THALINDUSTRIES
CORPORATION

IMAGINATION TURNS TO INNOVATION

20 QUARTERLY REPORT 21



CONDENSEDINTERIMFINANCIALINFORMATION
Forthe1stQuarterEnded31December2021
(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

Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Bank Islamic (Pakistan) 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
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
United Bank Limited
The Bank of Punjab
NBP Aitemaad Islamic 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: 042-357771175	
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

The Directors of your Company are pleased to present the Un-Audited Accounts of the Company for the 1st Quarter Ended 31 December 2021 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRYOVERVIEW

During the period under review, cultivated area of sugarcane crop remained higher and yield per acre being reported by the growers is also reportedly higher as compared to last year. The early start of crushing season could affect the yield and recovery of cane. Despite of above facts we are expecting better sugar recoveries in the area as compared to last year due to extra ordinary efforts made by agri team to promote better varieties of sugar cane and good practices.

For current crushing season 2021-22, notified support price of sugarcane is Rs. 225/- per 40 kg in Punjab & KPK and Rs. 250/- per 40 kg in the province of Sindh. However, purchase price is substantially higher than support price.

Due to early start of crushing season from 15 November 2021 tough competition has been observed in cane procurement that resulted into price war like situation in the region. Average sugarcane purchase cost is higher as compared to last year.

OPERATINGHIGHLIGHTS

As the crushing is in process and so far Company is able to crush 931,812.625 M. Tons sugarcane and produced 84,099.200 M. Tons white refined sugar at an average recovery of 9.428% during the first quarter ending December 31, 2021 as compared to corresponding period of last year sugarcane crushing of 962,017.550 M. Tons and production of 86,702.500 M. Tons white refined sugar at an average recovery of 9.360%.

Net sales were recorded at Rs. 2,359.572 million during the first quarter of current financial year as compared to Rs. 1,869.697 million against the corresponding period of last year.

The Company earned pretax profit of Rs. 253.649 million during the quarter under review as compared to pretax profit of Rs. 321.204 million in the corresponding period of last year. Decrease in profitability is attributed to increase in sugarcane procurement cost.

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

RISKMANAGEMENTCOMMITTE

- 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

According to surveys the sugarcane crop size in current crushing season 2021-22 is estimated to be approx. 10-15% higher than last year so the sugar production this year will also be higher. In view of all this, it is expected that sugarcane prices would play a vital role in the determination of sugar prices. Even after the substantial increase in support prices of sugarcane by the Provincial Governments, the industry is procuring sugarcane at much higher prices as growers are not willing to supply sugarcane at notified support prices. This will result in increasing the production cost of the sugar, consequently sugar prices in the market will remain on the higher side. Government needs to take appropriate measures to ensure availability of sugarcane to sugar mills at support prices.

During last couple of months, State Bank of Pakistan (SBP) has increased base rate by 275 bps which has jacked up the mark up rates which will result in increasing the financial cost of the Company. Any further increase in mark-up rates may adversely affect the profitability of the Company.

Sales tax evasion and undocumented sugar trade were two major challenges being faced by the sugar industry. These issues were the root causes of instability in the prices of sugarcane, sugar and hurdle in planning by the Government for availability of sugar in the country. To curb these issues on 11 November 2021, FBR has issued Sales Tax General Order No. 05 of 2021-22 with subject of Implementation of Track & Trace System. As per order, no sugar bags shall be allowed to be removed from production site or factory without affixation of Tax Stamps / Unique Identification Marking (UIMs) with effect from 11 November 2021, which are to be obtained / procured from FBR Licensed vendor only. FBR has achieved marvelous success in the implementation of Track & Trace System and results are quite satisfactory. This is milestone achieved by FBR which will result in giving level playing fields to fully compliant sugar mills and substantial increase in the revenue of FBR. Now FBR should also find out practical ways to document the sugar trade which is another uphill task.

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: 24 January 2022

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹر کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 دسمبر 2021 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 کاشت کردہ رقبہ زیادہ رہا اور کاشتکاروں کی طرف سے گزشتہ سال کے مقابلے فی ایکڑ پیداوار بھی زیادہ بتائی جا رہی ہے۔ کرشنگ سیزن کا جلد آغاز گنے کی پیداوار اور ریکوری کو متاثر کر سکتا تھا۔ بالا حقائق کے باوجود زرعی ٹیم کی بہتر گنے کی اقسام کو فروغ دینے کی غیر معمولی کوششوں کے باعث گزشتہ سال کے مقابلے علاقہ میں شوگر ریکوریاں بہتر ہونے کی توقعات ہیں۔

موجودہ کرشنگ سیزن 22-2021 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/225 روپے فی من اور صوبہ سندھ میں -/250 روپے فی من کا اعلان کیا گیا ہے۔ تاہم، قیمت خرید امدادی قیمت سے کافی زیادہ ہے۔

15 نومبر 2021 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۔ گنے کی اوسط قیمت خرید گزشتہ سال کے مقابلے زیادہ ہے۔

آپریٹنگ جھلکیاں

31 دسمبر 2021ء کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی نے 931,812.625 میٹرک ٹن گنے کی کرشنگ کی اور 9.428 فیصد اوسط ریکوری کے ساتھ 84,099.200 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ سال 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۔

گزشتہ سال کی اسی مدت میں 1,869.697 ملین روپے خالص فروخت کے برعکس رواں مالی سال کی پہلی سہ ماہی کے دوران 2,359.572 ملین روپے درج کی گئی۔

کمپنی کو زیرِ جائزہ سہ ماہی کے دوران ٹیکس سے قبل 253.649 ملین روپے منافع حاصل ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 321.204 ملین روپے کا منافع ہوا تھا۔ منافع میں کمی گنے کی خریداری کی قیمت میں اضافہ کی وجہ سے ہوئی 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 جا رہی 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 بُک 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 ڈائریکٹر	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 کے مطابق موجودہ کرشنگ سیزن 22-2021 میں گنے کی فصل کے سائز کا تخمینہ گزشتہ سال سے تقریباً 15-10 فیصد زیادہ لگایا گیا ہے۔ لہٰذا اس سال چینی کی پیداوار بھی زیادہ ہوگی۔ ان تمام کے پیشِ نظر، یہ توقع ہے کہ گنے کی قیمتیں چینی کی قیمتوں کے تعین میں اہم کردار ادا کریں گی۔ صوبائی حکومتوں کی طرف سے گنے کی امدادی قیمتوں میں اضافے کے باوجود صنعت بہت زیادہ قیمتوں پر گنے کی خریداری کر رہی ہے کیونکہ کاشتکار اعلان کردہ امدادی قیمتوں پر گنا فراہم نہیں کر رہے ہیں۔ جس کے نتیجے چینی کے پیداواری اخراجات میں اضافہ ہوگا، اس کے بعد مارکیٹ میں چینی کی قیمتیں زیادہ رہ سکتی ہیں۔ حکومت کو امدادی قیمتوں پر شوگر ملوں کو گنے کی دستیابی یقینی بنانے کے لئے مناسب اقدامات اُٹھانے کی ضرورت ہے۔

گزشتہ مہینوں کے دوران، بینک دولت پاکستان (SBP) نے بیس ریٹ میں 275 bps تک اضافہ کر دیا جس نے مارک اپ ریٹ کو بھی بڑھا دیا جس کے نتیجے کمپنی کی مالی لاگت میں اضافہ ہو جائے گا۔ مارک اپ ریٹ میں کوئی مزید اضافہ کمپنی کے منافع کو بُری طرح متاثر کر سکتا ہے۔

سیلز ٹیکس کی چوری اور چینی کی غیر دستاویزی تجارت شوگر انڈسٹری کو درپیش دو بڑے چیلنجز تھے۔ یہ مسائل گنے، چینی کی قیمتوں میں عدم استحکام اور ملک میں چینی کی دستیابی کے لیے حکومت کی جانب سے منصوبہ بندی میں رکاوٹ کی بنیادی وجہ تھے۔ ان مسائل کو ختم کرنے کے لئے 11 نومبر 2021 کو، ایف بی آر نے ٹریک اور ٹریس سسٹم کے نفاذ کے حوالہ سے سیلز ٹیکس جنرل آرڈر نمبر 05 آف 22-2021 جاری کیا۔ آرڈر کے مطابق، 11 نومبر 2021 سے مؤثر کسی شوگر بیگ کو ٹیکس اسٹیمپس / یونیک شناختی مارکنگ (UIMs) کے بغیر، جو کہ صرف ایف بی آر کے لائسنس یافتہ وینڈر سے حاصل / خریدی گئی ہیں، پروڈکشن سائٹ یا فیکٹری سے منتقل کرنے کی اجازت نہیں ہوگی۔ ایف بی آر نے ٹریک اور ٹریس سسٹم کے نفاذ میں شاندار کامیابی حاصل کی اور نتائج کافی تسلی بخش ہیں۔ یہ ایف بی آر کی جانب سے حاصل کیا گیا ایک سنگ میل ہے جس کے نتیجے میں شوگر ملوں کو مکمل طور پر کمپلائنٹ کرنے کے لیے ہموار میدان ملے گا اور ایف بی آر کی آمدنی میں خاطر خواہ اضافہ ہوگا۔ اب ایف بی آر کو شوگر کی تجارت کو دستاویزی کرنے کے عملی طریقے بھی تلاش کرنے چاہئیں جو ایک اور مشکل کام ہے۔

اظہار تشکر

کمپنی کے ڈائریکٹرز تمام ملازمین کی کوششوں اور لگن کو سراہتے ہیں اور امید کرتے ہیں کہ وہ پیداور 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

محمد شمیم خان	**محترمہ قیصر شمیم خان**
چیف ایگزیکٹو	چیئرپرسن

لاہور: 24 جنوری 2022ء

CONDENSEDINTERIMSTATEMENTOF FINANCIALPOSITION

Asat31December2021(Un-Audited)

	Note	(Un-Audited) 31December 2021	(Audited) 30 September 2021
		.....(Rupees).....	
EQUITY&LIABILITIES			
ShareCapitalandReserves			
Share capital	5	150,232,320	150,232,320
Revenue reserves		93,800,000	93,800,000
Accumulated profit		4,990,006,702	4,809,915,225
		5,234,039,022	5,053,947,545
LOANSFROMDIRECTORS	6	534,800,000	574,800,000
Non Current Liabilities			
Long term finance	7	377,817,858	476,654,175
Lease Liabilities	8	62,282,106	64,823,627
Government Grant		-	51,507
Deferred liabilities		420,663,246	402,429,557
		860,763,210	943,958,866
CurrentLiabilities			
Trade and other payables		2,538,860,249	1,246,526,039
Finance cost payable		30,707,378	16,471,659
Short term borrowings-secured	9	3,620,806,394	122,783,266
Advances from directors		95,300,000	95,300,000
Current portion of long term liabilities		468,172,268	478,042,898
Uncashed Dividend warrants		21,434,554	22,491,719
Provision for taxation		100,250,008	277,072,200
		6,875,530,851	2,258,687,781
ContingenciesandCommitments	10		
		13,505,133,083	8,831,394,192

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

Chief Executive | Chief Financial Officer | Director

	Note	(Un-Audited) 31 December 2021	(Audited) 30 September 2021
		.....(Rupees).....	
PROPERTY AND ASSETS			
Non Current Assets			
Property, plant & equipment	11	4,909,254,533	4,768,666,532
Intangible Assets		1,000	1,000
Long term deposits		464,500	464,500
		4,909,720,033	4,769,132,032
Current Assets			
Stores, spare parts and loose tools		728,336,265	752,263,119
Stock-in-trade		4,976,111,990	613,465,626
Trade debts		838,363,504	759,579,816
Short Term Investments		124,698,636	679,729,542
Loans and advances		360,433,271	491,417,116
Trade deposits, prepayments & other receivables		170,267,117	81,404,528
Current portion of long term advances		31,925,032	34,801,348
Taxes recoverable / adjustable		80,976,686	249,444,704
Cash and bank balances		1,284,300,549	400,156,361
		8,595,413,050	4,062,262,160
		13,505,133,083	8,831,394,192

Chief Executive | Chief Financial Officer | Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2021 (Un-Audited)

	Note	Quarter ended 31 December 2021	31 December 2020
		.....(Rupees).....	
Sales - Net		2,359,571,686	1,869,697,057
Cost of sales	12	(1,888,789,022)	(1,307,940,070)
Gross profit		470,782,664	561,756,987
Operating expenses			
Distribution and selling expenses		(28,254,670)	(27,558,530)
Administrative expenses		(142,735,287)	(159,369,159)
		(170,989,957)	(186,927,689)
Operating profit		299,792,707	374,829,298
Other income	13	19,916,781	19,638,233
		319,709,488	394,467,531
Finance cost		(47,260,543)	(49,458,170)
Other expenses		(18,798,977)	(23,805,646)
		(66,059,520)	(73,263,816)
Profit before taxation		253,649,968	321,203,715
Taxation		(73,558,491)	(96,361,115)
Profit after taxation		180,091,477	224,842,600
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		180,091,477	224,842,600
Earnings Per Share-Basic & Diluted	14	11.99	14.97

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

Chief Executive | Chief Financial Officer | Director

CONDENSEDINTERIMSTATEMENTOF CHANGESINEQUITY

FortheFirstQuarterEnded31December2021(Un-Audited)

Particulars	Share Capital	General Reserves	Accumu-lated Profit	LoanFrom Directors	Total
	Rupees				
Balanceason01October2020	150,232,320	93,800,000	3,228,371,604	574,800,000	4,047,203,924
Total Comprehensive Income for the three months	-	-	224,842,600	-	224,842,600
Balanceason31Dec2020	150,232,320	93,800,000	3,453,214,204	574,800,000	4,272,046,524
Total Comprehensive Income for the nine months	-	-	1,401,770,717		1,401,770,717
Cash dividend @ 30% i.e Rs. 3.00 per share	-	-	(45,069,696)		(45,069,696)
Balanceason30September2021	150,232,320	93,800,000	4,809,915,225	574,800,000	5,628,747,545
Loan from Directors Repaid	-	-	-	(40,000,000)	(40,000,000)
Total Comprehensive Income for the three months	-	-	180,091,477	-	180,091,477
Balanceason31December2021	150,232,320	93,800,000	4,990,006,702	534,800,000	5,768,839,022

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 2021 (Un-Audited)

	Note	31 December 2021	31 December 2020
		.....(Rupees).....	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		253,649,968	321,203,715
Adjustment for:			
Depreciation		122,086,957	122,493,421
Amortization		-	1,404,373
Provision for gratuity		23,332,124	13,588,874
Gain on disposal of fixed assets		-	-
Finance cost		47,260,543	49,458,170
Workers' Profit Participation Fund		13,622,447	17,250,468
Workers Welfare Fund		5,176,530	6,555,178
		211,478,601	210,750,484
Operating cash flows before changes in working capital		465,128,569	531,954,199
Changes in working capital	15	(2,344,553,769)	(3,383,072,108)
Cash generated from operations		(1,879,425,200)	(2,851,117,909)
Gratuity paid		(5,098,435)	(2,557,736)
Finance cost paid		(26,497,005)	(42,928,332)
Income tax paid		(250,380,683)	(271,735,938)
NET CASH FLOW USED IN OPERATING ACTIVITIES		(2,201,723,158)	(3,216,796,474)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(250,292,442)	(24,900,883)
Proceed from disposal of fixed assets		-	-
NET CASH USED IN INVESTING ACTIVITIES		(250,292,442)	(24,900,883)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finance		(109,338,898)	(88,289,226)
Loan from Directors		(40,000,000)	-
Government Grant		(669,556)	(893,262)
Lease payments		(10,797,721)	(14,908,724)
Short term borrowings - net		3,498,023,128	3,488,982,762
Advances from directors		-	(120,000,000)
Dividend paid		(1,057,165)	(593,367)
NET CASH FLOW FROM FINANCING ACTIVITIES		3,336,159,788	3,264,298,183
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		884,144,188	22,600,826
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		400,156,361	468,655,666
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,284,300,549	491,256,492

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

Chief Executive | Chief Financial Officer | Director

SELECTEDNOTESTOTHECONDENSED INTERIMFINANCIALINFORMATION

FortheFirstQuarterEnded31December2021(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 by products.

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 2021.

The comparative figures as at 30 September 2021 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 and other comprehensive income, condensed interim statement of cash flows , condensed interim statement of changes in equity and related notes to the condensed interim financial information for the first quarter ended 31 December 2020 are based on un-audited condensed interim financial information. The condensed interim statement of profit or loss and other comprehensive income for the quarter ended 31 December 2021 and 31 December 2020 are not audited.

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, 2021.

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 2021	(Audited) 30 September 2021
31-12-2021	30-09-2021		.....(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. LOANSFROMDIRECTORS

Loans from directors - unsecured	6.1	534,800,000	574,800,000

6.1 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. These loans are subordinated to bank loans. Last year these loans were shown as non current liabilities, classification of these loans have been changed for better presentation.

7. LONGTERMFINANCE

Loans from banking companies-secured	7.1	377,817,858	476,654,175

7.1 Demand finance/ Diminishing musharaka facilities of Rs. 603 million (2021: Rs. 603 million) and term finance facilities of Rs. 1,660 million (2021: Rs. 1,660 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 installments beginning from 22 September 2015 and ending on 30 April 2026. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 1.00 % (2021: @ 3 to 6 month KIBOR + 0.50 % to 1%) 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 exclusive charge over fixed assets. The principal is repayable in eight quarterly installments starting from January 2021. The aforesaid loan has been obtained from Bank Alfalah and ending on Oct 01, 2022.

	(Un-Audited) 31 December 2021	(Audited) 30 September 2021
	.....(Rupees).....	
8. LEASE LIABILITIES		
Opening balance	117,533,550	118,484,188
Obtained during the year	9,506,200	36,130,500
Finance Cost Accretion	-	7,311,374
Lease Modification	-	4,216,861
Payments/ adjustments during the year	(9,847,101)	(48,609,373)
	117,192,649	117,533,550
Less: Security deposits adjustable on expiry of lease term	(11,628,840)	(10,678,220)
	105,563,809	106,855,330
Less: Current maturity of lease liabilities	(43,281,703)	(42,031,703)
Long-term lease liabilities	62,282,106	64,823,627

8.1 Maturity analysis-contractual undiscounted cash flow:

	31 December 2021		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	52,083,239	(8,801,542)	43,281,697
Later than one year but not later than five years	68,924,323	(6,642,211)	62,282,112
	121,007,562	(15,443,753)	105,563,809

	30 September 2021		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	50,905,735	(8,874,032)	42,031,703
Later than one year but not later than five years	72,491,362	(7,667,735)	64,823,627
	123,397,097	(16,541,767)	106,855,330

8.2 The Company has a finance lease agreements of Rs. 116.68 million (2021 : Rs. 116.68 Million) for vehicles with various banks. Rentals are payable in monthly/ quarterly instalments ending on September 2024. The mark up rate implicit in the lease is 3 months KIBOR + 0.75% to 1.25% (2021: 3 months KIBOR + 0.75% to 1.25%) p.a. The lease is secured by way of personal guarantees of directors of the Company and vehicle registered in the name of banks with 10% of vehicle value held as security.

8.3 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.

8.4 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) 31December 2021	(Audited) 30 September 2021
		.....(Rupees).....	
9. SHORTTERMBORROWINGS-SECURED FROMBANKINGCOMPANIES			
Running Finance	9.1	127,181,867	122,788,055
Cash Finance	9.2	3,493,624,527	(4,789)
		3,620,806,394	122,783,266

9.1 These loans of Rs. 915 million (2021: 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% (2021: 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 31 March 2022 but are renewable

9.2 These loans of Rs. 13,867 million (2021: 13,867 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 5% to 25% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to 9 months KIBOR plus 0.30% to 1.00% (2021: 1 to 9 months KIBOR plus 0.30% to 1.00%) p.a. The limits will expire on various dates by 31 July 2022 but are renewable.

	Note	(Un-Audited) 31 December 2021	(Audited) 30 September 2021
		.....(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		960,957,931	960,957,931
		980,199,312	980,199,312
Commitments			
Contracts for capital expenditure		15,077,408	15,077,408
Letters of credit for capital expenditure		29,433,700	29,433,700
Letters of credit for other than capital expenditure		80,682,700	80,682,700
		125,193,808	125,193,808
11. PROPERTY, PLANT AND EQUIPMENT			
Operating Fixed Assets	11.1	4,455,585,859	4,575,895,034
Capital Work in Progress - Tangible Assets		453,668,674	192,771,498
		4,909,254,533	4,768,666,532
11.1 Operating Fixed Assets			
Opening written down value		4,575,895,034	4,913,463,653
Additions during the period- at cost	11.1.1	1,777,782	163,978,382
Disposals during the period- at WDV		-	(1,336,272)
Depreciation charged		(122,086,957)	(500,210,730)
		4,455,585,859	4,575,895,034

11.1 Additions and Disposals Operating Fixed Assets

	(Un-Audited) Quarter ended 31 December 2021		(Audited) Year ended 30 September 2021	
	Addition At Cost	Disposal At WDV	Addition At Cost	Disposal At WDV
	Rupees	Rupees	Rupees	Rupees
Owned Assets				
Freehold land	-	-	-	-
Building on freehold land	-	-	20,117,155	-
Plant and machinery	-	-	77,955,820	(350,751)
Tools, implements and other factory equipments	182,478	-	6,975,731	-
Computer & other office equipments	54,150	-	2,183,453	-
Electric installations	-	-	350,340	-
Vehicles	390,739	-	23,122,422	(985,521)
	627,367	-	130,704,921	(1,336,272)
Leased Assets				
Vehicles	1,150,415	-	29,056,600	-
Buildings	-	-	4,216,861	-
	1,150,415	-	33,273,461	-
	1,777,782	-	163,978,382	(1,336,272)

11.2 Leased Assets

	Note	(Un-Audited) 31 December 2021	(Audited) 30 September 2021
		.....(Rupees).....	
Opening written down value		120,506,516	137,814,448
Additions during the period			
Vehicles		1,150,415	29,056,600
Buildings	11.2.1	-	4,216,861
		1,150,415	33,273,461
Transfer (at WDV)		-	(18,442,964)
Depreciation charge for the period		(7,478,918)	(32,138,429)
Closing written down value		114,178,013	120,506,516

	Note	(Un-Audited) 31December 2021	(Un-Audited) 31 December 2020
		.....(Rupees).....	
12. C OSTOFSALES			
Finished goods - opening		608,277,505	971,474,592
Add: Cost of goods manufactured	12.1	6,010,980,893	5,695,308,543
		6,619,258,398	6,666,783,135
Finished goods - closing		(4,730,469,376)	(5,358,843,065)
		1,888,789,022	1,307,940,070
12.1 Costofgoodsmanufactured			
Work in process - opening		5,188,121	12,394,709
Raw material consumed		5,588,861,449	5,347,097,944
Salaries, wages and other benefits		139,328,458	127,796,186
Fuel and power		24,407,641	20,805,445
Stores, spares and loose tools		124,688,253	100,848,791
Repairs and maintenance		229,295,011	172,271,252
Insurance		224,380	121,877
Depreciation		111,936,217	111,231,979
Vehicles running		30,276,006	18,203,899
Miscellaneous		2,417,969	2,137,504
		6,256,623,507	5,912,909,585
Work in process - closing		(245,642,614)	(217,601,042)
		6,010,980,893	5,695,308,543
13. OTHERINCOME/(EXPENSES)			
FinancialAssets			
Profit on deposit accounts		10,438,380	3,324,855
Income on unwinding of long term advances		179,240	435,094
Others			
Sale of scrap		5,750	5,898,403
Rental Income		162,954	130,365
Gain on Sale of Store		227,154	-
Gain on Disposal of Fixed Assets		-	55,249
Others		8,903,303	9,794,268
		19,916,781	19,638,233

14. EARNINGSPERSHARE-BASICANDDILUTED

Earnings 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 2021	(Un-Audited) 31 December 2020
	.....(Rupees).....	
Profit after taxation	180,091,477	224,842,600
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings per share	11.99	14.97

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	23,926,854	(29,058,861)
Stock-in-trade	(4,362,646,364)	(4,592,574,806)
Trade debts	(78,783,688)	(124,449,177)
Short Term Investments	555,030,906	-
Loans and advances	130,983,845	167,275,643
Trade deposits, prepayments and other receivables	(88,862,589)	(52,090,344)
Taxes recoverable/adjustable	168,468,018	320,653,190
Increase / (decrease) in current liabilities:		
Trade and other payables	1,307,329,249	927,172,247
	(2,344,553,769)	(3,383,072,108)

16. REMUNERATIONOFCHIEFEXECUTIVE,DIRECTORSANDEXECUTIVES

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

	Quarterended31December2021				Quarter ended 31 December 2020			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	.....Rupees				.....			
Managerialremuneration	510,000	510,000	29,587,024	30,607,024	510,000	510,000	19,000,338	20,020,338
Utilities	-	-	986,234	986,234	-	-	577,542	577,542
Total	510,000	510,000	30,573,258	31,593,258	510,000	510,000	19,577,880	20,597,880
NumberofPersons	1	1	31	33	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 2021	Quarterended (Un-Audited) 31 December 2020
			.....(Rupees).....	
NaubaharBottling Company(Pvt)Limited	Sale of goods	Common Directorship	91,546,000	23,680,000
Al-MoizIndustries Limited	Sale of goods	Common Directorship	36,881,783	52,258,376
	Purchase of Goods	Common Directorship	50,632,539	48,569,234
BabaFaridSugar MillsLtd	Sale of goods	Common Directorship	3,009,314	4,153,500
	Purchase of Goods	Common Directorship	400,140	-

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

Keymanagementpersonnel:

Loan received from/ (repaid) to directors	(40,000,000)	-
Advances received from/ (Returned to) directors	-	(120,000,000)

	(Un-Audited) 31December 2021	(Audited) 30 September 2021
	.....(Rupees).....	
Balanceduefrom/(dueto)relatedpartiesasat 31 December 2021 are as below:		
Naubahar Bottling Company (Pvt) limited	(100,000,000)	51,961,000
Al-Moiz Industries Limited	36,717,869	-
Baba Farid Sugar Mills Ltd	2,609,174	-
Loans from directors - Long Term	(534,800,000)	(574,800,000)
Advances from directors - Short Term	(95,300,000)	(95,300,000)

18. FINANCIAL INSTRUMENTS-FAIR VALUES

		Carrying Amount			Fair Value		
		Financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note	Rupees					
On-balance sheet financial instruments							
31 December 2021 (Un-Audited)							
Financial assets measured at fair value		124,698,636	-	124,698,636	-	-	-
		124,698,636	-	124,698,636	-	-	-
Financial assets measured at amortized cost	18.1						
Long term Deposits		464,500	-	464,500	-	-	-
Long term advances		31,925,032	-	31,925,032			
Trade debts		838,363,504	-	838,363,504	-	-	-
Loans and advances		3,314,865	-	3,314,865	-	-	-
Trade deposits, prepayments and other Receivables		3,472,783	-	3,472,783	-	-	-
Cash and bank balances		1,284,300,549	-	1,284,300,549	-	-	-
		2,161,841,233	-	2,161,841,233	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
Financial liabilities measured at amortized cost	18.1						
Long term finance		-	801,575,327	801,575,327	-	-	-
Lease Liabilities		-	105,563,809	105,563,809	-	-	-
Trade and other payables		-	1,274,954,398	1,274,954,398	-	-	-
Uncashed Dividend warrants			21,434,554	21,434,554	-	-	-
Finance cost payable		-	30,707,378	30,707,378	-	-	-
Short term borrowings		-	3,620,806,394	3,620,806,394	-	-	-
Advances from directors		-	95,300,000	95,300,000	-	-	-
		-	5,950,341,860	5,950,341,860	-	-	-
30 September 2021 (Audited)							
Financial assets measured at fair value		679,729,542	-	679,729,542	-	-	-
		679,729,542	-	679,729,542	-	-	-
Financial assets measured at amortized cost	18.1						
Long term Deposits		464,500	-	464,500	-	-	-
Long term advances		34,801,348	-	34,801,348			
Trade debts		759,579,816	-	759,579,816	-	-	-
Loans and advances		3,195,014	-	3,195,014	-	-	-
Trade deposits, prepayments and other Receivables		4,372,235	-	4,372,235	-	-	-
Cash and bank balances		400,156,361	-	400,156,361	-	-	-
		1,202,569,274	-	1,202,569,274	-	-	-
		1,882,298,816	-	1,882,298,816	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
Financial liabilities measured at amortized cost	18.1						
Long term finance		-	910,914,225	910,914,225	-	-	-
Lease Liabilities		-	106,855,330	106,855,330	-	-	-
Trade and other payables		-	401,262,886	401,262,886	-	-	-
Uncashed Dividend warrants			22,491,719	22,491,719			
Finance cost payable		-	16,471,659	16,471,659	-	-	-
Short term borrowings		-	122,783,266	122,783,266	-	-	-
Advances from directors		-	95,300,000	95,300,000	-	-	-
		-	1,676,079,085	1,676,079,085	-	-	-

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. IMPACTSOFCOVID-19ONTHECONDENSEDINTERIMFINANCIALSTATEMENTS

A novel strain of corona virus (COVID-19) that was classified as a pandemic by the World Health Organization in March 2020, impacting countries globally. This pandemic has significantly affected all segments of economy. The fair value determination at the measurement date has become more challenging due to the uncertainty of the economic impact of COVID-19. The Company expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and management have evaluated and concluded that there is no going concern uncertainty and there are no material implications of COVID-19 impacts that requires disclosures/ adjustments in these financial statements.

21. SUBSEQUENTMATERIALEVENTS

There is no significant activities since 31 December 2021 affecting the condensed interim financial information apart from those disclosed in the interim financial information.

22. DATEOFAUTHORIZATION

This condensed interim financial information has been authorized for issue on 24 January 2022 by the Board of Directors.

Chief Executive | Chief Financial Officer | Director

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