CONDENSED INTERIM FINANCIAL INFORMATION

For the 3rd Quarter Ended 30 June

2017

(Un-audited)



THAL INDUSTRIES CORPORATION

Contents

CompanyInformation	2
Directors'Review	4
CondensedInterimBalanceSheet	10
Condensed Interim Profit and Loss Account	12
CondensedInterimStatementofComprehensiveIncome	13
CondensedInterimCashFlowStatement	14
Condensed Interim Statement of Changes in Equity	15
SelectedNotestotheCondensedInterimFinancialInformation	16

Company Information

BOARDOFDIRECTORS	**CHAIRMAN/CHIEFEXECUTIVE**	
	Mr. Muhammad Shamim Khan	
	MANAGINGDIRECTOR	
	Mr. Nauman Ahmed Khan	
	DIRECTORS	
	Mrs. Qaiser Shamim Khan	
	Mr. Adnan Ahmed Khan	
	Mrs. Farrah Khan	
	Mr. Muhammad Khan	
	Mr. Muhammad Ashraf Khan Durani	(Independent Director)
AUDITCOMMITTEE	Mr. Muhammad Ashraf Khan Durani	(Chairman)
	Mrs. Qaiser Shamim Khan	(Member)
	Mr. Adnan Ahmed Khan	(Member)
HUMANRESOURCE& REMUNERATION COMMITTEE	Mr. Muhammad Ashraf Khan Durani	(Chairman)
	Mr. Muhammad Shamim Khan	(Member)
	Mr. Adnan Ahmed Khan	(Member)
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. Altaf Hussain Advocate	
BANKERS	Allied Bank Limited Askari Bank Limited Bank Al-Habib Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited MCB Bank Limited Meezan Bank Limited NIB Bank Limited Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited United Bank Limited	

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: 042-35771175
FACTORYADDRESSES	**Unit1:** Layyah Sugar Mills, Layyah Tel: 0606-411981-4, 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 Period Ended 30th June 2017 in compliance with the section 245 of the Companies Ordinance, 1984.

INDUSTRYOVERVIEW

Sugarcane crop acreage has been higher compared to last year all over the country but particularly in our areas due to interest free credit given to our farmers so they could replant the crop destroyed in the 2015 floods. It is our pleasure to note that per acre yield has also improved significantly this year, perhaps as a result of better fertilization by farmers and more favorable weather. As this yield increase is being seen all across the Punjab and KPK, at a country level we have all time high bumper cane crop and highest ever sugar production in the country's history.

Despite the expectation of surplus sugar production in the local and international markets, the sugarcane minimum price was maintained by the Punjab Government at Rs. 180/ mound for the crushing season 2016-17 and price notified by Sindh Government Rs. 182/mound. While the big increase in per acre yield was not anticipated, there was higher sugarcane acreage compared to last year and so cane purchase price competition remained minimal from the start of the crushing season amongst sugar mills of Punjab & KPK.

OPERATINGHIGHLIGHTS

Your company was able to crush 2,869,699 M. Tons sugarcane and produced 279,307.850 M. Tons white refined sugar at an average recovery of 9.736% during the mentioned period as compared to last year sugarcane crushing of 1,839,916 M. Tons and production of 178,912.150 M. Tons white refined sugar at an average recovery of 9.724%. The increased volume of crushing is attained mainly due to longer season, bumper cane crop and uninterrupted operation of the mills. The new installation of energy efficient FFEs (Falling Film Evaporators) at both our plants helped to improves the throughput of mixed juice, which resulted in better utilization of our milling capacity.

Net sales of sugar and molasses were recorded at Rs. 11,924.606 million during the period ended 30th June 2017 as compared to Rs. 7,829.924 million against the corresponding period of last year. The Company earned pretax profit of Rs. 1,121.926 million during the mentioned period under review as compared to pretax profit of Rs. 404.661 million in the corresponding period of last year and after tax profit of Rs. 825.913 million against after tax profit of Rs. 320.144 million over the same period of last year. This was only due to management's proactive approach of selling higher sales volume of sugar and molasses at favorable prices which cumulatively contributed to the substantial increase in profitability of the company.

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 through 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 bring financial benefit to the cane growers.

FUTUREOUTLOOK

It is evident that due to the bumper crop, sugarcane supply for the current crushing season 2016-17 is much higher on a national level as compared to last year. Despite reports of slightly lower sugar recoveries from mills across the country and this year Pakistan has achieved the ever highest sugar production 7.10 million tons.

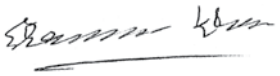
The huge oversupply situation of sugar versus consumption in Pakistan resulted in a sharp decrease in sugar prices in the local market; now trading at lowest level of last two years. The situation would not have looked so dire if the Government of Pakistan had not been slow to react and had allowed more export quantities and with less restrictions for the first nine months of the financial year. On top of that, the disruptions to trade due to border closures with Afghanistan for extended periods further complicated the problem of meeting export timelines given by the government. Finally and most detrimental has been the significant reduction in international sugar prices by almost a $150 per ton in this period. This scenario is ultimately bound to affect the profitability of the Pakistani sugar industry, which will only be able to get suitable financial outcomes if it can export the bulk of this surplus at viable international prices. An export subsidy from the Government seems a necessity at this point. By all indications, acreage for the 2017-18 season could be equal to or higher than this year and unless the supply overhang is cleared by the end of calendar year, the financial situation for sugar industry will be very challenging in the next financial year.

In this challenging environment, the management is making all possible efforts to ensure positive financial outcomes for your company. A big push is being made for the earliest completion of the 20 MW power export project at Layyah. Commercial Operation Date is expected in the next quarter and power export from the increased Bagasse saving (made possible by installation of FFEs and higher crushing) is expected to have positive impact on the company's profitability. However, it is not certain if this positive impact will be sufficient to counter the negative impact on profitability from ongoing sugar sales at reduced prices.

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 the Board



MUHAMMADSHAMIMKHAN
Chairman/Chief Executive

LAHORE: 24 July 2017

ڈائریکٹرز کی جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کمپنیز آرڈیننس 1984 کی دفعہ 245 کے تحت 30 جون 2017ء کی مدت کو ختم ہونے والی تیسری سہ ماہی کیلئے کمپنی کے غیر تنقیح شدہ حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

صنعت کا مجموعی جائزہ

2015 کے سیلاب سے تباہ ہونے والی فصلوں کو دوبارہ اگانے کے لئے کسانوں کو بلاسود قرضے دیئے جانے کی وجہ سے پورے ملک میں لیکن خاص طور پر ہمارے علاقہ میں گزشتہ سال کے مقابلے گنے کی فی ایکڑ پیداوار زیادہ ہوئی۔ ہم یہ بیان کرتے ہوئے بھی خوشی محسوس کرتے ہیں کہ اس سال فی ایکڑ پیداوار، غالباً کسانوں کی طرف سے کھادوں کے بہتر استعمال اور زیادہ موزوں موسم کے نتیجہ میں نمایاں طور پر بہتر ہوئی ہے۔ جیسا کہ پورے پنجاب اور خیبر پختونخواہ میں فصلوں کی پیداوار زیادہ ہوئی ہے، ملکی سطح پر بھی گنے کی فصل میں اضافہ اور ملک کی تاریخ میں چینی کی سب سے زیادہ پیداوار ہوئی ہے۔

مقامی اور بین الاقوامی منڈیوں میں وافر چینی کی پیداوار کی توقعات کے باوجود، گنے کی کم سے کم قیمت خرید کرشنگ سیزن 2016-17 کیلئے حکومت پنجاب کی طرف سے -/180 روپے فی من برقرار رکھی گئی، سندھ حکومت کی طرف سے گنے کی کم سے کم قیمت خرید -/182 روپے فی من کا اعلان کیا گیا۔ فی ایکڑ پیداوار میں زیادہ اضافہ ہونے کی توقع نہیں تھی، گزشتہ سال کے مقابلے میں رقبے کے لحاظ سے چینی کی پیداوار زیادہ رہی اور اس لئے گنے کی قیمت خرید میں مقابلے کا رجحان پنجاب اور خیبر پختونخواہ کی ملوں میں کرشنگ سیزن کے آغاز سے ہی کم رہا ہے۔

جائزہ کارکردگی

30 جون 2017 کو ختم ہونے والی تیسری سہ ماہی کے دوران کمپنی نے 2,869,699 میٹرک ٹن کرشنگ کی اور 9.736 فیصد اوسط ریکوری کے ساتھ 279,307.850 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ جبکہ اس کے مقابلے میں گزشتہ سال 1,839,916 میٹرک ٹن کرشنگ کی اور 9.724 فیصد اوسط ریکوری کے ساتھ 178,912.150 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ کرشنگ کے حجم میں اضافہ بنیادی طور پر طویل سیزن، گنے کی بڑی فصل اور ملوں کے بلاتعطل آپریشن کی بدولت ہوا۔ ہمارے دونوں پلانٹس پر انرجی بچانے والے FFEs (Falling Film Evaporators) کی نئی تنصیب نے مکسڈ جوس کے ماحصل کو بہتر بنانے میں مدد کی جس کے نتیجہ میں ہماری ملنگ صلاحیت کا بہتر استعمال کیا گیا۔

چینی اور مولاسس کی خالص فروخت گذشتہ سال اسی مدت میں 7,829.924 ملین روپے کے مقابلے موجودہ مالی سال کی تین سہ ماہیوں کے دوران 11,924.606 ملین روپے درج کی گئی۔ کمپنی نے گذشتہ سال کی اسی مدت میں قبل از ٹیکس منافع 404.661 ملین روپے کے مقابلے زیر جائزہ مدت کے دوران 1,121.926 ملین روپے قبل از ٹیکس منافع اور گزشتہ سال کی اسی مدت میں 320.144 ملین روپے بعد از ٹیکس منافع کے برعکس 825.913 ملین روپے بعد از ٹیکس منافع کمایا۔ منافع میں اضافہ

بنیادی طور پر کمپنی انتظامیہ کی فعال پالیسیوں کی وجہ سے چینی اور مولاسس کی موزوں قیمتوں پر فروختی حجم میں اضافہ کی وجہ سے تھا، ان عوامل نے کمپنی کا مجموعی منافع بڑھانے میں اہم کردار ادا کیا ہے۔

تمام تر کوششیں گنے کے کاشتکاروں کو مسلسل جدید اور بہتر بیج کی اقسام، کھادیں، کیڑے مار ادویات اور باہم سہولیات پہنچا کر کارکردگی بہتر بنانے، جدت طرازی، جدید ترین ٹیکنالوجی کے آلات کی 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۔

مستقبل کا نقطہ نظر

واضح ہے کہ رواں کرشنگ سیزن 17-2016 کے لیے بھرپور فصل کی بدولت گزشتہ سال کے مقابلے گنے کی سپلائی مقامی سطح پر زیادہ ہے۔ پورے ملک میں ملوں سے چینی کی قدرے کم پیداوار کی رپورٹوں کے برعکس اور اس سال پاکستان کی تاریخ کی سب سے زیادہ چینی کی پیداوار 7.10 ملین ٹن حاصل کی ہے۔

پاکستان میں کھپت کے مقابلے چینی کی وافر رسد کی حالت کے نتیجہ میں مقامی مارکیٹ میں چینی کی قیمتوں میں بڑی تیزی سے کمی واقع ہوئی ہے، اب چینی کی قیمتیں گزشتہ دو سالوں کی کم ترین سطح پر ہیں۔ صورت حال اتنی گمبھیر نہ ہوتی اگر حکومت پاکستان سست روی نہ دکھاتی اور مالی سال کی پچھلی تین سہ ماہیوں کے لئے کم پابندیوں کے ساتھ برآمدی مقدار میں مزید اضافہ کی اجازت دے دیتی۔ اس کے علاوہ، افغانستان کی سرحد کی بندش کی وجہ سے تجارت کی رکاوٹوں میں توسیع کی مدت نے حکومت کی طرف سے دی گئی برآمدی ٹائم لائنز کے اطلاق کا مسئلہ بہت پیچیدہ ہوگیا ہے۔ آخر میں اور سب سے زیادہ نقصان دہ اہم بات یہ ہے کہ اس مدت میں بین الاقوامی چینی کی قیمتوں میں تقریباً 150 ڈالر فی ٹن کی کمی ہوئی ہے۔ اس منظرنامے کے پیش نظر پاکستانی چینی کی صنعت، کے موثر منافع پر اثر پڑے گا، جو صرف اسی صورت میں مناسب مالیاتی نتائج حاصل کرنے کے قابل ہوگی کہ اگر یہ بین الاقوامی قیمتوں پر اس سرپلس کا بڑا حصہ برآمد کر سکی۔ اس موقع پر حکومت کی طرف سے برآمدی رعایت کی اشد ضرورت ہے۔ ان تمام حالات کے پیشِ نظر 18-2017 سیزن رقبے کے لحاظ سے پیداوار اس سال کے مقابلے میں اس کے برابر یا اس سے زیادہ ہوسکتی ہے اور جب تک وافر فراہمی کا مسئلہ حل نہیں ہوتا ہے، شوگر ملوں کے لئے مالی صورتحال آئندہ مالی سال میں بھی بہت مشکل ہوسکتی ہے۔

اس چیلنجنگ ماحول میں کمپنی انتظامیہ مثبت مالیاتی نتائج کو یقینی بنانے کی تمام ممکنہ کوششیں کررہی ہے۔ لیہ میں 20 میگاواٹ بجلی برآمد کے منصوبے کی بروقت تکمیل کے لئے سخت محنت کی جارہی ہے۔ تجارتی آپریشن کی تاریخ آخری سہ ماہی میں متوقع ہے اور بچائی گئی اضافی بگاس (جو FFEs کی تنصیب اور اعلی کرشنگ سے ممکن ہوسکی) سے بجلی کی برآمد سے کمپنی کے منافع پر مادی اثر پڑنے کی توقع ہے۔ تاہم،

اس بات کا یقین نہیں ہے کہ کمپنی کے منافع پر یہ مثبت اثرات کم قیمتوں پر جاری چینی کی فروخت کے منفی اثرات کا مقابلہ کرنے کیلئے کافی ہوں 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۔ ڈائریکٹرز کمپنی کے ساتھ شریک مالی اداروں، کسانوں اور تمام شریک اسٹیک ہولڈرز کی مدد اور تعاون کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

محمد شمیم خان

چیئرمین/چیف ایگزیکٹو

لاہور: 24 جولائی 2017ء

Condensed Interim Balance Sheet

As at 30 June 2017 (Un-Audited)

	Note	(Un-Audited) 30June 2017	(Audited) 30 September 2016
		.....(Rupees)	
EQUITY&LIABILITIES			
ShareCapitalandReserves			
Share capital	5	150,232,320	150,232,320
Revenue reserves		93,800,000	93,800,000
Accumulated profit		2,396,685,564	1,645,889,094
		2,640,717,884	1,889,921,414
NonCurrentLiabilities			
Long term finance	6	1,268,596,820	884,641,139
Liabilities against assets subject to finance lease	7	11,294,963	7,517,935
Loans from directors	8	574,800,000	574,800,000
Deferred liabilities		298,471,864	276,700,267
		2,153,163,647	1,743,659,341
CurrentLiabilities			
Trade and other payables		1,767,259,933	469,460,605
Finance cost payable		95,143,625	139,459,088
Short term borrowings-secured	9	3,805,762,958	1,767,921,046
Advances from directors		349,300,000	375,300,000
Current portion of long term liabilities		384,765,919	333,563,071
Provision for taxation		315,200,697	69,400,368
		6,717,433,132	3,155,104,178
ContingenciesandCommitments	10		
		11,511,314,662	6,788,684,933

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

ChiefExecutive

	Note	(Un-Audited) 30June 2017	(Audited) 30 September 2016
		.....(Rupees)	
PROPERTYANDASSETS			
NonCurrentAssets			
Property, plant & equipment	11	3,465,184,303	3,179,407,334
Long term deposits		464,500	464,500
Long term advances		45,383,093	44,045,112
		3,511,031,896	3,223,916,946
CurrentAssets			
Stores, spare parts and loose tools		510,914,558	423,426,940
Stock-in-trade		5,416,502,162	1,508,711,664
Trade debts		889,602,983	625,127,111
Loans and advances		397,431,212	452,539,177
Trade deposits, prepayments and other receivables		198,101,392	40,221,850
Taxes recoverable / adjustable		483,073,068	456,167,384
Cash and bank balances		104,657,392	58,573,861
		8,000,282,766	3,564,767,987
		11,511,314,662	6,788,684,933

Director

Condensed Interim Profit and Loss Account

For the Period Ended 30 June 2017 (Un-Audited)

	Note	PERIODENDED 30June		QUARTERENDED 30June	
		2017	2016	2017	2016
		..... (Rupees)		..... (Rupees)	
Sales - Net		11,924,606,044	7,829,923,872	5,269,139,681	3,525,720,101
Cost of sales	12	(10,087,318,546)	(6,875,135,432)	(4,718,656,231)	(3,033,646,778)
Gross profit		1,837,287,498	954,788,439	550,483,450	492,073,322
Operatingexpenses					
Distribution and selling expenses		(122,951,158)	(77,260,382)	(56,695,612)	(28,325,719)
Administrative expenses		(274,118,507)	(223,378,701)	(93,362,730)	(70,562,350)
		(397,069,666)	(300,639,083)	(150,058,343)	(98,888,069)
Operating profit		1,440,217,832	654,149,356	400,425,107	393,185,253
Other income	13	20,630,094	10,341,437	(8,171,214)	3,404,558
		1,460,847,926	664,490,793	392,253,893	396,589,811
Finance cost		(262,311,462)	(229,838,634)	(115,822,164)	(96,158,414)
Other expenses		(76,610,283)	(29,990,999)	(13,821,586)	(20,739,352)
		(338,921,745)	(259,829,633)	(129,643,750)	(116,897,766)
Profit before taxation		1,121,926,181	404,661,160	262,610,143	279,692,045
Taxation		(296,013,551)	(84,516,676)	(72,030,149)	(80,379,008)
Profit after taxation		825,912,630	320,144,484	190,579,994	199,313,037
Earnings Per Share-Basic & Diluted	14	54.98	21.31	12.69	13.27

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

ChiefExecutive

Director

Condensed Interim Statement of Comprehensive Income

For the Period Ended 30 June 2017 (Un-Audited)

	PERIODENDED 30June		QUARTERENDED 30June	
	2017	2016	2017	2016
	..... (Rupees)		..... (Rupees)	
Profit after tax	825,912,630	320,144,484	190,579,994	199,313,037
OtherComprehensiveIncome-NetofTax				
Items that will be reclassified to profit or loss:	-	-	-	-
Items that will never be reclassified to profit or loss:	-	-	-	-
Totalcomprehensiveincome for the period	825,912,630	320,144,484	190,579,994	199,313,037

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

ChiefExecutive

Director

Condensed Interim Cash Flow Statement

For the Period Ended 30 June 2017 (Un-Audited)

	Note	30June 2017	30 June 2016
		(Rupees)	
CASHFLOWFROMOPERATINGACTIVITIES			
Profit before taxation		1,121,926,181	404,661,160
Adjustment for:			
Depreciation		219,196,351	178,389,694
Provision for gratuity		16,296,659	17,211,118
Surplus on settlement of insurance claim		(326,386)	-
Gain on disposal of fixed assets		-	(446,765)
Finance cost		262,311,462	229,838,634
Notional Interest on Long Term Advance		(1,337,981)	-
Workers' Profit Participation Fund		59,926,823	21,732,608
Workers Welfare Fund		16,683,460	8,258,391
		572,750,388	454,983,680
Operating cash flows before changes in working capital		1,694,676,569	859,644,840
Changes in working capital	15	(3,121,095,855)	(2,367,674,656)
Cashgeneratedfromoperations		(1,426,419,286)	(1,508,029,815)
Gratuity paid		(2,029,433)	(8,517,996)
Finance cost paid		(301,022,866)	(151,455,301)
Workers' profit participation fund paid		(42,311,232)	(19,703,497)
Workers Welfare fund paid		(8,731,854)	(2,075,555)
Income tax paid		(42,708,851)	(87,403,571)
NETCASHFLOWUSEDINOPERATINGACTIVITIES		(1,823,223,522)	(1,777,185,735)
CASHFLOWFROMINVESTINGACTIVITIES			
Fixed capital expenditure		(496,458,932)	(689,552,022)
Proceed from disposal of fixed assets / insurance claim		1,699,999	1,057,563
NETCASHUSEDININVESTINGACTIVITIES		(494,758,933)	(688,494,459)
CASHFLOWFROMFINANCINGACTIVITIES			
Long term finance		436,654,942	477,856,821
Lease payments		(7,607,385)	(11,276,941)
Short term borrowings - net		2,037,841,912	2,094,959,063
Advances from directors		(26,000,000)	17,000,000
Dividend paid		(76,823,483)	(80,416,816)
NETCASHFLOWFROMFINANCINGACTIVITIES		2,364,065,986	2,498,122,127
NETINCREASE/(DECREASE)INCASH&CASHEQUIVALENTS		46,083,530	32,441,933
CASHANDCASHEQUIVALENTSATTHEBEGINNING OFTHEPERIOD		58,573,861	32,876,689
CASHANDCASHEQUIVALENTSATTHEENDOFTHEPERIOD		104,657,392	65,318,622

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

ChiefExecutive **Director**

Condensed Interim Statement of Changes in Equity

For the Period Ended 30 June 2017 (Un-Audited)

Particular	Share Capital	General Reserves	Accumulated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as on 01 October 2015	150,232,320	93,800,000	1,060,676,077	1,304,708,397
Total Comprehensive Income for the nine months	-	-	320,144,484	320,144,484
Cash dividend declared during the year @ 50 % i.e. Rs. 5.00/- per share for the year ended 30 September 2015	-	-	(75,116,160)	(75,116,160)
Balance as on 30 June 2016	150,232,320	93,800,000	1,305,704,401	1,549,736,721
Total Comprehensive Income for the three months	-	-	340,184,693	340,184,693
Balance as on 30 September 2016	150,232,320	93,800,000	1,645,889,094	1,889,921,414
Total Comprehensive Income for the nine months	-	-	825,912,630	825,912,630
Cash dividend declared during the year @ 50 % i.e. Rs. 5.00/- per share for the year ended 30 September 2016	-	-	(75,116,160)	(75,116,160)
Balance as on 30 June 2017	150,232,320	93,800,000	2,396,685,564	2,640,717,884

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

Chief Executive **Director**

Selected Notes to the Condensed Interim Financial Information

For the Period Ended 30 June 2017 (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 Ordinance, 1984) as public company limited by shares. Its shares are quoted on Pakistan stock exchange in Pakistan. Its registered office is situated at 23-Pir Khurshid Colony, Gulgusht, Multan. The Company is principally engaged in the production and sale of refined sugar and its by-products.

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 2016.

The comparative figures as at 30 September 2016 in the condensed interim balance sheet and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim profit & loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and related notes to the condensed interim financial information for the nine months period ended 30 June 2017 are based on un-audited condensed interim financial information. The condensed interim profit & loss account and condensed interim statement of other comprehensive income for the quarters ended 30 June 2016 and 30 June 2017 are neither audited nor reviewed.

3. STATEMENTOFCOMPLIANCE

This condensed interim financial information of the company for the nine months period ended 30 June 2017 has been prepared in accordance with the requirements of the International Accounting Standard -34 “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

4. ACCOUNTINGPOLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 September 2016.

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 ofmaterialrearrangement.

			Note	(Un-Audited) 30June 2017	(Audited) 30 September 2016
5. SHARE CAPITAL				..... (Rupees)	
NumberofShares					
2017	2016				
AuthorizedCapital:					
20,000,000	20,000,000	Ordinary shares of Rs. 10/- each		200,000,000	200,000,000
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
6. LONGTERMFINANCE					
Loans from banking companies-secured			6.1	1,268,596,820	884,641,139

6.1 Demand finance / Diminishing musharaka facilities of Rs. 1,300 million (2016: Rs. 1,300 million) and term finance facilities of Rs. 1,100 million (2016: 600 million) have been obtained from various banking companies. These loans are secured against first pari passu / hypothecation charge of Rs. 2,402 million over all present and future fixed assets of the company, subordination of directors loan and personal guarantees of directors of the company. The facilities are being repaid in quarterly instalments beginning from December 2012 and ending on November 2023. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 1.25% (2016: 3 to 6 month KIBOR + 0.75 % to 1.25 %) p.a.

7. LIABILITIESAGAINSTASSETSSUBJECT TOFINANCELEASE		
Opening balance	24,092,817	26,803,668
Obtained during the year	13,762,500	11,029,500
Payments/adjustments during the year	(11,001,935)	(13,740,351)
	26,853,382	24,092,817
Less: Security deposits adjustable on expiry of lease term	(5,751,750)	(5,271,800)
	21,101,632	18,821,017
Less: Current portion grouped under current liabilities	(9,806,669)	(11,303,082)
	11,294,963	7,517,935

7.1 Reconciliation between minimum lease payments and present value of minimum lease payments isasfollows:

	30June2017		
	Rupees		
	Minimum Lease Payments	Less:Future Finance Cost	PresentV alue ofMinimum LeasePayments
Not later than one year	12,230,503	(1,214,007)	11,016,496
Later than one year but not later than five years	10,911,089	(825,953)	10,085,136
	23,141,592	(2,039,960)	21,101,632

	30 September 2016		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	12,322,851	(1,019,769)	11,303,082
Later than one year but not later than five years	7,967,840	(449,905)	7,517,935
	20,290,691	(1,469,674)	18,821,017

7.2 The company has a finance lease agreement of Rs. 89.866 million (2016: Rs. 65 million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly installments commencing from September 2013 ending on October 2019. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2016: 3 months KIBOR + 1.00% to 1.25%) p.a. The lease is secured by way of 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) 30June 2017	(Audited) 30 September 2016
		..... (Rupees)	
8. LOANSFROMDIRECTORS			
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 @ 3 month KIBOR + 1% p.a. prevailing at the year end (2016: 3 month KIBOR +1 % p.a.). 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.

	Note	(Un-Audited) 30June 2017	(Audited) 30 September 2016
		..... (Rupees)	
9. SHORTTERMBORROWINGS-SECURED FROMBANKINGCOMPANIES			
Running Finance	9.1	341,524,739	402,940,648
Cash Finance	9.2	3,464,238,220	1,364,980,398
		3,805,762,958	1,767,921,046

9.1 Running finance facilities of Rs. 715 (2016: 915 million) have been obtained from various banks to meet the working capital requirments and are secured against first pari passu hypothecation/ registered ranking charge over present and future current assets of the company and personal guarantees of the directors. These are subject to mark up @ 1 year KIBOR minus 1% and 1 to 3 month KIBOR plus 0.50% to 1.00% (2016: 1 year KIBOR minus 1.00% and 1 to 3 month KIBOR plus 0.75% to 1%) p.a. The limits will expire on various dates by 31 March 2018 (2016: 31 March 2017) but are renewable.

9.2 Cash finance facilities of Rs. 8,420 million (2016: 7,260 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 the directors. These are subject to mark up @ 1 year KIBOR plus 0.20% & 1 to 3 month KIBOR plus 0.25% to 1.00% (2016 : 1 to 3 months KIBOR plus 0.25% to 1.00%) p.a. The limits will expire on various dates by 31 March 2018 (2016: 30 April 2017) but are renewable.

10. CONTINGENCIESANDCOMMITMENTS

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	1,889,502,153	231,084,153
	1,908,743,534	250,325,534
Commitments		
Contracts for capital expenditure	118,053,913	21,783,747
Letters of credit for capital expenditure	96,454,490	46,981,631
Letters of credit for other than capital expenditure	20,537,593	13,027,088
	235,045,996	81,792,466

	Note	(Un-Audited) 30June 2017	(Audited) 30 September 2016
		..... (Rupees)	
11. PROPERTY ,PLANTANDEQUIPMENT			
Operating Fixed Assets	11.1	3,152,289,973	2,967,583,810
Capital Work in Progress - Tangible Assets		290,424,357	190,530,551
Capital Work in Progress - Intangible Assets		22,469,973	21,292,973
		3,465,184,303	3,179,407,334
11.1OperatingFixedAssets			
Opening written down value		2,967,583,810	2,482,514,983
Additions during the period- at cost	11.1.1	405,276,127	737,749,657
Disposals during the period- at WDV		(1,373,613)	(640,480)
Depreciation charged		(219,196,351)	(252,040,350)
		3,152,289,973	2,967,583,810

11.1.1AdditionsandDisposalsOperatingFixedAssets

	(Un-Audited) Periodended 30June2017		(Audited) Yearended 30 September 2016	
	Additions AtCost	Disposals AtWDV	Additions At Cost	Disposals At WDV
	Rupees	Rupees	Rupees	Rupees
Owned Assets				
Freehold land	-	-	34,843,910	-
Building on freehold land	45,375,732	-	29,755,535	-
Plant and machinery	279,042,505	-	637,290,603	(508,853)
Tools, implements and other factory equipments	4,912,480	-	4,847,872	-
Computer & other office equipments	6,308,054	-	6,806,562	-
Electric installations	20,377,093	-	316,423	-
Vehicles	39,372,262	-	12,784,252	(131,627)
	395,388,127	-	726,645,157	(640,480)
LeasedAssets				
Vehicles	9,888,000	(1,373,613)	11,104,500	-
	9,888,000	(1,373,613)	11,104,500	-
	405,276,127	(1,373,613)	737,749,657	(640,480)

	Note	Periodended 30June 2017	30 June 2016
		.....(Rupees).....	
12. COSTOFSALES			
Finished goods - opening		1,503,090,759	1,248,180,386
Add: Cost of goods manufactured	12.1	13,996,530,288	9,354,423,850
		15,499,621,047	10,602,604,236
Finished goods - closing		(5,412,302,501)	(3,727,468,804)
		10,087,318,546	6,875,135,432
12.1Costofgoodsmanufactured			
Work in process - opening		5,620,905	5,683,095
Raw material consumed		13,050,822,081	8,584,607,565
Salaries, wages and other benefits		301,751,984	231,457,364
Fuel and power		25,694,450	22,693,898
Stores, spares and loose tools		214,552,217	146,394,610
Repairs and maintenance		172,776,096	186,455,545
Insurance		3,134,850	2,439,045
Depreciation		206,762,584	168,541,489
Vehicles running		9,410,304	8,354,353
Miscellaneous		10,204,478	3,273,085
		14,000,729,949	9,359,900,049
Work in process - closing		(4,199,661)	(5,476,199)
		13,996,530,288	9,354,423,850
13. OTHERINCOME/(EXPENSES)			
FinancialAssets			
Profit on deposit accounts		585,800	270,424
Notional Interest income on long term advance		1,337,981	-
Others			
Sale of scrap		26,121,264	4,289,427
Surplus on settlement of insurance claim		326,386	-
Gain on Disposal of Fixed Assets		-	446,765
Others		(7,741,337)	5,334,821
		20,630,094	10,341,437

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:

	Period ended 30June 2017	Period ended 30 June 2016	Quarter ended 30June 2017	Quarter ended 30 June 2016
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	825,912,630	320,144,484	190,579,994	199,313,037
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232	15,023,232	15,023,232
Earnings per share	54.98	21.31	12.69	13.27

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

	Periodended	
	30June 2017	30 June 2016
	.....(Rupees).....	
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(87,487,618)	(48,838,941)
Stock-in-trade	(3,907,790,498)	(2,479,081,522)
Trade debts	(264,475,872)	(359,091,790)
Loans and advances	55,107,965	(81,818,986)
Trade deposits, prepayments and other receivables	(157,879,542)	89,884,600
Taxes recoverable/adjustable	(26,905,684)	(51,610,124)
Increase / (decrease) in current liabilities:		
Trade and other payables	1,268,335,394	562,882,107
	(3,121,095,855)	(2,367,674,656)

16. REMUNERATIONOFCHIEFEXECUTIVE,DIRECTORSANDEXECUTIVES

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

	Periodended30June2017				Period ended 30 June 2016			
	Chief Executive	Directors	Executives	T otal	Chief Executive	Directors	Executives	Total
	..... RUPEES				.....			
Managerial remuneration	1,530,000	1,530,000	64,053,692	67,113,692	1,530,000	1,530,000	47,983,116	51,043,116
Bonu	-	-	8,680,728	8,680,728	-	-	3,535,027	3,535,027
Utilities	-	-	1,218,223	1,218,223	-	-	942,211	942,211
Total	1,530,000	1,530,000	73,952,643	77,012,643	1,530,000	1,530,000	52,460,354	55,520,354
Number of Persons	1	1	53	55	1	1	42	44

17. TRANSACTIONSWITHRELATEDPARTIES

Remuneration of the key management personnel is disclosed in note 16. Significant transactions withrelatedpartiesareasfollows:

	Periodended	
	30June 2017	30 June 2016
	.....(Rupees).....	
ASSOCIATEDUNDERTAKINGS:		
Sale of goods	1,610,310,990	584,590,370
Purchase of Goods	6,445,232	46,563,445
Expenses paid of/(paid by) associates	-	-

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	(26,000,000)	17,000,000
Markup on loans from directors	30,780,541	30,392,550

	(Un-Audited) 30June 2017	(Audited) 30 September 2016
	..... (Rupees)	
Balanceduefrom/(dueto)relatedpartiesasat 30 June 2017 are as below:		
Naubahar Bottling Company (Pvt) limited	101,182,460	24,732,806
Al-Moiz Industries Limited	55,227,000	3,275,432
Loans from directors - Long Term	(574,800,000)	(574,800,000)
Advances from directors - Short Term	(349,300,000)	(375,300,000)

18. FINANCIALINSTRUMENTS-FAIRVALUES

		CarryingAmount			FairV alue		
		Loans and receivables	Other financial liabilities	Total	Level1	Level2	Level3
	Note	Rupees					
On-balance sheet financial instruments							
30June2017-(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		45,383,093	-	45,383,093			
Trade debts		889,602,983	-	889,602,983	-	-	-
Loans and advances		2,353,524	-	2,353,524	-	-	-
Trade deposits, prepayments and other Receivables		3,967,138	-	3,967,138	-	-	-
Cash and bank balances		104,657,392	-	104,657,392	-	-	-
		1,046,428,630	-	1,046,428,630	-	-	-
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		-	1,643,556,070	1,643,556,070	-	-	-
Liabilities against assets subject to finance lease		-	21,101,632	21,101,632	-	-	-
Trade and other payables		-	543,564,885	543,564,885	-	-	-
Finance cost payable		-	95,143,625	95,143,625	-	-	-
Short term borrowings		-	3,805,762,958	3,805,762,958	-	-	-
Advances from directors		-	349,300,000	349,300,000	-	-	-
		-	7,033,229,170	7,033,229,170	-	-	-
30September2016-(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		44,045,112		44,045,112			
Trade debts		625,127,111	-	625,127,111	-	-	-
Loans and advances		1,458,568	-	1,458,568	-	-	-
Trade deposits, prepayments and other Receivables		7,869,793	-	7,869,793	-	-	-
Cash and bank balances		58,573,861	-	58,573,861	-	-	-
		737,538,945	-	737,538,945	-	-	-
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		-	1,206,901,128	1,206,901,128	-	-	-
Liabilities against assets subject to finance lease		-	18,821,017	18,821,017	-	-	-
Trade and other payables		-	210,039,530	210,039,530	-	-	-
Finance cost payable		-	139,459,088	139,459,088	-	-	-
Short term borrowings		-	1,767,921,046	1,767,921,046	-	-	-
Advances from directors		-	375,300,000	375,300,000	-	-	-
		-	4,293,241,809	4,293,241,809	-	-	-

18.1 The management considers the carrying amount of all financial assets and liabilities not measured at fair value 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 are no significant activities since 30 June 2017 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 July 2017 by the Board ofDirectors.

ChiefExecutive

Director

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THALINDUSTRIES

CORPORATION

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