



# THALINDUSTRIES

C O R P O R A T I O N



## CONDENSED INTERIM FINANCIAL INFORMATION

### For the First Quarter Ended 31 December 2015

(Un-audited)

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# Company Information

## **BOARD OF DIRECTORS**

## **CHAIRMAN/CHIEF EXECUTIVE**

Mr. Muhammad Shamim Khan

## **MANAGING DIRECTOR**

Mr. Nauman Ahmed Khan

## **DIRECTORS**

Mrs. Qaiser Shamim Khan

Mr. Adnan Ahmed Khan

Ms. Farrah Khan

Mr. Muhammad Khan

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

Mr. Muhammad Shamim Khan (Member)

Mr. Adnan Ahmed Khan (Member)

## **CHIEF FINANCIAL OFFICER**

Mr. Hafiz Muhammad Arif

## **COMPANY SECRETARY**

Mr. Wasif Mahmood

## **AUDITORS**

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

## **LEGAL ADVISOR**

Mr. Shehzad Ata Elahi, Advocate  
Ch. Altaf Hussain Advocate

## **BANKERS**

Albaraka Bank Pakistan Limited

Allied Bank Limited

Askari Bank Limited

Bank Al-Habib Limited

Bank Alfalah Limited

DubaiIslamic Bank (Pakistan) Limited

Faysal Bank Limited

Habib Bank Limited

MCB Bank Limited

Meezan Bank Limited

NIB Bank Limited

Standard Chartered Bank (Pakistan) Limited

**SHARE REGISTRAR**

Soneri Bank Limited  
United Bank Limited

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  
Fax: 0606-411284

**Unit 2:** Safina Sugar Mills, Lalian District Chinniot.  
Tel: 047-6610011-6  
Fax: 047-6610010

**WEBSITE**

[www.thalindustries.com](http://www.thalindustries.com)

# 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 2015 in compliance with the section 245 of the Companies Ordinance, 1984.

## **INDUSTRY OVERVIEW**

The sugarcane crop acreage was lower as compared to the last year's acreage. The crop was badly affected due to the hot weather and drought, followed by floods. As a result, the crop yield per acre is projected to be on the lower side. It is therefore expected that the cane crushing and sugar production in the province of Punjab would be slightly lower as compared to the last crushing season. However, it is likely that the production will be surplus over the national demand and therefore the Government of Pakistan has rightly made the decision to allow sugar export for price stabilization.

Despite depressed sugar prices for the last four years in local as well as international markets, the sugarcane minimum price was maintained by the Punjab & KPK Government at Rs. 180/- per mound for the crushing season 2015-16 whereas Sind Government notified minimum cane price at Rs. 172/- per mound. Estimating the lesser availability of cane due to lower yield as compared to last year, it is expected that there will be price competition over cane purchase among sugar mills in Punjab and evidence of this is already being faced in some areas.

## **OPERATING HIGHLIGHTS**

The Company was able to crush 554,373 M. Tons of sugarcane and produced 49,954 M. Tons of white refined sugar at an average recovery of 9.502% during the first quarter ending December 31, 2015 as compared to last year sugarcane crushing of 536,950 M. Tons and production of 48,312 M. Tons white refined sugar at an average recovery of 9.457%. The increased volume of crushing is attained due to the BMR completed last year and start-up & trial run of 67 barg high pressure boiler commenced at Layah unit. The installation of the high pressure boiler helped in improving the steam percent cane and eventually the mill was able to process more cane.

Net sales of sugar and molasses were recorded at Rs. 1,362.513 million during the first quarter from 1st October-2015 to 31 December-2015 as compared to Rs. 2,099.289 million against the corresponding period over last year.

The Company earned pretax profit of Rs. 21.052 million during the quarter under review as compared to pretax profit of Rs. 149.448 million in the corresponding period over last year and after tax profit of Rs. 7.205 million against after tax profit of Rs. 98.636 million over the same period of last year. The reduction in the profitability was mainly due to the lower volume of sales and downward trend in the sugar prices during the last couple of months. but materialized in the current quarter on the last year's carried forward sugar stock.

All efforts and energies have been directed to increase the production and profitability of the company by improving process efficiency through installing modern and advanced technologies

and management systems. This will help reduce production cost and boost profitability. To achieve higher sugar recovery and crop yield per acre our focus is to propagate new high potential cane varieties and provide them with balanced nutrients and improved plant protection methods. We are constantly facilitating our growers by providing them with interest free loans and training them to adopt best sugarcane production practices to improve yield and recovery. This will also improve growers' profitability.

## **FUTURE OUT LOOK**

It is expected that sugarcane supply for the current crushing season 2015-16 will remain at the same level as of the last year thus resulting again in high sugar stock levels. Despite depressed conditions in the local and International sugar markets, the government has maintained the minimum cane price from of Rs. 180/ per mound for the crushing season 2015-16.

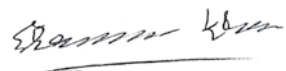
Keeping in view the expected cane crop in the current crushing season 2015-16 and brought forward sugar stock in the country, there will be over supply situation vis-a-vis consumption in Pakistan and as a result sugar prices will remain under pressure which would ultimately affect the profitability of the sugar industry negatively. The outlook for the industry and your company very much hinges on the timely export of surplus stocks of sugar from the country and only if this overhang is cleared, can maintain an acceptable level of sugar price in the local market. If this happens, the industry may expect positive financial outcomes from the current situation.

On-going power project is at advance stage of completion and expected to be commissioned by the end of second quarter. The two new turbines are under installation/ commissioning stages whereas the switchyard, an important part of power project, is committed by the vendor to be completed by end March. The increased focus on power sale will strengthen your company's ability to better compete in the forthcoming tough competitive environment.

## **ACKNOWLEDGEMENT**

The Board wishes to thank the financial institutions associated with the company for their support and appreciate the efforts of the Company's employees which they made to pull the company through this very competitive environment.

For and on behalf of the Board



**MUHAMMAD SHAMIM KHAN**

Chairman/Chief Executive

LAHORE: 25 January 2016

# Condensed Interim Balance Sheet

As at 31 December 2015 (Un-Audited)

	Note	(Un-Audited) 31 December 2015 ..... (Rupees) .....	(Audited) 30 September 2015
<b>EQUITY &amp; LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital	5	150,232,320	150,232,320
Revenue reserves	6	93,800,000	93,800,000
Accumulated profit		1,066,085,316	1,060,676,077
		1,310,117,636	1,304,708,397
<b>Non Current Liabilities</b>			
Long term finance	7	987,979,735	561,970,786
Loans from directors	7	574,800,000	574,800,000
Liabilities against assets subject to finance lease	8	10,514,683	10,366,443
Deferred liabilities		300,241,027	301,408,059
		1,873,535,445	1,448,545,288
<b>Current Liabilities</b>			
Trade and other payables		2,067,715,192	283,229,563
Finance cost payable		83,289,528	77,458,455
Short term borrowings-secured	9	1,516,542,063	1,508,479,052
Advances from directors		383,300,000	383,300,000
Current portion of long term liabilities		234,529,171	229,453,007
Provision for taxation		40,538,603	114,095,088
		4,325,914,557	2,596,015,165
<b>Contingencies and Commitments</b>			
	10	7,509,567,638	5,349,268,850

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



Chief Executive

**PROPERTY AND ASSETS**

**Non Current Assets**

Property, Plant & Equipment  
Long Term Deposits

Note	<b>(Un-Audited) 31 December 2015</b>	<b>(Audited) 30 September 2015</b>
	..... (Rupees) .....	
11	2,616,592,103 464,500	2,516,493,361 464,500
	<b>2,617,056,603</b>	<b>2,516,957,861</b>

**Current Assets**

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

763,361,144	371,107,200
2,819,696,912	1,253,863,481
297,102,348	302,753,242
278,214,701	299,168,017
57,293,267	100,046,316
438,402,219	472,496,044
238,440,444	32,876,689
<b>4,892,511,035</b>	<b>2,832,310,989</b>
<b>7,509,567,638</b>	<b>5,349,268,850</b>

  
**Director**



# Condensed Interim Profit and Loss Account

For the Period Ended 31 December 2015 (Un-Audited)

	Note	31 December 2015	31 December 2014
		..... (Rupees) .....	
Sales - net		1,384,708,624	2,099,288,995
Cost of Sales	12	(1,247,760,992)	(1,786,065,640)
Gross profit/(loss)		136,947,632	313,223,355
Operating expenses			
Distribution and selling expenses		(18,006,577)	(21,756,356)
Administrative Expenses		(63,458,695)	(56,630,817)
		(81,465,272)	(78,387,173)
Operating profit/(loss)		55,482,360	234,836,181
Other Operating Income	13	5,388,140	5,829,328
		60,870,500	240,665,510
Finance Cost		(38,267,006)	(80,205,300)
Other Expenses		(1,551,220)	(11,011,975)
		(39,818,226)	(91,217,275)
Profit/(loss) before taxation		21,052,274	149,448,234
Taxation-Current	14	(13,847,086)	(50,812,400)
Profit/(loss) after taxation		7,205,188	98,635,834
Earnings Per Share - Basic and diluted		0.48	6.57

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



**Chief Executive**



**Director**

## Condensed Interim Statement of Other Comprehensive Income

For the Period Ended 31 December 2015 (Un-Audited)

	<b>31 December 2015</b>	31 December 2014
	..... (Rupees) .....	
Profit/(loss) after taxation	7,205,188	98,635,834
<b><u>Other Comprehensive Income-Net of Tax</u></b>		
Items that will be reclassified to profit or loss	-	-
Items that will never be reclassified to profit or loss:		
Remeasurement of staff gratuity	(2,762,999)	(394,480)
Related impact on deferred tax	967,050	138,068
	(1,795,949)	(256,412)
Total comprehensive income/(loss) for the period	5,409,239	98,379,422

The annexed notes form an integral part of these financial statements.

  
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**Chief Executive**

  
**Director**

# Condensed Interim Cash Flow Statement

For the Period Ended 31 December 2015 (Un-Audited)

	<b>31 December 2015</b>	31 December 2014
	..... (Rupees) .....	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	21,052,274	149,448,234
Adjustment for:-		
- Depreciation	76,163,591	53,487,949
- Finance cost	38,267,006	80,205,300
- (Gains)/Loss of Sale of Fixed Assets	-	2,953
- Provision for gratuity	-	6,168,639
- Workers' Profit participation fund	1,130,175	8,023,010
- Workers' Welfare fund	421,045	2,988,965
	115,981,817	150,876,816
<b>Operating cash flows before changes in working capital</b>	137,034,091	300,325,051
Changes in working capital	(62,327,806)	391,341,545
<b>Cash generated from operations</b>	74,706,285	691,666,596
Gratuity paid	(2,962,981)	(2,860,678)
Finance cost paid	(32,435,933)	(93,637,402)
Workers' Profit participation fund paid	-	-
Workers' Welfare fund paid	(2,075,555)	(642,361)
Income tax paid	(87,403,571)	(54,607,574)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	(50,171,755)	539,918,581
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(170,584,833)	(48,538,481)
Proceed from disposal of fixed assets	-	150,000
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(170,584,833)	(48,388,481)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finance	429,379,043	(52,159,500)
Lease and security deposits payments	(3,823,190)	(3,073,847)
Short term borrowings - net	8,063,011	(771,716,396)
Advances from directors	-	268,500,000
Dividend paid	(7,298,521)	(199,230)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	426,320,343	(558,648,973)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	205,563,755	(67,118,873)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	32,876,689	230,908,244
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER</b>	238,440,444	163,789,371

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

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

## Condensed Interim Statement of Changes in Equity

For the Period Ended 31 December 2015 (Un-Audited)

Particular	Share Capital	General Reserves	Accumulated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
<b>Balance as on 01 October 2014</b>	150,232,320	93,800,000	826,541,441	1,070,573,761
Total Comprehensive Income for the 1st Quarter Ended 31 December 2014	-	-	98,379,422	98,379,422
<b>Balance as on 31 December 2014</b>	150,232,320	93,800,000	924,920,863	1,168,953,183
Cash dividend @ 7.50 % i.e. Re. 0.75 per share for the year ended 30 September 2014	-	-	(11,267,424)	(11,267,424)
Interim cash dividend @ 9.20 % i.e. Re. 0.92 per share declared during the year	-	-	(13,821,373)	(13,821,373)
Profit for the Nine months:	-	-	160,844,011	160,844,011
<b>Balance as on 30 September 2015</b>	150,232,320	93,800,000	1,060,676,077	1,304,708,397
Total Comprehensive Income/(Loss) for the 1st Quarter Ended 31 December 2015	-	-	5,409,239	5,409,239
<b>Balance as on 31 December 2015</b>	150,232,320	93,800,000	1,066,085,316	1,310,117,636

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

  
**Chief Executive**

  
**Director**

# Selected Notes to the Condensed Interim Financial Information

For the Period Ended 31 December 2015 (Un-Audited)

## 1. STATUS AND ACTIVITIES

The Thal Industries Corporation Limited was incorporated on 07 September 1953 under The Companies Act, 1913 (Now Companies Ordinance, 1984) as public company limited by shares. Its shares are quoted on Karachi and Lahore stock exchanges in Pakistan. Its registered office is situated at 23-Pir Khurshid Colony, Gulgusht, Multan. The Company is principally engaged in production and sale of refined sugar and its by-products.

## 2. BASIS OF PREPARATION

This condensed interim financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the represented financial statements as at and for the year ended 30 September 2015.

## 3. STATEMENT OF COMPLIANCE

This condensed interim financial information of the company for the three months period ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standards-34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

## 4. ACCOUNTING POLICIES

- 4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 September 2015.
- 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

31-12-15    30-09-15

### Authorized Capital:

20,000,000    20,000,000

Ordinary shares of Rs. 10/- each

(Un-Audited)  
31 December  
2015  
..... (Rupees) .....

(Audited)  
30 September  
2015

200,000,000

200,000,000

### Issued, subscribed and paid up capital:

8,368,846    8,368,846

Ordinary shares of Rs. 10/-  
each fully paid in cash

83,688,460

83,688,460

142,770    142,770

Ordinary shares of Rs. 10/- each  
issued as fully paid for consideration  
otherwise than cash

1,427,700

1,427,700

6,511,616    6,511,616

Ordinary shares of Rs. 10/-  
each issued as bonus shares

65,116,160

65,116,160

15,023,232    15,023,232

150,232,320

150,232,320

## 6 REVENUE RESERVES

General reserves

93,800,000

93,800,000

It represents distributable profits transferred and utilizable at the discretion of the board of directors.

## 7. LONG TERM FINANCE

Loans from banking companies-Secured

7.1

987,979,735

561,970,786

Loans from directors-Unsecured

7.2

574,800,000

574,800,000

1,562,779,735

1,136,770,786

**7.1** Demand finance / Diminishing musharaka facilities of Rs. 1,000 million (2015: Rs. 1,000 million) and term finance facilities of Rs. 700 million (2015: 700 million) have been obtained from various banking companies. These loans are secured against first pari passu / hypothecation charge of Rs. 2,069 million over all present and future fixed assets of the company, hypothecation charge over fixed assets of the company and personal guarantees of directors of the company. The facilities are being repaid in quarterly/biannually instalments beginning from November 2011 and ending on 31 March 2022. These carry mark up @ 3 to 6 month KIBOR + 0.75 % to 1.25% (2015: 3 to 6 month KIBOR + 0.75 % to 1.25%) p.a.

**7.2** These unsecured loans have been obtained from directors of the company, and will be paid as and when convenient to the company. These loans carry markup @ 3 month KIBOR + 1 % p.a. prevailing at the year end (2015: 3 month KIBOR + 1 % p.a.). The management for the time being does not intend to repay any amount against these loans until the end of next financial year and hence no current maturity has been provided. These loans are subordinated to bank loans.

	<b>(Un-Audited)</b> <b>31 December</b> <b>2015</b> <b>..... (Rupees) .....</b>	<b>(Audited)</b> <b>30 September</b> <b>2015</b>
<b>8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>		
Opening balance	26,803,668	14,002,049
Obtained during the year	5,677,500	22,746,500
Payments/adjustments during the year	(3,255,440)	(9,944,881)
	<u>29,225,728</u>	<u>26,803,668</u>
Less: Security deposits adjustable on expiry of lease term	(4,736,600)	(4,168,850)
	<u>24,489,128</u>	<u>22,634,818</u>
Less: Current portion grouped under current liabilities	(13,974,445)	(12,268,375)
	<u>10,514,683</u>	<u>10,366,443</u>
<b>8.1 Reconciliation between minimum lease payments and present value of minimum lease payments is as follows:</b>		
Not later than one year	14,549,856	13,739,407
Later than one year but not later than five years	12,328,948	11,110,908
Gross Minimum lease payments	<u>26,878,804</u>	<u>24,850,315</u>
Less: Finance cost allocable to future periods	(2,389,676)	(2,215,497)
Present value of minimum lease payments	<u>24,489,128</u>	<u>22,634,818</u>
Less: Current Portion of liabilities against assets subject to finance lease	(13,974,445)	(12,268,375)
	<u>10,514,683</u>	<u>10,366,443</u>

**8.2** The company has a finance lease agreement of Rs. 65 million for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly installments commencing from September 2013 ending on December 2018. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2015: 3 months KIBOR + 1.00% to 1.25%) p.a. The lease is secured by way vehicle registered in the name of Bank Al Habib Limited with 10% of vehicle value held as security.

**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.

	Note	(Un-Audited) 31 December 2015 ..... (Rupees) .....	(Audited) 30 September 2015
<b>9. SHORT TERM BORROWINGS - SECURED</b>			
<b>FROM BANKING COMPANIES</b>			
Running Finance	9.1	111,001,304	486,479,011
Cash Finance	9.2	1,405,540,759	1,022,000,041
		<b>1,516,542,063</b>	<b>1,508,479,052</b>

- 9.1** These loans 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 @ 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.75 to 1.50% (2015: 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.75 to 1.50%) p.a. The limits will expire on various dates by 31 January 2016 but are renewable.
- 9.2** These loans have been obtained from various banks and are secured against pledge over sugar bags of equivalent value with 10% to 25% margin and personal guarantees of directors. These are subject to mark up @ 1 to 3 months KIBOR plus 0.75% to 1.00% (2015: 1 to 3 months KIBOR plus 0.75% to 1.00%) p.a. The limits will expire on various dates by 31 March 2016 but are renewable.

## 10. CONTINGENCIES AND COMMITMENTS

### Contingencies

	(Un-Audited) 31 December 2015 ..... (Rupees) .....	(Audited) 30 September 2015
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	344,155,053	344,155,053
	<b>363,396,434</b>	<b>363,396,434</b>

### Commitments

Contracts for capital expenditure	5,951,646	71,950,885
Letters of credit for capital expenditure	-	327,403,134
Letters of credit for other than capital expenditure	2,828,936	35,321,702
	<b>8,780,582</b>	<b>434,675,721</b>



	Note	(Un-Audited) 31 December 2015 ..... (Rupees) .....	(Audited) 30 September 2015
<b>11. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Operating fixed assets	11.1	2,462,816,113	2,482,514,983
Capital work in progress		153,775,990	33,978,378
		<u>2,616,592,103</u>	<u>2,516,493,361</u>
<b>11.1 Operating Fixed Assets</b>			
Opening book value		2,482,514,983	2,333,589,216
Addition during the period		56,464,721	370,288,706
Deletion during the period		-	(466,621)
Depreciation charged		(76,163,591)	(220,896,318)
		<u>2,462,816,113</u>	<u>2,482,514,983</u>

**11.2 Addition-At Cost /  
Disposal-At WDV**

	(Un-Audited) 31 December 2015		(Audited) 30 September 2015	
	Addition At Cost	Disposal At WDV	Addition At Cost	Disposal At WDV
	..... (Rupees) .....			
<b>Owned Assets</b>				
Freehold land	4,453,040	-	11,158,800	-
Building on free hold land	-	-	59,856,600	-
Plant and machinery	30,953,437	-	252,975,679	-
Tools, implements and other factory equipments	776,833	-	16,856,476	-
Computer and other office equipments	2,070,043	-	2,353,765	(315,072)
Electric Installations	178,542	-	1,200,000	(151,549)
Vehicles	12,355,326	-	3,140,886	-
	<u>50,787,221</u>	<u>-</u>	<u>347,542,206</u>	<u>(466,621)</u>
<b>Leased Assets</b>				
Vehicles	5,677,500	-	22,746,500	-
	<u>5,677,500</u>	<u>-</u>	<u>22,746,500</u>	<u>-</u>
	<u>56,464,721</u>	<u>-</u>	<u>370,288,706</u>	<u>(466,621)</u>

	Note	(Un-Audited) 31 December 2015 ..... (Rupees) .....	(Un-Audited) 31 December 2014
<b>12. COST OF SALES</b>			
Finished goods - opening		1,248,180,386	2,329,251,957
Add: Cost of goods manufactured	12.1	2,665,490,871	2,586,201,819
		<u>3,913,671,257</u>	<u>4,915,453,776</u>
Finished goods - closing		(2,665,910,265)	(3,129,388,136)
		<u>1,247,760,992</u>	<u>1,786,065,640</u>
<b>12.1 Cost of goods manufactured:</b>			
Work in process - opening		5,683,095	6,042,876
Raw material consumed		2,520,487,749	2,442,936,349
Salaries, wages and other benefits		60,973,722	58,461,852
Fuel and power		8,538,183	10,277,731
Stores, spares and loose tools		43,287,752	53,294,433
Repairs and maintenance		101,074,410	97,417,641
Insurance		895,761	1,261,347
Depreciation		73,133,763	50,629,035
Miscellaneous		5,203,083	4,159,824
		<u>2,819,277,518</u>	<u>2,724,481,088</u>
Work in process - closing		(153,786,647)	(138,279,269)
		<u>2,665,490,871</u>	<u>2,586,201,819</u>
<b>13. OTHER OPERATING INCOME</b>			
<b>Financial Assets</b>			
Profit on deposit accounts		80,503	140,699
<b>Others</b>			
Gain/(Loss) on disposal of fixed assets		-	(2,953)
Sale of scrap		1,752,334	252,404
Rental Income		181,193	63,750
Miscellaneous		3,374,110	5,375,428
		<u>5,388,140</u>	<u>5,829,328</u>
<b>14. TAXATION</b>			
		<u>13,847,086</u>	<u>50,812,400</u>

This represent the Tax due on Income as per these accounts at the current rate applicable under the Income Tax Ordinance, 2001.

## 15. EARNINGS PER SHARE - BASIC AND DILUTED

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

	(Un-Audited) 31 December 2015 ..... (Rupees) .....	(Un-Audited) 31 December 2014
Profit/(Loss) after tax	7,205,188	98,635,834
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings/(Loss) per share	0.48	6.57

## 16. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for the period for remuneration including certain benefits to Chief Executive, Directors and Executives of the Company are as follows:

	31 December 2015 (Un-Audited)				31 December 2014 (Un-Audited)
	Chief Executive	Directors	Executives	Total	
	----- (RUPEES) -----				
Managerial remuneration	510,000	510,000	14,465,128	15,485,128	13,733,669
Utilities	-	-	283,032	283,032	265,070
Total	510,000	510,000	14,748,160	15,768,160	13,998,739
Number of Persons	1	1	40	42	41

- 16.1** The executives have been provided free unfurnished accommodation with maintained car for company's affairs only.
- 16.2** No meeting fee has been paid to Directors during the period.
- 16.3** Chief Executive and Directors are not entitled for any benefit other than disclosed as above.

## 17. TRANSACTIONS WITH RELATED PARTIES

Amounts due from and (due to) related parties are shown in receivables and payables and remuneration of the key management personnel is disclosed in note 16. Other significant transactions with related parties are as follows:

<b>Relationship</b>	<b>Nature of transaction</b>	<b>(Un-Audited) 31 December 2015 ..... (Rupees) .....</b>	<b>(Un-Audited) 31 December 2014 .....</b>
<b>Associated undertakings:</b>	- Sale of goods	215,110,512	422,438,115
	- Purchase of goods	10,989	-

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	-	268,500,000
Mark up on loans from director's	10,763,131	16,050,000

	<b>(Un-Audited) 31 December 2015 ..... (Rupees) .....</b>	<b>(Audited) 30 September 2015 .....</b>
Balance due from/(due to) related parties as at 31 December 2015 are as below:		
Naubahar Bottling Company (Pvt) limited	(44,747,558)	(73,907,878)
Al-Moiz Industries Limited	37,015,451	15,944,934
	(7,732,107)	(57,962,944)

## 18. SEASONALITY

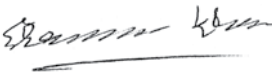
The Company's business is seasonal in nature. Entire cane crushing and manufacture of sugar is done during season from November to the following March. Sugar sales are made throughout the year.

## 19. SUBSEQUENT MATERIAL EVENTS

There are no significant activities since 31 December 2015, affecting the condensed interim financial information apart from those disclosed in the condensed interim financial information.

## 20. DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on 25 January 2016 by the Board of Directors.



Chief Executive



Director

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# THAL INDUSTRIES

C O R P O R A T I O N

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