THALINDUSTRIES
CORPORATION

FIRST QUARTERLY REPORT 2024



CONDENSED INTERIM FINANCIAL INFORMATION
For the 1st Quarter Ended
31 December 2023
(Un-audited)

Sustainability
Through value creation



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COMPANY INFORMATION

BOARDOFDIRECTORS

CHAIRPERSON
Mrs. Qaiser Shamim Khan

CHIEFEXECUTIVE
Mr. Muhammad Shamim Khan

MANAGINGDIRECTOR
Mr. Nauman Ahmed Khan

DIRECTORS
Mr. Muhammad Shamim Khan	(Director)
Mrs. Qaiser Shamim Khan	(Director)
Mr. Adnan Ahmed Khan	(Director)
Mr. Nauman Ahmed Khan	(Director)
Mr. Muhammad Khan	(Director)
Mr. Muhammad Ashraf Khan Durani	(IndependentDirector)
Mr. Farid Ud Din Ahmed	(Independent Director)

CHIEFFINANCIALOFFICER
Mr. Hafiz Muhammad Arif

COMPANYSECRETARY
Mr. Wasif Mahmood

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

LEGALADVISOR
Mr. Shehzad Ata Elahi, Advocate

BANKERS
Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
BankIslamic (Pakistan) Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
NBP Aitemaad Islamic Bank Limited
Standard Chartered Bank (Pakistan) Limited
Pak Kuwait Investment Company (Pvt) Ltd
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

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

HUMANRESOURCE& REMUNERATIONCOMMITTEE
Mr. Farid Ud Din Ahmed	Chairman
Mr. Adnan Ahmed Khan	Member
Mr. Muhammad Khan	Member

RISKMANAGEMENTCOMMITTEE
Mr. Farid Ud Din Ahmed	Chairman
Mr. Muhammad Ashraf Khan Durani	Member

NOMINATIONCOMMITTEE
Mr. Farid Ud Din Ahmed	Chairman
Mr. Muhammad Ashraf Khan Durani	Member

SHAREREGISTRAR
M/s. Corplink (Pvt) Ltd
Wings Arcade, 1-K- Commercial
Model Town, Lahore
Tel: 042-35839182, 35887262
Fax: 042-35869037

REGISTEREDOFFICE
23- Pir Khurshid Colony Gulgasht, Multan
Tel: 061-6524621, 6524675
Fax: 061-6524675

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

FACTORYADDRESSES
Unit 1: Layyah Sugar Mills, Layyah
Tel: 0606-411981-4, 0606-410014
Fax: 0606-411284
Unit 2: Safina Sugar Mills, Lalian District Chinniot.
Tel: 047-6610011-6, 047-7629990
Fax: 047-6610010

WEBSITE: www.thalindustries.com

VISION

We shall build on our core competencies and achieve excellenceinperformancetobecomealeadingproducer of best quality sugar. In doing so we aim to meet or accedetheexpectationsofallourstakeholders.

Ourgoalisnotonlytoattaintechnologicaladvancements in the field of sugar but also to inculcate the most efficient, ethical and time tested business practices in our management.

Furthermore, we shall strive to innovate the ways for the improvementandincreaseinperacreyieldofsugarcane and introduce improved varieties of sugarcane having better yield characters, high sucrose contents, disease and drought resistant and better ratooning crop in the region. We shall introduce the mechanized sugarcane cultivation mehtod to the growers and to educate regarding latest developments of agriculture technology andfreeconsultancyofprofessionals.

MISSION

We aim to be a leading producer and supplier of quality sugar byadoptingthemosttechnologicaladvancement.Weintendto playapivotalroleintheeconomicdevelopmentofPakistan.

DIRECTORS' REVIEW

The Directors of your Company are pleased to present the Un-Audited Accounts of the Company for the 1st Quarter Ended 31 December 2023 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRY OVERVIEW

During the reviewed period, the crop size witnessed a decline compared to the previous period, posing challenges to growers due to lower yields per acre in various regions. An anticipated decrease in sugar recoveries is expected due to adverse climate and flood situations in the region.

For the current crushing season 2023-24, the notified support price of sugarcane is Rs. 400/- per 40 kg in Punjab & KPK and Rs. 425/- per 40 kg in the province of Sindh. Crushing commenced on 25th November 2023.

OPERATING HIGHLIGHTS

As of the reporting date, the Company successfully crushed 908,691.530 M. Tons of sugarcane, producing 81,302.500 M. Tons of white refined sugar at an average recovery of 9.444%. In the corresponding period of the previous year, with sugarcane crushing of 803,095.060 M. Tons and 80,478.500 M. Tons of white refined sugar was produced at an average recovery of 10.373%. The decrease in recovery is attributed to the unavailability of better varieties of sugarcane.

Net sales for the first quarter of the current financial year were recorded at Rs. 5,204.805 million, compared to Rs.5,301.038 million for the corresponding period last year.

The Company achieved a pretax profit of Rs. 995.207 million during the quarter under review, marking a substantial improvement compared to the pretax profit of Rs. 496.426 million in the corresponding period of the previous year. This improvement is primarily attributed to better sugar prices in the market.

All out efforts are being made to increase the production and profitability of the Company through process efficiency, installing modern and latest technology, reducing production cost by close supervision, developing good quality cane by providing the latest improved seed varieties, fertilizer, pesticides etc. and facilitating the cane growers constantly, which ultimately will result in higher sugar recovery and benefit to the canegrowers.

CORPORATE GOVERNANCE

Best Corporate Practices

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of Pakistan Stock Exchange.

The statement of compliance with the CCG is enclosed.

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

   - Male: Six
   - Female: One

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

Category	Names
Independent Directors	Mr. Muhammad Ashraf Khan Durani Mr. Farid Ud Din Ahmad
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Mr. Muhammad Khan

3. TheBoardhasformedcommitteescomprisingofmembersgivenbelow:

AUDIT COMMITTEE

- Mr.MuhmmadAshrafKhanDurani(Chairman)
- Mrs.QaiserShamimKhan
- Mr.AdnanAhmedKhan

HR AND REMUNERATION COM

- Mr.FaridUDinAhmad(Chairman)
- Mr.AdnanAhmedKhan
- Mr.MuhammadKhan

NOMINATION COMMITTEE

- Mr.FaridUDinAhmad(Chairman)
- Mr.MuhammadAshrafKhanDurani

RISK MANAGEMENT COMMITTE

- Mr.FaridUDinAhmad(Chairman)
- Mr.MuhammadAshrafKhanDurani

4. TheBoardofDirectorshaveaformalpolicyandtransparentproceduresforremunerationofdirectors inaccordancewiththeActandtheseRegulations.Thedetailisgiveninnote:17totheFinancial Statement.

FUTURE OUT LOOK

Theongoingcrushingseasonindicatesapotentialdecreaseinthesugarcanecropsize,leadingtolower sugar production. The government's support price for sugarcane is Rs. 400/maund, which along with inflationary pressure may result in increased sugar prices.

Theyear2024poseschallengesduetobeinganelectionyear,withheightenedeconomicuncertainty, inflation, currency depreciation, increased interest rates, import difficulties, global economic recession, and climate adversities. Navigating these challenges requires strategic planning for sustainable operations.

The high policy rate of 22% has led to increased markup rates, resulting in substantial higher borrowing costs. Additionally, inflationary pressures may contribute to an overall increase in the cost of doing business.

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.

ForandonbehalfofBoard
TheThalIndustriesCorporationLtd.

Mr. Muhammad
ChiefExecutive

Ms. Qaisek Shamim
Chairperson

Lahore: 29th January 2024

ڈائریکٹرز کی جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹر کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 دسمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیرِ جائزہ مدت کے دوران گنے کی فصل کا سائز گزشتہ مدت کے مقابلے کم رہا، جس سے مختلف علاقوں میں فی ایکڑ کم پیداوار کی وجہ سے کاشتکاروں کو مشکلات کا سامنا کرنا پڑا۔ علاقہ میں خراب ماحول اور سیلاب کے حالات کے باعث چینی کی ریکوری کم ہونے کی توقع ہے۔

موجودہ کرشنگ سیزن 24-2023 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/400 روپے فی 40 کلوگرام اور صوبہ سندھ میں -/425 روپے فی 40 کلوگرام کا اعلان کیا گیا ہے۔ موجودہ سیزن میں کرشنگ 25 نومبر 2023 کو شروع ہوئی۔

آپریٹنگ جھلکیاں

رپورٹنگ تاریخ کو، کمپنی نے کامیابی سے 908,691.530 میٹرک ٹن گنے کی کرشنگ کی اور 9.444 فیصد اوسط ریکوری کے ساتھ 81,302.500 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ سال 803,095.060 میٹرک ٹن گنے کی کرشنگ کی اور 10.373 فیصد اوسط ریکوری کے ساتھ 80,478.5 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ ریکوری میں کمی گنے کی بہتر اقسام کی عدم دستیابی کی وجہ سے ہوئی۔

گزشتہ سال کی اسی مدت میں 5,301.038 ملین روپے خالص فروخت کے مقابلے رواں مالی سال کی پہلی سہ ماہی کے دوران 5,204.805 ملین روپے درج کی گئی۔

کمپنی کو زیرِ جائزہ سہ ماہی کے دوران ٹیکس سے قبل 995.207 ملین روپے منافع حاصل ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 496.426 ملین روپے کا منافع ہوا، جو نمایاں بہتری ظاہر کرتا ہے۔ یہ بہتری بنیادی طور پر مارکیٹ میں چینی کی بہتر قیمتوں کی وجہ سے ہوئیے۔

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

کارپوریٹ گورننس

بہترین کارپوریٹ عوامل

ڈائریکٹرز بہتر کارپوریٹ گورننس پر عملدرآمد اور فہرستی کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج کی رُول بک کی ضروریات کو پورا کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کے مطابق تعمیل کا بیان منسلک ہے۔

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

- مرد: چھ
- خاتون: ایک

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

کیٹگری	نام
آزاد ڈائریکٹرز	جناب محمد اشرف خان درانی جناب فرید الدین احمد
ایگزیکٹو ڈائریکٹرز	جناب محمد شمیم خان (سی ای او) جناب نعمان احمد خان
نان ایگزیکٹو ڈائریکٹر	محترمہ قیصر شمیم خان جناب عدنان احمد خان جناب محمد خان

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

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

ایچ آر اینڈ معاوضہ کمیٹی
- جناب فرید الدین احمد (چیئرمین)
- جناب عدنان احمد خان
- جناب محمد خان

تقرری کمیٹی
- جناب فرید الدین احمد (چیئرمین)
- جناب محمد اشرف خان درانی

رسک مینجمنٹ کمیٹی
- جناب فرید الدین احمد (چیئرمین)
- جناب محمد اشرف خان درانی

4۔ بورڈ آف ڈائریکٹرز ایکٹ اور ریگولیشز کے مطابق ڈائریکٹرز کے معاوضے کے لئے رسمی پالیسی اور شفاف طریقہ کار رکھتے ہیں۔ تفصیل مالی گوشواروں کے نوٹ 17 میں دی گئی ہے۔

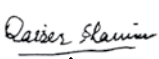
مستقبل کا نقطہ نظر
رواں کرشنگ سیزن گنے کی فصل کے سائز میں ممکنہ کمی کی نشاندہی کرتا ہے، جس کی وجہ سے چینی کی پیداوار میں کمی واقع ہوسکتی ہے۔ حکومت کی طرف سے گنے کی امدادی قیمت 400 روپے فی من اور افراط زر کے دباؤ کے نتیجے میں چینی کی قیمتوں میں اضافہ ہوسکتا ہے۔

سال 2024 کو انتخابی سال ہونے کی وجہ سے مشکلات کا سامنا ہے، جس میں بڑھتی ہوئی معاشی بے یقینی، افراط زر، کرنسی کی قدر میں کمی، شرح سود میں اضافہ، درآمدی مشکلات، عالمی معاشی کساد بازاری اور آب و ہوا کی مشکلات شامل ہیں۔ ان مشکلات سے نمٹنے کے لئے پائیدار آپریشنز کے لئے اسٹریٹجک منصوبہ بندی کی ضرورت ہے۔

22 فیصد کی زیادہ پالیسی شرح کی وجہ سے مارک اپ کی شرح میں اضافہ ہوا، جس کے نتیجے میں قرض کی لاگت میں خاطر خواہ اضافہ ہوگیا ہے۔ مزید برآں، افراط زر کا دباؤ کاروباری لاگت کی مجموعی اضافہ میں کردار ادا کرسکتا ہے۔

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

منجانب بورڈ آف ڈائریکٹر
تھل انڈسٹریز کارپوریشن لمیٹڈ



محترمہ قیصر شمیم خان
چیئرپرسن



جناب محمد شمیم خان
چیف ایگزیکٹو

لاہور: 29 جنوری 2024ء

CONDENSEDINTERIMSTATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (UN-AUDITED)

	Note	(Un-Audited) 31 2023	(Audited) 30September December 2023
		.....(Rupees).....	
EQUITY & LIABILITIES			
Share Capital and Reserv			
Sharecapital	5	150,232,320	150,232,320
Revenuereserves		93,800,000	93,800,000
Accumulated profit		9,142,905,192	8,436,308,160
		9,386,937,512	8,680,340,480
LOANS FROM DIRECTORS	6	478,600,000	478,600,000
		9,865,537,512	9,158,940,480
Non Current Liabilities			
Long term finance	7	125,000,000	125,000,000
Lease Liabilities	8	52,504,462	60,803,211
Deferredliabilities		848,404,497	816,709,486
		1,025,908,959	1,002,512,697
Current Liabilities			
Tradeandotherpayables		8,441,939,834	3,070,753,420
Financecostpayable		74,562,623	131,163,634
Shorttermborrowings-secured	9	5,686,437,005	1,788,297,176
Advancesfromdirectors		-	-
Currentportionoflongtermliabilities		109,870,192	110,276,443
UncashedDividendwarrants		20,495,196	20,495,196
Provisionfortaxation		1,027,532,867	738,922,811
		15,360,837,717	5,859,908,680
Contingencies and Commitments	10		
		26,252,284,188	16,021,361,857

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

	Note	(Un-Audited) 31 2023	(Audited) 30September 2023
		.....(Rupees).....	
PROPERTY AND ASSETS			
Non Current Assets			
Property, plant & equipment	11	6,139,280,037	6,061,478,560
IntangibleAssets		1,000	1,000
Long term deposits		3,464,500	464,500
		6,142,745,537	6,061,944,060
Current Assets			
Stores,sparepartsandloosetools		1,026,523,463	1,041,215,105
Stock-in-trade		11,485,189,066	4,749,125,707
Tradedebts	12	1,958,589,835	1,336,971,659
ShortTermInvestments		2,583,027,091	284,370,210
Loans and advances		713,218,766	924,596,251
Tradedeposits,prepayments&otherreceivables		243,644,265	112,617,725
Currentportionoflongtermadvances		-	1,527,800
Taxes recoverable / adjustable		981,714,883	764,911,756
Cash and bank balances		1,117,631,282	744,081,584
		20,109,538,651	9,959,417,797
		26,252,284,188	16,021,361,857

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

CONDENSEDINTERIMSTATEMENTOF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Note	Quarter 2023	31 December 2022
		.....(Rupees).....	
Sales-Net		5,204,804,747	5,301,038,184
Costofsales	13	(3,809,888,762)	(4,459,080,248)
Gross profit		1,394,915,985	841,957,936
Operatingexpenses			
Distributionandsellingexpenses		(87,505,239)	(71,298,697)
Administrativeexpenses		(238,015,606)	(206,364,435)
		(325,520,845)	(277,663,132)
Operating profit		1,069,395,140	564,294,804
Otherincome	14	108,969,899	46,282,252
		1,178,365,039	610,577,056
Financecost		(109,399,316)	(77,359,403)
Otherexpenses		(73,758,635)	(36,792,018)
		(183,157,951)	(114,151,421)
Profit before taxation		995,207,088	496,425,635
Taxation		(288,610,056)	(148,927,691)
Profit after taxation		706,597,032	347,497,944
OtherComprehensiveIncome-NetofTax			
Items that will be reclassified to profit or loss		-	-
Items that will never be reclassified to profit or loss:			
Remeasurement of staff gratuity (loss)/gain		-	-
Relatedimpactondeferredtax		-	-
		-	-
Total comprehensive income / (loss) for the year		706,597,032	347,497,944
EarningsPerShare-Basic&Diluted	15	47.03	23.13

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

CONDENSEDINTERIMSTATEMENTOF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

Particulars	Share capital	Revenuereserves		Subtotal	Loans from directors	Total
		General reserves	Accu-mulated profit			
	Rupees					
Balanceason01October2022	150,232,320	93,800,000	6,539,807,782	6,783,840,102	534,800,000	7,318,640,102
Total Comprehensive Income for the three months	-	-	347,497,944	347,497,944	-	347,497,944
Balanceason31Dec2022	150,232,320	93,800,000	6,887,305,726	7,131,338,046	534,800,000	7,666,138,046
Total Comprehensive Income for the nine months	-	-	1,601,583,746	1,601,583,746	-	1,601,583,746
Repayment of loans from directors	-	-	-	-	(56,200,000)	(56,200,000)
Cash dividend @ 35% i.e Rs. 3.5 per share			(52,581,312)	(52,581,312)	-	(52,581,312)
Balanceason30September2023	150,232,320	93,800,000	8,436,308,160	8,680,340,480	478,600,000	9,158,940,480
Total Comprehensive Income for the t hree months	-	-	706,597,032	706,597,032	-	706,597,032
Balance as on 31 December 2023	150,232,320	93,800,000	9,142,905,192	9,386,937,512	478,600,000	9,865,537,512

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

CONDENSEDINTERIMSTATEMENT OF CASH FLOWS

FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Note	2023	31 December 2022
			.....(Rup
CASH FLOW FROM OPERATING			
Profit before taxation		995,207,088	496,425,635
Adjustmentfor:			
Depreciation		149,929,838	116,995,832
Provisionforgratuity		38,564,038	32,320,529
Gain on disposal of fixed assets		-	(80,000)
Financecost		109,399,316	77,359,403
Workers' Profit Participation Fund		53,448,286	26,660,883
Workers Welfare Fund		20,310,349	10,131,135
		371,651,827	263,387,782
Operating cash flows before changes in working capital		1,366,858,915	759,813,417
Changes in working capital	16	(4,480,671,177)	(1,439,181,453)
Cash generated from operations		(3,113,812,262)	(679,368,036)
Gratuitypaid		(6,869,027)	(6,713,628)
Financecostpaid		(166,000,327)	(216,233,313)
Incometaxpaid		-	-
NET CASH FLOW USED		(3,286,681,616)	(902,314,977)
CASH FLOW FROM INVESTING			
Fixedcapitalexpenditure		(225,129,703)	(341,085,516)
Proceed from disposal of fixed assets		-	80,000
NET CASH USED		(225,129,703)	(341,005,516)
CASH FLOW FROM FINANCING			
Long term finance		-	(93,909,871)
Lease payments		(12,778,811)	(11,611,981)
Shorttermborrowings-net		3,898,139,829	1,099,877,704
Dividendpaid		-	(19,929)
NET CASH FLOW FROM		3,885,361,018	994,335,923
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		373,549,698	(248,984,570)
OF THE PERIOD		744,081,584	1,103,967,982
CASH AND CASH EQUIVALENT		1,117,631,282	854,983,412

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 FIRST QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

1. STATUS AND ACTIVITIES

The Thal Industries Corporation Limited (the Company) is a public limited company incorporated in Pakistan on 7th September 1953 under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. 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 fnancial 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 fnancial statements. This condensed interim fnancial information should be read in conjunction with the audited fnancial statements of the Company for the year ended 30 September 2023.

The comparative figures as at 30 September 2023 in the condensed interim statement of financial position and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows , condensed interim statement of changes in equity and related notes to the condensed interim financial information for the first quarter ended 31 December 2022 are based on un-audited condensed interim financial information. The condensed interim statement of profit or loss and other comprehensive income for the quarter ended 31 December 2023 and 31 December 2022 are not audited.

3. STATEMENT OF COMPLIANCE

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

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

- Provisionsofanddirectivesissuedunder theCompaniesAct,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 havebeenfollowed.

4. ACCOUNTING POLICIES

4.1 Theaccountingpoliciesandthemethodsofcomputationadoptedinthepreparationofthese condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended September 30, 2023.

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 relevantnoteincaseofmaterialrearrangement.

5. SHARE CAPITAL

30-09-2023	31-12-2023		(Audited) 30 Sept ember 2023	(Un-Audited) December 31 2023
			.....(Rupees).....	
Authorized		**Capital:**		
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	1,000,000,000	1,000,000,000
Issued,		**subscribed**	**and**	**pa**
8,368,846	8,368,846	Ordinary shares of Rs. 10/- eachfullypaidincash	83,688,460	83,688,460
142,770	142,770	Ordinary shares of Rs. 10/- each issuedasfullypaidforconsideration otherwisethancash	1,427,700	1,427,700
6,511,616	6,511,616	Ordinary shares of Rs. 10/- eachissuedasbonusshares	65,116,160	65,116,160
15,023,232	15,023,232		150,232,320	150,232,320

*Allthesharesaresimilarwithrespecttotheirrightsonvotingboard selection, first refusal and block voting.

6. LOANS FROM DIRECTORS

Loans from directors- unsecured	6.1	478,600,000	478,600,000

6.1 These loans are unsecured, markup free and payable at the convenience of the Company and the managementforthetimebeingdoesnotintendtorepayanyamountagainsttheseloansuntiltheendof next financial year and hence no current maturity has been provided in these financial statements. The management considers these loans as temporary equity and this view is supported by the State Bank of Pakistan's Prudential Regulations and TR 32 of the Institute of Chartered Accountants of Pakistan. These loans are subordinated to bank loans.

7. LONG TERM FINANCE

Loans from banking companies-secured	7.1	125,000,000	125,000,000

7.1 Demand finance/ diminishing musharaka facilities of Rs. 260 million (2022: Rs. 260 million) and term finance facilities of Rs. 350 million (2022: Rs. 1,109 million) have been obtained from various banking

companies. These loans are secured against first pari passu/ hypothecation charge over all present and future fixed assets of the Company, personal guarantees of directors of the Company and subordination of directors' loan. The demand finance/ diminishing musharaka facility was repaid during the year and term finance facilities are being repaid in quarterly instalments beginning from 28 November 2016 and ending on 30 September 2026. These carry markup ranging from 3 to 6 month KIBOR + 0.50 % to 1.00 % (2022: 3 to 6 month KIBOR + 0.50 % to 1.00 %) p.a. The effective markup on these facilities ranged from 15.85% to 23.91% (2022: 8.09% to 16.81%) p.a during the year.

	(Un-Audited) 31 December 2023	(Audited) 30 September 2023
	.....(Rupees).....	
8. LEASE LIABILITIES		
Openingbalance	121,460,474	86,845,385
Obtainedduringtheyear	2,612,000	73,819,500
FinanceCostAccretion	1,461,810	15,961,719
Lease Modification	-	9,132,417
Payments/ adjustments during the year	(12,517,611)	(64,298,546)
	113,016,674	121,460,474
Less: Security deposits adjustable on expiry of lease term	(13,142,020)	(12,880,820)
	99,874,654	108,579,654
Less: Current maturity of lease liabilities	(47,370,192)	(47,776,443)
Long-term lease liabilities	52,504,462	60,803,211

8.1 Maturity analysis-contractual undiscounted cash flow:

	31 December		
	Rupees		
	Minimum Lease Payments	Finance Cost	Less: of Minimum Lease
Notlaterthanoneyear	68,162,983	(16,080,748)	52,082,235
Later than one year but not later than five years	59,325,868	(11,533,449)	47,792,419
	127,488,851	(27,614,197)	99,874,654

	30September2023		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Notlaterthanoneyear	66,210,571	(18,434,128)	47,776,443
Later than one year but not later than five years	75,480,206	(14,676,995)	60,803,211
	141,690,777	(33,111,123)	108,579,654

8.2 The Company has a finance lease agreements of Rs. 173.86 million (2022: Rs. 123.82 million) for vehicles with various banks. Rentals are payable in monthly/ quarterly instalments ending on August 2026. The markup rate implicit in the lease is 3 months KIBOR + 0.75% to 1.25% p.a (2022: 3 months KIBOR + 0.75% to 1.25% p.a), which translates to effective markup ranging from 17.75% to 24.16% p.a (2022: 16.52% to 17.02% p.a) during the year. The lease is secured by way of personal guarantees of directors of the Company and vehicle registered in the name of banks with 10% of vehicle value held assecurity.

8.3 TheCompanyintendstoexerciseitsoptiontopurchasetheleasedassetsuponthematurityoflease term. Taxes, repairs and insurance cost is to be borne by the Company. In case of termination of the agreement, the Company has to pay the entire rentals for the unexpired period for the lease agreement.

8.4 The Company also has lease contracts for offices used in its operations. These leases generally have leasetermsbetween3to6years.Ingeneral,theCompanyisrestrictedfromassigningandsubleasing the leased assets. These lease contracts include extension and termination options subject to the mutualconsentoftheCompanyandthelessors.TheCompanyisboundbycertaincovenantswhich includebutarenotlimitedtopaymentofcertaintaxesandtoexercisereasonablecare.

	Note	31 December 2023 (Un-Audited)	30 September 2023 (Audited)
		.....(Rupees).....	
9. SHORT TERM BORROWINGS			
FROMBANKINGCOMPANIES			
RunningFinance	9.1	538,816,477	523,412,317
CashFinance	9.2	5,147,620,528	1,264,884,859
		5,686,437,005	1,788,297,176

9.1 These loans of Rs. 1,215 million (2023: 1,215 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 markup at the rate of 1 to 3 month KIBOR + 0.5% to 0.90% p.a and 1 year KIBOR minus 1% p.a (2022: 1 month KIBOR + 0.5% to 0.75% p.a and 1 year KIBOR minus 1% p.a) and the effective markup ranged from 13.10% to 23.93% p.a (2022: 8.80% to 16.11% p.a) during the year. These limits will expire on various dates by 31 March 2024 and are renewable.

9.2 These loans of Rs. 18,460 million (2023: 18,460 million) have been obtained from various banks to meet the working capital requirements and are secured against pledge over sugar bags of equivalent value with 5% to 25% margin and personal guarantees of directors. These are subject to markup at the rate of 1 to 9 months KIBOR plus 0.30% to 1% p.a (2022: 1 to 9 months KIBOR plus 0.15% to 1.50% p.a) and the effective markup ranged from 11.83% to 23.53% p.a (2022: 9.66% to 16.81% p.a) during the year. These limits will expire on various dates by 31 March2024andarerenewable.

	Note	(Un-Audited) 31 December 2023	(Audited) 30 September 2023
		.....(Rupees).....	
10. CONTINGENCIES AND COMMITMENTS			
Contingencies			
Various claims against the company not acknowledged as debts which are pending in the court for decision		1,568,000	1,568,000
Sales tax on molasses		1,217,508	1,217,508
Income tax cases		11,955,520	11,955,520
Additional tax u/s 87 of Income Tax Ordinance, 1979		4,500,353	4,500,353
Bank guarantees		1,392,560,653	1,392,560,653
		1,411,802,034	1,411,802,034
Commitments			
Contracts for capital expenditure		56,517,059	56,517,059
Letters of credit for capital expenditure		48,529,042	48,529,042
Letters of credit for other than capital expenditure		49,586,066	49,586,066
		154,632,167	154,632,167
11. PROPERTY, PLANT & EQU			
Operating Fixed Assets	11.1	5,774,949,113	5,811,423,159
Capital Work in Progress - Tangible Assets		364,330,924	250,055,401
		6,139,280,037	6,061,478,560
11.1 Operating Fixed Assets			
Opening written down value		5,811,423,159	4,693,764,038
Additions during the period - at cost	11.1.1	113,455,792	1,641,703,518
Disposals during the period - at WDV		-	(2,359,090)
Depreciation charged		(149,929,838)	(521,685,307)
		5,774,949,113	5,811,423,159

11 Additions and Disposals

	Quarter ended 31 December 2023		(Audited) Year ended 30 September 2023	
	Addition At Cost	Disposal At WDV	Addition At Cost	Disposal At WDV
	Rupees	Rupees	Rupees	Rupees
Owned Assets				
Freeholdland	-	-	-	-
Buildingonfreeholdland	32,172,841	-	32,355,059	-
Plantandmachinery	20,856,814	-	1,386,683,844	-
Tools, implements and other factory equipments	5,392,580	-	13,813,134	-
Computer & other office equipments	796,199	-	17,926,716	-
Electricinstallations	271,041	-	36,021,360	-
Vehicles	46,332,526	-	70,131,180	(2,359,090)
	105,822,002	-	1,556,931,294	(2,359,090)
Leased Assets				
Vehicles	7,633,790	-	75,639,807	-
Buildings	-	-	9,132,417	-
	7,633,790	-	84,772,224	-
	113,455,792	-	1,641,703,518	(2,359,090)

11.1

	Note	(Un-audited) 31 December 2023	(Audited) 30 September 2023
		.....(Rupees).....	
11.2 Leased Assets			
Openingwrittendownvalue		135,285,576	107,138,982
Additionsduringtheperiod			
Vehicles		7,633,790	75,639,807
Buildings		-	9,132,417
		7,633,790	84,772,224
Transfer (at WDV)		-	(24,010,272)
Depreciationchargefortheperiod		(9,661,288)	(32,615,358)
Closingwrittendownvalue		133,258,078	135,285,576
12 TRADE DEBTS			
Unsecuredandconsideredgoodbythemanagement		1,970,110,473	1,348,492,297
Impairmentallowanceforexpectedcreditloss		(11,520,638)	(11,520,638)
		1,958,589,835	1,336,971,659

	Note	31 December 2023 (Un-Audited)	31 December 2022 (Audited)
		.....(Rupees).....	
13. COST OF SALES			
Finished goods-opening		4,742,438,597	5,873,279,140
Add: Cost of goods manufactured	13.1	10,019,629,128	6,640,665,724
		14,762,067,725	12,513,944,864
Finished goods-closing		(10,952,178,963)	(8,054,864,616)
		3,809,888,762	4,459,080,248
13.1 Cost of goods manufactured			
Work in process - opening		6,687,110	4,498,831
Raw material consumed		9,508,719,183	6,111,240,450
Salaries, wages and other benefits		221,910,356	174,240,444
Fuel and power		50,457,271	36,420,807
Stores, spares and loose tools		163,598,611	142,167,813
Repairs and maintenance		391,821,750	263,090,434
Insurance		1,418,304	201,472
Depreciation		135,524,726	104,929,308
Vehicles running		69,917,308	43,659,353
Miscellaneous		2,584,612	2,160,529
		10,552,639,231	6,882,609,441
Work in process - closing		(533,010,103)	(241,943,717)
		10,019,629,128	6,640,665,724
14 OTHER INCOME/(EXPENSES)			
Financial Assets			
Profit on deposit accounts		66,489,366	10,123,658
Income on unwinding of long term advances		-	-
Others			
Sale of scrap		16,041,030	35,423,415
Rental Income		162,954	162,954
Gain on Sale of Store		1,177,500	19,500
Others		25,099,048	552,725
		108,969,899	46,282,252

15. EARNINGS / (LOSS) PER

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:

	Quarter ended	
	2023	(Un-Audited) 31 December 2022
	.....(Rupees).....	
Profit after taxation	706,597,032	347,497,944
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings per share	47.03	23.13

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.

	Quarter ended	
	2023	(Un-Audited) 31 December 2022
	.....(Rupees).....	
16 CHANGES IN WORKING CA		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	14,691,642	(35,176,142)
Stock-in-trade	(6,736,063,359)	(2,419,030,362)
Trade debts	(621,618,176)	(804,114,040)
Short Term Investments	(2,298,656,881)	(220,000,000)
Loans and advances	211,377,485	38,488,314
Trade deposits, prepayments and other receivables	(131,026,540)	(211,622,087)
Taxes recoverable/adjustable	(216,803,127)	(257,021,838)
Increase / (decrease) in current liabilities:		
Trade and other payables	5,297,427,779	2,469,294,702
	(4,480,671,177)	(1,439,181,453)

17. REMUNERATION OF CHIEF

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

	Quarter ended				Quarter ended 31 December 2022			
	Chief Executive	Directors		Total	Chief Executive	Directors	Executives	Total
	.....RUPEES.....				.....			
Managerial Remuneration	510,000	510,000	47,484,048	48,504,048	510,000	510,000	44,160,318	45,180,318
Utilities	-	-	2,019,381	2,019,381	-	-	1,428,610	1,428,610
Total	510,000	510,000	49,503,429	50,523,429	510,000	510,000	45,588,928	46,608,928
Number of Persons	1	1	57	59	1	1	42	44

18. TRANSACTIONS WITH RELATED

The related parties comprise associated companies, entities over which the directors are able to exercise influence, staff retirement funds, directors and key management personnel. The transactions with related parties other than remuneration and benefits to key management personnel under the termsoftheiremploymentwhicharedisclosedintheNote17areasfollows:

			Quarter	
			31 December 2023	(Un-Audited) (Audited) 31 December December 2022
			.....(Rupees).....	
Name of Company	Transaction	Nature of Relationship		
Naubahar Bottling Company	Saleofgoods(Pvt)	CommonDirectorship	Limited 868,477,985	867,828,976
Al-Moiz Industries Limited	Saleofgoods	CommonDirectorship	20,316,450	66,389,629
	Purchaseof Goods	CommonDirectorship	15,714,702	12,448,215
Baba Farid Sugar Mills	Saleofgoods Limited	CommonDirectorship	-	1,425,000
	Purchaseof Goods	CommonDirectorship	-	-

Thecompanycontinuestohaveapolicywherebyalltransactionswithrelatedpartiesandassociated undertakings are priced at comparable uncontrolled market price.

Key management personnel:

	31 December 2023	(Audited) (Un-Audited) 30September December 2023
	.....(Rupees).....	
Balance due from/(due to) related parties as at 31 December 2023 are as below:		
NaubaharBottlingCompany(Pvt)limited	807,434,616	438,956,631
Al-Moiz Industries Limited	(13,944,848)	-
Baba Farid Sugar Mills Limited	-	-
Loans from directors - Long Term	(478,600,000)	(478,600,000)

19. FINANCIAL INSTRUMENTS

	Note	Carrying Amount			Fair Value		
		Financial Assets	financial liabilities	Total	Other Level 1	Level 2	Level 3
		Rupees					
On-balance sheet financial instruments							
31 December		**2023**		**(Un-Audited)**			
Financialassetsmeasuredatfairvalue		2,583,027,091	-	2,583,027,091	-	-	-
		2,583,027,091	-	2,583,027,091	-	-	-
Financialassetsmeasuredatamortizedcost	19.1						
Long term Deposits		3,464,500	-	3,464,500	-	-	-
Long term advances		-	-	-	-	-	-
Tradedebts		1,958,589,835	-	1,958,589,835	-	-	-
Loans and advances		5,763,286	-	5,763,286	-	-	-
Tradedeposits,prepaymentsandotherReceivables		3,472,783	-	3,472,783	-	-	-
Cash and bank balances		1,117,631,282	-	1,117,631,282	-	-	-
		3,088,921,687	-	3,088,921,687	-	-	-
		5,671,948,778	-	5,671,948,778	-	-	-
Financialliabilitiesmeasuredatfairvalue		-	-	-	-	-	-
		-	-	-	-	-	-
Financialliabilitiesmeasuredatamortizedcost	19.1						
Long term finance		-	187,500,000	187,500,000	-	-	-
Lease Liabilities		-	99,874,654	99,874,654	-	-	-
Tradeandotherpayables		-	2,742,982,374	2,742,982,374	-	-	-
UncashedDividendwarrants			20,495,196	20,495,196	-	-	-
Financecostpayable		-	74,562,623	74,562,623	-	-	-
Shorttermborrowings		-	5,686,437,005	5,686,437,005	-	-	-
Advancesfromdirectors		-	-	-	-	-	-
		-	8,811,851,851	8,811,851,851	-	-	-
30 September		**2023**		**(Audited)**			
Financialassetsmeasuredatfairvalue		284,370,210	-	284,370,210	-	-	-
		284,370,210	-	284,370,210	-	-	-
Financialassetsmeasuredatamortizedcost	19.1						
Long term Deposits		464,500	-	464,500	-	-	-
Long term advances		1,527,800	-	1,527,800			
Tradedebts		1,336,971,659	-	1,336,971,659	-	-	-
Loans and advances		4,683,771	-	4,683,771	-	-	-
Tradedeposits,prepaymentsandotherReceivables		3,472,783	-	3,472,783	-	-	-
Cash and bank balances		744,081,584	-	744,081,584	-	-	-
		2,091,202,097	-	2,091,202,097	-	-	-
		2,375,572,307	-	2,375,572,307	-	-	-
Financialliabilitiesmeasuredatfairvalue		-	-	-	-	-	-
		-	-	-	-	-	-
Financialliabilitiesmeasuredatamortizedcost	19.1						
Long term finance		-	187,500,000	187,500,000	-	-	-
Lease Liabilities		-	108,579,654	108,579,654	-	-	-
Tradeandotherpayables		-	876,200,692	876,200,692	-	-	-
UncashedDividendwarrants			20,495,196	20,495,196			
Financecostpayable		-	131,163,634	131,163,634	-	-	-
Shorttermborrowings		-	1,788,297,176	1,788,297,176	-	-	-
Advancesfromdirectors		-	-	-	-	-	-
		-	3,112,236,352	3,112,236,352	-	-	-

19.1 Themanagementconsidersthecarryingamountofallfnancialassetsandliabilitiesmeasuredatamortized cost at the end of the reporting period/ year to approximate their fair value as at the reporting date.

20. 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

21. SUBSEQUENT MATERIAL EVENTS

There is no significant activities since 31 December 2023 affecting the condensed interim financial information apart from those disclosed in the interim financial information.

22. DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on 29 January 2024 by the Board of Directors.

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

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