



THALINDUSTRIES
CORPORATION

FIRST QUARTERLY REPORT 2024



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



**Sustainability
Through value creation**

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COMPANY INFORMATION

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)

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
BankIslamic (Pakistan) Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
NBP Aitemaad Islamic Bank Limited
Standard Chartered Bank (Pakistan) Limited
Pak Kuwait Investment Company (Pvt) Ltd

Soneri Bank Limited
The Bank of Punjab
United Bank Limited

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

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, 047-7629990
Fax: 047-6610010

WEBSITE: www.thalindustries.com

VISION

We shall build on our core competencies and achieve excellence in performance to become a leading producer of best quality sugar. In doing so we aim to meet or exceed the expectations of all our stakeholders.

Our goal is not only to attain technological advancements in the field of sugar but also to inculcate the most efficient, ethical and time tested business practices in our management.

Furthermore, we shall strive to innovate the ways for the improvement and increase in per acre yield of sugarcane and introduce improved varieties of sugarcane having better yield characters, high sucrose contents, disease and drought resistant and better ratooning crop in the region. We shall introduce the mechanized sugarcane cultivation method to the growers and to educate regarding latest developments of agriculture technology and free consultancy of professionals.

MISSION

We aim to be a leading producer and supplier of quality sugar by adopting the most technological advancement. We intend to play a pivotal role in the economic development of Pakistan.

DIRECTORS' REVIEW

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

INDUSTRY OVERVIEW

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

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

OPERATING HIGHLIGHTS

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

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

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

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

CORPORATE GOVERNANCE

Best Corporate Practices

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

The statement of compliance with the CCG is enclosed.

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

- Male: Six
- Female: One

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

Category	Names
Independent Directors	Mr. Muhammad Ashraf Khan Durani Mr. 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. Muhmmad Ashraf Khan Durani (Chairman)
- Mrs. Qaiser Shamim Khan
- Mr. Adnan Ahmed Khan

HR AND REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

- Mr. Farid U 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 these Regulations. The detail is given in Note: 17 to the Financial Statement.

FUTURE OUT LOOK

The ongoing crushing season indicates a potential decrease in the sugarcane crop size, leading to lower sugar production. The government's support price for sugarcane is Rs. 400/maund, which along with inflationary pressure may result in increased sugar prices.

The year 2024 poses challenges due to being an election year, with heightened economic uncertainty, inflation, currency depreciation, increased interest rates, import difficulties, global economic recession, and climate adversities. Navigating these challenges requires strategic planning for sustainable operations.

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

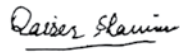
ACKNOWLEDGEMENT

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

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



Mr. Muhammad Shamim Khan
Chief Executive



Mrs. Qaiser Shamim Khan
Chairperson

Lahore: 29th January 2024

ڈائریکٹرز کی جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ 2017ء کی دفعہ 237 کی قیام میں 31 دسمبر 2023ء کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

صحت کا مجموعی جائزہ

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

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

آپریٹنگ جھلکیاں

رپورٹنگ تاریخ کو کمپنی نے کاسیائی سے 908,691,530 میٹرک ٹن گنے کی کرشکٹ کی اور 9,444 فیصد اوسط ریکوری کے ساتھ 81,302,500 میٹرک ٹن سفید ریٹائنڈ چینی بنائی جبکہ اس کے مقابلے میں گزشتہ سال 803,095,060 میٹرک ٹن گنے کی کرشکٹ کی اور 10,373 فیصد اوسط ریکوری کے ساتھ 80,478,5 میٹرک ٹن سفید ریٹائنڈ چینی بنائی۔ ریکوری میں کمی گنے کی بہتر اقسام کی عدم دستیابی کی وجہ سے ہوئی۔

گزشتہ سال کی اسی مدت میں 5,301,038 ملین روپے خالص فروخت کے مقابلے دوران مالی سال کی پہلی سہ ماہی کے دوران 5,204,805 ملین روپے درج کی گئی۔

کمپنی کو ذیل جائزہ سہ ماہی کے دوران ٹیکس سے قبل 995,207 ملین روپے منافع حاصل ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 496,426 ملین روپے کا منافع ہوا، جو نمایاں بہتری ظاہر کرتا ہے۔ یہ بہتری بنیادی طور پر مارکیٹ میں چینی کی بہتر قیمتوں کی وجہ سے ہوئی ہے۔

تمام بڑے کوششیں عمل کارکردگی بہتر بنانے، جدید ترین ٹیکنالوجی آلات نصب کرنے، بڑی عمرانی کی بدولت پیداواری اخراجات کو کم کرنے، اچھی معیاری گنا حاصل کرنے کے لئے کاشتکاروں کو مسلسل جدید بہترین کی اقسام، بھادیں، ادویات وغیرہ اور دیگر باہم سہولیات پہنچا کر کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جارہی ہیں، جس کے نتیجے میں آفر چینی کی ریکوری زیادہ اور گنے کے کاشتکاروں کو مالی فوائد بھی حاصل ہوں گے۔

کارپوریٹ گورننس

بہترین کارپوریٹ گورننس

ڈائریکٹرز بہترین کارپوریٹ گورننس پر عملدرآمد اور فہرستی ٹیکنیز (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 قیام 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	کیٹیگری
جناب محمد اشرف خان درانی	آزاد ڈائریکٹرز
جناب فرید الدین احمد	آزاد ڈائریکٹرز
جناب محمد شمیم خان (سی ای او)	انڈیکسڈ ڈائریکٹرز
جناب نعمان احمد خان	انڈیکسڈ ڈائریکٹرز
محترمہ قیصر شمیم خان	انڈیکسڈ ڈائریکٹرز
جناب عدنان احمد خان	انڈیکسڈ ڈائریکٹرز
جناب محمد نعمان	انڈیکسڈ ڈائریکٹرز

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

آؤٹ کیٹی

- جناب محمد اشرف خان درانی (چیئر مین)
- محترمہ قیصرہ شمیم خان
- جناب عدنان احمد خان

ایچ آر اینڈ معادتی کیٹی

- جناب فرید الدین احمد (چیئر مین)
- جناب عدنان احمد خان
- جناب محمد خان

تقرری کیٹی

- جناب فرید الدین احمد (چیئر مین)
- جناب محمد اشرف خان درانی

رسک مینجمنٹ کیٹی

- جناب فرید الدین احمد (چیئر مین)
- 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

رواں کرئیکل سیزن گئے کی فصل کے سائز میں کمائی کی نشاندہی کرتا ہے، جس کی وجہ سے چینی کی پیداوار میں کمی واقع ہو سکتی ہے۔ حکومت کی طرف سے گنے کی امدادی قیمت 400 روپے فی من اور افراط زر کے دباؤ کے نتیجے میں چینی کی قیمتوں میں اضافہ ہو سکتا ہے۔

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

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

اعلماء شکر

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

مناجانب بورڈ آف ڈائریکٹرز
تحلل انٹرنیشنل کارپوریشن لمیٹڈ

Qaiser Skamir

محترمہ قیصرہ شمیم خان
چیئر مین

Shamim Khan

جناب محمد شمیم خان
چیف ایگزیکٹو

لاہور: 29 جنوری 2024ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (UN-AUDITED)

	Note	(Un-Audited) 31 December 2023 (Rupees)	(Audited) 30 September 2023
<u>EQUITY & LIABILITIES</u>			
Share Capital and Reserves			
Share capital	5	150,232,320	150,232,320
Revenue reserves		93,800,000	93,800,000
Accumulated profit		9,142,905,192	8,436,308,160
		9,386,937,512	8,680,340,480
LOANS FROM DIRECTORS			
	6	478,600,000	478,600,000
		9,865,537,512	9,158,940,480
Non Current Liabilities			
Long term finance	7	125,000,000	125,000,000
Lease Liabilities	8	52,504,462	60,803,211
Deferred liabilities		848,404,497	816,709,486
		1,025,908,959	1,002,512,697
Current Liabilities			
Trade and other payables		8,441,939,834	3,070,753,420
Finance cost payable		74,562,623	131,163,634
Short term borrowings-secured	9	5,686,437,005	1,788,297,176
Advances from directors		-	-
Current portion of long term liabilities		109,870,192	110,276,443
Uncashed Dividend warrants		20,495,196	20,495,196
Provision for taxation		1,027,532,867	738,922,811
		15,360,837,717	5,859,908,680
Contingencies and Commitments			
	10	26,252,284,188	16,021,361,857

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

		Quarter ended	
	Note	31 December 2023 (Rupees)	31 December 2022
Sales - Net		5,204,804,747	5,301,038,184
Cost of sales	13	(3,809,888,762)	(4,459,080,248)
Gross profit		1,394,915,985	841,957,936
Operating expenses			
Distribution and selling expenses		(87,505,239)	(71,298,697)
Administrative expenses		(238,015,606)	(206,364,435)
		(325,520,845)	(277,663,132)
Operating profit		1,069,395,140	564,294,804
Other income	14	108,969,899	46,282,252
		1,178,365,039	610,577,056
Finance cost		(109,399,316)	(77,359,403)
Other expenses		(73,758,635)	(36,792,018)
		(183,157,951)	(114,151,421)
Profit before taxation		995,207,088	496,425,635
Taxation		(288,610,056)	(148,927,691)
Profit after taxation		706,597,032	347,497,944
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:			
Remeasurement of staff gratuity (loss)/gain		-	-
Related impact on deferred tax		-	-
Total comprehensive income / (loss) for the year		706,597,032	347,497,944
Earnings Per Share-Basic & Diluted	15	47.03	23.13

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

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

Particulars	Share capital	Revenue reserves		Sub total	Loans from directors	Total
		General reserves	Accumulated profit			
Rupees						
Balance as on 01 October 2022	150,232,320	93,800,000	6,539,807,782	6,783,840,102	534,800,000	7,318,640,102
Total Comprehensive Income for the three months	-	-	347,497,944	347,497,944	-	347,497,944
Balance as on 31 Dec 2022	150,232,320	93,800,000	6,887,305,726	7,131,338,046	534,800,000	7,666,138,046
Total Comprehensive Income for the nine months	-	-	1,601,583,746	1,601,583,746	-	1,601,583,746
Repayment of loans from directors	-	-	-	-	(56,200,000)	(56,200,000)
Cash dividend @ 35% i.e Rs. 3.5 per share	-	-	(52,581,312)	(52,581,312)	-	(52,581,312)
Balance as on 30 September 2023	150,232,320	93,800,000	8,436,308,160	8,680,340,480	478,600,000	9,158,940,480
Total Comprehensive Income for the three months	-	-	706,597,032	706,597,032	-	706,597,032
Balance as on 31 December 2023	150,232,320	93,800,000	9,142,905,192	9,386,937,512	478,600,000	9,865,537,512

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS

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

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

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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

1. STATUS AND ACTIVITIES

The Thal Industries Corporation Limited (the Company) is a public limited company incorporated in Pakistan on 7th September 1953 under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is principally engaged in production and sale of refined sugar and its by-products.

Geographical location and address of business units/plants

Purpose	Location	Address
Registered Office	Multan	23-Pir Khursid Colony Gulgasht , Multan
Head Office	Lahore	2-D-1 Gulberg III , Lahore
Mill Site Unit-1	Layyah	Layyah Sugar Mills , Layyah
Mill Site Unit-2	Chinniot	Safina Sugar Mills , Lalian District Chinniot

2. BASIS OF PREPARATION

The condensed interim 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 2023.

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

3. STATEMENT OF COMPLIANCE

These condensed interim 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, 2023.
- 4.2 Previous period's figures are re-arranged / re-classified where necessary to facilitate comparison and are rounded off to the nearest rupee; appropriate disclosure is given in relevant note in case of material rearrangement.

5. SHARE CAPITAL

Number of Shares			(Un-Audited) 31 December 2023 (Rupees)	(Audited) 30 September 2023
31-12-2023	30-09-2023			
Authorized Capital:				
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital:				
8,368,846	8,368,846	Ordinary shares of Rs. 10/- each fully paid in cash	83,688,460	83,688,460
142,770	142,770	Ordinary shares of Rs. 10/- each issued as fully paid for consideration otherwise than cash	1,427,700	1,427,700
6,511,616	6,511,616	Ordinary shares of Rs. 10/- each issued as bonus shares	65,116,160	65,116,160
15,023,232	15,023,232		150,232,320	150,232,320

*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	478,600,000	478,600,000
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- 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 in these financial statements. The management considers these loans as temporary equity and this view is supported by the State Bank of Pakistan's Prudential Regulations and TR 32 of the Institute of Chartered Accountants of Pakistan. These loans are subordinated to bank loans.

7. LONG TERM FINANCE

Loans from banking companies-secured	7.1	125,000,000	125,000,000
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- 7.1 Demand finance/ diminishing musharaka facilities of Rs. 260 million (2022: Rs. 260 million) and term finance facilities of Rs. 350 million (2022: Rs. 1,109 million) have been obtained from various banking

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

8. LEASE LIABILITIES

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

8.1 Maturity analysis-contractual undiscounted cash flow:

	31 December 2023		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	68,162,983	(16,080,748)	52,082,235
Later than one year but not later than five years	59,325,868	(11,533,449)	47,792,419
	127,488,851	(27,614,197)	99,874,654
	30 September 2023		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	66,210,571	(18,434,128)	47,776,443
Later than one year but not later than five years	75,480,206	(14,676,995)	60,803,211
	141,690,777	(33,111,123)	108,579,654

- 8.2** The Company has a finance lease agreements of Rs. 173.86 million (2022: Rs. 123.82 million) for vehicles with various banks. Rentals are payable in monthly/ quarterly instalments ending on August 2026. The markup rate implicit in the lease is 3 months KIBOR + 0.75% to 1.25% p.a (2022: 3 months KIBOR + 0.75% to 1.25% p.a), which translates to effective markup ranging from 17.75% to 24.16% p.a (2022: 16.52% to 17.02% p.a) during the year. The lease is secured by way of personal guarantees of directors of the Company and vehicle registered in the name of banks with 10% of vehicle value held 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 include but are not limited to payment of certain taxes and to exercise reasonable care.

9. SHORT TERM BORROWINGS - SECURED

FROM BANKING COMPANIES

Note	(Un-Audited) 31 December 2023 (Rupees)	(Audited) 30 September 2023
9.1	538,816,477	523,412,317
9.2	5,147,620,528	1,264,884,859
	<u>5,686,437,005</u>	<u>1,788,297,176</u>

- 9.1** These loans of Rs. 1,215 million (2023: 1,215 have been obtained from various banks to meet the working capital requirements and are secured against first pari passu hypothecation/ registered ranking charge over current assets of the Company and personal guarantees of directors. These are subject to markup at the rate of 1 to 3 month KIBOR + 0.5% to 0.90% p.a and 1 year KIBOR minus 1% p.a (2022: 1 month KIBOR + 0.5% to 0.75% p.a and 1 year KIBOR minus 1% p.a) and the effective markup ranged from 13.10% to 23.93% p.a (2022: 8.80% to 16.11% p.a) during the year. These limits will expire on various dates by 31 March 2024 and are renewable.
- 9.2** These loans of Rs. 18,460 million (2023: 18,460 million) have been obtained from various banks to meet the working capital requirements and are secured against pledge over sugar bags of equivalent value with 5% to 25% margin and personal guarantees of directors. These are subject to markup at the rate of 1 to 9 months KIBOR plus 0.30% to 1% p.a (2022: 1 to 9 months KIBOR plus 0.15% to 1.50% p.a) and the effective markup ranged from 11.83% to 23.53% p.a (2022: 9.66% to 16.81% p.a) during the year. These limits will expire on various dates by 31 March 2024 and are renewable.

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

11.1.1 Additions and Disposals Operating Fixed Assets

Owned Assets

Freehold land	-
Building on freehold land	32,172,841
Plant and machinery	20,856,814
Tools, implements and other factory equipments	5,392,580
Computer & other office equipments	796,199
Electric installations	271,041
Vehicles	46,332,526

Leased Assets

Vehicles	7,633,790
Buildings	-

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

Note

11.2 Leased Assets

Opening written down value	135,285,576	107,138,982
Additions during the period		
Vehicles	7,633,790	75,639,807
Buildings	-	9,132,417

Transfer (at WDV)	-	(24,010,272)
Depreciation charge for the period	(9,661,288)	(32,615,358)

Closing written down value	133,258,078	135,285,576
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12 TRADE DEBTS

Unsecured and considered good by the management	1,970,110,473	1,348,492,297
Impairment allowance for expected credit loss	(11,520,638)	(11,520,638)

	(Un-Audited) 31 December 2023	(Audited) 30 September 2023
 (Rupees)	
	135,285,576	107,138,982
	7,633,790	75,639,807
	-	9,132,417
	7,633,790	84,772,224
	-	(24,010,272)
	(9,661,288)	(32,615,358)
	133,258,078	135,285,576
	1,970,110,473	1,348,492,297
	(11,520,638)	(11,520,638)
	1,958,589,835	1,336,971,659

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

15. EARNINGS / (LOSS) PER 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:

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

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

16 CHANGES IN WORKING CAPITAL

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

17. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Quarter ended 31 December 2023				Quarter ended 31 December 2022			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
 R U P E E S							
Managerial remuneration	510,000	510,000	47,484,048	48,504,048	510,000	510,000	44,160,318	45,180,318
Utilities	-	-	2,019,381	2,019,381	-	-	1,428,610	1,428,610
Total	510,000	510,000	49,503,429	50,523,429	510,000	510,000	45,588,928	46,608,928
Number of Persons	1	1	57	59	1	1	42	44

18. TRANSACTIONS WITH RELATED 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	Quarter ended	
			(Un-Audited) 31 December 2023 (Rupees)	(Un-Audited) 31 December 2022
Naubahar Bottling Company (Pvt) Limited	Sale of goods	Common Directorship	368,477,985	867,828,976
Al-Moiz Industries Limited	Sale of goods	Common Directorship	20,316,450	66,389,629
	Purchase of Goods	Common Directorship	15,714,702	12,448,215
Baba Farid Sugar Mills Limited	Sale of goods	Common Directorship	-	1,425,000
	Purchase of Goods	Common Directorship	-	-

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:

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

19. FINANCIAL INSTRUMENTS

	Note	Carrying Amount			Fair Value		
		Financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----							
<u>On-balance sheet financial instruments</u>							
31 December 2023 (Un-Audited)							
<u>Financial assets measured at fair value</u>							
		2,583,027,091	-	2,583,027,091	-	-	-
		<u>2,583,027,091</u>	<u>-</u>	<u>2,583,027,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial assets measured at amortized cost</u>							
Long term Deposits	19.1	3,464,500	-	3,464,500	-	-	-
Long term advances		-	-	-	-	-	-
Trade debts		1,958,589,835	-	1,958,589,835	-	-	-
Loans and advances		5,763,286	-	5,763,286	-	-	-
Trade deposits, prepayments and other Receivables		3,472,783	-	3,472,783	-	-	-
Cash and bank balances		1,117,631,282	-	1,117,631,282	-	-	-
		<u>3,088,921,687</u>	<u>-</u>	<u>3,088,921,687</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>5,671,948,778</u>	<u>-</u>	<u>5,671,948,778</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>							
Long term finance	19.1	-	187,500,000	187,500,000	-	-	-
Lease Liabilities		-	99,874,654	99,874,654	-	-	-
Trade and other payables		-	2,742,982,374	2,742,982,374	-	-	-
Uncashed Dividend warrants		-	20,495,196	20,495,196	-	-	-
Finance cost payable		-	74,562,623	74,562,623	-	-	-
Short term borrowings		-	5,686,437,005	5,686,437,005	-	-	-
Advances from directors		-	-	-	-	-	-
		<u>-</u>	<u>8,811,851,851</u>	<u>8,811,851,851</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 September 2023 (Audited)							
<u>Financial assets measured at fair value</u>							
		284,370,210	-	284,370,210	-	-	-
		<u>284,370,210</u>	<u>-</u>	<u>284,370,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial assets measured at amortized cost</u>							
Long term Deposits	19.1	464,500	-	464,500	-	-	-
Long term advances		1,527,800	-	1,527,800	-	-	-
Trade debts		1,336,971,659	-	1,336,971,659	-	-	-
Loans and advances		4,683,771	-	4,683,771	-	-	-
Trade deposits, prepayments and other Receivables		3,472,783	-	3,472,783	-	-	-
Cash and bank balances		744,081,584	-	744,081,584	-	-	-
		<u>2,091,202,097</u>	<u>-</u>	<u>2,091,202,097</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>2,375,572,307</u>	<u>-</u>	<u>2,375,572,307</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>							
Long term finance	19.1	-	187,500,000	187,500,000	-	-	-
Lease Liabilities		-	108,579,654	108,579,654	-	-	-
Trade and other payables		-	876,200,692	876,200,692	-	-	-
Uncashed Dividend warrants		-	20,495,196	20,495,196	-	-	-
Finance cost payable		-	131,163,634	131,163,634	-	-	-
Short term borrowings		-	1,788,297,176	1,788,297,176	-	-	-
Advances from directors		-	-	-	-	-	-
		<u>-</u>	<u>3,112,236,352</u>	<u>3,112,236,352</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 is no significant activities since 31 December 2023 affecting the condensed interim financial information apart from those disclosed in the interim financial information.

22. DATE OF AUTHORIZATION

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER









DIRECTOR










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Registered Office: 23-Pir Khurshid Colony Gulgasht Multan.

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Fax: 061-6524675

Lahore Office: 2-D-1 Gulberg-III, Lahore – 54600

Tel: 042-35771066-71

Fax: 042-35771175