



CONDENSED INTERIM FINANCIAL INFORMATION

For the 3rd Quarter Ended
30 June 2018
(Un-audited)



THALINDUSTRIES
CORPORATION

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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
Habid Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

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 3rd quarter / nine months period ended 30th June 2018.

INDUSTRY OVERVIEW

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

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

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

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

OPERATING HIGHLIGHTS

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

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

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

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

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

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

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

FUTURE OUTLOOK

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

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

Power export from a bagasse based power plant and installation of FFEs is expected to have a material impact on the company's financial position, which will strengthen our ability to fight in the upcoming competitive, challenging, and tough economic climate.

ACKNOWLEDGEMENT

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

For and on behalf of the Board



MUHAMMAD SHAMIM KHAN
Chief Executive

LAHORE: 23 July 2018

ڈائریکٹرز کی جائزہ رپورٹ

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

صنعت کا مجموعی جائزہ

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

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

وفاقی حکومت نے بین الاقوامی مارکیٹ میں چینی کی قیمتوں کی کچھ شرائط پر زیادہ سے زیادہ -/10.70 روپے فی کلوگرام کی برآمد سبسڈی کا اعلان کیا ہے، اس کے باوجود اس سال صنعت کے لئے اپنی مالیاتی قوت کو برقرار رکھنا مشکل ہوگا کیونکہ قومی اور بین الاقوامی قیمتیں کم از کم سطح پر ہیں۔ اس کے علاوہ مختصر عرصے کے اندر اندر گئے کے کاشتکاروں کے واجبات کی فوری ادائیگی کی بابت پاکستان کی عدالت عظمیٰ کے از خود نوٹس نے ملک کی تمام شوگر ملوں پر بہت زیادہ بلیوڈیٹی دباؤ ڈالا اور مزید کم قیمت پر چینی فروخت کرنے پر مجبور کیا۔

آپریٹنگ جملکیاں

کمپنی گزشتہ سال 2,869,699 میٹرک ٹن گنا کرش کرنے اور 9,736 فیصد کی اوسط ریکوری پر 279,307,850 میٹرک ٹن سفید ریفائنڈ چینی بنانے کے مقابلے 30 جون 2018ء کو ختم ہونے والی مدت کے دوران 2,697,755 میٹرک ٹن گنا کرش کرنے اور 9,672 فیصد کی اوسط ریکوری پر 260,788,300 میٹرک ٹن سفید ریفائنڈ چینی بنانے کے قابل ہوئی۔ موجودہ سال میں کم پیداوار بنیادی طور پر کرشنگ سیزن کے تاخیر سے شروع ہونے اور خطے میں اوسط ریکوری میں کمی کے باعث ہوئی ہے۔ کمپنی دسمبر کے شروع میں 20 میگا واٹ کے لیہ پاور پراجیکٹ کے لئے COD (کمرشل آپریشن تاریخ) کے اپنے ہدف کو حاصل کرنے کے قابل تھی، جو ایک قابل فخر سنگ میل ہے۔

یکم اکتوبر 2017ء تا 30 جون 2018ء کی نو ماہی کے دوران خالص فروخت 10,973,483 ملین روپے درج کی گئی جو کہ گزشتہ سال کی اسی مدت میں 11,924,606 ملین روپے تھی۔ خالص فروخت کی مقدار میں کمی، مقامی اور بین الاقوامی مارکیٹ میں کم فروخت حجم اور چینی کی قیمتوں میں کمی کے باعث ہوئی۔

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

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

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

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

تمام تر کوششیں گئے 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 گئے کے معیار کو بہتر بنانے کے ذریعے کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے جاری ہیں جس کے نتیجے میں چینی کی ریکوری زیادہ اور گئے کے کاشتکاروں کو مالی فوائد بھی حاصل ہوں گے۔

مستقبل کا نقطہ نظر

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

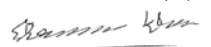
ہمیں یقین ہے کہ چینی کی اضافی پیداوار کے نتیجے میں مقامی چینی کی قیمتوں پر مزید دباؤ پڑے گا جو پہلے ہی گزشتہ تین سالوں کی کم از کم سطح پر پہنچ چکی ہیں۔ بین الاقوامی مارکیٹ میں چینی کی قیمتیں بھی تاریخ کی کم از کم سطحوں پر ہیں۔ یہ منظر نامہ بالآخر چینی کی صنعت کے منافع کو ختم کرنے کا پابند ہے اور ملک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

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

اظہار تشکر / اعتراف

بورڈ کمپنی کے تمام ملازمین کی کوششوں اور لگن کو سراہتا ہے اور امید کرتے ہیں کہ وہ 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 کرتا ہے۔

منجانب بورڈ آف ڈائریکٹر



محمد شیم خان

چیف ایگزیکٹو

لاہور: 23 جولائی 2018ء



Condensed Interim Statement of Financial Position

As at 30 June 2018 (Un-Audited)

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

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


Chief Executive

PROPERTY AND ASSETS

Non Current Assets

Property, plant & equipment
Intangible Assets
Long term deposits
Long term advances

Note	(Un-Audited) 30 June 2018 (Rupees)	(Audited) 30 September 2017
11	4,465,599,926	3,876,639,577
	16,384,354	20,597,475
	464,500	464,500
	42,683,406	42,683,406
	4,525,132,186	3,940,384,958

Current Assets

Stores, spare parts and loose tools
Stock-in-trade
Trade debts
Loans and advances
Trade deposits, prepayments and other receivables
Taxes recoverable / adjustable
Cash and bank balances

458,579,386	476,914,085
5,620,305,899	2,797,126,084
1,419,833,094	404,821,758
303,121,080	422,536,205
52,404,764	247,203,738
530,114,082	483,165,541
238,990,101	76,643,241
8,623,348,406	4,908,410,652
13,148,480,592	8,848,795,610


Chief Financial Officer


Director



Condensed Interim Profit and Loss Account

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

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

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


Chief Executive


Chief Financial Officer

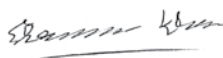

Director

Condensed Interim Statement of Comprehensive Income

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

	PERIOD ENDED		QUARTER ENDED	
	30 June		30 June	
	2018	2017	2018	2017
 (Rupees) (Rupees)	
Profit after tax	(51,673,913)	825,912,630	87,337,274	190,579,994
<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 for the period	(51,673,913)	825,912,630	87,337,274	190,579,994

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



Chief Executive



Chief Financial Officer



Director



Condensed Interim Cash Flow Statement

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

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

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

Chief Executive

Chief Financial Officer

Director

Condensed Interim Statement of Changes in Equity

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

Particular	Share Capital	General Reserves	Accumulated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as on 01 October 2016	150,232,320	93,800,000	1,645,889,094	1,889,921,414
Total Comprehensive Income for the nine months	-	-	825,912,630	825,912,630
Cash dividend declared during the year @ 50 % i.e. Rs. 5.00/- per share.	-	-	(75,116,160)	(75,116,160)
Balance as on 30 June 2017	150,232,320	93,800,000	2,396,685,564	2,640,717,884
Interim Cash Dividend @ 125.78% i.e. Rs. 12.578 per share.	-	-	(188,962,212)	(188,962,212)
Total Comprehensive Income for the three months	-	-	(118,022,006)	(118,022,006)
Balance as on 30 September 2017	150,232,320	93,800,000	2,089,701,346	2,333,733,666
Total Comprehensive Income for the nine months	-	-	(51,673,913)	(51,673,913)
Cash dividend declared during the year @ 100 % i.e. Rs. 10.00/- per share.	-	-	(150,232,320)	(150,232,320)
Interim cash dividend declared during the year @ 88.613 % i.e. Rs. 8.861/- per share	-	-	(133,125,816)	(133,125,816)
Balance as on 30 June 2018	150,232,320	93,800,000	1,754,669,297	1,998,701,617

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


Chief Executive


Chief Financial Officer


Director

Selected Notes to the Condensed Interim Financial Information

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

1. 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. Its registered office is situated at 23-Pir Khurshid Colony, Gulgusht, Multan. The Company is principally engaged in production and sale of refined sugar and its by-products.

2. 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 2017.

The comparative figures as at 30 September 2017 in the condensed interim statement of financial position and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim profit & loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and related notes to the condensed interim financial information for the nine months period ended 30 June 2017 are based on un-audited/un-reviewed condensed interim financial information. The condensed interim profit & loss account and condensed interim statement of other comprehensive income for the quarters ended 30 June 2018 and 30 June 2017 are neither audited nor reviewed.

3. STATEMENT OF COMPLIANCE

This condensed interim financial information of the company for the nine months period ended 30 June 2018 has been prepared in accordance with the requirements of the International Accounting Standard -34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

4. ACCOUNTING POLICIES

- 4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 September 2017.
- 4.2 Previous period's figures are re-arranged / re-classified where necessary to facilitate comparison and are rounded off to the nearest rupee; appropriate disclosure is given in relevant note in case of material rearrangement.

5. SHARE CAPITAL

Number of Shares

30-06-18 30-09-17

Authorized Capital:

20,000,000	20,000,000	Ordinary shares of Rs. 10/- each	200,000,000	200,000,000
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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	1,430,915,306	1,119,301,425
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- 6.1** Demand finance / Diminishing musharaka facilities of Rs. 1,168 million (2017: Rs. 1,273 million) and term finance facilities of Rs. 1,600 million (2017: Rs. 1,100 million) have been obtained from various banking companies. These loans are secured against 1st / joint pari passu / hypothecation charge over all present and future fixed assets of the Company, personal guarantees of directors of the Company and subordination of directors' loan. The facilities are being repaid in quarterly instalments beginning from 18 September 2012 and ending on 26 September 2024. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 1.25% (2017: 3 to 6 month KIBOR + 0.50 % to 1.25%) p.a.

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

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



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

	30 June 2018		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	18,185,758	(2,351,890)	15,833,868
Later than one year but not later than five years	22,656,870	(1,706,272)	20,950,598
	40,842,628	(4,058,162)	36,784,466

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

7.2 The company has a finance lease agreement of Rs. 74.028 million (2017: Rs. 90 million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly installments commencing from September 2013 ending on May 2021. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2017: 3 months KIBOR + 1.00% to 1.25%) p.a. The lease is secured by way of vehicle registered in the name of Bank Al Habib Limited with 10% of vehicle value held as security.

7.3 The company intends to exercise its option to purchase the leased assets upon the maturity of lease term. Taxes, repairs and insurance cost is to be borne by the company. In case of termination of the agreement, the company has to pay the entire rentals for the unexpired period for the lease agreement.

	(Un-Audited) 30 June 2018	(Audited) 30 September 2017
Note (Rupees)	

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 @ 3 month KIBOR + 1% p.a. prevailing at the year end (2017: 3 month KIBOR + 1 % p.a.). The management for the time being does not intend to repay any amount against these loans until the end of next financial year and hence no current maturity has been provided. These loans are subordinated to bank loans.

	Note	(Un-Audited) 30 June 2018 (Rupees)	(Audited) 30 September 2017
9. SHORT TERM BORROWINGS - SECURED			
FROM BANKING COMPANIES			
Running Finance	9.1	746,514,699	439,571,095
Cash Finance	9.2	4,279,833,497	1,766,978,260
		<u>5,026,348,196</u>	<u>2,206,549,355</u>

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

9.2 Cash finance facilities of Rs. 8,070 million (2017: 9,715 million) have been obtained from various banks and are secured against pledge over sugar bags of equivalent value with 10% to 20% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to 3 months KIBOR plus 0.15% to 0.75% (2017: 1 to 3 months KIBOR plus 0.50% to 0.75%) p.a. The limits will expire on various dates by 30 November 2018 but are renewable.

10. 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	729,852,453	879,349,653
	<u>749,093,834</u>	<u>898,591,034</u>

Commitments

Contracts for capital expenditure	31,161,000	120,190,695
Letters of credit for capital expenditure	107,539,200	135,207,647
Letters of credit for other than capital expenditure	7,548,020	33,285,229
	<u>146,248,220</u>	<u>288,683,571</u>



11. PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-Audited) 30 June 2018 (Rupees)	(Audited) 30 September 2017
Operating Fixed Assets	11.1	4,163,433,361	3,281,101,666
Capital Work in Progress - Tangible Assets		302,166,566	595,537,911
		<u>4,465,599,926</u>	<u>3,876,639,577</u>

11.1 Operating Fixed Assets

Opening written down value		3,281,101,666	2,967,583,810
Additions during the period- at cost	11.1.1	1,165,430,806	613,082,339
Disposals during the period- at WDV		(103,977)	(1,373,613)
Depreciation charged		(282,995,134)	(298,190,870)
		<u>4,163,433,361</u>	<u>3,281,101,666</u>

11.1.1 Additions and Disposals Operating Fixed Assets

	(Un-Audited) Period ended 30 June 2018		(Audited) Year ended 30 September 2017	
	Additions At Cost Rupees	Disposals At WDV Rupees	Additions At Cost Rupees	Disposals At WDV Rupees
Owned Assets				
Freehold land	-	-	-	-
Building on freehold land	-	-	51,277,030	-
Plant and machinery	1,102,109,629	-	449,870,500	-
Tools, implements and other factory equipments	9,755,494	-	4,912,480	-
Computer & other office equipments	5,523,296	-	7,417,449	-
Electric installations	3,043,433	-	23,956,177	-
Vehicles	25,311,954	(103,977)	63,348,703	(1,373,613)
	<u>1,145,743,806</u>	<u>(103,977)</u>	<u>600,782,339</u>	<u>(1,373,613)</u>
Leased Assets				
Vehicles	19,687,000	-	12,300,000	-
	<u>19,687,000</u>	<u>-</u>	<u>12,300,000</u>	<u>-</u>
	<u>1,165,430,806</u>	<u>(103,977)</u>	<u>613,082,339</u>	<u>(1,373,613)</u>

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



14. EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share is calculated by dividing the profit after taxation for the period by the weighted average number of shares outstanding during the period as follows:

	Period ended 30 June 2018 Rupees	Period ended 30 June 2017 Rupees	Quarter ended 30 June 2018 Rupees	Quarter ended 30 June 2017 Rupees
(Loss) / Profit after taxation	(51,673,913)	825,912,630	87,337,274	190,579,994
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232	15,023,232	15,023,232
Earnings per share	(3.44)	54.98	5.81	12.69

No figure for diluted earnings per share has been presented as the company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

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

15. CHANGES IN WORKING CAPITAL

(Increase) / decrease in current assets:

Stores, spare parts and loose tools

Stock-in-trade

Trade debts

Loans and advances

Trade deposits, prepayments and other receivables

Taxes recoverable/adjustable

Increase / (decrease) in current liabilities:

Trade and other payables

16. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Period ended 30 June 2018				Period ended 30 June 2017			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
R U P E E S.....							
Managerial remuneration	1,020,000	1,020,000	55,322,262	57,362,262	1,530,000	1,530,000	64,053,692	67,113,692
Bonus	-	-	2,840,078	2,840,078	-	-	8,680,728	8,680,728
Utilities	-	-	1,083,946	1,083,946	-	-	1,218,223	1,218,223
Total	1,020,000	1,020,000	59,246,286	61,286,286	1,530,000	1,530,000	73,952,643	77,012,643
Number of Persons	1	1	32	34	1	1	53	55

17. TRANSACTIONS WITH RELATED PARTIES

Remuneration of the key management personnel is disclosed in note 16. Significant transactions with related parties are as follows:

Name of the Company	Transaction	Nature of Relationship	Period ended	
			(Un-Audited) 30 June 2018 (Rupees)	(Un-Audited) 30 June 2017
Naubahar Bottling Company (Pvt) limited	Sale of goods	Common Directorship	1,802,976,300	1,558,018,000
Al-Moiz Industries Limited	Sale of goods	Common Directorship	73,732,729	52,292,990
	Purchase of Goods	Common Directorship	37,004,351	6,445,232

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



Key management personnel:

Advances received from/ (Returned to) directors during the period
Markup on loans from directors

Period ended	
(Un-Audited) 30 June 2018 (Rupees)	(Un-Audited) 30 June 2017
85,000,000	(26,000,000)
34,143,120	30,780,541

Balance due from/(due to) related parties as at 30 June 2018 are as below:

Naubahar Bottling Company (Pvt) limited
Al-Moiz Industries Limited
Loans from directors - Long Term
Advances from directors - Short Term

(Un-Audited) 30 June 2018 (Rupees)	(Audited) 30 September 2017
7,208,773	(28,012,932)
6,531,550	16,871,930
(574,800,000)	(574,800,000)
(434,300,000)	(349,300,000)

18. FINANCIAL INSTRUMENTS-FAIR VALUES

		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>							
30 June 2018 (Un-Audited)							
Financial assets measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
<u>Financial assets not measured at fair value</u>		18.1					
Long term deposits		464,500	-	464,500	-	-	-
Long term advances		42,683,406	-	42,683,406	-	-	-
Trade debts		1,419,833,094	-	1,419,833,094	-	-	-
Loans and advances		3,643,176	-	3,643,176	-	-	-
Trade deposits, prepayments and other Receivables		11,233,238	-	11,233,238	-	-	-
Cash and bank balances		238,990,101	-	238,990,101	-	-	-
		1,716,847,516	-	1,716,847,516	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>		18.1					
Loans from directors		-	574,800,000	574,800,000	-	-	-
Long term finance		-	1,754,707,910	1,754,707,910	-	-	-
Liabilities against assets subject to finance lease		-	36,784,466	36,784,466	-	-	-
Trade and other payables		-	289,038,186	289,038,186	-	-	-
Uncashed dividend warrants		-	193,554,996	193,554,996	-	-	-
Finance cost payable		-	94,501,592	94,501,592	-	-	-
Short term borrowings		-	5,026,348,196	5,026,348,196	-	-	-
Advances from directors		-	434,300,000	434,300,000	-	-	-
		-	8,404,035,346	8,404,035,346	-	-	-

		Carrying Amount			Fair Value		
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note	----- Rupees -----					
30 September 2017 (Audited)							
Financial assets measured at fair value		-	-	-	-	-	-
		-	-	-	-	-	-
<u>Financial assets not measured at fair value</u>	18.1						
Long term deposits		464,500	-	464,500	-	-	-
Long term advances		42,683,406	-	42,683,406	-	-	-
Trade debts		404,821,758	-	404,821,758	-	-	-
Loans and advances		-	-	-	-	-	-
Trade deposits, prepayments and other Receivables		4,333,020	-	4,333,020	-	-	-
Cash and bank balances		76,643,241	-	76,643,241	-	-	-
		<u>528,945,925</u>	<u>-</u>	<u>528,945,925</u>	<u>-</u>	<u>-</u>	<u>-</u>
		-	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>	18.1						
Loans from directors		-	574,800,000	574,800,000	-	-	-
Long term finance		-	1,565,094,029	1,565,094,029	-	-	-
Liabilities against assets subject to finance lease		-	20,136,841	20,136,841	-	-	-
Trade and other payables		-	376,275,792	376,275,792	-	-	-
Uncashed dividend warrants		-	138,486,949	138,486,949	-	-	-
Finance cost payable		-	66,082,670	66,082,670	-	-	-
Short term borrowings		-	2,206,549,355	2,206,549,355	-	-	-
Advances from directors		-	349,300,000	349,300,000	-	-	-
		<u>-</u>	<u>5,296,725,636</u>	<u>5,296,725,636</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 30 June 2018 affecting the condensed interim financial information apart from those disclosed in the condensed interim financial information.

21. DATE OF AUTHORIZATION

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


Chief Executive


Chief Financial Officer


Director

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THE THAL INDUSTRIES CORPORATION LIMITED

Registered Office: 23-Pir Khurshid Colony Gulgasht Multan.

Ph: 061-6524621 - 6524675

Fax: 061-6524675

Lahore Office:

2-D-1 Gulberg-III, Lahore – 54600

Tel: 042-35771066-71

Fax: 042-35771175