



THALINDUSTRIES
CORPORATION



**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE 1ST QUARTER ENDED
31 DECEMBER 2019
(UN-AUDITED)**

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Company Information

BOARD OF DIRECTORS

CHAIRPERSON

Mrs. Qaiser Shamim Khan

CHIEF EXECUTIVE

Mr. Muhammad Shamim Khan

MANAGING DIRECTOR

Mr. Nauman Ahmed Khan

DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Abdul Wahid Khan	(Chairman/Member)
Mr. Adnan Ahmed Khan	(Member)
Mr. Muhammad Khan	(Member)

NOMINATION COMMITTEE

Mr. Abdul Wahid Khan (Chairman)
Mr. Muhammad Ashraf Khan Durani

RISK MANAGEMENT COMMITTEE

Mr. Abdul Wahid Khan (Chairman)
Mr. Muhammad Ashraf Khan Durani

CHIEF FINANCIAL OFFICER

Mr. Hafiz Muhammad Arif

COMPANY SECRETARY

Mr. Wasif Mahmood

AUDITORS

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

LEGAL ADVISOR

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
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
United Bank Limited

SHARE REGISTRAR

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

REGISTERED OFFICE

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

LAHORE OFFICE

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

FACTORY ADDRESSES

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
Fax: 047-6610010

WEBSITE

www.thalindustries.com

The Directors of your Company are pleased to present the Un-Audited Accounts of the Company for the 1st Quarter Ended 31 December 2019 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRY OVERVIEW

During the period under review, sugarcane crop size was considerably on lower side and yield per acre being reported was also lower as compared to corresponding period last year. Moreover, sugar recoveries are expected lower as compared to last crushing season. Cumulatively the Company's sugar production in this season is expected to be lower in line with country's sugar production as compared to the last year.

For current crushing season 2019-20, notified support price of sugarcane is Rs. 190/- per 40 kg in Punjab & KPK and Rs. 192/- per 40 Kg in the Province of Sindh.

COMPANY PERFORMANCE

Operating Highlights

The Company was able to crush 548,798.408 M. Tons sugarcane and produced 48,838.500 M. Tons white refined sugar at an average recovery of 9.383% during the first quarter ending December 31, 2019 as compared to last year sugarcane crushing of 358,481.415 M. Tons and production of 32,071 M. Tons white refined sugar at an average recovery of 9.722%. Increased production in period under review is attributable to early start of crushing season.

Financial Highlights

Net sales of the Company were recorded at Rs. 1,890.336 million during the first quarter from 1st October-2019 to 31 December-2019 as compared to Rs. 1,433.815 million against the corresponding period of last year.

The Company earned pretax profit of Rs. 212.439 million during the quarter under review as compared to pretax loss of Rs. (232.447) million in the corresponding period of last year and after-tax profit of Rs. 150.832 million against after-tax loss of Rs. (250.854) million over the same period of last year. This substantial increase in profitability is triggered by favorable sugar prices in the market as compared to corresponding period of last year.

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

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. Abdul Wahid Khan
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Mr. Muhammad Khan

3. The Board has formed committees comprising of members given below:

AUDIT COMMITTEE

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

HR AND REMUNERATION COMMITTEE

- Mr. Abdul Wahid Khan (Chairman)
- Mr. Adnan Ahmed Khan
- Mr. Muhammad Khan

NOMINATION COMMITTEE

- Mr. Abdul Wahid Khan (Chairman)
- Mr. Muhammad Ashraf Khan Durani

RISK MANAGEMENT COMMITTEE

- Mr. Abdul Wahid Khan (Chairman)
- Mr. Muhammad Ashraf Khan Durani

FUTURE OUT LOOK

It is evident from surveys that sugarcane crop & yield per acre in the year 2019-20 will be on lower side as compared to 2018-19. In this scenario, expectedly there will be a tough competition over the sugarcane purchase among sugar mills of surrounding area. Carryover of the sugar stock for season 2019-20 is much lower as compared to last year. Therefore, we expect that sugar prices will remain comparatively better in 2019-20 as well. Molasses and bagasse prices are also expected to remain high due to expectedly same or reduced molasses production in 2019-20.

Overall, the country is passing through a tough economic climate and increase in KIBOR rates to almost double the level as compared to last year is putting strain particularly on seasonal industries like sugar which mainly rely on borrowing to bridge the time gap between production

and sale. However, due to currency devaluation Pakistan's sugar industry is now globally competitive at large in spite of highly depressed sugar prices in the international markets.

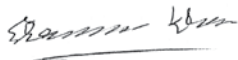
Keeping in view the expectedly less sugar production in the country, Pakistan Sugar Mills Association has taken up with the Federal Government for Tolling Policy to overcome the uncertainty of less sugar production and to reap the benefit of export market potential. Therefore, it is hoped that the Federal & Provincial Governments will keep the economic issues in mind while making policy decisions.

Your Company together with Almoiz Industries Limited and Naubahar Bottling Company Private Limited, associated companies (collectively as the Group), intends to acquire ordinary shares up to 54.03% of overall shareholding in Isis Central Sugar Mill Company Limited located in Bundaberg region of Queensland, Australia ("ICSM") by participating one-third share each ("Transaction" or "Acquisition"), subject to applicable statutory and regulatory approvals, with overall cost of AUD 36.10 Mn (Australian Dollars Thirty Six Million One Hundred Thousand) equivalent to USD 26.6 Mn.

ACKNOWLEDGEMENT

The Board would like to record their appreciation for the efforts and devotion of all the Company's employees and hope they will continue their contribution towards the enhancement of productivity and well-being of the Company in the future as well. The Board also wishes to thank the financial institutions, farmers and all stakeholders associated with the company for their support and cooperation.

For and on behalf of Board of Directors,
The Thal Industries Corporation Ltd.



Muhammad Shamim Khan
Chief Executive



Nauman Ahmed Khan
Director

LAHORE: 24 January 2020

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 دسمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران گنے کی فصل کا سائز نمایاں طور پر کم ہے اور گزشتہ سال کے مقابلے میں ایکڑ پیداوار بھی بہت کم بتائی گئی ہے۔ مزید برآں، شوگر ریکوریز گزشتہ کرشنگ سیزن کے مقابلے کم رہنے کی توقع ہے۔ مجموعی طور پر اس سیزن میں کمپنی کی چینی کی پیداوار گزشتہ سال کے مقابلے کمپنی کی چینی کی پیداوار کے مطابق کم رہنے کی توقع ہے۔

موجودہ کرشنگ سیزن 2019-20 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/190 روپے فی من جبکہ صوبہ سندھ میں امدادی قیمت -/192 روپے فی من کا اعلان کیا گیا ہے۔

کمپنی کی کارکردگی

آپریٹنگ جھلکیاں

31 دسمبر 2019ء کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی نے 548,798.408 میٹرک ٹن گنے کی کرشنگ کی اور 9.383 فیصد اوسط ریکوری کے ساتھ 48,838.500 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گزشتہ سال 358,481.415 میٹرک ٹن گنے کی کرشنگ کی اور 9.772 فیصد اوسط ریکوری کے ساتھ 32,071 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ زیر جائزہ مدت میں زیادہ پیداوار کرشنگ سیزن کے جلد آغاز کے باعث ممکن ہوئی۔

مالی جھلکیاں

گزشتہ سال کی اسی مدت میں 1,433.815 ملین روپے خالص فروخت کے برعکس یکم اکتوبر 2019 تا 31 دسمبر 2019 پہلی سہ ماہی کے دوران 1,890.336 ملین روپے درج کی گئی۔

کمپنی کو زیر جائزہ سہ ماہی کے دوران ٹیکس سے قبل 212.439 ملین روپے آمدنی حاصل ہوئی جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل (232.447) ملین روپے کا نقصان ہوا تھا اور گزشتہ سال کی اسی مدت میں ٹیکس کے بعد نقصان (250.854) روپے کے مقابلے میں 150.832 ملین روپے ٹیکس کے بعد منافع ہوا۔ منافع یا بی میں یہ کافی اضافہ گزشتہ سال کی اسی مدت کے مقابلے میں مقامی مارکیٹ میں چینی کی موزوں قیمتوں کی وجہ سے زیادہ ہوا۔

تمام ترکوشٹیں گنے کے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں، کیڑے مار ادویات اور باہم سہولیات پہنچا کر عمل کار کردگی 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 نتیجے میں 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 رول 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 عبدالواحد خان
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 حسب ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں۔

آڈٹ کمیٹی

• جناب محمد اشرف خان درانی (چیرمین)

• محترمہ قیصر شمیم خان

• جناب عدنان احمد خان

ایچ آر اینڈ ریمریشن کمیٹی

• جناب عبدالواحد خان (چیرمین)

• جناب عدنان احمد خان

• جناب محمد خان

نامزدگی کمیٹی

• جناب عبدالواحد خان (چیرمین)

• جناب محمد اشرف خان درانی

رسک مینجمنٹ کمیٹی

• جناب عبدالواحد خان (چیرمین)

• جناب محمد اشرف خان درانی

مستقبل کا نقطہ نظر

سروے سے یہ بات واضح ہے کہ سال 2019-20 کے دوران گنے کی فصل اور فی ایکڑ پیداوار 2018-19 کے مقابلہ میں کم ہوگی۔ اس سے آس پاس کے علاقے کی شوگر ملوں کے مابین گنے کی خریداری پر قیمتوں میں جنگ شروع ہو سکتی ہے۔ پچھلے سال کے مقابلہ میں 2019-20 سیزن کے لئے شوگر اسٹاک کا کیری اور بہت کم ہے، لہذا ہمیں توقع ہے کہ چینی کی قیمتیں 2019-20 میں مقابلتاً بہتر رہیں گی۔ مولا س اور بیگاس کی قیمتیں 2019-20 میں بھی مولا س کی متوقع پیداوار یکساں یا کم رہنے کی وجہ سے زیادہ ہونے کی توقع ہے۔

مجموعی طور پر، ملک ایک سخت معاشی حالات سے گذر رہا ہے اور گذشتہ سال کے مقابلہ میں کامبر (KIBOR) کی شرحوں میں لگ بھگ دوگنی سطح تک اضافہ ہوا ہے، خاص طور پر چینی جیسی سیزنل صنعتوں پر تناؤ بڑھ رہا ہے، جو اپنی پیداوار اور فروخت کے درمیان خلاء کو پُر کرنے کے لئے بھاری مالیاتی قرضوں پر انحصار کرتی ہیں۔ تاہم، بین الاقوامی منڈیوں میں چینی کی قیمتیں انتہائی دباؤ کے باوجود کرسی کی قدر میں کمی کی وجہ سے پاکستان کی چینی کی صنعت عالمی سطح پر مسابقتی ہے۔

ملک میں چینی کی متوقع کم پیداوار کو مد نظر رکھتے ہوئے، پاکستان شوگر ملز ایسوسی ایشن نے چینی کی کم پیداوار کی غیر یقینی صورتحال پر قابو پانے اور ممکنہ برآمد مارکیٹ سے فائدہ اٹھانے کے لئے ٹولنگ پالیسی کے لئے وفاقی حکومت سے رابطہ کیا ہے۔ لہذا، امید کی جاتی ہے کہ وفاقی اور صوبائی حکومتیں پالیسی بناتے وقت معاشی مسائل کو دھیان میں رکھیں گی۔


آپ کی کمپنی معد المعز انڈسٹریز لمیٹڈ اور زونہار بولنگ کمپنی پرائیویٹ لمیٹڈ، شریک کمپنیاں (اجتماعی طور پر گروپ)، کونٹینر لینڈ، آسٹریلیا کے علاقے بنڈ برگ میں واقع Isis سنٹرل شوگر مل کمپنی لمیٹڈ ("ISCM") میں، قابل اطلاق قانونی اور ریگولیٹری منظور یوں کے حوالہ سے 36.10 ملین آسٹریلین ڈالر (چھتیس ملین ایک سو ہزار آسٹریلین ڈالر) مساوی 26.6 ملین امریکی ڈالر کے ساتھ، ایک تہائی حصہ ہر ایک ("ٹرائزیکشن" یا "حصص") کی شراکت سے مجموعی شیئر ہولڈنگ کی 54.03 فیصد عام حصص حاصل کرنے کا ارادہ رکھتا ہے۔

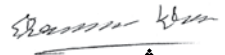
اظہار تشکر

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

منجانب بورڈ آف ڈائریکٹرز

تھل انڈسٹریز کارپوریشن لمیٹڈ


نعمان احمد خان
ڈائریکٹر


محمد شیم خان
چیف ایگزیکٹو

لاہور: 24 جنوری 2020ء

Condensed Interim Statement of Financial Position

As at 31 December 2019 (Un-Audited)

	Note	(Un-Audited) 31 December 2019	(Audited) 30 September 2019
	 (Rupees)	
EQUITY & LIABILITIES			
Share Capital and Reserves			
Share capital	5	150,232,320	150,232,320
Revenue reserves		93,800,000	93,800,000
Accumulated profit		2,130,623,346	1,979,791,613
		2,374,655,666	2,223,823,933
Non Current Liabilities			
Long term finance	6	1,055,581,017	1,250,031,565
Liabilities against assets subject to finance lease	7	36,358,890	21,839,579
Loans from directors	8	574,800,000	574,800,000
Deferred liabilities		223,983,286	221,757,770
		1,890,723,193	2,068,428,914
Current Liabilities			
Trade and other payables		2,605,019,826	1,740,022,303
Finance cost payable		145,559,399	184,700,507
Short term borrowings-secured	9	3,497,884,570	1,967,664,631
Advances from directors		335,300,000	355,300,000
Current portion of long term liabilities		526,031,516	438,630,825
Uncashed Dividend warrants		22,643,818	57,560,349
Provision for taxation		88,298,844	226,294,702
		7,220,737,973	4,970,173,317
Contingencies and Commitments			
	10		
		11,486,116,832	9,262,426,164

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


Chief Executive


Chief Financial Officer


Director

	(Un-Audited) 31 December 2019	(Audited) 30 September 2019
Note (Rupees)	
PROPERTY AND ASSETS		
Non Current Assets		
Property, plant & equipment	5,046,798,517	4,879,358,204
Intangible Assets	7,958,116	9,362,489
Long term deposits	464,500	464,500
Long term advances	30,384,413	30,384,413
	5,085,605,546	4,919,569,606
Current Assets		
Stores, spare parts and loose tools	669,507,757	641,148,747
Stock-in-trade	3,433,185,594	1,542,450,249
Trade debts	1,009,398,333	903,639,619
Loans and advances	422,564,361	502,442,119
Trade deposits, prepayments & other receivables	179,469,664	97,482,966
Current portion of long term advances	20,569,308	20,569,308
Taxes recoverable / adjustable	360,562,146	469,570,929
Cash and bank balances	305,254,123	165,552,621
	6,400,511,286	4,342,856,558
	<u>11,486,116,832</u>	<u>9,262,426,164</u>


Chief Executive


Chief Financial Officer


Director



Condensed Interim Statement of Profit or Loss

For the First Quarter Ended 31 December 2019 (Un-Audited)

	Note	Quarter ended	
		31 December 2019	31 December 2018
	 (Rupees)	
Sales - Net		1,890,335,840	1,433,814,451
Cost of sales	12	(1,408,488,391)	(1,418,088,044)
Gross profit		481,847,449	15,726,407
Operating expenses			
Distribution and selling expenses		(41,848,562)	(70,461,340)
Administrative expenses		(120,415,401)	(106,009,608)
		(162,263,963)	(176,470,948)
Operating profit/(loss)		319,583,486	(160,744,541)
Other income	13	22,984,076	38,809,265
		342,567,562	(121,935,276)
Finance cost		(114,383,824)	(110,511,306)
Other expenses		(15,744,678)	-
		(130,128,502)	(110,511,306)
Profit / (Loss) before taxation		212,439,060	(232,446,582)
Taxation		(61,607,327)	(18,407,796)
Profit / (Loss) after taxation		150,831,733	(250,854,378)
Earnings Per Share-Basic & Diluted	14	10.04	(16.70)

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 First Quarter Ended 31 December 2019 (Un-Audited)

	Quarter ended	
	31 December 2019 (Rupees)	31 December 2018
Profit / (loss) after tax	150,831,733	(250,854,378)
<u>Other Comprehensive Income-Net of Tax</u>		
Items that will be reclassified to profit or loss:	-	-
Items that will never be reclassified to profit or loss:	-	-
Total comprehensive income/(loss) for the period	150,831,733	(250,854,378)

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 First Quarter Ended 31 December 2019 (Un-Audited)

Particular	Share Capital	General Reserves	Accumulated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as on 01 October 2018	150,232,320	93,800,000	1,641,525,185	1,885,557,505
Total Comprehensive (Loss) for the three months	-	-	(250,854,378)	(250,854,378)
Balance as on 31 December 2018	150,232,320	93,800,000	1,390,670,807	1,634,703,127
Total Comprehensive Income for the nine months	-	-	589,120,806	589,120,806
Balance as on 30 September 2019	150,232,320	93,800,000	1,979,791,613	2,223,823,933
Total Comprehensive Income for the three months	-	-	150,831,733	150,831,733
Balance as on 31 December 2019	150,232,320	93,800,000	2,130,623,346	2,374,655,666

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



Chief Executive



Chief Financial Officer



Director

Condensed Interim Statement of Cash Flows

For the First Quarter Ended 31 December 2019 (Un-Audited)

Note	31 December 2019	31 December 2018
 (Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	212,439,060	(232,446,582)
Adjustment for:		
Depreciation	104,434,674	104,647,043
Amortization	1,404,373	1,404,373
Provision for gratuity	5,459,993	11,936,802
Gain on disposal of fixed assets	(1,465,104)	-
Finance cost	114,383,824	110,511,306
Workers' Profit Participation Fund	11,409,187	-
Workers Welfare Fund	4,335,491	-
	239,962,438	228,499,524
Operating cash flows before changes in working capital	452,401,498	(3,947,058)
Changes in working capital	15 (1,068,700,381)	588,854,752
Cash generated from operations	(616,298,883)	584,907,694
Gratuity paid	(3,234,477)	(5,113,345)
Finance cost paid	(153,524,932)	(107,450,736)
Income tax paid	(199,603,186)	(33,019,071)
NET CASH FLOW USED IN OPERATING ACTIVITIES	(972,661,478)	439,324,542
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(242,821,736)	(116,221,473)
Proceeds from disposal of fixed assets	1,700,853	-
NET CASH USED IN INVESTING ACTIVITIES	(241,120,883)	(116,221,473)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	(113,590,138)	180,188,855
Lease payments	(8,229,407)	(4,889,256)
Short term borrowings - net	1,530,219,939	(512,786,295)
Advances from directors	(20,000,000)	80,000,000
Dividend paid	(34,916,531)	(40,176,351)
NET CASH FLOW FROM FINANCING ACTIVITIES	1,353,483,863	(297,663,047)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	139,701,502	25,440,022
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	165,552,621	172,896,061
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	305,254,123	198,336,083

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 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 2019.

The comparative figures as at 30 September 2019 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 quarter ended 31 December 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 quarters ended 31 December 2019 and 31 December 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

- 4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended September 30, 2019.
- 4.2 Previous period's figures are re-arranged / re-classified where necessary to facilitate comparison and are rounded off to the nearest rupee; appropriate disclosure is given in relevant note in case of material rearrangement.

5. SHARE CAPITAL

Number of Shares			(Un-Audited) 31 December 2019 (Rupees)	(Audited) 30 September 2019
31-12-2019	30-09-2019			
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 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

6. LONG TERM FINANCE

Loans from banking companies-secured	6.1	1,055,581,017	1,250,031,565
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- 6.1 Demand finance / Diminishing musharaka facilities of Rs. 835 million (2019: Rs. 835 million) and term finance facilities of Rs. 1,400 million (2019: Rs. 1,400 million) have been obtained from various banking companies. These loans are secured against first pari passu / hypothecation charge over all present and future fixed assets of the Company, personal guarantees of directors of the Company and subordination of directors' loan. The facilities are being repaid in quarterly instalments beginning from 21 January 2015 and ending on 05 December 2023. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 0.75 % (2019: 3 to 6 month KIBOR + 0.50 % to 0.75 %) p.a.

	(Un-Audited) 31 December 2019 (Rupees)	(Audited) 30 September 2019
7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Opening balance	49,885,385	37,763,160
Obtained during the year	29,289,000	30,625,561
Payments/adjustments during the year	(5,300,508)	(18,503,336)
	73,873,877	49,885,385
Less: Security deposits adjustable on expiry of lease term	(10,692,870)	(7,763,970)
	63,181,007	42,121,415
Less: Current portion grouped under current liabilities	(26,822,117)	(20,281,836)
	36,358,890	21,839,579

7.1 Reconciliation between minimum lease payments and present value of minimum lease payments is as follows:

	31 December 2019		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	35,232,862	(7,262,782)	27,970,080
Later than one year but not later than five years	41,539,176	(6,328,249)	35,210,927
	76,772,038	(13,591,031)	63,181,007

	30 September 2019		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	25,526,173	(5,244,337)	20,281,836
Later than one year but not later than five years	25,013,580	(3,174,001)	21,839,579
	50,539,753	(8,418,338)	42,121,415

7.2 The Company has a finance lease agreement of Rs. 116 million (2019 : Rs. 116 Million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly instalments ending on November 2022. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2019: 3 months KIBOR + 1.00% to 1.25%) p.a. The lease is secured by way 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) 31 December 2019 (Rupees)	(Audited) 30 September 2019
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8. LOANS FROM DIRECTORS

Loans from directors - unsecured	8.1	574,800,000	574,800,000
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- 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 @ NIL p.a. (2019: 3 month KIBOR +1 % p.a.) prevailing at the year end. 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. SHORT TERM BORROWINGS - SECURED

FROM BANKING COMPANIES

Running Finance	9.1	506,263,330	712,044,188
Cash Finance	9.2	2,991,621,240	1,255,620,443
		3,497,884,570	1,967,664,631

- 9.1 Running finance facilities of Rs. 1,165 million (2019: 1,165 million) have been obtained from various banks to meet the working capital requirements and are secured against first pari passu hypothecation / registered ranking charge over current assets of the Company and personal guarantees of directors. These are subject to mark up at the rate of 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 1.00% (2019: 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 1.00%) p.a. The limits will expire on various dates by 30 March 2022 but are renewable.
- 9.2 Cash finance facilities of Rs. 9,860 million (2019: 9,860 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 0.30% to 1.00% (2019: 1 to 3 months KIBOR plus 0.30% to 1.00%) p.a. The limits will expire on various dates by 30 March 2022 but are renewable.

	Note	(Un-Audited) 31 December 2019 (Rupees)	(Audited) 30 September 2019
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		747,631,653	747,631,653
		<u>766,873,034</u>	<u>766,873,034</u>
Commitments			
Contracts for capital expenditure		27,733,706	27,733,706
Letters of credit for capital expenditure		142,231,518	142,231,518
Letters of credit for other than capital expenditure		31,908,909	31,908,909
		<u>201,874,133</u>	<u>201,874,133</u>
11. PROPERTY, PLANT & EQUIPMENT			
Operating Fixed Assets	11.1	4,370,380,042	4,201,220,854
Capital Work in Progress - Tangible Assets		676,418,475	678,137,350
		<u>5,046,798,517</u>	<u>4,879,358,204</u>
11.1 Operating Fixed Assets			
Opening written down value		4,201,220,854	4,352,220,574
Additions during the period- at cost	11.1.1	273,829,611	286,566,373
Disposals during the period- at WDV		(235,749)	(4,418,503)
Depreciation charged		(104,434,674)	(433,147,590)
		<u>4,370,380,042</u>	<u>4,201,220,854</u>

**11.1.1 Additions and Disposals
Operating Fixed Assets**

Owned Assets

Freehold land	-	-
Building on freehold land	1,979,142	-
Plant and machinery	241,292,499	-
Tools, implements and other factory equipments	1,159,255	-
Computer & other office equipments	277,392	-
Electric installations	528,990	-
Vehicles	4,702,333	(235,749)

Leased Assets

Vehicles

23,890,000	-	36,457,221	-
23,890,000	-	36,457,221	-
273,829,611	(235,749)	286,566,373	(4,418,503)

(Un-Audited) Quarter ended 31 December 2019		(Audited) Year ended 30 September 2019	
Addition At Cost	Disposal At WDV	Addition At Cost	Disposal At WDV
Rupees	Rupees	Rupees	Rupees
-	-	-	-
1,979,142	-	22,602,522	-
241,292,499	-	141,196,246	(373,648)
1,159,255	-	35,543,826	-
277,392	-	4,198,513	(45,483)
528,990	-	7,095,039	(2,445,736)
4,702,333	(235,749)	39,473,006	(1,553,636)
249,939,611	(235,749)	250,109,152	(4,418,503)
23,890,000	-	36,457,221	-
23,890,000	-	36,457,221	-
273,829,611	(235,749)	286,566,373	(4,418,503)

Note	(Un-Audited) 31 December 2019	(Un-Audited) 31 December 2018
 (Rupees)	

12. COST OF SALES

Finished goods - opening		1,537,727,208	2,930,758,478
Add: Cost of goods manufactured	12.1	3,137,651,811	2,027,747,221
		4,675,379,019	4,958,505,699
Finished goods - closing		(3,266,890,628)	(3,540,417,655)
		1,408,488,391	1,418,088,044

12.1 Cost of goods manufactured

Work in process - opening	4,723,041	6,778,912
Raw material consumed	2,821,176,313	1,634,885,908
Salaries, wages and other benefits	114,133,387	94,331,236
Fuel and power	27,009,283	143,406,886
Stores, spares and loose tools	62,066,064	39,763,344
Repairs and maintenance	157,237,191	175,074,641
Insurance	2,434,909	1,862,736
Depreciation	96,883,845	99,058,668
Vehicles running	17,239,709	9,489,931
Miscellaneous	1,043,035	1,039,398
	3,303,946,777	2,205,691,660
Work in process - closing	(166,294,966)	(177,944,439)
	3,137,651,811	2,027,747,221

	(Un-Audited) 31 December 2019	(Un-Audited) 31 December 2018
 (Rupees)	
13. OTHER INCOME / (EXPENSES)		
Financial Assets		
Profit on deposit accounts	285,601	111,140
Others		
Sale of scrap	15,550,273	32,371,422
Rental Income	390,742	86,957
Gain on Disposal of Fixed Assets	1,465,104	-
Others	5,292,356	6,239,746
	<u>22,984,076</u>	<u>38,809,265</u>

14. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

Earnings / (loss) 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	
	(Un-Audited) 31 December 2019	(Un-Audited) 31 December 2018
 (Rupees)	
Profit / (loss) after taxation	150,831,733	(250,854,378)
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings / (loss) per share	10.04	(16.70)

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. CHANGES IN WORKING CAPITAL

(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(28,359,010)	(26,036,470)
Stock-in-trade	(1,890,735,345)	(780,824,704)
Trade debts	(105,758,714)	34,614,041
Loans and advances	79,877,758	(80,634,967)
Trade deposits, prepayments and other receivables	(81,986,698)	(427,464,823)
Taxes recoverable/adjustable	109,008,783	(35,544,697)
Increase / (decrease) in current liabilities:		
Trade and other payables	849,252,845	1,904,746,372
	<u>(1,068,700,381)</u>	<u>588,854,752</u>

16. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Quarter ended 31 December 2019				Quarter ended 31 December 2018			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
R U P E E S							
Managerial remuneration	510,000	510,000	18,243,188	19,263,188	510,000	510,000	22,649,398	23,669,398
Utilities	-	-	487,772	487,772	-	-	489,725	489,725
Total	510,000	510,000	18,730,960	19,750,960	510,000	510,000	23,139,123	24,159,123
Number of Persons	1	1	33	35	1	1	36	38

17. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, entities over which the directors are able to exercise influence, staff retirement funds, directors and key management personnel. The transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment which are disclosed in the Note 16 are as follows:

Name of Company	Transaction	Nature of Relationship	Quarter ended	
			(Un-Audited) 31 December 2019 (Rupees)	(Un-Audited) 31 December 2018
Naubahar Bottling Company (Pvt) Limited	Sale of goods	Common Directorship	193,582,500	154,020,500
Al-Moiz Industries Limited	Sale of goods	Common Directorship	18,096,423	55,450,394
	Purchase of Goods	Common Directorship	92,612,539	150,537,023
Baba Farid Sugar Mills Limited	Sale of goods	Common Directorship	1,592,800	-

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

Key management personnel:

Advances received from/ (Returned to) directors during the period	(20,000,000)	80,000,000
Markup on loans from directors	-	16,597,350

	(Un-Audited) 31 December 2019 (Rupees)	(Audited) 30 September 2019
Balance due from/(due to) related parties as at 31 December 2019 are as below:		
Naubahar Bottling Company (Pvt) limited	33,660,000	(14,549,000)
Al-Moiz Industries Limited	(15,566,200)	-
Baba Farid Sugar Mills Limited	2,282,893	690,094
Loans from directors - Long Term	(574,800,000)	(574,800,000)
Advances from directors - Short Term	(335,300,000)	(355,300,000)

18. FINANCIAL INSTRUMENTS-FAIR VALUES

	Note	Carrying Amount			Fair Value		
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
		----- Rupees -----			-----		
<u>On-balance sheet financial instruments</u>							
31 December 2019 (Un-Audited)							
<u>Financial assets measured at fair value</u>							
		-	-	-	-	-	-
<u>Financial assets not measured at fair value</u>							
	18.1	464,500	-	464,500	-	-	-
		50,953,721	-	50,953,721	-	-	-
		1,009,398,333	-	1,009,398,333	-	-	-
		3,304,967	-	3,304,967	-	-	-
		6,083,967	-	6,083,967	-	-	-
		305,254,123	-	305,254,123	-	-	-
		<u>1,375,459,611</u>	<u>-</u>	<u>1,375,459,611</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities measured at fair value</u>							
		-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>							
	18.1	-	574,800,000	574,800,000	-	-	-
		-	1,554,790,416	1,554,790,416	-	-	-
		-	63,181,007	63,181,007	-	-	-
		-	1,014,303,120	1,014,303,120	-	-	-
		-	22,643,818	22,643,818	-	-	-
		-	145,559,399	145,559,399	-	-	-
		-	3,497,884,570	3,497,884,570	-	-	-
		-	335,300,000	335,300,000	-	-	-
		<u>-</u>	<u>7,208,462,330</u>	<u>7,208,462,330</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 September 2019 (Audited)							
<u>Financial assets measured at fair value</u>							
		-	-	-	-	-	-
<u>Financial assets not measured at fair value</u>							
	18.1	464,500	-	464,500	-	-	-
		50,953,721	-	50,953,721	-	-	-
		910,884,682	-	910,884,682	-	-	-
		2,773,023	-	2,773,023	-	-	-
		3,487,133	-	3,487,133	-	-	-
		165,552,621	-	165,552,621	-	-	-
		<u>1,134,115,680</u>	<u>-</u>	<u>1,134,115,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities not measured at fair value</u>							
	18.1	-	574,800,000	574,800,000	-	-	-
		-	1,668,380,554	1,668,380,554	-	-	-
		-	42,121,415	42,121,415	-	-	-
		-	281,618,347	281,618,347	-	-	-
		-	57,560,349	57,560,349	-	-	-
		-	184,700,507	184,700,507	-	-	-
		-	1,967,664,631	1,967,664,631	-	-	-
		-	355,300,000	355,300,000	-	-	-
		<u>-</u>	<u>5,132,145,803</u>	<u>5,132,145,803</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 31 December 2019, 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 24 January 2020 by the Board of Directors.


Chief Executive


Chief Financial Officer


Director

www.jamapunji.pk











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