

CONDENSED INTERIMFINANCIAL INFORMATION

Forthe3rdQuarterEnded
30June 2018
(Un-audited)

THALINDUSTRIES
CORPORATION

Contents

CompanyInformation	2
Directors'Review	4
CondensedInterimStatementofFinancialPosition	8
Condensed Interim Profit and Loss Account	10
CondensedInterimStatementofComprehensiveIncome	11
CondensedInterimCashFlowStatement	12
Condensed Interim Statement of Changes in Equity	13
SelectedNotestotheCondensedInterimFinancialInformation	14

Company Information

BOARDOFDIRECTORS

CHAIRPERSON

Mrs.QaiserShamimKhan

CHIEFEXECUTIVE

Mr. Muhammad Shamim Khan

MANAGINGDIRECTOR

Mr. Nauman Ahmed Khan

DIRECTORS

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

AUDITCOMMITTEE

Mr. Muhammad Ashraf Khan Durani	(Chairman)
Mrs. Qaiser Shamim Khan	(Member)
Mr. Adnan Ahmed Khan	(Member)

HUMANRESOURCE& REMUNERATION COMMITTEE

Mr. Rab Nawaz	(Chairman/Member)
Mr. Adnan Ahmed Khan	(Member)
Mr. Muhammad 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

Albaraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habid Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
The Bank of Punjab
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, 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 3rd quarter / nine months period ended 30th June 2018.

INDUSTRYOVERVIEW

Last year's per acre yield of cane crop was much better and healthy. It induced the growers to keep the ratoon crop instead of uprooting. This might contribute to lower per acre yield this year balanced by higher cultivated area. At a country level, we again have a bumper cane crop this year and high sugar production in the country.

Despite expectation of surplus sugar production in the local and international markets, the sugarcane minimum price was maintained by the Punjab Government at Rs. 180/- per mound for the crushing season 2017-18, whereas the Sindh Government notified the cane price at Rs. 182/- per mound later on reduced to Rs 160/- per mound consequent to sugar mills writ in Honourable Sindh High Court.

Federal Government has announced an export subsidy of maximum Rs. 10.70/- per Kg with certain conditions of sugar prices in international market, even then it will be difficult for the industry to maintain its financial strength this year because national and international sugar prices are at a minimum level.

Additionally Suo Moto by Hon'ble Supreme Court of Pakistan regarding immediate clearance of cane grower's dues within vert short span of time put extreme liquidity pressure on all sugar mills of the country and forced to sell sugar at further lower prices.

OPERATINGHIGHLIGHTS

The Company was able to crush 2,697,755 M. Tons sugarcane and produced 260,788.300 M. Tons white refined sugar at an average recovery of 9.672% during the current crushing season as compared to last year's sugarcane crushing of 2,869,699 M. Tons and production of 279,307.850 M. Tons white refined sugar at an average recovery of 9.736%. The reason for low production in the current year is mainly due to the late start of the crushing season and drop in average recovery in the region. Company was able to achieve its target of COD (Commercial Operation Date) in the start of December for 20 MW Power Project at its Layyah plant, which is a milestone to be proud of.

Net sales was recorded at Rs. 10,973.483 million during the nine months period from 1st October-2017 to 30th June-2018 as compared to Rs. 11,924.606 million against the corresponding period of last year. Net sales declined mainly due to lower sales volume and lowest sugar prices inlocal&internationalmarket.

Due to higher sugarcane cost and sharp decrease in sugar & molasses prices Company suffered after tax loss of Rs. (51.674) million against after tax profit of Rs. 825.913 million over the same period of last year. Moreover, sugar sales tax fixed at higher price by the Government as compared to its actual market prices had also adversely affected the profitability.

The period under review can be considered as the worst period in sugar industry history when high sugar cane cost, bumper crop, stocks carry over situation and lowest sugar prices in local and International market. In this adverse circumstances, the survival of sugar industry will only be dependent on completion of 2.0 million tons sugar export already approved by federal Government. Your Company sustained insignificant losses only due to sale of electricity to Central

Power Purchasing Agency (Guarantee) Ltd (CPPAGL) from newly completed power project under policy of upfront tariff.

Efforts of everyone associated with the company must be appreciated for extracting value from investment of past few years at a time when the company needed it very much.

All out efforts are being made to increase the production and profitability of the company through process efficiency, installing modern and latest technology equipment, reducing production cost due to 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 provide financial benefit to the cane growers.

FUTUREOUTLOOK

It is evident that due to bumper cane crop in 2017-18 at a country level. Despite reports of lower sugar recoveries from mills across the country in the start of the crushing season there was surplus sugar production over annual requirement like last year.

We believe that a surplus production of sugar have resulted in further pressure on local sugar prices which have already touched its minimum level of the last three years. The sugar prices in the international market are also at historically low levels. This scenario is ultimately bound to convert the profitability of the sugar industry into loss and may become a survival issue for many of the sugar companies in the country. The only viable financial outcome is to export 100% quantity approved by Federal Government, otherwise all indications and to date estimates clearly indicate that the financial situation for sugar mills will remain very challenging in future.

Powerexportfromabagassebasedpowerplantandinstallationof FFEsisexpectedtohavea material impact on the company's financial position, which will strengthen our ability to fight in the upcoming competitive, challenging, and tough economic climate.

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.

ForandonbehalfoftheBoard

MUHAMMADSHAMIMKHAN
Chief Executive

LAHORE: 23 July 2018

ڈائریکٹرز کی جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2018ء کو ختم ہونے والی سہ ماہی/ نو ماہی مدت کیلئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

صنعت کا مجموعی جائزہ

گذشتہ سال کی گنے کی فصل کی فی ایکڑ پیداوار بہت بہتر اور صحتمند تھی۔ جس کی وجہ سے فصل کو ختم کرنے کی بجائے دوبارہ فصل اُگانے کے لئے کسانوں کی حوصلہ افزائی ہوئی ہے۔ اس سے زیادہ سے زیادہ کاشت کے علاقہ کے ذریعے اس سال کی کم سے کم فی ایکڑ پیداوار کو متوازن کیا جا سکتا ہے۔ ملکی سطح پر، ہمیں اس سال دوبارہ گنے کی بمپر فصل اور ملک میں چینی کی اعلی پیداوار حاصل ہوئی ہے۔

مقامی اور بین الاقوامی مارکیٹوں میں اضافی چینی کی پیداوار کی توقع کے باوجود، کرشنگ سیزن 18-2017 کے لئے پنجاب حکومت کی طرف سے گنے کی کم از کم قیمت -/180 روپے فی من برقرار رکھی گئی، جبکہ سندھ حکومت نے گنے کی قیمت -/182 روپے فی من کا اعلان کیا جسے بعد میں شوگر ملز کی طرف سے معزز عدالت عالیہ سندھ میں دائر درخواست کے نتیجے کم کر کے -/160 روپے فی من مقرر کیا گیا ہے۔

وفاقی حکومت نے بین الاقوامی مارکیٹ میں چینی کی قیمتوں کی کچھ شرائط پر زیادہ سے زیادہ -/10.70 روپے فی کلوگرام کی برآمد سبسڈی کا اعلان کیا ہے، اس کے باوجود اس سال صنعت کے لئے اپنی مالیاتی قوت کو برقرار رکھنا مشکل ہوگا کیونکہ قومی اور بین الاقوامی قیمتیں کم از کم سطح پر ہیں۔

اس کے علاوہ مختصر عرصے کے اندر اندر گنے کے کاشتکاروں کے واجبات کی فوری ادائیگی کی بابت پاکستان کی عدالت عظمیٰ کے ازخود نوٹس نے ملک کی تمام شوگر ملوں پر بہت زیادہ لیکویڈیٹی دباؤ ڈالا اور مزید کم قیمت پر چینی فروخت کرنے پر مجبور کیا۔

آپریٹنگ جھلکیاں

کمپنی گزشتہ سال 2,869,699 میٹرک ٹن گنا کرش کرنے اور 9.736 فیصد کی اوسط ریکوری پر 279,307.850 میٹرک ٹن سفید ریفائنڈ چینی بنانے کے مقابلے 30 جون 2018ء کو ختم ہونے والی مدت کے دوران 2,697,755 میٹرک ٹن گنا کرش کرنے اور 9.672 فیصد کی اوسط ریکوری پر 260,788.300 میٹرک ٹن سفید ریفائنڈ چینی بنانے کے قابل ہوئی۔ موجودہ سال میں کم پیداوار بنیادی طور پر کرشنگ سیزن کے تاخیر سے شروع ہونے اور خطے میں اوسط ریکوری میں کمی کے باعث ہوئی ہے۔ کمپنی دسمبر کے شروع میں 20 میگا واٹ کے لیہ پاور پراجیکٹ کے لئے COD (کمرشل آپریشن تاریخ) کے اپنے ہدف کو حاصل کرنے کے قابل تھی، جو ایک قابل فخر سنگِ میل ہے۔

یکم اکتوبر 2017ء تا 30 جون 2018ء کی نو ماہی کے دوران خالص فروخت 10,973.483 ملین روپے درج کی گئی جو کہ گزشتہ سال کی اسی مدت میں 11,924.606 ملین روپے تھی۔ خالص فروخت کی مقدار میں کمی، مقامی اور بین الاقوامی مارکیٹ میں کم فروخت حجم اور چینی کی قیمتوں میں کمی کے باعث ہوئی۔

گنے کی زیادہ قیمت خرید اور چینی اینڈ مولاسس کی قیمتوں میں تیزی سے کمی کی وجہ سے کمپنی نے گزشتہ سال کی اسی مدت میں 825.913 ملین روپے کے بعد از ٹیکس منافع کے برعکس (51.674) ملین روپے بعد از ٹیکس نقصان اُٹھایا ہے۔ اس کے علاوہ حکومت کی طرف سے مارکیٹ کی اصل قیمتوں کے مقابلے چینی کی فروخت پر سیلز ٹیکس کی شرح زیادہ مقرر کی جس نے کمپنی کے منافع کو بھی بُری طرح متاثر کیا۔

زیرِ جائزہ مدت کو چینی کی صنعت کی تاریخ میں بدترین عرصہ خیال کیا جا سکتا ہے جب گنے کی قیمت خرید زیادہ، بمپر فصل، وافر اسٹاک اور مقامی اور بین الاقوامی مارکیٹ میں چینی کی قیمتیں کم سے کم ہیں۔ ان منفی حالات میں شوگر صنعت کی بقاء کا واحد انحصار وفاقی حکومت کی طرف سے

پہلے ہی منظور شدہ 2.0 ملین ٹن چینی کی برآمد کی تکمیل پر ہے۔ آپ کی کمپنی نے اپ فرنٹ ٹیرف کی پالیسی کے تحت نئے مکمل کردہ پاور پراجیکٹ سے CPPA(G) کو بجلی کی فروخت کی بدولت کم سے کم نقصانات اُٹھائے ہیں۔

کمپنی کے ساتھ منسلک ہر ایک شخص کی کوششوں کی جب کمپنی کو ان کی بہت ضرورت ہو گزشتہ چند سالوں کی بروقت سرمایہ کاری سے قدر حاصل کرنے کے لئے لازماً حوصلہ افزائی کی جانی چاہئے۔

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

مستقبل کا نقطہ نظر

یہ واضح ہے کہ 18-2017 میں گنے کی بھرپور فصل کی بدولت گذشتہ سال کے مقابلے گنے کی سپلائی مقامی سطح پر زیادہ ہوگی۔ پورے ملک میں کرشنگ سیزن کے آغاز میں ملوں سے چینی کی قدرے کم پیداوار کی رپورٹوں کے باوجود گزشتہ سال کی طرح چینی کی پیداوار سالانہ ضروریات سے زیادہ ہوگی۔

ہمیں یقین ہے کہ چینی کی اضافی پیداوار کے نتیجے میں مقامی چینی کی قیمتوں پر مزید دباؤ پڑے گا جو پہلے ہی گزشتہ تین سالوں کی کم از کم سطح پر پہنچ چکی ہیں۔ بین الاقوامی مارکیٹ میں چینی کی قیمتیں بھی تاریخ کی کم از کم سطحوں پر ہیں۔ یہ منظر نامہ بالآخر چینی کی صنعت کے منافع کو ختم کرنے کا پابند ہے اور ملک میں اکثر شوگر کمپنیوں کی بقاء کا مسئلہ بن سکتا ہے۔ جو صرف اسی صورت میں مناسب مالیاتی نتائج حاصل کرنے کے قابل ہوگی کہ اگر یہ وفاقی حکومت کی طرف سے منظور شدہ 100% مقدار چینی برآمد کر سکی۔ بصورت دیگر تمام اشاروں اور تاریخ کے اندازوں سے واضح ظاہر ہوتا ہے کہ شوگر ملوں کے لئے مالی صورتحال آئندہ مالی سال میں بھی بہت مشکل ہوگی۔

محفوظ شدہ بگاس کی بنیاد پر پاور پلانٹ سے بجلی کی برآمد اور FFEs کی تنصیب سے کمپنی کے منافع پر واضح اثرات پڑنے کی توقع ہے، جو آنے والے مسابقتی، چیلنجنگ، اور سخت اقتصادی ماحول میں کامیاب ہونے کی ہماری صلاحیت کو مضبوط کرے گی۔

اظہار تشکر/اعتراف

بورڈ کمپنی کے تمام ملازمین کی کوششوں اور لگن کو سراہتا ہے 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 کرتا ہے۔

منجانب بورڈ آف ڈائریکٹر

محمد شمیم خان

چیف ایگزیکٹو

لاہور: 23 جولائی 2018ء

Condensed Interim Statement of Financial Position

As at 30 June 2018 (Un-Audited)

	Note	(Un-Audited) 30June 2018	(Audited) 30 September 2017
		.....(Rupees)	
EQUITY&LIABILITIES			
ShareCapitalandReserves			
Share capital	5	150,232,320	150,232,320
Revenue reserves		93,800,000	93,800,000
Accumulated profit		1,754,669,297	2,089,701,346
		1,998,701,617	2,333,733,666
NonCurrentLiabilities			
Long term finance	6	1,430,915,306	1,119,301,425
Liabilities against assets subject to finance lease	7	20,950,598	10,144,102
Loans from directors	8	574,800,000	574,800,000
Deferred liabilities		508,518,776	441,751,783
		2,535,184,680	2,145,997,310
CurrentLiabilities			
Trade and other payables		2,499,571,522	1,023,985,173
Finance cost payable		94,501,592	66,082,670
Short term borrowings-secured	9	5,026,348,196	2,206,549,355
Uncashed Dividend warrants		193,554,996	138,486,949
Advances from directors		434,300,000	349,300,000
Current portion of long term liabilities		339,626,472	455,785,343
Provision for taxation		26,691,517	128,875,144
		8,614,594,295	4,369,064,634
ContingenciesandCommitments	10		
		13,148,480,592	8,848,795,610

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

ChiefExecutive

	Note	(Un-Audited) 30June 2018	(Audited) 30 September 2017
		.....(Rupees)	
PROPERTYANDASSETS			
NonCurrentAssets			
Property, plant & equipment	11	4,465,599,926	3,876,639,577
Intangible Assets		16,384,354	20,597,475
Long term deposits		464,500	464,500
Long term advances		42,683,406	42,683,406
		4,525,132,186	3,940,384,958
CurrentAssets			
Stores, spare parts and loose tools		458,579,386	476,914,085
Stock-in-trade		5,620,305,899	2,797,126,084
Trade debts		1,419,833,094	404,821,758
Loans and advances		303,121,080	422,536,205
Trade deposits, prepayments and other receivables		52,404,764	247,203,738
Taxes recoverable / adjustable		530,114,082	483,165,541
Cash and bank balances		238,990,101	76,643,241
		8,623,348,406	4,908,410,652
		13,148,480,592	8,848,795,610

Chief Financial Officer

Director

Condensed Interim Profit and Loss Account

For the Period Ended 30 June 2018 (Un-Audited)

	Note	PERIODENDED 30June		QUARTERENDED 30June	
		2018	2017	2018	2017
		..... (Rupees)		..... (Rupees)	
Sales - Net		10,973,482,901	11,924,606,044	5,803,037,522	5,269,139,681
Cost of sales	12	(10,682,795,318)	(10,087,318,546)	(5,753,461,380)	(4,718,656,231)
Gross profit		290,687,583	1,837,287,498	49,576,142	550,483,450
Operatingexpenses					
Distribution and selling expenses		(113,792,825)	(122,951,158)	(51,373,898)	(56,695,612)
Administrative expenses		(299,167,793)	(274,118,507)	(104,466,628)	(93,362,730)
		(412,960,618)	(397,069,666)	(155,840,526)	(150,058,343)
Operating profit		(122,273,035)	1,440,217,832	(106,264,384)	400,425,107
Other income	13	477,097,668	20,630,094	353,710,308	(8,171,214)
		354,824,633	1,460,847,926	247,445,924	392,253,893
Finance cost		(356,431,751)	(262,311,462)	(160,108,650)	(115,822,164)
Other expenses		-	(76,610,283)	-	(13,821,586)
		(356,431,751)	(338,921,745)	(160,108,650)	(129,643,750)
(Loss) / Profit before taxation		(1,607,118)	1,121,926,181	87,337,274	262,610,143
Taxation		(50,066,795)	(296,013,551)	-	(72,030,149)
(Loss) / Profit after taxation		(51,673,913)	825,912,630	87,337,274	190,579,994
Earnings Per Share-Basic & Diluted	14	(3.44)	54.98	5.81	12.69

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

Chief Executive | Chief Financial Officer | Director

Condensed Interim Statement of Comprehensive Income

For the Period Ended 30 June 2018 (Un-Audited)

	PERIODENDED 30June		QUARTERENDED 30June	
	2018	2017	2018	2017
	..... (Rupees)		..... (Rupees)	
Profit after tax	(51,673,913)	825,912,630	87,337,274	190,579,994
OtherComprehensiveIncome-NetofTax				
Items that will be reclassified to profit or loss:	-	-	-	-
Items that will never be reclassified to profit or loss:	-	-	-	-
Total comprehensive income for the period	(51,673,913)	825,912,630	87,337,274	190,579,994

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

Chief Executive | Chief Financial Officer | Director

Condensed Interim Cash Flow Statement

For the Period Ended 30 June 2018 (Un-Audited)

	Note	30June 2018	30 June 2017
		.....(Rupees)	
CASHFLOWFROMOPERATINGACTIVITIES			
Profit before taxation		(1,607,118)	1,121,926,181
Adjustment for:			
Depreciation		282,995,134	219,196,351
Amortization		4,213,121	-
Provision for gratuity		27,104,074	16,296,659
Gain on disposal of fixed assets		(700,224)	(326,386)
Finance cost		356,431,751	262,311,462
Notional interest expense on long term advances		-	(1,337,981)
Workers' Profit Participation Fund		-	59,926,823
Workers Welfare Fund		-	16,683,460
		670,043,856	572,750,388
Operating cash flows before changes in working capital		668,436,738	1,694,676,569
Changes in working capital	15	(2,009,300,384)	(3,121,095,855)
Cashgeneratedfromoperations		(1,340,863,646)	(1,426,419,286)
Gratuity paid		(10,403,876)	(2,029,433)
Finance cost paid		(312,335,545)	(301,022,866)
Workers' profit participation fund paid		(66,204,512)	(42,311,232)
Workers Welfare fund paid		(17,176,933)	(8,731,854)
Income tax paid		(102,183,627)	(42,708,851)
NETCASHFLOWUSEDINOPERATINGACTIVITIES		(1,849,168,139)	(1,823,223,522)
CASHFLOWFROMINVESTINGACTIVITIES			
Fixed capital expenditure		(842,363,461)	(496,458,932)
Proceed from disposal of fixed assets / insurance claim		804,201	1,699,999
NETCASHUSEDININVESTINGACTIVITIES		(841,559,260)	(494,758,933)
CASHFLOWFROMFINANCINGACTIVITIES			
Long term finance		189,613,882	436,654,942
Lease payments		(13,048,375)	(7,607,385)
Short term borrowings - net		2,819,798,841	2,037,841,912
Advances from directors		85,000,000	(26,000,000)
Dividend paid		(228,290,089)	(76,823,483)
NETCASHFLOWFROMFINANCINGACTIVITIES		2,853,074,259	2,364,065,986
NETINCREASE/(DECREASE)INCASH&CASHEQUIVALENTS		162,346,860	46,083,531
CASHANDCASHEQUIVALENTSATTHE BEGINNINGOFTHEPERIOD		76,643,241	58,573,861
CASHANDCASHEQUIVALENTSATTHEENDOFTHEPERIOD		238,990,101	104,657,392

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

Chief Executive | Chief Financial Officer | Director

Condensed Interim Statement of Changes in Equity

For the Period Ended 30 June 2018 (Un-Audited)

Particular	Share Capital	General Reserves	Accumulated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as on 01 October 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.	-	-	(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
Interim Cash Dividend @ 125.78% i.e. Rs. 12.578 per share.	-	-	(188,962,212)	(188,962,212)
Total Comprehensive Income for the three months	-	-	(118,022,006)	(118,022,006)
Balance as on 30 September 2017	150,232,320	93,800,000	2,089,701,346	2,333,733,666
Total Comprehensive Income for the nine months	-	-	(51,673,913)	(51,673,913)
Cash dividend declared during the year @ 100 % i.e. Rs. 10.00/- per share.	-	-	(150,232,320)	(150,232,320)
Interim cash dividend declared during the year @ 88.613 % i.e. Rs. 8.861/- per share	-	-	(133,125,816)	(133,125,816)
Balance as on 30 June 2018	150,232,320	93,800,000	1,754,669,297	1,998,701,617

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

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

Selected Notes to the Condensed Interim Financial Information

For the Period Ended 30 June 2018 (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. Its registered office is situated at 23-Pir Khurshid Colony, Gulgusht, Multan. The Company is principally engaged in 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 2017.

The comparative figures as at 30 September 2017 in the condensed interim statement of financial position and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim profit & 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/un-reviewed condensed interim financial information. The condensed interim profit & loss account and condensed interim statement of other comprehensive income for the quarters ended 30 June 2018 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 2018 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 Act, 2017. In case where requirements differ, the provisions of or 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 this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 September 2017.

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 2018	(Audited) 30 September 2017
5.	**SHARECAPITAL**			..... (Rupees)	
	NumberofShares				
	30-06-18	30-09-17			
	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	1,430,915,306	1,119,301,425

6.1 Demand finance / Diminishing musharaka facilities of Rs. 1,168 million (2017: Rs. 1,273 million) and term finance facilities of Rs. 1,600 million (2017: Rs. 1,100 million) have been obtained from various banking companies. These loans are secured against 1st / joint 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 18 September 2012 and ending on 26 September 2024. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 1.25% (2017: 3 to 6 month KIBOR + 0.50 % to 1.25%) p.a.

7.	**LIABILITIESAGAINSTASSETSSUBJECT TOFINANCELEASE**		
	Opening balance	25,159,141	24,092,817
	Obtained during the year	29,696,000	16,705,500
	Payments/adjustments during the year	(12,504,625)	(15,639,176)
		42,350,516	25,159,141
	Less: Security deposits adjustable on expiry of lease term	(5,566,050)	(5,022,300)
		36,784,466	20,136,841
	Less: Current portion grouped under current liabilities	(15,833,868)	(9,992,739)
		20,950,598	10,144,102

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

	30June2018		
	Rupees		
	Minimum Lease Payments	Less:Future Finance Cost	PresentValue ofMinimum LeasePayments
Not later than one year	18,185,758	(2,351,890)	15,833,868
Later than one year but not later than five years	22,656,870	(1,706,272)	20,950,598
	40,842,628	(4,058,162)	36,784,466

	30 September 2017		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	11,161,476	(1,168,737)	9,992,739
Later than one year but not later than five years	10,956,951	(812,849)	10,144,102
	22,118,427	(1,981,586)	20,136,841

7.2 The company has a finance lease agreement of Rs. 74.028 million (2017: Rs. 90 million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly installments commencing from September 2013 ending on May 2021. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2017: 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 2018	(Audited) 30 September 2017
		.....(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 (2017: 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 2018	(Audited) 30 September 2017
		.....(Rupees).....	
9. SHORTTERMBORROWINGS-SECURED			
FROM BANKING COMPANIES			
Running Finance	9.1	746,514,699	439,571,095
Cash Finance	9.2	4,279,833,497	1,766,978,260
		5,026,348,196	2,206,549,355

9.1 Running finance facilities of Rs. 1,015 (2017: 1,105 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 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 0.75% (2017: 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 0.75%) p.a. The limits will expire on various dates by 30 September 2018 but are renewable.

9.2 Cash finance facilities of Rs. 8,070 million (2017: 9,715 million) have been obtained from various banks and are secured against pledge over sugar bags of equivalent value with 10% to 20% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to 3 months KIBOR plus 0.15% to 0.75% (2017: 1 to 3 months KIBOR plus 0.50% to 0.75%) p.a. The limits will expire on various dates by 30 November 2018 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	729,852,453	879,349,653
	749,093,834	898,591,034
Commitments		
Contracts for capital expenditure	31,161,000	120,190,695
Letters of credit for capital expenditure	107,539,200	135,207,647
Letters of credit for other than capital expenditure	7,548,020	33,285,229
	146,248,220	288,683,571

	Note	(Un-Audited) 30June 2018	(Audited) 30 September 2017
		.....(Rupees).....	
11. PROPERTY,PLANTANDEQUIPMENT			
Operating Fixed Assets	11.1	4,163,433,361	3,281,101,666
Capital Work in Progress - Tangible Assets		302,166,566	595,537,911
		4,465,599,926	3,876,639,577
11.1 OperatingFixedAssets			
Opening written down value		3,281,101,666	2,967,583,810
Additions during the period- at cost	11.1.1	1,165,430,806	613,082,339
Disposals during the period- at WDV		(103,977)	(1,373,613)
Depreciation charged		(282,995,134)	(298,190,870)
		4,163,433,361	3,281,101,666

11.1.1AdditionsandDisposals OperatingFixedAssets

	(Un-Audited) Periodended 30June2018		(Audited) Year ended 30 September 2017	
	Additions AtCost	Disposals AtWDV	Additions At Cost	Disposals At WDV
	Rupees	Rupees	Rupees	Rupees
Owned Assets				
Freehold land	-	-	-	-
Building on freehold land	-	-	51,277,030	-
Plant and machinery	1,102,109,629	-	449,870,500	-
Tools, implements and other factory equipments	9,755,494	-	4,912,480	-
Computer & other office equipments	5,523,296	-	7,417,449	-
Electric installations	3,043,433	-	23,956,177	-
Vehicles	25,311,954	(103,977)	63,348,703	(1,373,613)
	1,145,743,806	(103,977)	600,782,339	(1,373,613)
LeasedAssets				
Vehicles	19,687,000	-	12,300,000	-
	19,687,000	-	12,300,000	-
	1,165,430,806	(103,977)	613,082,339	(1,373,613)

	Note	(Un-Audited) 30June 2018	(Un-Audited) 30 June 2017
		.....(Rupees).....	
12. COSTOFSALES			
Finished goods - opening		2,792,910,415	1,503,090,759
Add: Cost of goods manufactured	12.1	13,503,543,807	13,996,530,288
		16,296,454,222	15,499,621,047
Finished goods - closing		(5,613,658,904)	(5,412,302,501)
		10,682,795,318	10,087,318,546
12.1 Costofgoodsmanufactured			
Work in process - opening		4,215,669	5,620,905
Raw material consumed		12,261,083,501	13,050,822,081
Cost of Refined Sugar		12,870,000	-
Salaries, wages and other benefits		346,009,381	301,751,984
Fuel and power		67,352,037	25,694,450
Stores, spares and loose tools		235,795,044	214,552,217
Repairs and maintenance		289,072,926	172,776,096
Insurance		3,698,492	3,134,850
Depreciation		266,278,264	206,762,584
Vehicles running		17,459,489	9,410,304
Miscellaneous		6,356,000	10,204,478
		13,510,190,802	14,000,729,949
Work in process - closing		(6,646,995)	(4,199,661)
		13,503,543,807	13,996,530,288
13. OTHERINCOME/(EXPENSES)			
FinancialAssets			
Profit on deposit accounts		896,543	585,800
Notional Interest income on long term advance		-	1,337,981
Others			
Sale of scrap		19,577,251	26,121,264
Surplus on settlement of insurance claim		-	326,386
Gain on Disposal of Fixed Assets		700,224	-
Subsidy on the export of sugar		433,574,700	-
Others		22,348,950	(7,741,337)
		477,097,668	20,630,094

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 2018	Period ended 30 June 2017	Quarter ended 30June 2018	Quarter ended 30 June 2017
	Rupees	Rupees	Rupees	Rupees
(Loss) / Profit after taxation	(51,673,913)	825,912,630	87,337,274	190,579,994
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	(3.44)	54.98	5.81	12.69

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 2018	30 June 2017
	.....(Rupees).....	
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	18,334,699	(87,487,618)
Stock-in-trade	(2,823,179,815)	(3,907,790,498)
Trade debts	(1,015,011,336)	(264,475,872)
Loans and advances	119,415,125	55,107,965
Trade deposits, prepayments and other receivables	194,798,974	(157,879,542)
Taxes recoverable/adjustable	(46,948,541)	(26,905,684)
Increase / (decrease) in current liabilities:		
Trade and other payables	1,543,290,510	1,268,335,394
	(2,009,300,384)	(3,121,095,855)

16. REMUNERATIONOFCHIEFEXECUTIVE,DIRECTORSANDEXECUTIVES

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

	Periodended30June2018				Period ended 30 June 2017			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	.....RUPEES.....				.....			
Managerialremuneration	1,020,000	1,020,000	55,322,262	57,362,262	1,530,000	1,530,000	64,053,692	67,113,692
Bonus	-	-	2,840,078	2,840,078	-	-	8,680,728	8,680,728
Utilities	-	-	1,083,946	1,083,946	-	-	1,218,223	1,218,223
Total	1,020,000	1,020,000	59,246,286	61,286,286	1,530,000	1,530,000	73,952,643	77,012,643
NumberofPersons	1	1	32	34	1	1	53	55

17. TRANSACTIONSWITHRELATEDPARTIES

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

			Periodended	
			(Un-Audited) 30June 2018	(Un-Audited) 30 June 2017
			.....(Rupees).....	
NameoftheCompany	**Transaction**	**NatureofRelationship**		
Naubahar Bottling Company (Pvt) limited	Sale of goods	Common Diretorship	1,802,976,300	1,558,018,000
Al-Moiz Industries Limited	Sale of goods	Common Diretorship	73,732,729	52,292,990
	Purchase of Goods	Common Diretorship	37,004,351	6,445,232

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

	Periodended	
	(Un-Audited) 30June 2018	(Un-Audited) 30 June 2017
	.....(Rupees).....	
Keymanagementpersonnel:		
Advances received from/ (Returned to) directors during the period	85,000,000	(26,000,000)
Markup on loans from directors	34,143,120	30,780,541

	(Un-Audited) 30June 2018	(Audited) 30 September 2017
	.....(Rupees).....	
Balance due from/(due to) related parties as at 30 June 2018 are as below:		
Naubahar Bottling Company (Pvt) limited	7,208,773	(28,012,932)
Al-Moiz Industries Limited	6,531,550	16,871,930
Loans from directors - Long Term	(574,800,000)	(574,800,000)
Advances from directors - Short Term	(434,300,000)	(349,300,000)

18. FINANCIALINSTRUMENTS-FAIRVALUES

		CarryingAmount			FairValue		
		Loans and receivables	Other financial liabilities	Total	Level1	Level2	Level3
	Note	Rupees					
On-balance sheet financial instruments							
30June2018(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		42,683,406	-	42,683,406	-	-	-
Trade debts		1,419,833,094	-	1,419,833,094	-	-	-
Loans and advances		3,643,176	-	3,643,176	-	-	-
Trade deposits, prepayments and other Receivables		11,233,238	-	11,233,238	-	-	-
Cash and bank balances		238,990,101	-	238,990,101	-	-	-
		1,716,847,516	-	1,716,847,516	-	-	-
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		-	1,754,707,910	1,754,707,910	-	-	-
Liabilities against assets subject to finance lease		-	36,784,466	36,784,466	-	-	-
Trade and other payables		-	289,038,186	289,038,186	-	-	-
Uncashed dividend warrants		-	193,554,996	193,554,996	-	-	-
Finance cost payable		-	94,501,592	94,501,592	-	-	-
Short term borrowings		-	5,026,348,196	5,026,348,196	-	-	-
Advances from directors		-	434,300,000	434,300,000	-	-	-
		-	8,404,035,346	8,404,035,346	-	-	-

	Note	Carrying Amount			Fair Value		
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
		---------- Rupees ----------					
30 September 2017 (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		42,683,406	-	42,683,406	-	-	-
Trade debts		404,821,758	-	404,821,758	-	-	-
Loans and advances		-	-	-	-	-	-
Trade deposits, prepayments and other Receivables		4,333,020	-	4,333,020	-	-	-
Cash and bank balances		76,643,241	-	76,643,241	-	-	-
		528,945,925	-	528,945,925	-	-	-
		-	-	-	-	-	-
Financial liabilities not measured at fair value	18.1						
Loans from directors		-	574,800,000	574,800,000	-	-	-
Long term finance		-	1,565,094,029	1,565,094,029	-	-	-
Liabilities against assets subject to finance lease		-	20,136,841	20,136,841	-	-	-
Trade and other payables		-	376,275,792	376,275,792	-	-	-
Uncashed dividend warrants		-	138,486,949	138,486,949	-	-	-
Finance cost payable		-	66,082,670	66,082,670	-	-	-
Short term borrowings		-	2,206,549,355	2,206,549,355	-	-	-
Advances from directors		-	349,300,000	349,300,000	-	-	-
		-	5,296,725,636	5,296,725,636	-	-	-

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. SUBSEQUENT MATERIAL EVENTS

There are no significant activities since 30 June 2018 affecting the condensed interim financial information apart from those disclosed in the condensed interim financial information.

21. DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on 23 July 2018 by the Board of Directors.

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

www.jamapunji.pk

Jama Punji
سرمایہ کاری سمجھداری کے ساتھ



Be aware, Be alert, Be safe

Learn about investing at www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan

jamapunji.pk @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

BOOK POST

PRINTED MATTER

UPC



THALINDUSTRIES

CORPORATION

Ifundelivered,pleasereturnto:

THE THALINDUSTRIESCORPORA TIONLIMITED

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

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