



THALINDUSTRIES
CORPORATION



**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED
31 MARCH 2020
(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

Directors' Review

The Directors of your Company are pleased to present the Un-Audited Accounts of the Company for the Half Year Ended 31st March 2020 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRY OVERVIEW

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

For current crushing season 2019-20, notified support price of sugarcane was Rs. 190/- per 40 kg in Punjab, KPK and Sindh. During the whole crushing season there was tough price competition over sugar cane purchase among all sugar mills in the region & in the country, owing partially due to expected short sugarcane crop and partially due to better sugar prices in the local market.

COMPANY PERFORMANCE

Operating Highlights

The Company was able to crush 1,973,755 Metric Tons sugarcane and produced 189,842.600 Metric Tons white refined sugar at an average recovery of 9.629% during the half year ended 31st March, 2020 as compared to corresponding period of last year sugarcane crushing of 2,006,892 Metric Tons and production of 204,406 Metric Tons white refined sugar at an average recovery of 10.190%.

Financial Highlights

Net sales of the Company were recorded at Rs. 5,274.924 million during the half year ended 31st March 2020 as compared to Rs. 4,702.646 million during the corresponding period of last year.

The Company earned pretax profit of Rs. 522.485 million during the period under review as compared to pretax profit of Rs. 118.358 million during the corresponding period of last year. This substantial increase in profitability is attributed mainly to sales of molasses at exceptionally high prices on account of Pak Rupee devaluation against US Dollar, shortage of molasses production due to less sugar cane crop, and partially to the realization of last year's high price contract in current 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.

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. Muhammad 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 was evident from surveys that sugarcane crop & yield per acre in the year 2019-20 will be equal or marginally lower as compared to 2018-19. Due to lower carryover sugar stock position from last year and higher sugarcane prices paid to growers, we expect that sugar prices will remain comparatively better in 2019-20. Additionally, molasses and bagasse prices are also expected to remain high due to reduced sugarcane crop in 2019-20.

World overall and the country in particular is passing through a tough economic time and uncertain climate due to COVID-19. It has compelled mandatory closure/lockdown of the Country for two months to reduce risk of pandemic. To overcome this situation Government is taking different steps i.e. facilitation in utilities bills, financial support to lower middle class, and multiple downward adjustments in KIBOR rates which is reduced to 8% for industries. The sugar industry being seasonal and mainly relies on bank borrowing to bridge the time gap between production

and sale of sugar. 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.

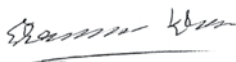
The Federal Government had formed Joint Investigation Team in January 2020 to probe in the "Increase in sugar prices in 2019-20 and Export Subsidy approved in last 4-5 years to facilitate the grower's payment and to earn foreign exchange". Joint Commission has submitted its report to fulfill the vague objective without considering and realizing the facts that Budget 2019-20 increased sales tax from 8% to 17%, the market adjustment in sugar price due to change of Country's status from sugar surplus country to less production of sugar on account of shortage in sugar cane crop during last year and current year simultaneously and setting higher sugarcane support prices without considering the sugar prices in local and international prices. Apparently bleak and uncertain, the outcome of Commission Report and its effects on the upcoming sugar crop and sugar industry are yet to be seen.

The proposed investment approved by the Board was submitted and subsequently also recommended by State Bank of Pakistan to the Economic Coordination Committee (ECC) of Pakistan at Federal Government level for approval, pending for final outcome. If approved by ECC, your company jointly with Almoiz Industries Limited and Naubahar Bottling Company Private Limited, associated companies (collectively as the Group) will 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.

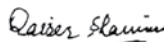
ACKNOWLEDGEMENT

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



Mrs. Qaiser Shamim Khan
Chairperson

LAHORE: 28 May 2020

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 مارچ 2020 کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران، زیر کاشت گنے کی فصل کا رقبہ گزشتہ سال کے مقابلے کم ہے اور کاشتکاروں کے مطابق فی ایکڑ پیداوار بھی بہت کم ہے۔ اس کے علاوہ، شوگر ریکوریز بھی گزشتہ کرشنگ سیزن سے کم ہیں۔ مجموعی طور پر ملکی اور کمپنی کی سطح پر چینی کی پیداوار گزشتہ سال کے مقابلے کم ہوئی ہے۔

موجودہ کرشنگ سیزن 2019-20 کیلئے پنجاب، خیبر پختونخواہ اور سندھ میں گنے کی امدادی قیمت -/190 روپے فی من کا اعلان کیا گیا۔ پورے کرشنگ سیزن کے دوران خاص طور گنے کی فصل کی متوقع قلت اور جزوی طور مقامی مارکیٹ میں چینی کی بہتر قیمتوں کی وجہ سے، خطے اور ملک میں تمام شوگر ملوں کے مابین گنے کی خریداری پر قیمتوں کا سخت مقابلہ رہا۔

کمپنی کی کارکردگی

آپریٹنگ جھلکیاں

31 مارچ 2020ء کو ختم ہونے والی ششماہی کے دوران کمپنی نے 1,973,755 میٹرک ٹن گنے کی کرشنگ کی اور 9.629 فیصد اوسط ریکوری کے ساتھ 189,842.600 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گزشتہ سال 2,006,892 میٹرک ٹن گنے کی کرشنگ کی اور 10.190 فیصد اوسط ریکوری کے ساتھ 204,406 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔

مالی جھلکیاں

گزشتہ سال کی اسی مدت میں 4,702.646 ملین روپے خالص فروخت کے برعکس 31 مارچ 2020 کو ختم ہونے والی ششماہی کے دوران 5,274.924 ملین روپے درج کی گئی۔

کمپنی نے زیر جائزہ ششماہی کے دوران ٹیکس سے قبل 522.485 ملین روپے کا منافع کمایا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 118.358 ملین روپے کا منافع کمایا تھا۔ منافع میں اس نمایاں اضافے کا سبب بنیادی طور پر امریکی ڈالر کے مقابلے میں پاکستانی روپیہ کی قدر میں کمی کی بدولت مولا سس کی بہتر قیمت، گنے کی کم فصل کی وجہ سے مولا سس کی کم پیداوار اور جزوی طور پر رواں سال میں گزشتہ سال کی زیادہ قیمت پر معاہدے کے حصول کی وجہ سے غیر معمولی طور پر زیادہ قیمتوں پر مولا سس کی فروخت ہے۔



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 بہترین 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 میں آخر 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 تعین 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:

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

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 ایئریمز ریمزیشن کمیٹی

- جناب عبدالواحد خان (چیئرمین)
- جناب عدنان احمد خان
- جناب محمد خان
- نامزدگی کمیٹی
- جناب عبدالواحد خان (چیئرمین)
- جناب محمد اشرف خان درانی
- رسک مینجمنٹ کمیٹی
- جناب عبدالواحد خان (چیئرمین)
- جناب محمد اشرف خان درانی

مستقبل کا نقطہ نظر

سروے سے یہ بات واضح ہوئی ہے کہ سال 2019-20 میں گنے کی فصل اور فی ایکڑ پیداوار 2018-2019 کی پیداوار کے مساوی یا معمولی طور پر کم ہوگی۔ پچھلے سال کے مقابلے میں چینی کے اسٹاک کی کم پوزیشن اور کاشتکاروں کو گنے کی زیادہ قیمتوں کی ادائیگی کی وجہ سے، ہمیں توقع ہے کہ 2019-20 میں چینی کی قیمتیں نسبتاً بہتر رہیں گی۔ مزید برآں، 2019-20 میں گنے کی فصل کم ہونے کی وجہ سے مولاس اور بیگاس کی قیمتیں بھی زیادہ رہنے کی توقع ہے۔

COVID-19 کی وجہ سے مجموعی طور پر پوری دنیا اور خاص طور پر ملک ایک سخت معاشی دور اور غیر یقینی ماحول سے گزر رہا ہے۔ وبائی مرض کے خطرے کو کم کرنے کے لئے دو مہینوں سے ملک لازمی طور پر بند/لاک ڈاؤن کرنے پر مجبور ہو گیا ہے۔ اس صورتحال پر قابو پانے کے لئے حکومت مختلف اقدامات اٹھا رہی ہے یعنی یوٹیلیٹی بلوں میں سہولت، نچلے متوسط طبقے کی مالی اعانت اور KIBOR کی شرحوں میں کمی جو صنعتوں کے لئے کم کر کے 8 فیصد کر دی گئی ہے۔ چینی کی صنعت سیزل ہونے کی وجہ سے چینی کی پیداوار اور فروخت کے مابین دورانیہ کے فرق کو ختم کرنے کے لئے بنیادی طور پر بیک قرضوں پر انحصار کرتی ہے۔ تاہم، کرنسی کی قدر میں کمی کی وجہ سے بین الاقوامی منڈیوں میں چینی کی قیمتوں پر انتہائی دباؤ کے باوجود پاکستان کی چینی کی صنعت عالمی سطح پر اب مسابقتی ہے۔

وفاقی حکومت نے جنوری 2020 میں مشترکہ انویسٹی گیشن ٹیم تشکیل دی جس میں "2019-20 میں چینی کی قیمتوں میں اضافے اور برآمدی سبسڈی جو گزشتہ 4-5 سالوں میں منظور کی گئی تھی تاکہ کسانوں کی ادائیگی کو آسان بنایا جاسکے اور زرمبادلہ کمایا جاسکے"۔ مشترکہ کمیشن نے اس

مہم مقصد کی تکمیل کے لئے اپنی رپورٹ پیش کی جس میں ان حقائق کو یکسر نظر انداز کیا گیا کہ بجٹ 20-2019 میں سیلز ٹیکس 8 فیصد سے بڑھا کر 17 فیصد کر دیا گیا، چینی کی قیمت میں مارکیٹ ایڈجسٹمنٹ کی بدولت بالترتیب پچھلے سال اور موجودہ سال کے دوران گئے کی فصل میں قلت کے سبب ملک کی حیثیت چینی کی زائد پیداوار سے چینی کی کم پیداوار میں تبدیل ہو گئی اور بین الاقوامی قیمتوں میں چینی کی قیمتوں پر غور کیے بغیر گئے کی امدادی قیمتیں زیادہ مقرر کی گئیں۔ واضح طور پر تارک اور مہم، کمیشن رپورٹ کے اثرات آئندہ گئے کی فصل اور چینی کی صنعت پر دیکھے جائیں گے۔

بورڈ کی منظور شدہ مجوزہ سرمایہ کاری پیش کی گئی اور اس کے بعد اسٹیٹ بینک آف پاکستان نے بھی منظوری کے لئے وفاقی حکومت کی سطح پر اقتصادی رابطہ کمیٹی (ای سی سی) پاکستان کو سفارش کی، حتمی نتائج زیر التوا ہیں۔ اگر ای سی سی سے منظوری مل جاتی ہے تو، آپ کی کمپنی المعز انڈسٹریز لمیٹڈ اور نوبہار بولنگ کمپنی پرائیویٹ لمیٹڈ کے ساتھ مشترکہ طور پر، ایسوسی ایٹڈ کمپنیز (اجتماعی طور پر گروپ) قابل اطلاق اور ریگولیٹری منظور یوں کے حوالہ سے ایک تہائی شیئر کی شراکت سے کوئیز لینڈ آسٹریلیا کے بنڈ اریگ ریجن میں واقع آئز سنٹرل شوگر مل کمپنی لمیٹڈ ("ICSM") میں مجموعی شیئر ہولڈنگ کے 54.03 فیصد تک عمومی شیئرز حاصل کرے گا، جس کی کل مالیت 36.10 ملین آسٹریلیا ڈالر (چھتیس ملین ایک سو ہزار آسٹریلیا ڈالر) 26.6 ملین امریکی ڈالر کے برابر ہے۔

اظہار شکر / اعتراف

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

برائے اور محتاجانہ بورڈ

Raiser Khan

محترمہ قیصر شمیم خان
چیئر پرسن

Shamim Khan

محمد شمیم خان
چیف ایگزیکٹو

لاہور: 28 مئی 2020ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Thal Industries Corporation Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **The Thal Industries Corporation Limited** as at 31 March 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim statement of profit or loss account and condensed interim statement of comprehensive income for the quarters ended 31 March 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 March 2020.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Rashid Rahman Mir.



Rahman Sarfaraz Rahim Iqbal Rafiq
 CHARTERED ACCOUNTANTS

Lahore: 28 May 2020

Condensed Interim Statement of Financial Position

As at 31 March 2020 (Un-Audited)

	Note	(Un-Audited) 31 March 2020 (Rupees)	(Audited) 30 September 2019
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		2,415,646,408	1,979,791,613
		2,659,678,728	2,223,823,933
Non Current Liabilities			
Long term finance	6	936,779,844	1,250,031,565
Lease Liabilities	7	89,693,331	21,839,579
Loans from directors	8	574,800,000	574,800,000
Deferred liabilities		212,483,614	221,757,770
		1,813,756,789	2,068,428,914
Current Liabilities			
Trade and other payables		3,107,352,378	1,740,022,303
Finance cost payable		246,885,976	184,700,507
Short term borrowings-secured	9	9,353,981,504	1,967,664,631
Advances from directors		295,300,000	355,300,000
Current portion of long term liabilities		501,659,675	438,630,825
Uncashed Dividend warrants		23,169,863	57,560,349
Provision for taxation		115,513,944	226,294,702
		13,643,863,340	4,970,173,317
Contingencies and Commitments			
	10	18,117,298,857	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 March 2020	(Audited) 30 September 2019
Note (Rupees)	
PROPERTY AND ASSETS		
Non Current Assets		
Property, plant & equipment	5,143,458,493	4,879,358,204
Intangible Assets	6,553,743	9,362,489
Long term deposits	464,500	464,500
Long term advances	22,025,399	30,384,413
	5,172,502,135	4,919,569,606
Current Assets		
Stores, spare parts and loose tools	627,636,631	641,148,747
Stock-in-trade	9,677,605,188	1,542,450,249
Trade debts	1,494,063,202	903,639,619
Loans and advances	278,554,577	502,442,119
Trade deposits, prepayments & other receivables	147,528,180	97,482,966
Current portion of long term advances	30,221,589	20,569,308
Taxes recoverable / adjustable	366,464,807	469,570,929
Cash and bank balances	322,722,548	165,552,621
	12,944,796,722	4,342,856,558
	<u>18,117,298,857</u>	<u>9,262,426,164</u>


Chief Executive


Chief Financial Officer


Director

Condensed Interim Statement of Profit or Loss

For the Half Year Ended 31 March 2020 (Un-Audited)

	Note	HALF YEAR ENDED		QUARTER ENDED	
		31 March		31 March	
		2020	2019	2020	2019
	 (Rupees) (Rupees)	
Sales - Net		5,274,924,453	4,702,646,195	3,384,588,613	3,268,831,744
Cost of sales	12	(4,016,169,907)	(3,983,963,439)	(2,607,681,516)	(2,565,875,395)
Gross profit		1,258,754,546	718,682,756	776,907,097	702,956,349
Operating expenses					
Distribution and selling expenses		(74,380,852)	(103,870,044)	(32,532,290)	(33,408,704)
Administrative expenses		(248,143,944)	(223,304,421)	(127,728,543)	(117,294,813)
		(322,524,796)	(327,174,465)	(160,260,833)	(150,703,517)
Operating profit/(loss)		936,229,750	391,508,291	616,646,264	552,252,832
Other income	13	36,691,864	68,260,880	13,707,788	29,451,615
		972,921,614	459,769,171	630,354,052	581,704,447
Finance cost		(422,937,546)	(335,181,313)	(308,553,722)	(224,670,007)
Other expenses		(27,499,203)	(6,229,393)	(11,754,525)	(6,229,393)
		(450,436,749)	(341,410,706)	(320,308,247)	(230,899,400)
Profit / (Loss) before taxation		522,484,865	118,358,465	310,045,805	350,805,047
Taxation		(64,095,222)	(87,621,350)	(2,487,895)	(69,213,554)
Profit / (Loss) after taxation		458,389,643	30,737,115	307,557,910	281,591,493
Earnings Per Share-Basic & Diluted	14	30.51	2.05	20.47	18.74

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 Half Year Ended 31 March 2020 (Un-Audited)

	HALF YEAR ENDED		QUARTER ENDED	
	31 March		31 March	
	2020	2019	2020	2019
 (Rupees) (Rupees)	
Profit/(loss) after tax	458,389,643	30,737,115	307,557,910	281,591,493
Other Comprehensive Income-Net of Tax				
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	458,389,643	30,737,115	307,557,910	281,591,493

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 Half Year Ended 31 March 2020 (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 Income/ (Loss) for the six month	-	-	30,737,115	30,737,115
Balance as on 31 March 2019	150,232,320	93,800,000	1,672,262,300	1,916,294,620
Total Comprehensive Income/ (Loss) for the six month	-	-	307,529,313	307,529,313
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 six month	-	-	458,389,643	458,389,643
Cash dividend @ 15% i.e Rs. 1.5 per share			(22,534,848)	(22,534,848)
Balance as on 31 March 2020	150,232,320	93,800,000	2,415,646,408	2,659,678,728

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 Half Year Ended 31 March 2020 (Un-Audited)

	Note	31 March 2020	31 March 2019
	 (Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		522,484,865	118,358,465
Adjustment for:			
Depreciation		238,362,267	211,983,999
Amortization		2,808,747	2,808,746
Provision for gratuity		32,192,386	30,030,012
(Gain) / loss on disposal of fixed assets		(1,730,685)	197,124
Finance cost		422,937,546	335,181,313
Income on unwinding of long term advances		(1,293,267)	-
Workers' Profit Participation Fund		27,499,203	6,229,393
Workers Welfare Fund		-	-
		720,776,197	586,430,587
Operating cash flows before changes in working capital		1,243,261,062	704,789,052
Changes in working capital	15	(7,097,742,520)	(4,661,881,223)
Cash generated from operations		(5,854,481,458)	(3,957,092,171)
Gratuity paid		(16,739,337)	(7,882,767)
Finance cost paid		(358,296,641)	(193,422,659)
Income tax paid		(199,603,185)	(33,019,072)
NET CASH FLOW USED IN OPERATING ACTIVITIES		(6,429,120,621)	(4,191,416,669)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(410,132,283)	(406,132,322)
Proceed from disposal of fixed assets		2,023,929	3,100,000
NET CASH USED IN INVESTING ACTIVITIES		(408,108,354)	(403,032,322)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finance		(259,631,810)	67,836,882
Lease payments		(15,360,827)	(9,191,640)
Short term borrowings - net		7,386,316,873	4,982,643,402
Advances from directors		(60,000,000)	(220,000,000)
Dividend paid		(56,925,334)	(40,176,351)
NET CASH FLOW FROM FINANCING ACTIVITIES		6,994,398,902	4,781,112,293
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		157,169,927	186,663,302
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		322,722,548	359,559,363

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 Statements

For the Half Year Ended 31 March 2020 (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 statement of profit or loss, condensed interim statement of cash flows , condensed interim statement of changes in equity and related notes to the condensed interim financial information for the half year ended 31 March 2019 are based on un-audited/reviewed condensed interim financial information. The condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended 31 March 2020 and 31 March 2019 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 T4.1The 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, except for adoption of those stated in note 4.1(a) below:
- 4.1(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended March 31, 2020.

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on October 1, 2019. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

The Company has adopted IFRS 16 Leases from 1 October 2019 a number of other new standards are effective from 1 October 2020 but they donot have a material effect on the companies financial statements.

IFRS 16 introduce a single, on-balance sheet accounting model for lessees as a result, the company, a lesse, has recognized right of use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The company has applied IFRS 16 using the modified retrospective approach under which the cumulative effect of initial application is recognized in retained earning at 1 October 2019. Accordingly, the comparative information presented for 2019 has not been restated- i.e. it is presented, as previously reported, under IFRS 17 and related interpretations.

On transition to IFRS 16, the Company recognised right-of-use assets and lease liabilities on the date of initial application as follows;

	September 30, 2019	Impact of IFRS 16	October 01, 2019
Property, plant & equipment			
Right-of-use assets	-	2,058,690	2,058,690
Lease liabilities			
Non-current	-	-	-
Current	-	2,058,690	2,058,690

- 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

31-03-2020 30-09-2019

Authorized Capital:

			(Un-Audited) 31 March 2020 (Rupees)	(Audited) 30 September 2019
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

Issued, subscribed and paid up capital:

*All the shares are similar with respect to their rights on voting board selection, first refusal and block voting.

6. LONG TERM FINANCE

Loans from banking companies-secured	6.1	936,779,844	1,250,031,565
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6.1 Demand finance / Diminishing musharaka facilities of Rs. 673 million (2019: Rs. 835 million) and term finance facilities of Rs. 1,325 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.

7. LEASE LIABILITIES

		(Un-Audited) 31 March 2020 (Rupees)	(Audited) 30 September 2019
Opening balance		49,885,385	37,763,160
Obtained during the year		29,289,000	30,625,561
Impact on the date if initial application of IFRS 16		2,058,689	-
Addition under IFRS 16		61,275,828	-
Payments/ adjustments during the year		(12,614,627)	(18,503,336)
		129,894,276	49,885,385
Less: Security deposits adjustable on expiry of lease term		(10,510,170)	(7,763,970)
		119,384,106	42,121,415
Less: Current maturity of lease liabilities		(29,690,775)	(20,281,836)
Long-term lease liabilities		89,693,331	21,839,579

7.1 Maturity analysis-contractual undiscounted cash flow:

	31 March 2020		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	43,995,836	(14,305,061)	29,690,775
Later than one year but not later than five years	107,236,152	(20,646,844)	86,589,308
Later than five years	3,261,283	(157,260)	3,104,023
	<u>154,493,271</u>	<u>(35,109,165)</u>	<u>119,384,106</u>

	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
Later than five years	-	-	-
	<u>50,539,753</u>	<u>(8,418,338)</u>	<u>42,121,415</u>

- 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 installments ending on December 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 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.
- 7.4 The Company also has lease contracts for offices used in its operations. These leases generally have lease terms between 3 to 6 years. In general, the Company is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options subject to the mutual consent of the Company and the Lessors. The Company is bound by certain covenants which includes but are not limited to payment of certain taxes and to exercise reasonable care.

8. LOANS FROM DIRECTORS

	Note	(Un-Audited) 31 March 2020 (Rupees)	(Audited) 30 September 2019
Loans from directors - unsecured	8.1	<u>574,800,000</u>	<u>574,800,000</u>

8.1 These loans are unsecured, mark up free and payable at the convenience of the company and 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. The management considers these loans as temporary equity and this view is supported by State Bank of Pakistan's Prudential Regulations and TR 32 of the institute of Chartered Accountants of Pakistan. The amount has been disclosed as non-current liability in view of requirements of 4th Schedule of the Companies Act, 2017. These loans are subordinated to bank loans. Prior to 30 September 2019 the loans carried markup @ 3 months Kibor + 1.00%.

Note	(Un-Audited) 31 March 2020 (Rupees)	(Audited) 30 September 2019
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9. SHORT TERM BORROWINGS - SECURED

FROM BANKING COMPANIES

Running Finance	9.1	643,886,020	712,044,188
Cash Finance	9.2	8,710,095,484	1,255,620,443
		<u>9,353,981,504</u>	<u>1,967,664,631</u>

9.1 Running finance facilities of Rs. 915 (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 + 0.30 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. 10,260 million (2019: 9,860 million) have been obtained from various banks and are secured against pledge over sugar bags of equivalent value with 7.9% to 25% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to 9 months KIBOR plus 0.3% to 1.00% (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.

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	1,427,441,653	747,631,653
	<u>1,446,683,034</u>	<u>766,873,034</u>

Commitments

Contracts for capital expenditure	-	27,733,706
Letters of credit for capital expenditure	-	142,231,518
Letters of credit for other than capital expenditure	-	31,908,909
	-	<u>201,874,133</u>

Acquisition of sugar mill

The Company together with Almoiz Industries Limited and Naubahar Bottling Company (Private) Limited (Associated undertakings) is in process to acquire 54.03% of the overall stake in ISIS Central Sugar Mill Limited (ICSM), Bundaberg region of Queensland, Australia at a price of 35 Million Australian Dollars subject to the applicable statutory and regulatory approvals.

	Note	(Un-Audited) 31 March 2020 (Rupees)	(Audited) 30 September 2019
11. PROPERTY, PLANT & EQUIPMENT			
Operating Fixed Assets	11.1	5,070,921,307	4,201,220,854
Capital Work in Progress - Tangible Assets		72,537,186	678,137,350
		<u>5,143,458,493</u>	<u>4,879,358,204</u>
11.1 Operating Fixed Assets			
Opening written down value		4,201,220,853	4,352,220,574
Additions during the period- at cost	11.1.1	1,108,355,965	286,566,373
Disposals during the period- at WDV		(293,244)	(4,418,503)
Depreciation charged		(238,362,267)	(433,147,590)
		<u>5,070,921,307</u>	<u>4,201,220,854</u>

11.1.1 Additions and Disposals Operating Fixed Assets

	(Un-Audited) Half year ended 31 March 2020		(Audited) Year ended 30 September 2019	
	Addition At Cost Rupees	Disposal At WDV Rupees	Addition At Cost Rupees	Disposal At WDV Rupees
Owned Assets				
Freehold land	-	-	-	-
Building on freehold land	1,979,142	-	22,602,522	-
Plant and machinery	988,872,975	-	141,196,246	(373,648)
Tools, implements and other factory equipments	2,080,792	-	35,543,826	-
Computer & other office equipments	1,135,234	-	4,198,513	(45,483)
Electric installations	743,588	-	7,095,039	(2,445,736)
Vehicles	9,201,333	(293,244)	39,473,006	(1,553,636)
	<u>1,004,013,064</u>	<u>(293,244)</u>	<u>250,109,152</u>	<u>(4,418,503)</u>
Right of use assets				
Vehicles	29,319,980	-	36,457,221	-
Operating lease commitments	75,022,921	-	-	-
	<u>104,342,901</u>	<u>-</u>	<u>36,457,221</u>	<u>-</u>
	<u>1,108,355,965</u>	<u>(293,244)</u>	<u>286,566,373</u>	<u>(4,418,503)</u>

	Note	(Un-Audited) 31 March 2020 (Rupees)	(Audited) 30 September 2019
11.2 Right-of-use assets			
Opening written down value		64,940,873	43,708,893
Additions during the period			
Vehicles		29,319,980	36,457,221
Operating lease commitments	11.2.1	75,022,921	-
		104,342,901	36,457,221
Transfer		(855,037)	(3,791,358)
Depreciation charge for the period		(14,442,282)	(11,433,883)
Closing written down value		153,986,456	64,940,873

11.2.1 It includes impact of initial application of IFRS 16 amounting to Rs. 2,058,690.

	Note	(Un-Audited) 31 March 2020 (Rupees)	(Un-Audited) 31 March 2019
12. COST OF SALES			
Finished goods - opening		1,537,727,209	2,930,758,478
Add: Cost of goods manufactured	12.1	12,144,301,985	10,474,303,036
		13,682,029,194	13,405,061,514
Finished goods - closing		(9,665,859,287)	(9,421,098,075)
		4,016,169,907	3,983,963,439
12.1 Cost of goods manufactured			
Work in process - opening		4,723,041	6,778,912
Raw material consumed	11,008,858,603	9,342,146,459	
Raw Sugar Purchased		74,228,679	-
Salaries, wages and other benefits		274,749,102	243,838,278
Fuel and power		54,151,310	185,391,788
Stores, spares and loose tools		209,176,104	211,788,744
Repairs and maintenance		268,339,854	255,704,579
Insurance		3,763,938	2,951,660
Depreciation		216,746,970	199,786,576
Vehicles running		38,711,325	27,999,725
Miscellaneous		2,598,960	2,294,505
		12,156,047,886	10,478,681,226
Work in process - closing		(11,745,901)	(4,378,190)
		12,144,301,985	10,474,303,036

	Note	(Un-Audited) 31 March 2020 (Rupees)	(Un-Audited) 31 March 2019
13. OTHER INCOME / (EXPENSES)			
Financial Assets			
Profit on deposit accounts		492,130	495,863
Income on unwinding of long term advances		1,293,267	-
Others			
Sale of scrap		15,078,166	35,905,432
Surplus on settlement of insurance claim		-	(197,124)
Gain on Disposal of Fixed Assets		1,730,685	6,951,043
Gain/(Loss) on foreign exchange rates		4,609,046	-
Subsidy on the export of sugar		-	13,465,950
Others		13,488,570	11,639,717
		36,691,864	68,260,880

14. EARNINGS / (LOSS) 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:

	Half year ended 31 March 2020 Rupees	Half year ended 31 March 2019 Rupees	Quarter ended 31 March 2020 Rupees	Quarter ended 31 March 2019 Rupees
Profit after taxation	458,389,643	30,737,115	307,557,910	281,591,493
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	30.51	2.05	20.47	18.74

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:

	Half year ended 31 March 2020 (Rupees)	31 March 2019
Stores, spare parts and loose tools	13,512,116	(92,295,799)
Stock-in-trade	(8,135,154,939)	(6,487,938,875)
Trade debts	(590,423,583)	(620,775,835)
Loans and advances	223,887,542	20,518,079
Trade deposits, prepayments and other receivables	(50,045,214)	(92,990,518)
Taxes recoverable/adjustable	103,106,122	(55,228,645)

Increase / (decrease) in current liabilities:

Trade and other payables	1,337,375,436	2,666,830,370
	(7,097,742,520)	(4,661,881,223)

16. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Half year ended 31 March 2020				Half year ended 31 March 2019			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
 R U P E E S							
Managerial remuneration	1,020,000	1,020,000	50,622,370	52,662,370	1,020,000	1,020,000	47,232,801	49,272,801
Utilities	-	-	1,654,593	1,654,593	-	-	1,027,803	1,027,803
Total	1,020,000	1,020,000	52,276,963	54,316,963	1,020,000	1,020,000	48,260,604	50,300,604
Number of Persons	1	1	36	38	1	1	38	40

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	Half year ended	
			(Un-Audited) 31 March 2020 (Rupees)	(Un-Audited) 31 March 2019
Naubahar Bottling Company (Pvt) Limited	Sale of goods	Common Directorship	806,439,499	683,809,275
Al-Moiz Industries Limited	Sale of goods	Common Directorship	22,826,341	62,720,365
	Purchase of Goods	Common Directorship	88,288,172	153,605,889
Baba Farid Sugar Mills Ltd	Sale of goods	Common Directorship	8,797,550	-

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	(60,000,000)	(220,000,000)
Markup on loans from directors	-	34,459,261

	(Un-Audited) 31 March 2020 (Rupees)	(Audited) 30 September 2019
Balance due from/(due to) related parties as at 31 March 2020 are as below:		
Naubahar Bottling Company (Pvt) limited	196,516,999	(14,549,000)
Al-Moiz Industries Limited	(4,654,696)	-
Baba Farid Sugar Mills Ltd	9,163,280	690,093
Loans from directors - Long Term	(574,800,000)	(574,800,000)
Advances from directors - Short Term	(295,300,000)	(355,300,000)

18. FINANCIAL INSTRUMENTS

	Note	Carrying Amount			Fair Value		
		Financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
On-balance sheet financial instruments							
31 March 2020 (Un-Audited)							
Financial assets measured at fair value							
		-	-	-	-	-	-
		-	-	-	-	-	-
Financial assets measured at amortized cost							
	18.1	464,500	-	464,500	-	-	-
Long term Deposits		52,246,988	-	52,246,988	-	-	-
Long term advances		1,501,308,265	-	1,501,308,265	-	-	-
Trade debts		3,069,833	-	3,069,833	-	-	-
Loans and advances		14,183,967	-	14,183,967	-	-	-
Trade deposits, prepayments and other Receivables		322,722,548	-	322,722,548	-	-	-
Cash and bank balances		1,893,996,101	-	1,893,996,101	-	-	-
		-	-	-	-	-	-
Financial liabilities measured at fair value							
		-	-	-	-	-	-
		-	-	-	-	-	-
Financial liabilities measured at amortized cost							
	18.1	-	1,408,748,744	1,408,748,744	-	-	-
Long term finance		-	119,384,106	119,384,106	-	-	-
Lease Liabilities		-	816,658,341	816,658,341	-	-	-
Trade and other payables		-	23,169,863	23,169,863	-	-	-
Uncashed Dividend warrants		-	246,885,976	246,885,976	-	-	-
Finance cost payable		-	9,353,981,504	9,353,981,504	-	-	-
Short term borrowings		-	295,300,000	295,300,000	-	-	-
Advances from directors		-	12,264,128,534	12,264,128,534	-	-	-
		-	-	-	-	-	-
30 September 2019 (Audited)							
Financial assets measured at fair value							
		-	-	-	-	-	-
		-	-	-	-	-	-
Financial assets measured at amortized cost							
	18.1	464,500	-	464,500	-	-	-
Long term Deposits		50,953,721	-	50,953,721	-	-	-
Long term advances		910,884,682	-	910,884,682	-	-	-
Trade debts		2,773,023	-	2,773,023	-	-	-
Loans and advances		3,487,133	-	3,487,133	-	-	-
Trade deposits, prepayments and other Receivables		165,552,621	-	165,552,621	-	-	-
Cash and bank balances		1,134,115,680	-	1,134,115,680	-	-	-
		-	-	-	-	-	-
Financial liabilities measured at amortized cost							
	18.1	-	1,668,380,554	1,668,380,554	-	-	-
Long term finance		-	42,121,415	42,121,415	-	-	-
Lease Liabilities		-	281,618,357	281,618,357	-	-	-
Trade and other payables		-	57,560,349	57,560,349	-	-	-
Uncashed Dividend warrants		-	184,700,507	184,700,507	-	-	-
Finance cost payable		-	1,967,664,631	1,967,664,631	-	-	-
Short term borrowings		-	355,300,000	355,300,000	-	-	-
Advances from directors		-	4,557,345,813	4,557,345,813	-	-	-
		-	-	-	-	-	-

18.1 The management considers the carrying amount of all financial assets and liabilities measured at amortized cost at the end of the reporting period to approximate their fair value as at the reporting date.

19. SEASONALITY

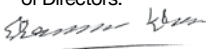
The company's business is seasonal in nature. Entire cane crushing and manufacturing of sugar is done during season from November to the following March. Sugar sales are made throughout the year.

20. SUBSEQUENT MATERIAL EVENTS

There is no significant activities since 31 March 2020 affecting the condensed interim financial information apart from those disclosed in the interim financial information.

21. DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on 28 May 2020 by the Board of Directors.


Chief Executive


Chief Financial Officer









Director





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