PROGRESS with CARE



THALINDUSTRIES
CORPORATION

CONDENSED INTERIM FINANCIAL INFORMATION

For the 3rd Quarter Ended
30 June 2019
(Un-audited)

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THALINDUSTRIES CORPORATION

Company Information

BOARDOFDIRECTORS

CHAIRPERSON

Mrs.QaiserShamimKhan

CHIEFEXECUTIVE

Mr.MuhammadShamimKhan

MANAGINGDIRECTOR

Mr.NaumanAhmedKhan

DIRECTORS

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

AUDITCOMMITTEE

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

HUMANRESOURCE& REMUNERATION COMMITTEE

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

CHIEFFINANCIALOFFICER

Mr. Hafiz Muhammad Arif

COMPANYSECRETARY

Mr.WasifMahmood

AUDITORS

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

LEGALADVISOR

Mr.ShehzadAtaElahi,Advocate
Ch.AltafHussainAdvocate

BANKERS

Albaraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited

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

Directors' Review

TheDirectorsofyourCompanyarepleasedtopresenttheUn-AuditedAccountsoftheCompany forthePeriodEnded30thJune2019incompliancewiththesection237oftheCompaniesAct, 2017.

INDUSTRYOVERVIEW

The crop size during the period under review was approximately 25% less and yield per acre being reported by the growers was also considerably lower. However, sucrose contents were better than last crushing season. Cumulatively the Company's sugar production came down in line with country sugar production as compared to last year.

For current crushing season 2018-19, notified support price of sugarcane in Punjab was Rs. 180/-per40kg.TheFederalGovernmentallowedinDecember2018sugarexportof1.1million tons and an export subsidy of Rs. 5.35/- per kg was also approved by the Punjab Government foraquantityproportionatetopreviousprovincialshareinexports(about52%).

OPERATINGHIGHLIGHTS

TheCompanywasabletocrush2,006,892M.Tonssugarcaneandproduced204,406M.Tons white refined sugar at an average recovery of 10.190% during the period ending on June 30, 2019 ascomparedtolastyearsugarcanecrushingof2,697,755M.Tonsandproductionof260,788 M. Tons white refined sugar at an average recovery of 9.672%. The decline in company's sugar productionisroughlyinlinewiththeoverallreductionofsugarproductionseeninthecountry.

Netsaleswererecordedat Rs.11,431.744millionduringtheperiodended30thJune2019as comparedtoRs.10,973.483millionagainstthecorrespondingperiodoflastyear.

The Company earned pretax Profit of Rs. 666.429 million during the period under review as comparedtopretaxlossofRs.(1.607)millioninthecorrespondingperiodoflastyearandafter tax profit of Rs. 455.826 million against after tax loss of Rs. (51.674) million over the same period of last year. The increase in profitability was mainly caused by better sugar prices in the local market and considerably improved prices of molasses owing to significantly lower molasses productionduetobothreducedcrushingandalsolessstalecane.

All out efforts are being made to increase the production and profitability of the company through process efficiency, installing latest technology equipment and reducing costs. The bedrock of our operations:obtaininggoodqualitycaneisbeingpursuedbyprovidingthelatestimprovedseed varieties,fertilizersandotherinputstoourcanegrowers,mostlyoninterestfreecredit.Wehope that this will ultimately result in higher sugar recovery for the company and also financial benefit tothecanegrowersthroughincreasedyields.

CORPORATEGOVERNANCE

BestCorporatePractices
Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Rule Book of PakistanStockExchange.ThestatementofcompliancewiththeCCGisenclosed.

1. Thetotalnumberofdirectorsaresevenasperthefollowing:

    - Male: Six
    - Female: One

2. TheCompositionoftheBoardofDirectors(theBoard")isasfollows:

Category	Names
IndependentDirector	Mr.MuhammadAshrafKhanDurani Mr. Hafiz Rab Nawaz
ExecutiveDirec tors	Mr.MuhammadShamimKhan(CEO) Mr.NaumanAhmedKhan
Non-ExecutiveDirector	Mrs.QaiserShamimKhan Mr.AdnanAhmedKhan Mr.MuhammadKhan

3. TheBoardhasformedcommitteescomprisingofmembersgivenbelow:

AuditCommittee

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

HRANDREMUNERATIONCOMMITTEE

- Mr. Hafiz Rab Nawaz (Chairman)
- Mr. Adnan Ahmed Khan
- Mr. Muhammad Khan

FUTUREOUTLOOK

Keepinginviewimprovedpricesofsugarandmolassesaswellasimprovedsugarrecoveryof your company, we are expecting 2018-19 to be a profitable year for the company despite lower sugarproduction.Sinceitisstillexpectedtobealowmarginenvironment,wearepursuinggood performancethroughfocusonmorevalueadditionofby-productssuchassavingmorebagasse from the system to achieve maximum level of electricity sales to Central Power Purchasing Agency (Guarantee) Ltd (CPPAGL) under policy of upfront tariff. However, there could be some strain on liquidity of the company if payments are delayed by CPPAGL.

The country overall is passing through a tough economic climate and increased interest rates are putting a strain particularly on seasonal industries such as ours that rely on heavy financial borrowingtobridgethegapbetweentheirrevenueandcoststreams.Thegoodnewsisthatthe sugarindustryofPakistanisnowgloballycompetitiveevenatthehighlydepressedcurrentworld prices.

Therefore,itishopedthatthefederalandprovincialgovernmentswillkeeptheeconomicissues inmindwhenmakingpolicydecisionssuchassugarcanepriceandallowingexportofsugar.All stakeholders related to sugarcane can only prosper when due financial margin is allowed at all stepswithoutcompromisingtheexportcompetitivenessoftheindustry.

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.

ForandonbehalfofBoar dofDir ectors,
TheThalIndustriesCorporationLtd.

MuhammadShamimKhan
ChiefExecutive

Mrs.QaiserShamimKhan
Chairperson

LAHORE:24July2019

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹر کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 30 جون 2019 کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

رواں سال گنے کی فصل کا سائز گزشتہ سال کے مقابلے تقریباً 25% کم ہے اور کاشتکاروں کے مطابق فی ایکڑ پیداوار بھی بہت کم ہے۔ تاہم، سکروس ریکوریز گزشتہ سیزن سے بہتر ہیں۔ ان عناصر کے مدنظر کمپنی اپنے موجودہ سال میں پیداوار میں کمی کی توقع کر رہی ہے۔ جس سے ملک میں مجموعی طور پر چینی کی پیداوار میں متوقع کمی ہوئی ہے۔

موجودہ کرشنگ سیزن 19-2018 کیلئے پنجاب میں گنے کی امدادی قیمت -/180 روپے فی 40 کلوگرام کا اعلان کیا گیا ہے۔ وفاقی حکومت نے دسمبر 2018 میں 1.1 ملین ٹن چینی برآمد کرنے کی اجازت دی ہے اور برآمدات میں گزشتہ صوبائی حصہ کی تناسبی مقدار (تقریباً 52 فیصد) کے لئے حکومت پنجاب نے -/5.35 روپے فی کلوگرام کی برآمدی سبسڈی بھی دینے کی منظوری دی ہے۔

مالی جھلکیاں

30 جون 2019ء کو ختم ہونے والی نو ماہی کے دوران کمپنی نے 2,006,892 میٹرک ٹن گنے کی کرشنگ کی اور 10.190 فیصد اوسط ریکوری کے ساتھ 204,406 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ سال 2,697,755 میٹرک ٹن گنے کی کرشنگ کی اور 9.672 فیصد اوسط ریکوری کے ساتھ 260,788 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ کمپنی کی شوگر پیداوار میں کمی کی بنیادی وجہ یہ تھی کہ ملکی سطح پر شوگر کی پیداوار مجموعی طور پر کم ہوئی ہے۔

گزشتہ سال کی اسی مدت میں 10,973.483 ملین روپے خالص فروخت کے برعکس 30 جون 2019 کو ختم ہونے والی نو ماہی کے دوران 11,431.744 ملین روپے درج کی گئی۔

کمپنی نے زیرِ جائزہ نو ماہی کے دوران ٹیکس سے قبل 666.429 ملین روپے کا منافع کمایا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل (1.607) ملین روپے کا نقصان برداشت کیا تھا اور گزشتہ سال کی اسی مدت میں ٹیکس کے بعد (51.674) ملین روپے نقصان کے برعکس ٹیکس کے بعد 455.826 ملین روپے کا منافع کمایا ہے۔ منافع یابی میں یہ اضافہ مقامی مارکیٹ میں چینی کی بہتر قیمتوں اور مولاسس کی کم پیداوار کے باعث مولاسس کی جزوی بہتر قیمتوں کی وجہ سے تھا۔

تمام تر کوششیں عمل کارکردگی بہتر بنانے، جدید ترین ٹیکنالوجی آلات نصب کرنے اور پیداواری اخراجات کو کم کر کے کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جارہی ہیں۔

ہمارے آپریشنز کی بنیاد: اچھا معیاری گنا حاصل کرنے کے لئے گنے کے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں اور دیگر باہم سہولیات پہنچائی جارہی ہیں، جو زیادہ تر بلاسود کریڈٹ پر ہیں۔ ہم امید کرتے ہیں کہ اس کے نتیجے میں زیادہ پیداوار کے ذریعے کمپنی کے لئے 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، 2017 اور پاکستان اسٹاک ایکسچینج کی رُول بک کی ضروریات کو پورا کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کے مطابق تعمیل کا بیان منسلک ہے۔

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

- مرد: چھ
- خاتون: ایک

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

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

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

آڈٹ کمیٹی

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

ایچ آر اینڈ ریمنریشن کمیٹی

- جناب حافظ رب نواز (چیئرمین)
- جناب عدنان احمد خان
- جناب محمد خان

مستقبل کا نقطہ نظر

چینی اور مولاسس کی بہتر قیمتوں کے ساتھ ساتھ کمپنی کی چینی کی بہتر ریکوری کو مدنظر رکھتے ہوئے، چینی کی کم پیداوار کے باوجود ہم 2018-19 کو کمپنی کے لئے منافع بخش سال ہونے کی توقعات رکھتے ہیں۔

چونکہ اب بھی کم مارجن ماحول کی توقع کی جاتی ہے، ہم اپ فرنٹ ٹیرف پالیسی کے تحت سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ (سی پی پی اے۔جی ایل) کو سسٹم سے بجلی کی فروخت کا زیادہ سے زیادہ لیول حاصل کرنے کے لئے مزید بیگاس بچانے جیسی بائی مصنوعات کی قیمت میں اضافے پر توجہ مرکوز کر کے اچھی کارکردگی کی پیروی کر رہے ہیں۔ تاہم، اگر سی پی پی اے۔جی ایل کی طرف سے ادائیگیوں میں تاخیر کی جاتی ہے تو کمپنی کی لیکویڈیٹی پر کچھ کشید گی ہو سکتی ہے۔

مجموعی طور پر ملک ایک سخت معاشی آب و ہوا سے گزر رہا ہے اور زیادہ سود کی شرحیں ہمارے جیسی سینزل صنعتوں کو خاص طور پر کشیدہ کر رہی ہیں جو اپنی آمدنی اور لاگت کے درمیان خلاء کو پُر کرنے کے لئے بھاری مالیاتی قرضوں پر انحصار کرتی ہیں۔ اچھی خبر یہ ہے کہ پاکستان کی شوگر انڈسٹری دنیا کی موجودہ زیادہ متاثرہ قیمتوں پر بھی عالمی سطح پر مسابقتی مقابلہ کر رہی ہے۔

لہٰذا، یہ اُمید کی جاتی ہے کہ وفاقی اور صوبائی حکومتیں چینی کی قیمت اور چینی برآمد کی اجازت جیسے فیصلوں کی پالیسی بناتے ہوئے اقتصادی مسائل کو ذہن میں رکھیں گی۔ گنے سے منسلک تمام اسٹیک ہولڈرز اس وقت تک خوشحال نہیں ہو سکتے جب تک صنعت کی معافقت کو سمجھوتے کے بغیر ہر مرحلے پر مالی مجوزہ کی اجازت نہ دی جائے۔

اظہار تشکر/اعتراف

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

برائے اور منجانب بورڈ

Qaiser Shamim

محترمہ قیصر شمیم خان
چیئرپرسن

Shamim Khan

محمد شمیم خان
چیف ایگزیکٹو

لاہور: 24 جولائی 2019ء

Condensed Interim Statement of Financial Position

As at 30 June 2019 (Un-Audited)

	Note	(Un-Audited) 30June 2019	(Audited) 30September 2018
		.....(Rupees).....	
EQUITY&LIABILITIES			
ShareCapitalandReserves			
Sharecapital	5	150,232,320	150,232,320
Revenuereserves		93,800,000	93,800,000
Accumulated profit		2,097,351,038	1,641,525,185
		2,341,383,358	1,885,557,505
NonCurrentLiabilities			
Long term finance	6	1,359,675,972	1,358,208,808
Liabilities against assets subject to finance lease	7	17,307,292	16,974,899
Loans from directors	8	574,800,000	574,800,000
Deferredliabilities		333,022,637	272,202,969
		2,284,805,901	2,222,186,676
CurrentLiabilities			
Tradeandotherpayables		2,327,404,821	1,824,941,014
Financecostpayable		160,962,115	90,874,346
Shorttermborrowings-secured	9	3,550,651,100	2,977,034,076
Advancesfromdirectors		355,300,000	575,300,000
Currentportionoflongtermliabilities		441,596,390	477,987,304
UncashedDividendwarrants		57,587,660	101,007,378
Provisionfortaxation		196,381,533	59,710,588
		7,089,883,619	6,106,854,706
ContingenciesandCommitments	10		
		11,716,072,878	10,214,598,887

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

Chief Executive | Chief Financial Officer | Director

	Note	(Un-Audited) 30June 2019	(Audited) 30September 2018
		.....(Rupees).....	
PROPERTYANDASSETS			
NonCurrentAssets			
Property,plant&equipment	11	4,752,184,998	4,457,161,171
IntangibleAssets		10,766,863	14,979,982
Long term deposits		464,500	464,500
Long term advances		32,012,555	39,126,456
		4,795,428,916	4,511,732,109
CurrentAssets			
Stores,sparepartsandloosetools		647,340,947	531,578,505
Stock-in-trade		3,868,813,947	2,937,537,390
Tradedebts		1,094,853,788	1,270,683,142
Loans and advances		480,243,843	316,101,765
Tradedeposits,prepayments&otherreceivables		94,114,970	95,379,609
Currentportionoflongtermadvances		10,670,852	3,556,950
Taxes recoverable / adjustable		518,971,987	375,133,356
Cashandbankbalances		205,633,628	172,896,061
		6,920,643,962	5,702,866,778
		11,716,072,878	10,214,598,887

Chief Executive | Chief Financial Officer | Director

THALINDUSTRIES CORPORATION

Condensed Interim Statement of Profit or Loss

For the Period Ended 30 June 2019 (Un-Audited)

	Note	PERIODENDED 30June		QUARTERENDED 30June	
		2019	2018	2019	2018
		.....(Rupees).....		.....(Rupees).....	
Sales-Net		11,431,744,648	10,973,482,901	6,729,098,453	5,803,037,522
Costofsales	12	(9,852,102,814)	(10,682,795,318)	(5,868,139,375)	(5,753,461,380)
Gross profit		1,579,641,834	290,687,583	860,959,078	49,576,142
Operating expenses					
Distributionandsellingexpenses		(230,146,727)	(113,792,825)	(126,276,683)	(51,373,898)
Administrativeexpenses		(349,896,245)	(299,167,793)	(126,591,824)	(104,466,628)
		(580,042,972)	(412,960,618)	(252,868,507)	(155,840,526)
Operating profit/(loss)		999,598,862	(122,273,035)	608,090,571	(106,264,384)
Otherincome	13	285,495,089	477,097,668	217,234,209	353,710,308
		1,285,093,951	354,824,633	825,324,780	247,445,924
Financecost		(569,273,857)	(356,431,751)	(234,092,544)	(160,108,650)
Otherexpenses		(49,391,587)	-	(43,162,194)	-
		(618,665,444)	(356,431,751)	(277,254,738)	(160,108,650)
Profit / (Loss) before taxation		666,428,507	(1,607,118)	548,070,042	87,337,274
Taxation		(210,602,654)	(50,066,795)	(122,981,304)	-
Profit / (Loss) after taxation		455,825,853	(51,673,913)	425,088,738	87,337,274
EarningsPerShare-Basic &Diluted	14	30.34	(3.44)	28.30	5.81

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 2019 (Un-Audited)

	PERIODENDED		QUARTERENDED	
	30June		30June	
	2019	2018	2019	2018
	.....(Rupees).....		.....(Rupees).....	
Profit/(loss) after tax	455,825,853	(51,673,913)	425,088,738	87,337,274
OtherComprehensiveIncome-NetofTax				
Items that will be reclassified to profit or loss:	-	-	-	-
Items that will never be reclassified to profit or loss:	-	-	-	-
Totalcomprehensiveincome/(loss) fortheperiod	455,825,853	(51,673,913)	425,088,738	87,337,274

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 2019 (Un-Audited)

Particular	Share Capital	General Reserves	Accumulated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as on 01 October 2017	150,232,320	93,800,000	2,089,701,346	2,333,733,666
Total Comprehensive (loss) 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 @88.86% i.e. Rs.8.8 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
Total Comprehensive (loss) for the three months	-	-	(113,144,112)	(113,144,112)
Balance as on 30 September 2018	150,232,320	93,800,000	1,641,525,185	1,885,557,505
Total Comprehensive Income for the nine months	-	-	455,825,853	455,825,853
Balance as on 30 June 2019	150,232,320	93,800,000	2,097,351,038	2,341,383,358

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 Period Ended 30 June 2019 (Un-Audited)

	Note	30June 2019	30June 2018
		.....(Rupees).....	
CASHFLOWFROMOPERATINGACTIVITIES			
Profit before taxation		666,428,507	(1,607,118)
Adjustment for:			
Depreciation		321,790,783	282,995,134
Amortization		4,213,119	4,213,121
Provisionforgratuity		34,385,822	27,104,074
Gain on disposal of fixed assets		(433,435)	(700,224)
Financecost		569,273,857	356,431,751
Workers' Profit Participation Fund		35,791,005	-
		978,621,733	670,043,856
Operating cash flows before changes in working capital		1,645,050,240	668,436,738
Changesinworkingcapital	15	(724,853,495)	(2,009,300,384)
Cashgeneratedfromoperations		920,196,745	(1,340,863,646)
Gratuitypaid		(14,478,793)	(10,403,876)
Financecostpaid		(499,186,088)	(312,335,545)
Workers' profit participation fund paid		-	(66,204,512)
WorkersWelfarefundpaid		-	(17,176,933)
Incometaxpaid		(33,019,071)	(102,183,627)
NETCASHFLOWUSEDINOPERATINGACTIVITIES		373,512,793	(1,849,168,139)
CASHFLOWFROMINVESTINGACTIVITIES			
Fixedcapitalexpenditure		(602,207,836)	(842,363,461)
Proceeds from disposal of fixed assets		4,727,222	804,201
NETCASHUSEDININVESTINGACTIVITIES		(597,480,614)	(841,559,260)
CASHFLOWFROMFINANCINGACTIVITIES			
Long term finance		(38,932,006)	189,613,882
Lease payments		(14,559,912)	(13,048,375)
Shorttermborrowings-net		573,617,024	2,819,798,841
Advancesfromdirectors		(220,000,000)	85,000,000
Dividendpaid		(43,419,718)	(228,290,089)
NETCASHFLOWFROMFINANCINGACTIVITIES		256,705,388	2,853,074,259
NETINCREASE/(DECREASE)INCASH&CASHEQUIVALENTS		32,737,567	162,346,860
CASHANDCASHEQUIVALENTSATTHE BEGINNINGOFTHEPERIOD		172,896,061	76,643,241
CASHANDCASHEQUIVALENTSATTHEENDOFTHEPERIOD		205,633,628	238,990,101

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 2019 (Un-Audited)

1. STATUS AND ACTIVITIES

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

Geographical location and address of business units/plants

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

2. BASIS OF PREPARATION

The condensed interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the company for the year ended 30 September 2018.

The comparative figures as at 30 September 2018 in the condensed interim statement of financial position and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim profit or loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and related notes to the condensed interim financial information for the 3rd quarter/period ended 30 June 2018 are based on un-audited condensed interim financial information. The condensed interim profit or loss account and condensed interim statement of other comprehensive income for the periods ended 30 June 2019 and 30 June 2018 are neither audited nor reviewed.

3. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

4. ACCOUNTING POLICIES

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, 2018, except for adoption of IFRS 15 "Revenue from contracts with customers". Applicability of IFRS 9 has been deferred by SECP for the time being.

New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the 3rd quarter/period ended June 30, 2019.

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on October 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

IFRS 15 have become applicable to the company effective October 1, 2018. Because of this new standard certain changes to the company's accounting policies have been made in light of the following paragraphs:

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these condensed interim financial statements of the Company.

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. SHARE CAPITAL

Number of Shares			(Un-Audited) 30 June 2019	(Audited) 30 September 2018
30-06-2019	30-09-2018		.....(Rupees).....	
Authorized Capital:				
20,000,000	20,000,000	Ordinary shares of Rs.10/- each	200,000,000	200,000,000
Issued, subscribed and paid up capital:				
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

	Note	(Un-Audited) 30June 2019	(Audited) 30September 2018
		.....(Rupees).....	
6. LONGTERMFINANCE			
Loans from banking companies-secured	6.1	1,359,675,972	1,358,208,808

6.1 Demand finance / Diminishing musharaka facilities of Rs. 1,036 million (2018: Rs. 1,367 million) and term finance facilities of Rs. 1,400 million (2018: RS. 1,400 million) have been obtained from various banking companies. These loans are secured against first /joint pari passu / hypothecation charge over all present and future fixed assets of the Company, personal guarantees of directors of the Company andsubordinationofdirectors'loan.Thefacilitiesarebeingrepaidinquarterlyinstalmentsbeginning from23April2014andendingon05December2023.Thesecarrymarkup@3to6monthKIBOR+ 0.50%to0.90%(2018:3to6monthKIBOR+0.50%to1.25%)p.a.

	(Un-Audited) 30June 2019	(Audited) 30September 2018
	.....(Rupees).....	
7. LIABILITIESAGAINSTASSETSSUBJECT TOFINANCELEASE		
Openingbalance	37,763,160	25,159,141
Obtainedduringtheyear	18,900,561	31,131,000
Payments/adjustments during the year	(13,062,942)	(18,526,981)
	43,600,779	37,763,160
Less: Security deposits adjustable on expiry of lease term	(6,991,820)	(5,494,850)
	36,608,959	32,268,310
Less: Current portion grouped under current liabilities	(19,301,667)	(15,293,411)
	17,307,292	16,974,899

7.1 Reconciliationbetweenminimumleasepaymentsandpresentvalueofminimumleasepayments isasfollows:

	30June2019		
	Rupees		
	Minimum Lease Payments	Less:Future Finance Cost	PresentValue ofMinimum LeasePayments
Notlaterthanoneyear	22,367,463	(3,880,596)	18,486,867
Later than one year but not later than five years	20,371,868	(2,249,776)	18,122,092
	42,739,331	(6,130,372)	36,608,959

	30September2018		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Notlaterthanoneyear	17,636,428	(2,343,017)	15,293,411
Later than one year but not later than five years	18,402,126	(1,427,227)	16,974,899
	36,038,554	(3,770,244)	32,268,310

7.2 The company has a finance lease agreement of Rs. 67 million (2018: Rs. 90 million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly installments ending on November 2021. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a. (2018: 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 2019	(Audited) 30September 2018
		.....(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 mark up @ 3 month KIBOR + 1% p.a. prevailing at the year end (2018: 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.

9. SHORTTERMBORROWINGS-SECURED

FROMBANKINGCOMPANIES

RunningFinance	9.1	474,271,582	708,799,196
CashFinance	9.2	3,076,379,518	2,268,234,880
		3,550,651,100	2,977,034,076

9.1 Running finance facilities of Rs. 1,015 million (2018: 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 0.75% (2018: 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 31 March 2022 but are renewable.

9.2 Cash finance facilities of Rs. 12,020 million (2018: 8,420 million) have been obtained from various banks and are secured against pledge over sugar bags of equivalent value with 10% to 25% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to 9 months KIBOR plus 0.3% to 1% (2018: 1 to 3 months KIBOR plus 0.50% to 0.75%) p.a. The limits will expire on various dates by 31 March 2022 but are renewable.

	Note	(Un-Audited) 30 June 2019	(Audited) 30 September 2018
		.....(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 taxu/s 87 of Income Tax Ordinance, 1979		4,500,353	4,500,353
Bank guarantees		1,612,139,653	797,102,453
		1,631,381,034	816,343,834
Commitments			
Contracts for capital expenditure		33,384,582	68,694,895
Letters of credit for capital expenditure		169,855,832	187,543,724
Letters of credit for other than capital expenditure		10,040,000	29,097,600
		213,280,414	285,336,219
11. PROPERTY, PLANT & EQUIPMENT			
Operating Fixed Assets	11.1	4,229,328,418	4,352,220,574
Capital Work in Progress - Tangible Assets		522,856,580	104,940,597
		4,752,184,998	4,457,161,171
11.1 Operating Fixed Assets			
Opening written down value		4,352,220,574	3,281,101,666
Additions during the period - at cost	11.1.1	203,192,414	1,464,404,586
Disposals during the period - at WDV		(4,293,787)	(103,977)
Depreciation charged		(321,790,783)	(393,181,701)
		4,229,328,418	4,352,220,574

11.1 Additions and Disposals Operating Fixed Assets

	(Un-Audited) Period ended 30 June 2019		(Audited) Year ended 30 September 2018	
	Addition At Cost	Disposal At WDV	Addition At Cost	Disposal At WDV
	Rupees	Rupees	Rupees	Rupees
Owned Assets				
Freehold land	-	-	-	-
Building on freehold land	9,734,356	-	196,945	-
Plant and machinery	121,371,608	-	1,391,804,525	-
Tools, implements and other factory equipments	22,637,352	(565,777)	9,799,445	-
Computer & other office equipments	3,834,604	-	6,116,284	-
Electric installations	5,567,419	(1,879,959)	3,043,433	-
Vehicles	18,266,854	(1,848,051)	25,311,954	(103,977)
	181,412,193	(4,293,787)	1,436,272,586	(103,977)
Leased Assets				
Vehicles	21,780,221	-	28,132,000	-
	21,780,221	-	28,132,000	-
	203,192,414	(4,293,787)	1,464,404,586	(103,977)

	Note	(Un-Audited) 30 June 2019	(Un-Audited) 30 June 2018
		.....(Rupees).....	
12. COST OF SALES			
Finished goods - opening		2,930,758,478	2,792,910,415
Add: Cost of goods manufactured	12.1	10,785,614,413	13,503,543,807
		13,716,372,891	16,296,454,222
Finished goods - closing		(3,864,270,077)	(5,613,658,904)
		9,852,102,814	10,682,795,318
12.1 Cost of goods manufactured			
Work in process - opening		6,778,912	4,215,669
Raw material consumed		9,346,444,662	12,273,953,501
Salaries, wages and other benefits		346,402,773	346,009,381
Fuel and power		202,326,732	67,352,037
Stores, spares and loose tools		214,649,718	235,795,044
Repairs and maintenance		322,627,664	289,072,926
Insurance		4,764,990	3,698,492
Depreciation		302,897,085	266,278,264
Vehicles running		40,361,528	17,459,489
Miscellaneous		2,904,219	6,356,000
		10,790,158,283	13,510,190,802
Work in process - closing		(4,543,870)	(6,646,995)
		10,785,614,413	13,503,543,807

	(Un-Audited) 30June 2019	(Un-Audited) 30June 2018
	.....(Rupees).....	
13. OTHERINCOME/(EXPENSES)		
FinancialAssets		
Profit on deposit accounts	854,645	896,543
Others		
Saleofscrap	41,478,951	19,577,251
GainonDisposalofFixedAssets	433,435	700,224
Gain/(Loss) on foreign exchange rates	65,770,045	-
Subsidyontheexportofsugar	165,240,100	433,574,700
Others	11,717,912	22,348,950
	285,495,089	477,097,668

14. EARNINGS/(LOSS)PERSHARE-BASICANDDILUTED

Earnings per share is calculated by dividing the profit after taxation for the period by the weighted averagenumberofsharesoutstandingduringtheperiodasfollows:

	Periodended 30June 2019	Periodended 30June 2018	Quarterended 30June 2019	Quarterended 30June 2018
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) after taxation	455,825,853	(51,673,913)	425,088,738	87,337,274
Weightedaveragenumberofordinary sharesinissueduringtheperiod	15,023,232	15,023,232	15,023,232	15,023,232
Earnings / (Loss) per share	30.34	(3.44)	28.30	5.81

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

	Periodended 30June 2019	30June 2018
	.....(Rupees).....	
15. CHANGESINWORKINGCAPITAL		
(Increase)/decreaseincurrentassets:		
Stores,sparepartsandloosetools	(115,762,442)	18,334,699
Stock-in-trade	(931,276,557)	(2,823,179,815)
Tradedebts	175,829,354	(1,015,011,336)
Loans and advances	(164,142,078)	119,415,125
Tradedeposits,prepaymentsandotherreceivables	1,264,639	194,798,974
Taxes recoverable/adjustable	(143,838,631)	(46,948,541)
Increase/(decrease)incurrentliabilities:		
Tradeandotherpayables	453,072,220	1,543,290,510
	(724,853,495)	(2,009,300,384)

16. REMUNERATIONOFCHIEFEXECUTIVE,DIRECTORSANDEXECUTIVES

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

	Periodended30June2019				Periodended30June2018			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	..... RUPEES				.....			
Managerialremuneration	1,530,000	1,530,000	73,467,400	76,527,400	1,020,000	1,020,000	55,322,262	57,362,262
Bonus	-	-	5,069,642	5,069,642	-	-	2,840,078	2,840,078
Utilities			1,586,352	1,586,352	-	-	1,083,946	1,083,946
Total	1,530,000	1,530,000	80,123,394	83,183,394	1,020,000	1,020,000	59,246,286	61,286,286
NumberofPersons	1	1	40	42	1	1	32	34

17. TRANSACTIONSWITHRELATEDPARTIES

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

			Periodended	
			(Un-Audited) 30June 2019	(Un-Audited) 30June 2018
NameofCompany	**Transaction**	**NatureofRelationship**	.....(Rupees).....	
NaubaharBottling Company(Pvt)Limited	Saleofgoods	CommonDirectorship	1,879,272,525	1,802,976,300
Al-MoizIndustries Limited	Saleofgoods	CommonDirectorship	68,422,563	73,732,729
	Purchaseof Goods	CommonDirectorship	189,071,609	37,004,351

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

Keymanagementpersonnel:

Advancesreceivedfrom/(Returnedto)directors duringtheperiod	(220,000,000)	85,000,000
Markuponloansfromdirectors	60,138,451	34,143,120

	(Un-Audited) 30June 2019	(Audited) 30September 2018
	.....(Rupees).....	
Balanceduefrom/(dueto)relatedpartiesasat 30 June 2019 are as below:		
NaubaharBottlingCompany(Pvt)limited	162,949,025	13,376,000
Al-Moiz Industries Limited	9,493,883	-
Loans from directors - Long Term	(574,800,000)	(574,800,000)
Advancesfromdirectors-ShortTerm	(355,300,000)	(575,300,000)

18. FINANCIALINSTRUMENTS-FAIRVALUES

		CarryingAmount			FairValue		
		Loans and receivables	Other financial liabilities	Total	Level1	Level2	Level3
	Note	----------Rupees----------					
On-balance sheet financial instruments							
30June2019(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	-	-	-
Tradedebts		1,094,853,788	-	1,094,853,788	-	-	-
Loans and advances		3,025,423	-	3,025,423	-	-	-
Tradedeposits,prepaymentsandotherReceivables		3,486,087	-	3,486,087	-	-	-
Cashandbankbalances		205,633,628	-	205,633,628	-	-	-
		1,350,146,832	-	1,350,146,832	-	-	-
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		-	1,781,970,695	1,781,970,695	-	-	-
Liabilities against assets subject to finance lease		-	36,608,959	36,608,959	-	-	-
Tradeandotherpayables		-	240,196,705	240,196,705	-	-	-
UncashedDividendwarrants		-	57,587,660	57,587,660	-	-	-
Financecostpayable		-	160,962,115	160,962,115	-	-	-
Shorttermborrowings		-	3,550,651,100	3,550,651,100	-	-	-
Advancesfromdirectors		-	355,300,000	355,300,000	-	-	-
		-	6,758,077,234	6,758,077,234	-	-	-
30September2018(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	-	-	-
Tradedebts		1,270,683,142	-	1,270,683,142	-	-	-
Loans and advances		2,935,645	-	2,935,645	-	-	-
Tradedeposits,prepaymentsandotherReceivables		4,859,051	-	4,859,051	-	-	-
Cashandbankbalances		172,896,061	-	172,896,061	-	-	-
		1,494,521,805	-	1,494,521,805	-	-	-
		-	-	-	-	-	-
Financial liabilities not measured at fair value	18.1						
Loans from directors		-	574,800,000	574,800,000	-	-	-
Long term finance		-	1,820,902,701	1,820,902,701	-	-	-
Liabilities against assets subject to finance lease		-	32,268,310	32,268,310	-	-	-
Tradeandotherpayables		-	304,988,557	304,988,557	-	-	-
UncashedDividendwarrants		-	101,007,378	101,007,378	-	-	-
Financecostpayable		-	90,874,346	90,874,346	-	-	-
Shorttermborrowings		-	2,977,034,076	2,977,034,076	-	-	-
Advancesfromdirectors		-	575,300,000	575,300,000	-	-	-
		-	6,477,175,368	6,477,175,368	-	-	-

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

19. SEASONALITY

Thecompany'sbusinessisseasonalinnature.Entirecanecrushingandmanufacturingofsugaris doneduringseasonfromNovembertothefollowingMarch.Sugarsalesaremadethroughoutthe year.

20. SUBSEQUENTMATERIALEVENTS

There is no other significant activities since 30 June 2019 affecting the condensed interim financial information apart from those disclosed in the interim financial information.

21. DATEOFAUTHORIZATION

This condensed interim financial information has been authorized for issue on 24 July 2019 by the BoardofDirectors.

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

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