



THALINDUSTRIES
CORPORATION



**SUSTAINABLE
GROWTH TOGETHER**

3RD QUARTERLY REPORT
2022-23

CONDENSED INTERIM FINANCIAL INFORMATION
For the 3rd Quarter Ended 30 June 2023
(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. Farid Ud Din Ahmed (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. Farid Ud Din Ahmed (Chairman)
Mr. Adnan Ahmed Khan (Member)
Mr. Muhammad Khan (Member)

RISK MANAGEMENT COMMITTEE

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

NOMINATION COMMITTEE

Mr. Farid Ud Din Ahmed (Chairman)
Mr. Muhammad Ashraf Khan Durani (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

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Bank Islamic (Pakistan) 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
The Bank of Punjab
NBP Aitemaad Islamic Bank Limited
Samba Bank Limited
Dubai Islamic Bank Pakistan Limited
Pakistan Kuwait Investment Company Private Limited

SHARE REGISTRAR

M/s. CORPLINK (Pvt) Ltd
Wings Arcade, 1-K- Commercial
Model Town, Lahore
Tel: 042-35839182, 35887262
Fax: 042-35771175

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: 042-35756687

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, 047-7629990
Fax: 047-6610010

WEBSITE

www.thalindustries.com

DIRECTORS' REVIEW

We are pleased to present the Un-Audited Accounts of The Thal Industries Corporation Limited for the nine months period ended 30 June 2023 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRY OVERVIEW

During the period under review, the crop size was lower compared to the previous year, and growers faced challenges with low yield per acre in various areas. However, efforts by our dedicated agri team to promote better varieties of sugarcane and good practices have resulted in better sugar recoveries and an increase in the area under cultivation.

For the current crushing season 2022-23, the notified support price of sugarcane is Rs. 300/- per 40 kg in Punjab & KPK and Rs. 302/- per 40 kg in the province of Sindh. The increase in the support price of sugarcane from 225/40kg to 300/40kg led to an increase in the production cost of sugar.

OPERATING HIGHLIGHTS

During the period ending June 30, 2023, the Company was able to crush 2,575,765.773 M. Tons of sugarcane and produced 277,663.950 M. Tons of white refined sugar at an average recovery of 10.784%. This compares to the corresponding period of the last year, which saw sugarcane crushing of 3,059,465.013 M. Tons and production of 305,521 M. Tons of white refined sugar at an average recovery of 9.989%.

Net sales during the period under review were recorded at Rs. 21,465.601 million, reflecting growth compared to Rs. 13,324.091 million in the corresponding period of the last year.

The Company achieved an after-tax profit of Rs. 1,552.899 million during the period under review, compared to an after-tax profit of Rs. 1,336.220 million in the corresponding period of the last year. This significant increase in profitability is attributed to sugar exports in the second quarter, an increase in sugar prices, and improved sugarcane recovery.

All out efforts are being made to increase the production and profitability of the Company through process efficiency, installing modern and latest technology, reducing production cost by close supervision, developing good quality cane by providing the latest improved seed varieties, fertilizer, pesticides etc. and facilitating the cane growers constantly, which ultimately will result in higher sugar recovery and 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. Farid Ud Din Ahmad |
| Executive Directors | Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan |
| Non-Executive Directors | Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Mr. Muhammad Khan |

3. 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. Farid Ud Din Ahmad (Chairman)
- Mr. Adnan Ahmed Khan
- Mr. Muhammad Khan

NOMINATION COMMITTEE

- Mr. Farid Ud Din Ahmad (Chairman)
- Mr. Muhammad Ashraf Khan Durani

RISK MANAGEMENT COMMITTEE

- Mr. Farid Ud Din Ahmad (Chairman)
- Mr. Muhammad Ashraf Khan Durani

4. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and Regulations. The detail is given in Note: 17 to the Financial Statement.

FUTURE OUT LOOK

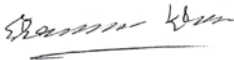
The State Bank of Pakistan (SBP) has raised the policy rate by 16% since September 2021, resulting in increased markup rates. This may lead to substantially higher borrowing costs and potentially affect the profitability of our company. Additionally, inflationary pressures may further increase the cost of doing business.

The year 2023 is expected to present significant challenges, particularly due to being an election year. The business landscape may face hurdles from prolonged political uncertainty, depressed sugar prices, economic volatility, high inflation rates, currency depreciation, elevated interest rates, difficulties in imports, global economic recession, and climate adversities arising from global warming. Ongoing geopolitical conflicts, such as the Russia-Ukraine situation, also contribute to the uncertainties we must navigate.

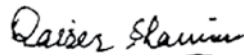
ACKNOWLEDGEMENT

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 Officer



Mrs. Qaiser Shamim Khan
Chairperson

LAHORE: 25 July 2023

ڈائریکٹرز کی جائزہ رپورٹ

ہیکمبیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 30 جون 2023 کو ختم ہونے والی نو ماہی کے لئے دی تھل انڈسٹریز کارپوریشن لمیٹڈ کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران، فصل کا سائز گزشتہ سال کے مقابلے میں کم تھا اور کاشتکاروں کو مختلف علاقوں میں فی ایکڑ کم پیداوار کے ساتھ مشکلات درپیش تھیں۔ تاہم، گنے کی بہتر اقسام کے فروغ کے لئے ہماری زرعی ٹیم کی کوششوں اور بہتر طریقوں کے نتیجے میں چینی کی ریکوریوں میں بہتر اور زیر کاشت رقبہ میں اضافہ ہوا ہے۔

موجودہ کرشنگ میزن 2022-23 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت /300 روپے فی 40 کلوگرام اوسو بہ سندھ میں -/302 روپے 40 کلوگرام کا اعلان کیا گیا ہے۔ گنے کی امدادی قیمت میں 225/40Kg سے 300/40Kg تک اضافہ بالآخر چینی کی پیداواری لاگت میں اضافہ پر متوقع ہوگا۔

آپریٹنگ جھلکیاں

30 جون 2023 کو ختم ہونے والی مدت کے دوران، کمپنی نے 2,575,765.773 میٹرک ٹن گنے کی کرشنگ کی اور 10.784 فیصد اوسط ریکوری کے ساتھ 277,663.950 میٹرک ٹن سفید ریفا سائڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ سال 3,059,465.013 میٹرک ٹن گنے کی کرشنگ کی اور 9.989 فیصد اوسط ریکوری کے ساتھ 305,521 میٹرک ٹن سفید ریفا سائڈ چینی بنائی۔

گزشتہ سال کی اسی مدت میں 13,324.091 ملین روپے خالص فروخت کے برعکس زیر جائزہ مدت کے دوران 21,465.601 ملین روپے درج کی گئی۔

کمپنی کو زیر جائزہ مدت کے دوران ٹیکس کے بعد 1,552.899 ملین روپے منافع حاصل ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس کے بعد 1,336.220 ملین روپے کا منافع ہوا تھا۔ منافع میں یہ نمایاں اضافہ دوسری سہ ماہی میں چینی کی برآمد، چینی کی قیمتوں میں اضافہ، اور گنے کی بہتر ریکوری کی وجہ سے ہوا ہے۔

تمام توشیحیں عمل کار کردگی 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 اقسام، ادویات وغیرہ اور دیگر باہم سہولیات پہنچا کر کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جارہی ہیں، جس کے نتیجے میں بالآخر چینی کی ریکوری زیادہ اور گنے کے کاشتکاروں کو مالی فوائد بھی حاصل ہوں گے۔

کارپوریٹ گورننس

بہترین کارپوریٹ گورننس 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۔

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 شرف خان درانی جناب فرید الدین احمد |
| 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 شرف خان درانی (چیرمین)
- محترمہ قیصر شمیم خان
- جناب عدنان احمد خان
- ایچ آر اینڈ ریمزیشن کمیٹی
- جناب فرید الدین احمد (چیرمین)
- جناب عدنان احمد خان
- جناب محمد خان
- نامزدگی کمیٹی
- جناب فرید الدین احمد (چیرمین)
- جناب محمد شرف خان درانی
- رسک مینجمنٹ کمیٹی

• جناب فرید الدین احمد (چیئرمین)

• جناب محمد اشرف خان درانی

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

مستقبل کا نقطہ نظر

اسٹیٹ بینک آف پاکستان (SBP) نے ستمبر 2021 سے پالیسی شرح 16 فیصد تک بڑھادی ہے جس سے مارک اپ کی شرحوں میں اضافہ ہو گیا ہے اور اس کے نتیجے میں قرض لینے کی لاگت میں خاطر خواہ اضافہ ہوا ہے جو ہماری کمپنی کے منافع پر منفی اثر ڈال سکتی ہے۔ اس کے علاوہ، مہنگائی کا دباؤ کاروبار کرنے کی لاگت میں مزید اضافہ کر سکتا ہے۔

سال 2023 خاص طور پر انتخابات کا سال ہونے کی وجہ سے کاروبار کے لیے بہت زیادہ چیلنجنگ ہونے کی توقع ہے۔ کاروباری منظر نامے کو طویل سیاسی غیر یقینی صورتحال، چینی کی گرتی ہوئی قیمتوں، معاشی افراتفری، بلند مہنگائی، کرنسی کی قدر میں کمی، بلند شرح سود، درآمدات میں مشکلات، عالمی اقتصادی کساد بازاری، اور گلوبل وارمنگ سے پیدا ہونے والی ماحولیاتی مشکلات کی وجہ سے رکاوٹوں کا سامنا کرنا پڑ سکتا ہے۔ ہمیں یہ غور کرنا چاہئے کہ روس-یوکرین کی صورت حال، جیسے جاری جغرافیائی سیاسی تنازعات، بھی ان غیر یقینی صورتحال میں حصہ ڈالتے ہیں۔

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 شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

دی تھل انڈسٹریز کارپوریشن لمیٹڈ

Qaiser Shauhin

محترمہ قیصر شہیم خان

چیئرمین

Muhammad Ashraf Khan

محمد اشرف خان

چیف ایگزیکٹو

لاہور: 25 جولائی 2023ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023 (Un-Audited)

| | Note | (Un-Audited) 30 June 2023 (Rupees) | (Audited) 30 September 2022 |
|--|------|---|-----------------------------------|
| <u>EQUITY & LIABILITIES</u> | | | |
| Share Capital and Reserves | | | |
| Share capital | 5 | 150,232,320 | 150,232,320 |
| Revenue reserves | | | |
| General reserves | | 93,800,000 | 93,800,000 |
| Accumulated profit | | 8,040,125,853 | 6,539,807,782 |
| | | 8,284,158,173 | 6,783,840,102 |
| LOANS FROM DIRECTORS | 6 | 534,800,000 | 534,800,000 |
| | | 8,818,958,173 | 7,318,640,102 |
| Non Current Liabilities | | | |
| Long term borrowings | 7 | 156,250,001 | 233,333,338 |
| Lease liabilities | 8 | 51,382,530 | 40,837,816 |
| Deferred liabilities | | 675,185,979 | 657,256,253 |
| | | 882,818,510 | 931,427,407 |
| Current Liabilities | | | |
| Trade and other payables | | 5,927,411,006 | 3,392,289,077 |
| Finance cost payable | | 564,253,352 | 172,408,897 |
| Short term borrowings | 9 | 7,345,997,438 | 2,782,164,849 |
| Advances from directors | | 45,300,000 | 45,300,000 |
| Current portion of non-current liabilities | | 111,349,064 | 411,370,372 |
| Uncashed dividend warrants | | 20,681,780 | 19,938,089 |
| Provision for taxation | | 1,139,415,878 | 635,476,666 |
| | | 15,154,408,518 | 7,458,947,950 |
| Contingencies and Commitments | | | |
| | 10 | 24,856,185,201 | 15,709,015,459 |

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.


Chief Executive


Chief Financial Officer


Director

| | Note | (Un-Audited) 30 June 2023 (Rupees) | (Audited) 30 September 2022 |
|---|------|---|-----------------------------------|
| PROPERTY AND ASSETS | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 11 | 5,885,528,097 | 5,077,541,167 |
| Intangible assets | | 1,000 | 1,000 |
| Long term deposits | | 464,500 | 464,500 |
| | | 5,885,993,597 | 5,078,006,667 |
| Current Assets | | | |
| Stores, spare parts and loose tools | | 800,016,988 | 920,997,193 |
| Stock-in-trade | | 11,555,916,987 | 5,877,777,971 |
| Trade debts | 12 | 2,541,117,460 | 762,651,990 |
| Short term investments | | 878,189,157 | 118,908,586 |
| Loans and advances | | 1,047,892,393 | 815,470,953 |
| Trade deposits, prepayments and other receivables | | 228,020,778 | 458,911,385 |
| Current portion of long term advances | | 4,583,354 | 18,333,347 |
| Taxes recoverable/ adjustable | | 1,294,802,637 | 553,989,385 |
| Cash and bank balances | | 619,651,850 | 1,103,967,982 |
| | | 18,970,191,604 | 10,631,008,792 |
| | | 24,856,185,201 | 15,709,015,459 |


Chief Executive


Chief Financial Officer


Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Period Ended 30 June 2023 (Un-Audited)

| | Note | PERIOD ENDED | | QUARTER ENDED | |
|---|------|----------------------|------------------|----------------------|-----------------|
| | | 30 June | | 30 June | |
| | | 2023 | 2022 | 2023 | 2022 |
| | | (Rupees) | | (Rupees) | |
| Sales - Net | | 21,465,600,765 | 13,324,090,633 | 6,882,345,005 | 6,094,692,256 |
| Cost of sales | 13 | (16,964,999,160) | (10,066,204,287) | (5,788,900,293) | (4,846,686,262) |
| Gross profit | | 4,500,601,605 | 3,257,886,346 | 1,093,444,712 | 1,248,005,994 |
| Operating expenses | | | | | |
| Distribution and selling expenses | | (278,856,544) | (183,721,795) | (35,854,082) | (41,921,579) |
| Administrative expenses | | (985,630,536) | (455,699,400) | (520,972,319) | (161,084,244) |
| | | (1,264,487,080) | (639,421,195) | (556,826,401) | (203,005,823) |
| Operating profit | | 3,236,114,525 | 2,618,465,151 | 536,618,311 | 1,045,000,171 |
| Other income | 14 | 270,769,971 | 108,385,712 | 51,044,259 | 25,262,558 |
| | | 3,506,884,496 | 2,726,850,863 | 587,662,570 | 1,070,262,729 |
| Finance cost | | (1,131,216,608) | (669,488,351) | (532,303,276) | (353,033,249) |
| Other expenses | | (163,921,084) | (141,958,014) | (3,819,791) | (49,292,326) |
| | | (1,295,137,692) | (811,446,365) | (536,123,067) | (402,325,575) |
| Profit before taxation | | 2,211,746,804 | 1,915,404,498 | 51,539,503 | 667,937,154 |
| Taxation | | (658,847,421) | (579,184,255) | (141,848,642) | (112,877,722) |
| Profit after taxation | | 1,552,899,383 | 1,336,220,243 | (90,309,139) | 555,059,432 |
| 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 for the period | | 1,552,899,383 | 1,336,220,243 | (90,309,139) | 555,059,432 |
| Earnings per share - Basic and diluted | 15 | 103.37 | 88.94 | (6.01) | 36.95 |

The annexed notes 1 to 22 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 2023 (Un-Audited)

| Particular | Share Capital (Rupees) | General Reserves (Rupees) | Accumulated Profit (Rupees) | Sub Total (Rupees) | Loans from Directors (Rupees) | Total (Rupees) |
|---|------------------------------|---------------------------------|-----------------------------------|--------------------------|-------------------------------------|-------------------|
| | | | | | | |
| Balance as on 01 October 2021 | 150,232,320 | 93,800,000 | 4,809,915,225 | 5,053,947,545 | 574,800,000 | 5,628,747,545 |
| Loan from director - repaid | - | - | - | - | (40,000,000) | (40,000,000) |
| Total comprehensive income for the nine months | - | - | 1,336,220,243 | 1,336,220,243 | - | 1,336,220,243 |
| Cash dividend @ 30% i.e Rs. 3 per share | - | - | (45,069,696) | (45,069,696) | - | (45,069,696) |
| Balance as on 30 June 2022 | 150,232,320 | 93,800,000 | 6,101,065,772 | 6,345,098,092 | 534,800,000 | 6,879,898,092 |
| Total comprehensive income for the three months | - | - | 438,742,010 | 438,742,010 | - | 438,742,010 |
| Balance as on 30 September 2022 | 150,232,320 | 93,800,000 | 6,539,807,782 | 6,783,840,102 | 534,800,000 | 7,318,640,102 |
| Cash dividend @ 35% i.e Rs. 3.5 per share | - | - | (52,581,312) | (52,581,312) | - | (52,581,312) |
| Total comprehensive income for the nine months | - | - | 1,552,899,383 | 1,552,899,383 | - | 1,552,899,383 |
| Balance as on 30 June 2023 | 150,232,320 | 93,800,000 | 8,040,125,853 | 8,284,158,173 | 534,800,000 | 8,818,958,173 |

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.


Shantanu Khan
Chief Executive


Rakesh Sharma
Chief Financial Officer


Rakesh Sharma
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Period Ended 30 June 2023 (Un-Audited)

| | Note | 30 June 2023 (Rupees) | 30 June 2022 |
|---|------|---|-----------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 2,211,746,804 | 1,915,404,498 |
| Adjustment for: | | | |
| Depreciation | | 375,279,733 | 380,125,677 |
| Provision for gratuity | | 48,613,767 | 26,869,279 |
| Gain on disposal of property, plant and equipment | | - | 103,834 |
| Finance cost | | 1,131,216,608 | 669,488,351 |
| Workers' Profit Participation Fund | | 118,783,394 | 102,868,126 |
| Workers' Welfare Fund | | 45,137,690 | 39,089,888 |
| | | 1,719,031,192 | 1,218,545,155 |
| Operating cash flows before changes in working capital | | 3,930,777,996 | 3,133,949,653 |
| Changes in working capital | 16 | (6,274,003,866) | (7,328,813,298) |
| Net cash used in operations | | (2,343,225,870) | (4,194,863,645) |
| Gratuity paid | | (48,124,889) | (16,145,002) |
| Finance cost paid | | (727,194,262) | (346,827,764) |
| Workers' Profit Participation Fund paid | | (138,161,824) | (114,584,680) |
| Workers Welfare Fund paid | | - | (41,585,966) |
| Income tax paid | | (137,467,362) | (340,441,005) |
| NET CASH USED IN OPERATING ACTIVITIES | | (3,394,174,206) | (5,054,448,062) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditure | | (1,119,526,663) | (463,490,180) |
| Long term advances | | 13,749,993 | 11,884,670 |
| Short term investments | | (62,718,204) | 78,731,085 |
| Proceeds from disposal of property, plant and equipment | | - | 27,699,411 |
| NET CASH USED IN INVESTING ACTIVITIES | | (1,168,494,874) | (345,175,014) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term borrowings | | (389,021,271) | (192,192,310) |
| Directors' loan repaid | | - | (40,000,000) |
| Government grant | | - | (1,545,128) |
| Lease payments | | (44,620,749) | (37,603,888) |
| Short term borrowings - net | | 4,563,832,589 | 6,383,991,208 |
| Advances from directors | | - | (50,000,000) |
| Dividend paid | | (51,837,621) | (48,495,945) |
| NET CASH GENERATED FROM FINANCING ACTIVITIES | | 4,078,352,948 | 6,014,153,937 |
| NET INCREASE IN CASH & CASH EQUIVALENTS | | (484,316,132) | 614,530,861 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 1,103,967,982 | 400,156,361 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 619,651,850 | 1,014,687,222 |

The annexed notes 1 to 22 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 2023 (Un-Audited)

1. STATUS AND ACTIVITIES

The Thal Industries Corporation Limited (the Company) was incorporated in Pakistan on 07 September 1953 under the Companies Act, 1913 (now the 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 Khurshid 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 2022.

The comparative figures as at 30 September 2022 in the condensed interim statement of financial position and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial information for the period ended 30 June 2022 are based on unaudited condensed interim financial information. The condensed interim statement of profit or loss and other comprehensive income for the quarter ended 30 June 2023 and 30 June 2022 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, 2022.
- 4.2 Previous period's figures are rearranged/ reclassified 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

30-06-2023 30-09-2022

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 |
| <u>15,023,232</u> | <u>15,023,232</u> | | <u>150,232,320</u> | <u>150,232,320</u> |

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

6. LOANS FROM DIRECTORS

| | | | |
|---------------------------------|-----|-------------|-------------|
| Loans from directors- unsecured | 6.1 | 534,800,000 | 534,800,000 |
|---------------------------------|-----|-------------|-------------|

- 6.1 These loans are unsecured, markup 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. This has been disclosed/ classified in accordance with TR -32 "Directors' Loan" clause 3.3 "Contractual Directors' loan that is interest free and repayable at the discretion of the Company", issued by the Institute of Chartered Accountants of Pakistan. These loans are subordinated to bank loans.

7. LONG TERM FINANCE

From banking companies: Secured

Opening balance

Obtained during the period/ year:

Term finance

Adjustment pertaining to accretion of interest expense

Paid during the period/ year

7.1

Less: current portion

| | (Un-Audited) 30 June 2023 (Rupees) | (Audited) 30 September 2022 |
|--|---|-----------------------------------|
| | 608,972,811 | 910,914,225 |
| | - | 150,000,000 |
| | - | 1,849,833 |
| | 608,972,811 | 1,062,764,058 |
| | (389,021,271) | (453,791,247) |
| | 219,951,540 | 608,972,811 |
| | (63,701,539) | (375,639,473) |
| | 156,250,001 | 233,333,338 |

- 7.1 Demand finance/ Diminishing musharaka facilities of Rs. 260 million (2022: Rs. 260 million) and term finance facilities of Rs. 950 million (2022: Rs. 1,109 million) have been obtained from various banking companies. These loans are secured against first pari passu/ hypothecation charge over all present and future fixed assets of the Company, personal guarantees of directors of the Company and subordination of directors' loan. The facilities are being repaid in quarterly instalments beginning from 22 September 2015 and ending on 30 September 2026. These carry markup @ 3 to 6 month KIBOR + 0.50 % to 1.00 % (2022: @ 3 to 6 month KIBOR + 0.50 % to 1.00%) p.a.

8. LEASE LIABILITIES

Opening balance

Obtained during the period/ year

Finance cost accretion

Payments/ adjustments during the period/ year

Less: security deposits adjustable on expiry of lease term

Less: current maturity of lease liabilities

| | (Un-Audited) 30 June 2023 (Rupees) | (Audited) 30 September 2022 |
|--|---|-----------------------------------|
| | 86,845,385 | 117,533,550 |
| | 63,740,000 | 16,062,200 |
| | 3,342,089 | 109,601,73 |
| | (42,432,149) | (57,710,538) |
| | 111,495,325 | 86,845,385 |
| | (12,465,270) | (10,276,670) |
| | 99,030,055 | 76,568,715 |
| | (47,647,525) | (35,730,899) |
| | 51,382,530 | 40,837,816 |

8.1 Maturity analysis-contractual undiscounted cash flow:

| | 30 June 2023 | | |
|---|------------------------|---------------------------|---|
| | Rupees | | |
| | Minimum Lease Payments | Less: Future Finance Cost | Present Value of Minimum Lease Payments |
| Not later than one year | 64,935,289 | (15,291,264) | 49,644,025 |
| Later than one year but not later than five years | 58,545,561 | (9,159,531) | 49,386,030 |
| | <u>123,480,850</u> | <u>(24,450,795)</u> | <u>99,030,055</u> |

| | 30 September 2022 | | |
|---|------------------------|---------------------------|---|
| | Rupees | | |
| | Minimum Lease Payments | Less: Future Finance Cost | Present Value of Minimum Lease Payments |
| Not later than one year | 43,377,373 | (7,646,474) | 35,730,899 |
| Later than one year but not later than five years | 44,309,290 | (3,471,474) | 40,837,816 |
| | <u>87,686,663</u> | <u>(11,117,948)</u> | <u>76,568,715</u> |

- 8.2 The Company has a finance lease agreements of Rs. 124.00 million (2022 : Rs. 123.82 Million) for vehicles with various banks. Rentals are payable in monthly/ quarterly instalments ending on December 2026. The markup rate implicit in the lease is 3 months KIBOR + 0.75% to 1.25% (2022: 3 months KIBOR + 0.75% to 1.25%) p.a. The lease is secured by way of personal guarantees of directors of the Company and vehicles registered in the name of banks with 10% of vehicle value held as security.
- 8.3 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.
- 8.4 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.

| | Note | (Un-Audited) 30 June 2023 (Rupees) | (Audited) 30 September 2022 |
|---|------|---|-----------------------------------|
| 9. SHORT TERM BORROWINGS - SECURED | | | |
| FROM BANKING COMPANIES | | | |
| Running finance | 9.1 | 666,520,261 | 97,050,149 |
| Cash finance | 9.2 | 6,679,477,177 | 2,685,114,700 |
| | | <u>7,345,997,438</u> | <u>2,782,164,849</u> |

9.1 These facilities of Rs. 1,175 million (2022: Rs. 675 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 markup at the rate of 1 to 3 month KIBOR + 0.50% to 1.00% and 1 year KIBOR minus 1.00% (2022: 1 month KIBOR + 0.50% to 0.75% and 1 year KIBOR minus 1.00%) p.a. The limits will expire on various dates by 31 March 2025 but are renewable.

9.2 These facilities of Rs. 18,200 million (2022: Rs. 15,000 million) have been obtained from various banks to meet the working capital requirements and are secured against pledge over sugar bags of equivalent value with 5% to 25% margin and personal guarantees of the directors. These are subject to markup at the rate of 1 to 9 months KIBOR plus 0.30% to 1.50% (2022: 1 to 9 months KIBOR plus 0.15% to 1.50%) p.a. The limits will expire on various dates by 31 March 2025 but are renewable.

| | Note | (Un-Audited) 30 June 2023 (Rupees) | (Audited) 30 September 2022 |
|--|------|---|-----------------------------------|
| 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 | | 1,371,681,653 | 2,648,641,653 |
| | | <u>1,390,923,034</u> | <u>2,667,883,034</u> |
| Commitments | | | |
| Contracts for capital expenditure | | - | 77,263,432 |
| Letters of credit for capital expenditure | | - | 41,390,580 |
| Letters of credit for other than capital expenditure | | - | 54,617,911 |
| | | <u>-</u> | <u>173,271,923</u> |

| | Note | (Un-Audited) 30 June 2023 (Rupees) | (Audited) 30 September 2022 |
|--|--------|---|-----------------------------------|
| 11. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets- owned | 11.1 | 4,752,581,077 | 4,586,625,056 |
| Operating fixed assets- leased | 11.2 | 120,885,578 | 107,138,982 |
| Capital work in progress - at cost | | 1,012,061,442 | 383,777,129 |
| | | <u>5,885,528,097</u> | <u>5,077,541,167</u> |
| 11.1 Operating fixed assets - owned | | | |
| Opening written down value | | 4,586,625,056 | 4,455,388,518 |
| Additions during the period/ year- at cost | 11.1.1 | 494,829,993 | 570,547,919 |
| Disposals during the period/ year- at WDV | 11.1.1 | - | (602,582) |
| Transfers (at WDV) | | 22,590,878 | 9,242,709 |
| Depreciation charged for the period/ year | | (351,464,850) | (447,951,508) |
| | | <u>4,752,581,077</u> | <u>4,586,625,056</u> |

11.1.1 Additions in and disposals from operating fixed assets

| | (Un-Audited) Period ended 30 June 2023 | | (Audited) Year ended 30 September 2022 | |
|--|--|----------|--|------------------|
| | Addition | Disposal | Addition | Disposal |
| | At Cost | At WDV | At Cost | At WDV |
| | Rupees | Rupees | Rupees | Rupees |
| Owned Assets | | | | |
| Freehold land | - | - | - | - |
| Building on freehold land | 7,939,816 | - | 136,370,428 | - |
| Plant and machinery | 377,523,251 | - | 406,882,080 | - |
| Tools, implements and other factory equipments | 9,899,969 | - | 16,292,346 | - |
| Computer and other office equipments | 3,466,070 | - | 3,521,984 | (451,090) |
| Electric installations | 33,295,447 | - | 4,041,191 | - |
| Vehicles | 62,705,441 | - | 3,439,890 | (151,492) |
| | <u>494,829,993</u> | <u>-</u> | <u>570,547,919</u> | <u>(602,582)</u> |

| | Note | (Un-Audited) 30 June 2023 (Rupees) | (Audited) 30 September 2022 |
|---|--------|---|-----------------------------------|
| 11.2 Operating fixed assets - leased | | | |
| Opening written down value | | 107,138,982 | 120,506,516 |
| Additions during the period/ year | 11.2.1 | 60,152,357 | 28,099,402 |
| Transfers (at WDV) | | (22,590,878) | (9,242,709) |
| Depreciation charged for the period/ year | | (23,814,883) | (32,224,227) |
| | | <u>120,885,578</u> | <u>107,138,982</u> |

| 11.2.1 Additions and disposal from Operating fixed assets - leased | (Un-Audited) Period ended 30 June 2023 | | (Audited) Year ended 30 September 2022 | |
|---|--|----------|--|----------|
| | Addition | Disposal | Addition | Disposal |
| | At Cost | At WDV | At Cost | At WDV |
| | Rupees | Rupees | Rupees | Rupees |
| Vehicles | 60,152,357 | - | 28,099,402 | - |

| 12. TRADE DEBTS | Note | (Un-Audited) | (Audited) |
|--|------|----------------------|----------------------|
| | | 30 June 2023 | 30 September 2022 |
| | | (Rupees) | (Rupees) |
| Trade debts | | 2,584,131,341 | 805,665,871 |
| Provision against expected credit loss | | (43,013,881) | (43,013,881) |
| | | <u>2,541,117,460</u> | <u>762,651,990</u> |

| 13. COST OF SALES | Note | (Un-Audited) | (Un-Audited) |
|---------------------------------|------|-----------------------|-----------------------|
| | | 30 June 2023 | 30 June 2022 |
| | | (Rupees) | (Rupees) |
| Finished goods - opening | | 5,873,279,140 | 608,277,505 |
| Add: Cost of goods manufactured | 13.1 | 22,640,758,385 | 20,398,638,749 |
| | | <u>28,514,037,525</u> | <u>21,006,916,254</u> |
| Finished goods - closing | | (11,549,038,365) | (10,940,711,967) |
| | | <u>16,964,999,160</u> | <u>10,066,204,287</u> |

| 13.1 Cost of goods manufactured | | (Un-Audited) | (Un-Audited) |
|------------------------------------|--|-----------------------|-----------------------|
| | | 30 June 2023 | 30 June 2022 |
| | | (Rupees) | (Rupees) |
| Work in process - opening | | 4,498,831 | 5,188,121 |
| Raw material consumed | | 20,133,688,918 | 18,450,877,700 |
| Cost of refined sugar purchased | | - | 43,135,576 |
| Salaries, wages and other benefits | | 577,349,464 | 468,627,444 |
| Fuel and power | | 94,296,188 | 57,976,975 |
| Stores, spares and loose tools | | 562,078,437 | 508,922,328 |
| Repairs and maintenance | | 750,907,256 | 441,022,807 |
| Insurance | | 2,006,610 | 4,024,781 |
| Depreciation | | 335,132,423 | 313,206,685 |
| Vehicles running | | 181,251,512 | 104,634,394 |
| Miscellaneous | | 6,427,368 | 5,376,404 |
| | | <u>22,647,637,007</u> | <u>20,402,993,215</u> |
| Work in process - closing | | (6,878,622) | (4,354,466) |
| | | <u>22,640,758,385</u> | <u>20,398,638,749</u> |

| | Note | (Un-Audited) 30 June 2023 (Rupees) | (Un-Audited) 30 June 2022 |
|---|------|---|---------------------------------|
| 14. OTHER INCOME | | | |
| Financial Assets | | | |
| Profit on deposit accounts | | 84,441,544 | 37,015,554 |
| Income on unwinding of long term advances | | - | 337,541 |
| | | 84,441,544 | 37,353,095 |
| Non-Financial assets | | | |
| Sale of scrap | | 100,537,651 | 42,550,615 |
| Rental income | | 546,378 | 546,378 |
| Gain on disposal of property, plant and equipment | | - | (103,834) |
| Miscellaneous | | 85,244,398 | 28,039,458 |
| | | 186,328,427 | 71,032,617 |
| | | <u>270,769,971</u> | <u>108,385,712</u> |

15. 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 year ended 30 June 2023 Rupees | Period year ended 30 June 2022 Rupees | Quarter ended 30 June 2023 Rupees | Quarter ended 30 June 2022 Rupees |
|---|---|---|---|---|
| Profit after taxation | 1,552,899,383 | 1,336,220,243 | (90,309,139) | 555,059,432 |
| 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 | 103.37 | 88.94 | (6.01) | 36.95 |

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.

| | (Un-Audited) 30 June 2023 (Rupees) | (Un-Audited) 30 June 2022 |
|---|---|---------------------------------|
| 16. CHANGES IN WORKING CAPITAL | | |
| (Increase)/ decrease in current assets: | | |
| Stores, spare parts and loose tools | 120,980,205 | 65,228,968 |
| Stock-in-trade | (5,678,139,016) | (10,331,600,807) |
| Trade debts | (1,778,465,470) | (455,373,497) |
| Loans and advances | (928,983,807) | (257,376,224) |
| Trade deposits, prepayments and other receivables | 230,890,607 | (130,020,876) |
| Taxes recoverable/ adjustable | (740,813,252) | 210,554,844 |
| Increase / (decrease) in current liabilities: | | |
| Trade and other payables | 2,500,526,867 | 3,569,774,294 |
| | <u>(6,274,003,866)</u> | <u>(7,328,813,298)</u> |

17. 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 2023 | | | | Period ended 30 June 2022 | | | |
|--------------------------------|---------------------------|------------------|--------------------|--------------------|---------------------------|------------------|--------------------|--------------------|
| | Chief Executive | Directors | Executives | Total | Chief Executive | Directors | Executives | Total |
| |R u p e e s | | | | | | | |
| Managerial remuneration | 1,590,000 | 1,810,000 | 146,847,507 | 150,247,507 | 1,610,000 | 1,910,000 | 111,062,277 | 114,582,277 |
| Utilities | - | - | 4,894,917 | 2,903,164 | - | - | 3,221,302 | 3,221,302 |
| Bonus | - | - | 21,677,386 | 21,677,386 | - | - | 14,858,880 | 14,858,880 |
| Total | <u>1,590,000</u> | <u>1,810,000</u> | <u>173,419,810</u> | <u>176,819,810</u> | <u>1,610,000</u> | <u>1,910,000</u> | <u>129,142,459</u> | <u>132,662,459</u> |
| Number of Persons | <u>1</u> | <u>1</u> | <u>47</u> | <u>49</u> | <u>1</u> | <u>1</u> | <u>33</u> | <u>35</u> |

18. 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 17 are as follows:

| Name of Company | Transaction | Nature of Relationship | Period ended | |
|--|-------------------|------------------------|---------------------------------|---------------------------------|
| | | | (Un-Audited) 30 June 2023 | (Un-Audited) 30 June 2022 |
| | | | (Rupees) | |
| Naubahar Bottling Company (Private) Limited | Sale of goods | Common Directorship | 3,348,483,346 | 2,494,288,252 |
| Almoiz Industries Limited | Sale of goods | Common Directorship | 153,951,949 | 78,148,766 |
| | Purchase of Goods | Common Directorship | 101,985,291 | 84,166,716 |
| Baba Farid Sugar Mills Limited | Sale of goods | Common Directorship | 1,725,900 | 17,215,655 |
| | Purchase of Goods | Common Directorship | 7,371,000 | 517,140 |

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:

| | | |
|---|--------------|--------------|
| Loan repaid to directors | - | (40,000,000) |
| Advances received from/ (repaid) to directors | - | (50,000,000) |
| Dividend paid | (49,412,038) | (35,993,251) |
| Lease commitments | (7,650,000) | (7,650,000) |

Balance due from/(due to) related parties are as below:

| | (Un-Audited) 30 June 2023 | (Audited) 30 September 2022 |
|---|---------------------------------|-----------------------------------|
| (Rupees) | | |
| Naubahar Bottling Company (Private) Limited | 254,762,489 | 25,737,356 |
| Al-Moiz Industries Limited | 33,810,963 | - |
| Loans from directors - Long term | (534,800,000) | (534,800,000) |
| Advances from directors - Short term | (45,300,000) | (45,300,000) |

19. FINANCIAL INSTRUMENTS

| Note | Carrying Amount | | | Fair Value | | |
|--|----------------------|-----------------------------|----------------------|------------|----------|----------|
| | Financial assets | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 |
| | ----- Rupees ----- | | | | | |
| 30 June 2023 (Un-Audited) | | | | | | |
| <u>Financial assets measured at fair value through profit or loss</u> | 878,189,157 | - | 878,189,157 | - | - | - |
| | <u>878,189,157</u> | <u>-</u> | <u>878,189,157</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Financial assets measured at amortized cost</u> | | | | | | |
| 19.1 Long term deposits | 464,500 | - | 464,500 | - | - | - |
| Long term advances | 4,583,354 | - | 4,583,354 | - | - | - |
| Trade debts | 2,541,117,460 | - | 2,541,117,460 | - | - | - |
| Loans and advances | 4,716,505 | - | 4,716,505 | - | - | - |
| Trade deposits, prepayments and other receivables | 3,472,783 | - | 3,472,783 | - | - | - |
| Cash and bank balances | 619,651,850 | - | 619,651,850 | - | - | - |
| | <u>3,174,006,452</u> | <u>-</u> | <u>3,174,006,452</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Financial liabilities measured at fair value</u> | - | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Financial liabilities measured at amortized cost</u> | | | | | | |
| 19.1 Loans from directors | - | - | - | - | - | - |
| Long term borrowings | - | 219,951,540 | 219,951,540 | - | - | - |
| Lease liabilities | - | 99,030,055 | 99,030,055 | - | - | - |
| Trade and other payables | - | 661,157,532 | 661,157,532 | - | - | - |
| Uncashed dividend warrants | - | 20,681,780 | 20,681,780 | - | - | - |
| Finance cost payable | - | 564,253,352 | 564,253,352 | - | - | - |
| Short term borrowings | - | 7,345,997,438 | 7,345,997,438 | - | - | - |
| Advances from directors | - | 45,300,000 | 45,300,000 | - | - | - |
| | <u>-</u> | <u>8,956,371,697</u> | <u>8,956,371,697</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 30 September 2022 (Audited) | | | | | | |
| <u>Financial assets measured at fair value through profit or loss</u> | 118,906,586 | - | 118,906,586 | - | - | - |
| | <u>118,906,586</u> | <u>-</u> | <u>118,906,586</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Financial assets measured at amortized cost</u> | | | | | | |
| 19.1 Long term deposits | 464,500 | - | 464,500 | - | - | - |
| Long term advances | 18,333,347 | - | 18,333,347 | - | - | - |
| Trade debts | 762,651,990 | - | 762,651,990 | - | - | - |
| Loans and advances | 3,275,315 | - | 3,275,315 | - | - | - |
| Trade deposits, prepayments and other receivables | 3,472,783 | - | 3,472,783 | - | - | - |
| Cash and bank balances | 1,103,967,982 | - | 1,103,967,982 | - | - | - |
| | <u>1,892,165,917</u> | <u>-</u> | <u>1,892,165,917</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>2,011,074,503</u> | <u>-</u> | <u>2,011,074,503</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Financial liabilities measured at fair value</u> | - | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Financial liabilities measured at amortized cost</u> | | | | | | |
| 19.1 Long term borrowings | - | 608,972,811 | 608,972,811 | - | - | - |
| Lease liabilities | - | 76,568,715 | 76,568,715 | - | - | - |
| Trade and other payables | - | 522,895,049 | 522,895,049 | - | - | - |
| Uncashed dividend warrants | - | 19,938,089 | 19,938,089 | - | - | - |
| Finance cost payable | - | 172,408,897 | 172,408,897 | - | - | - |
| Short term borrowings | - | 2,782,164,849 | 2,782,164,849 | - | - | - |
| Advances from directors | - | 45,300,000 | 45,300,000 | - | - | - |
| | <u>-</u> | <u>4,228,248,410</u> | <u>4,228,248,410</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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

20. SEASONALITY

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

21. SUBSEQUENT MATERIAL EVENTS

There are no significant activities since 30 June 2023 affecting the condensed interim financial information apart from those disclosed in the interim financial information.

22. DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on 25 July 2023 by the Board of Directors.


Chief Executive


Chief Financial Officer


Director

BOOK POST

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CORPORATION

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