audited condensed interim financial information.

3. STATEMENTOFCOMPLIANCE

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 compriseof:

- 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 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 September 30, 2020.

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 relevant note in case of material rearrangement.

5. SHARECAPITAL

NumberofShares			(Un-Audited) 31December 2020	(Audited) 30 September 2020
31-12-2020	30-09-2020		.....(Rupees).....	
AuthorizedCapital:				
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	1,000,000,000	1,000,000,000
Issued,subscribedandpaidupcapital:				
8,368,846	8,368,846	Ordinary shares of Rs. 10/- each fully paid in cash	83,688,460	83,688,460
142,770	142,770	Ordinary shares of Rs. 10/- each issued as fully paid for consideration otherwise than cash	1,427,700	1,427,700
6,511,616	6,511,616	Ordinary shares of Rs. 10/- each issued as bonus shares	65,116,160	65,116,160
15,023,232	15,023,232		150,232,320	150,232,320

*All the shares are similar with respect to their rights on voting board selection, first refusal and block voting.

6. LONGTERMFINANCE

		(Un-Audited) 31December 2020	(Audited) 30 September 2020
		.....(Rupees).....	
Loans from banking companies-secured	6.1	742,688,807	790,725,680

6.1 Demand finance / Diminishing musharaka facilities of Rs. 673 million (2020: Rs. 673 million) and term finance facilities of Rs. 1,400 million (2020: 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 and subordination of directors' loan. The facilities are being repaid in quarterly instalments beginning from 21 January 2015 and ending on 05 December 2023. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 0.75 % (2020: 3 to 6 month KIBOR + 0.50 % to 0.75 %) p.a.

It also includes long term loan under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by State Bank of Pakistan. According to conditions of the Scheme, the Company after availing this loan will not lay off their workers / employees at least during three months from the date of first disbursement (June 04, 2020) except in case of any disciplinary action. The facility carries markup @ SBP + 3% P.a. and is secured against first exlusive charge over fixed assets. The principal is repayable in eight quarterly instalments starting from January 2021.

	(Un-Audited) 31 December 2020	(Audited) 30 September 2020
	.....(Rupees).....	
7. LEASE LIABILITIES		
Opening balance	118,484,188	49,885,385
Obtained during the year	22,329,000	32,085,000
Impact on the date if initial application of IFRS 16	-	2,058,690
Addition under IFRS 16	-	60,770,951
Payments/ adjustments during the year	(13,285,124)	(26,315,838)
	127,528,064	118,484,188
Less: Security deposits adjustable on expiry of lease term	(12,413,370)	(10,789,770)
	115,114,694	107,694,418
Less: Current maturity of lease liabilities	(36,553,456)	(30,710,515)
Long-term lease liabilities	78,561,238	76,983,903

7.1 Maturity analysis-contractual undiscounted cash flow:

	31 December 2020		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	39,934,512	(3,857,759)	36,076,753
Later than one year but not later than five years	80,819,108	(1,781,167)	79,037,941
	120,753,620	(5,638,926)	115,114,694

	30 September 2020		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	41,052,380	(10,341,865)	30,710,515
Later than one year but not later than five years	90,782,627	(13,798,724)	76,983,903
	131,835,007	(24,140,589)	107,694,418

7.2 The Company has a finance lease agreement of Rs. 67 million (2020 : Rs. 67 Million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly instalments ending on August, 2023. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a. (2020: 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.

7.4 The Company also has lease contracts for offices used in its operations.These leases generally have lease terms between 3 to 6 years. In general, the Company is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options subject to the mutual consent of the Company and the Lessors. The Company is bound by certain covenants which includes but are not limited to payment of certain taxes and to exercise reasonable care.

	Note	(Un-Audited) 31 December 2020	(Audited) 30 September 2020
		.....(Rupees).....	
8. LOANSFROMDIRECTORS			
Loans from directors - unsecured	8.1	574,800,000	574,800,000

8.1 These loans are unsecured, mark up free and payable at the convenience of the company and 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. The management considers these loans as temporary equity and this view is supported by State Bank of Pakistan's Prudential Regulations and TR 32 of the Institute of Chartered Accountants of Pakistan. The amount has been disclosed as non-current liability in view of requirements of 4th Schedule of the Companies Act, 2017. These loans are subordinated to bank loans.

9. SHORTTERMBORROWINGS-SECURED			
FROMBANKINGCOMPANIES			
Running Finance	9.1	154,637,998	197,690,366
Cash Finance	9.2	3,799,869,523	267,279,939
Bank Overdrawn		-	554,454
		3,954,507,521	465,524,759

9.1 These loans of Rs. 915 million (2020: 915 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% (2020: 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 These loans of Rs. 8,970 million (2020: 8,970 million)have been obtained from various banks to meet the working capital requirements and are secured against pledge over sugar bags of equivalent value with 7.9% to 25% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to 6 months KIBOR plus 0.30% to 1.00% (2020: 1 to 6 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) 31 December 2020	(Audited) 30 September 2020
		.....(Rupees).....	
10. CONTINGENCIES AND COMMITMENTS			
Contingencies			
Various claims against the company not acknowledged as debts which are pending in the court for decision		1,568,000	1,568,000
Sales tax on molasses		1,217,508	1,217,508
Income tax cases		11,955,520	11,955,520
Additional tax u/s 87 of Income Tax Ordinance, 1979		4,500,353	4,500,353
Bank guarantees		1,040,161,653	1,040,161,653
		1,059,403,034	1,059,403,034
Commitments			
Contracts for capital expenditure		19,233,432	19,233,432
Letters of credit for capital expenditure		14,368,284	14,368,284
Letters of credit for other than capital expenditure		5,265,483	5,265,483
		38,867,199	38,867,199
11. PROPERTY, PLANT & EQUIPMENT			
Operating Fixed Assets	11.1	4,840,166,403	4,913,463,653
Capital Work in Progress - Tangible Assets		28,911,150	26,729,203
		4,869,077,553	4,940,192,856
11.1 Operating Fixed Assets			
Opening written down value		4,913,463,653	4,201,220,854
Additions during the period- at cost	11.1.1	49,196,172	1,226,341,396
Disposals during the period- at WDV		-	(6,816,262)
Depreciation charged		(122,493,421)	(507,282,336)
		4,840,166,403	4,913,463,653

11.1 Additions and Disposals Operating Fixed Assets

	(Un-Audited) Quarter ended 31 December 2020		(Audited) Year ended 30 September 2020	
	Addition At Cost	Disposal At WDV	Addition At Cost	Disposal At WDV
	Rupees	Rupees	Rupees	Rupees
Owned Assets				
Freehold land	-	-	-	-
Building on freehold land	1,025,000	-	1,979,142	-
Plant and machinery	11,956,062	-	1,074,954,086	(6,370,328)
Tools, implements and other factory equipments	1,540,000	-	31,691,871	-
Computer & other office equipments	785,951	-	2,024,021	(66,013)
Electric installations	6,108	-	794,995	-
Vehicles	23,282,051	-	9,937,943	(379,921)
	38,595,172	-	1,121,382,058	(6,816,262)
Leased Assets				
Vehicles	10,601,000	-	29,319,980	-
Buildings	-	-	75,639,358	-
	10,601,000	-	104,959,338	-
	49,196,172	-	1,226,341,396	(6,816,262)

11.2 Right-of-use assets

	Note	(Un-Audited) 31 December 2020	(Audited) 30 September 2020
		.....(Rupees).....	
Opening written down value		137,814,448	64,940,873
Additions during the period			
Vehicles		10,601,000	29,319,980
Buildings	11.2.1	-	75,639,358
		10,601,000	104,959,338
Transfer		(2,678,682)	(855,037)
Depreciation charge for the period		(7,593,146)	(31,230,726)
Closing written down value		138,143,620	137,814,448

	Note	(Un-Audited) 31December 2020	(Un-Audited) 31 December 2019
		.....(Rupees).....	
12. C OSTOFSALES			
Finished goods - opening		971,474,592	1,537,727,208
Add: Cost of goods manufactured	12.1	5,695,308,543	3,137,651,811
		6,666,783,135	4,675,379,019
Finished goods - closing		(5,358,843,065)	(3,266,890,628)
		1,307,940,070	1,408,488,391
12.1 Costofgoodsmanufactured			
Work in process - opening		12,394,709	4,723,041
Raw material consumed		5,347,097,944	2,821,176,313
Salaries, wages and other benefits		127,796,186	114,133,387
Fuel and power		20,805,445	27,009,283
Stores, spares and loose tools		100,848,791	62,066,064
Repairs and maintenance		172,271,252	157,237,191
Insurance		121,877	2,434,909
Depreciation		111,231,979	96,883,845
Vehicles running		18,203,899	17,239,709
Miscellaneous		2,137,504	1,043,035
		5,912,909,585	3,303,946,777
Work in process - closing		(217,601,042)	(166,294,966)
		5,695,308,543	3,137,651,811

	(Un-Audited) 31December 2020	(Un-Audited) 31 December 2019
	.....(Rupees).....	
13. OTHERINCOME/(EXPENSES)		
FinancialAssets		
Profit on deposit accounts	3,324,855	285,601
Income on unwinding of long term advances	435,094	-
Others		
Sale of scrap	5,953,652	15,550,273
Rental Income	-	390,742
Gain on Disposal of Fixed Assets	-	1,465,104
Others	9,924,633	5,292,356
	19,638,233	22,984,076

14. EARNINGS/(LOSS)PERSHARE-BASICANDDILUTED

Earnings / (loss) per share is calculated by dividing the profit after taxation for the period by the weighted average number of shares outstanding during the period as follows:

	Quarterended	
	(Un-Audited) 31December 2020	(Un-Audited) 31 December 2019
	.....(Rupees).....	
Profit after taxation	224,842,600	150,831,733
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings per share	14.97	10.04

No figure for diluted earnings per share has been presented as the company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

15. CHANGESINWORKINGCAPITAL

(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(29,058,861)	(28,359,010)
Stock-in-trade	(4,592,574,806)	(1,890,735,345)
Trade debts	(124,449,177)	(105,758,714)
Loans and advances	167,275,643	79,877,758
Trade deposits, prepayments and other receivables	(52,090,344)	(81,986,698)
Taxes recoverable/adjustable	320,653,190	109,008,783
Increase / (decrease) in current liabilities:		
Trade and other payables	927,172,247	849,252,845
	(3,383,072,108)	(1,068,700,381)

16. REMUNERATIONOFCHIEFEXECUTIVE,DIRECTORSANDEXECUTIVES

Remuneration of Chief Executive, Directors and Executives charged during the period under review is as under:

	Quarterended31December2020				Quarter ended 31 December 2019			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	.....Rupees				.....			
Managerialremuneration	510,000	510,000	19,000,338	20,020,338	510,000	510,000	18,243,188	19,263,188
Utilities	-	-	577,542	577,542	-	-	487,772	487,772
Total	510,000	510,000	19,577,880	20,597,880	510,000	510,000	18,730,960	19,750,960
NumberofPersons	1	1	33	35	1	1	33	35

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 personnel under the terms of their employment which are disclosed in the Note 16 are as follows:

NameofCompany	Transaction	NatureofRelationship	Quarterended (Un-Audited) 31December 2020	Quarterended (Un-Audited) 31 December 2019
			.....(Rupees).....	
NaubaharBottling Company(Pvt)Limited	Sale of goods	Common Directorship	23,680,000	193,582,500
Al-MoizIndustriesLimited	Sale of goods	Common Directorship	52,258,376	18,096,423
	Purchase of Goods	Common Directorship	48,569,234	92,612,539
BabaFaridSugarMillsLtd	Sale of goods	Common Directorship	4,153,500	1,592,800

The company continues to have a policy whereby all transactions with related parties and associated undertakings are priced at comparable uncontrolled market price.

Keymanagementpersonnel:

Advances received from/ (Returned to) directors during the period	(120,000,000)	(20,000,000)

	(Un-Audited) 31December 2020	(Audited) 30 September 2020
	.....(Rupees).....	
Balanceduefrom/(dueto)relatedpartiesasat 31 December 2020 are as below:		
Naubahar Bottling Company (Pvt) limited	4,820,000	(8,200,000)
Al-Moiz Industries Limited	(15,172,837)	2,160,364
Baba Farid Sugar Mills Ltd	13,418,519	9,265,018
Loans from directors - Long Term	(574,800,000)	(574,800,000)
Advances from directors - Short Term	(145,300,000)	(265,300,000)

18. FINANCIAL INSTRUMENTS-FAIR VALUES

		CarryingAmount			FairValue		
		Financial assets	Other financial liabilities	Total	Level1	Level2	Level3
	Note	Rupees					
On-balance sheet financial instruments							
31December2020(Un-Audited)							
Financial assets measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
Financial assets measured at amortized cost	18.1						
Long term deposits		464,500	-	464,500	-	-	-
Long term advances		47,625,065	-	47,625,065	-	-	-
Trade debts		804,135,692	-	804,135,692	-	-	-
Loans and advances		2,847,946	-	2,847,946	-	-	-
Trade deposits, prepayments and other Receivables		17,434,869	-	17,434,869	-	-	-
Cash and bank balances		491,256,492	-	491,256,492	-	-	-
		1,363,764,564	-	1,363,764,564	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
Financial liabilities measured at amortized cost	18.1						
Long term finance		-	1,078,651,719	1,078,651,719	-	-	-
Lease Liabilities		-	115,114,694	115,114,694	-	-	-
Trade and other payables		-	1,137,766,741	1,137,766,741	-	-	-
Uncashed Dividend warrants			22,375,537	22,375,537	-	-	-
Finance cost payable		-	33,148,518	33,148,518	-	-	-
Short term borrowings		-	3,954,507,521	3,954,507,521	-	-	-
Advances from directors		-	145,300,000	145,300,000	-	-	-
		-	6,486,864,730	6,486,864,730	-	-	-
30September2020(Audited)							
Financial assets measured at amortized cost		-	-	-	-	-	-
		-	-	-	-	-	-
Financial assets measured at amortized cost	18.1						
Long term deposits		464,500	-	464,500	-	-	-
Long term advances		51,773,301	-	51,773,301	-	-	-
Trade debts		679,686,515	-	679,686,515	-	-	-
Loans and advances		2,671,583	-	2,671,583	-	-	-
Trade deposits, prepayments and other Receivables		17,419,870	-	17,419,870	-	-	-
Cash and bank balances		468,655,666	-	468,655,666	-	-	-
		1,220,671,435	-	1,220,671,435	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
Financial liabilities measured at amortized cost	18.1						
Long term finance		-	1,227,661,262	1,227,661,262	-	-	-
Lease Liabilities		-	107,694,418	107,694,418	-	-	-
Trade and other payables		-	424,878,476	424,878,476	-	-	-
Uncashed Dividend warrants			22,968,904	22,968,904			
Finance cost payable		-	31,534,455	31,534,455	-	-	-
Short term borrowings		-	465,524,759	465,524,759	-	-	-
Advances from directors		-	265,300,000	265,300,000	-	-	-
		-	2,545,562,274	2,545,562,274	-	-	-

18.1 The management considers the carrying amount of all financial assets and liabilities measured at amortized cost at the end of the reporting period to approximate their fair value as at the reporting date.

19. SEASONALITY

The company's business is seasonal in nature. Entire cane crushing and manufacturing of sugar is done during season from November to the following March. Sugar sales are made throughout the year.

20. SUBSEQUENTMATERIALEVENTS

There is no significant activities since 31 December 2020 affecting the condensed interim financial information apart from those disclosed in the interim financial information.

21. DATEOFAUTHORIZATION

This condensed interim financial information has been authorized for issue on 23 January 2021 by the Board of Directors.

Chief Executive | Chief Financial Officer | Director

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Jama Punji
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