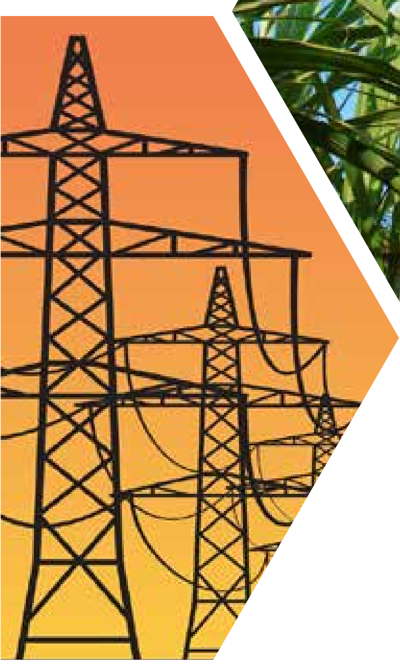

THALINDUSTRIES

CORPORATION

2019
ANNUAL REPORT

WWW.THALINDUSTRIES.COM

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Company Information

BOARD OF DIRECTORS	**CHAIRPERSON**	
	Mrs. Qaiser Shamim Khan	
	CHIEF EXECUTIVE	
	Mr. Muhammad Shamim Khan	
	MANAGING DIRECTOR	
	Mr. Nauman Ahmed Khan	
	DIRECTORS	
	Mr. Muhammad Shamim Khan	(Director)
	Mrs. Qaiser Shamim Khan	(Director)
	Mr. Adnan Ahmed Khan	(Director)
	Mr. Nauman Ahmed Khan	(Director)
	Mr. Muhammad Khan	(Director)
	Mr. Muhammad Ashraf Khan Durani	(Independent Director)
	Mr. Abdul Wahid Khan	(Independent Director)
AUDIT COMMITTEE	Mr. Muhammad Ashraf Khan Durani	(Chairman)
	Mrs. Qaiser Shamim Khan	(Member)
	Mr. Adnan Ahmed Khan	(Member)
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Abdul Wahid Khan	(Chairman/Member)
	Mr. Adnan Ahmed Khan	(Member)
	Mr. Muhammad Khan	(Member)
CHIEF FINANCIAL OFFICER	Mr. Hafiz Muhammad Arif	
COMPANY SECRETARY	Mr. Wasif Mahmood	
AUDITORS	M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants, Lahore	
LEGAL ADVISOR	Mr. Shehzad Ata Elahi, Advocate Ch. Altaf Hussain Advocate	
BANKERS	Albaraka Bank Pakistan Limited Allied Bank Limited Askari Bank Limited Bank Al-Habib Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited MCB Islamic Bank Limited	

	Meezan Bank Limited National Bank of Pakistan Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited United Bank Limited
SHARE REGISTRAR	M/s. Corplink (Pvt) Ltd Wings Arcade, 1-K- Commercial Model Town, Lahore Tel: 042-35839182, 35887262 Fax: 042-35869037
REGISTERED OFFICE	23- Pir Khurshid Colony Gulgasht, Multan Tel: 061-6524621, 6524675 Fax: 061-6524675
LAHORE OFFICE	2-D-1 Gulberg-III, Lahore – 54600 Tel: 042-35771066-71 Fax: 042-35771175
FACTORY ADDRESSES	Unit 1: Layyah Sugar Mills, Layyah Tel: 0606-411981-4, 0606-410014 Fax: 0606-411284 Unit 2: Safina Sugar Mills, Lalian District Chinniot. Tel: 047-6610011-6 Fax: 047-6610010
WEBSITE	www.thalindustries.com

Notice of Annual General Meeting

Notice is hereby given that the 66th Annual General Meeting of the Shareholders of The Thal Industries Corporation Limited will be held on Monday, the 27th January, 2020 at 03.00 p.m. at Head Office 2-D-1, Gulberg III, Lahore to transact the following business:

ORDINARY BUSINESS:

1. Confirmation of the minutes of the 65th Annual General Meeting of the Thal Industries Corporation Limited held on 26-01-2019.

2. To receive, consider and adopt Annual Audited Accounts alongwith Balance Sheet for the year ended 30th September 2019 together with Auditors' and Directors' reports thereon.

3. To consider and approve cash dividend @ of Rs. 1.50 per share i.e. 15% for the year ended 30th September, 2019.

4. To appoint Auditors of the Company for the next financial year 30th September, 2020 and to fix their remuneration. The present Auditors, M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, Lahore, retired and being eligible, have offered themselves for reappointment as Auditors of the Company.

5. To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD

(WASIF MAHMOOD)
Company Secretary

Lahore: 30th December 2019

Note:

1. Closure of Shares Transfer Books:

Share Transfer Books of the Company will remain closed from 21-01-2020 to 27-01-2020 (both days inclusive). No transfer of shares will be accepted for registration during the closed period. However, transfer received at the office of the Company's Share Registrar Office at M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore by the close of business hours on 20th January, 2020 will be treated in time for the entitlement of payout of cash dividend (if any).

2. Participation in the Annual General Meeting

Members are requested to attend in person alongwith national identity card or appoint some other member as proxy and send their proxy duly witnessed so as to reach at 2-D-1 Gulberg III, Lahore not later than 48 hours before the time of holding the meeting.

Copies of Memorandum and Articles of Association of the Company, Listing Regulations of the Stock Exchanges, Companies Act, 2017 and other relevant laws/record may be inspected during the business hours on any working day at 2-D-1, Gulberg III, Lahore from the date of the publication of the notice till the conclusion of the general meeting. A Corporate member of the Company may by a resolution of its Board of Directors authorize a person to act as its representative at the meeting.

3. Change of Address:

Shareholders are requested to promptly notify the change in their address, if any to the Company's Share Registrar M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore and also furnish attested photocopy of their computerized National Identity Card as per Listing Regulations, if not provided earlier.

4. Further Guidelines for CDC Account Holders:

CDC shareholders are requested to bring with them their CNICs, Participants' ID numbers and their account numbers duly verified by the CDC at the time of attending the Annual General Meeting in order to facilitate identification. In case of corporate entity, a certified copy of the resolution passed by the Board of Directors/ valid Power of Attorney with specimen signatures of the nominee be produced at the time of meeting.

5. Submission of Copy of CNIC (Mandatory):

Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP) through its Notification No. SRO 831 (1) 2012 dated July 5, 2012 r/w SRO 19(1)/2014 dated January 10, 2014, dividend warrants cannot be issued without valid CNICs. All the shareholders were advised to submit copies of their valid CNICs. In the absence of shareholders valid CNIC the company will be constrained to withhold dispatch of dividend to such shareholders. Those shareholders who have not yet submitted their valid CNICs are once again advised to provide attested copies of their valid CNICs with their folio numbers to the company's Share Registrar if they hold physical shares, to ensure timely disbursement of dividend.

6. Revision of Withholding Tax on dividend income under Section 150 of Income Tax Ordinance 2001:

It is further being informed that pursuant to the provisions of Finance Act, 2016-17 the rate of deduction of income tax under section 150 of the Income Tax Ordinance 2001 from dividend payment have been revised as: for filers of Income Tax return 15.00% and Non-filers of Income Tax return 30.00% respectively. You are therefore advised to check and ensure your Filer status from Active Tax Payer List (ATL) available to FBR, website www.fbr.gov.pk as well as ensure that your CNIC/ Passport number has been recorded by your Participant/ Investor Account Services (in case your shareholding is in book entry form) or by Company's Share Registrar M/s. Corplink (Pvt.) Ltd. (in case of physical shareholding).

7. Payment of Dividend Electronically

According to the provisions of Section 242 of the Companies Act, 2017 ("the Act"), any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Further, rule 3 of the Companies (Distribution of Dividends) Regulations, 2017 provides that the company should make payment of cash dividend within a period of fifteen working days from the date of its declaration. Therefore, the registered shareholders of the Company are requested to provide the following details in order to credit their cash dividends directly to their international bank account number (IBAN), if declared:

(i) In case of book-entry securities in CDS, to CDS Participants; and
(ii) In case of physical securities to the Company's Share Registrar as mentioned below.

1. Name of Shareholder's____
2. Father's / Husband's Name;___________________________________
3. Folio Number;____
4. Postal Address;____

5. Name of Bank;_______________________________________
6. Name of Branch;_____________________________________
7. Address of Branch;___________________________________
8. Title of Bank Account;_________________________________
9. Bank Account Number (Complete with code);________________
10. IBAN Number (Complete with code);_______________________
11. Cell Number;____
12. Telephone Number (if any);____________________________
13. CNIC Number (attach copy);___________________________
14. NTN (in case of corporate entity, attach copy);_________________

IBAN number (International Bank Account Number) will be provided by your banker, containing alpha, number and without any space and gap.

To, Share Registrar

M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore. Ph. No. 042-35916719, 042-35839182,

8. Audited Financial Statements through e-mail

SECP through its Notification SRO No. 787 (1) 2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members of the Company through email. Therefore, all members of the Company who wish to receive soft copy of Annual Report are requested to send their email addresses. The Consent Form for electronic transmission could be downloaded from Company's website: www.thalindustries.com. The Company has already dispatched hard copy of the Audited Financial Statement to its shareholders.

9. Video Conferencing Facility:

If the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least 7 days prior to the date of AGM, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

In this regard, please fill the following and submit to registered address of the company at least 7 days prior to the date of AGM.

I/We, ____________________ of _________________, being a member of The Thal Industries Corporation Limited, holder of ______________ ordinary share(s) as per Registered Folio/CDC Account/ Sub Account No. ____________________ hereby opt for video conference facility at _____________.

10. Zakat Declarations (CZ-50)

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/-each) under Zakat and Ushar Laws and will be deposited within the prescribed period with the relevant authority, Please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 form, in case you want to claim exemption, with your brokers or the Central Depository Company Ltd (In case the shares held in Investor Accounts Services on the CDC) or to our Registrars, M/s. Corplink (Pvt.) Limited 1-K, Commercial Model Town, Lahore (In case the shares are held in paper certificate form). The shareholders while sending the Zakat Declarations, as the case may be must quote company name and respective folio numbers.

Director's Report to the Members

The Directors of your Company are pleased to present the 66th Annual Report together with Audited Accounts and Auditor's Report thereon for the Financial Year ended 30 September 2019.

INDUSTRY OVERVIEW

The sugarcane crop size during the period under review was approximately 25% less and yield per acre being reported by the growers was also considerably lower. However, sucrose contents were better than last crushing season. Cumulatively the Company's sugar production came down in line with country's sugar production as compared to the last year.

For current crushing season 2018-19, notified support price of sugarcane in Punjab was Rs. 180/- per 40 kg. , the Federal Government allowed sugar export of 1.1 million tons and an export subsidy of Rs. 5.35/- per kg was also approved by the Punjab Government for a quantity proportionate to previous provincial share in exports (about 52%).

PERFORMANCE OF THE COMPANY

During the year ended 30 September 2019, the Company was able to crush 2,006,892 M. Tons sugarcane and produced 204,406 M. Tons white refined sugar at an average recovery of 10.190%. During the same period last year, the Company crushed 2,697,755 M. Tons sugarcane and produced 260,788 M. Tons white refined sugar at an average recovery of 9.672%. The decline in company's sugar production is in tandem with the overall reduction of sugar production in the country.

FINANCIAL HIGHLIGHTS

For the year ended 30 September 2019, the Company earned pretax Profit of Rs. 542.575 million and after-tax profit of Rs. 342.299 million as compared to pretax loss of Rs. (153.140) million and after-tax loss of Rs. (160.451) million over the same period last year . The increase in profitability mainly attributed towards better sugar prices in the local market and considerably improved prices of molasses on account of significantly lower molasses production due to reduced crushing and less stale cane. Co-generation power plant have also significantly contributed in achieving better financial results. Earnings per share for the year ended 30 September 2019 are reported at Rs. 22.78 as compared to the per share loss of Rs. (10.68) for the corresponding period last year.

Net sales were recorded at Rs. 14,359.613 million during the year ended 30 September 2019, as compared to Rs. 14,104.443 million in last year . Given decrease in sales volumes, marginal increase in sales revenue is attributed to increase in average selling prices.

All out efforts are being made to increase the production and profitability of the Company by enhancing process efficiency, installing modern and latest technology equipment, reducing production cost due to close supervision, developing good quality cane via providing the latest improved seed varieties, fertilizer, pesticides etc. and facilitating the cane growers constantly which not only will result in higher sugar recovery but also provide financial benefit to the cane growers.

	2019	2018
	(Rupees in Million)	
Pre- Tax Profit	542.575	(153.140)
Provision for Taxation	(199.603)	(33.019)
Prior Year	(70.232)	(165.898)
Deferred	69.559	191.606
Profit after Taxation	342.299	(160.451)
Effect of OCI	(4.032)	(4.367)
	338.267	(164.818)
Accumulated Profit brought forward	1,641.525	2,089.701
	1,979.792	1,924.883
APPROPRIATIONS		
Final Cash Dividend paid during the year @ NIL (2018: 100%)	-	(150.232)
Interim Dividend paid during the year @ NIL (2018: 88.86%)	-	(133.126)
Accumulated profit carried forward	1,979.792	1,641.525
Earnings per share (Rs.)	22.78	(10.68)

EARNING PER SHARE:

The earnings per share of the company for the year under review stood at Rs. 22.78 (2018: Rs. (10.68))

DIVIDEND

Your Board has recommended 15% i.e Rs 1.50 per share (2018: Nil) cash dividend for the financial year ended 30 September 2019.

RESEARCH AND DEVELOPMENT

Agricultural R&D is an integral part of the Company's policy which entails identification and multiplication of promising new sugarcane varieties and their subsequent commercial sowing through progressive growers with best agricultural practices. This not only increases per acre yield of sugar cane but also enhances growers earning and creates more enthusiasm for sowing sugarcane compared to competing crops. It also increases the sugarcane supply to the Company and boosts overall sugar recovery, directly improving the bottom line of the company.

Like previous years, your management has decided to provide new improved varieties of sugarcane seed with high yield/recovery and disease/frost resistance along with fertilizers and pesticides to cane growers on markup free credit basis for Autumn sowing 2019, as well as free of cost timely services of biological laboratory at their door step so that sugarcane procurement for the next crushing season may not suffer.

FUTURE OUT LOOK

It is evident from surveys that sugarcane crop & yield per acre in the year 2019-20 will be on lower side as compared to 2018-19. This may trigger price war over the sugarcane purchase among sugar mills of surrounding area. Carryover of the sugar stock for season 2019-20 is much lower as compared to last year, it is expected that sugar prices will remain same or better than existing level in 2019-20. Molasses and bagasse prices are also expected to remain high partially due rupee devaluation and partially due to expectedly same or reduced molasses production in 2019-20.

Overall, the country is passing through a tough economic climate and increase in KIBOR rates to almost double the level as compared to last year is putting strain particularly on seasonal industries like sugar which mainly rely on borrowing to bridge the time gap between production and sale. However, due to currency devaluation Pakistan's sugar industry is now globally competitive at large in spite of highly depressed sugar prices in the international markets.

Therefore, it is hoped that the Federal and Provincial Governments will keep the economic issues in mind when making policy decisions such as sugarcane minimum price determination and allowing export of sugar. All stakeholders related to sugarcane can only prosper when reasonable margins are allowed at all stakeholders without compromising the export competitiveness of the industry.

Your Company together with Almoiz Industries Limited and Naubahar Bottling Company Private Limited, associated companies (collectively as the Group), intends to acquire ordinary shares up to 54.03% of overall shareholding in Isis Central Sugar Mill Company Limited located in Bundaberg region of Queensland, Australia ("ICSM") by participating one-third share each ("Transaction" or "Acquisition"), subject to applicable statutory and regulatory approvals, with overall cost of AUD 36.10 Mn (Australian Dollars Thirty Six Million One Hundred Thousand) equivalent to USD 26.6 Mn.

RELATED PARTIES DISCLOSURE

The transactions between the related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled market prices method. The Company has fully complied with the best practices on transfer pricing.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

a) The Financial Statements prepared by the company fairly present its state of affairs, the result of operations, cash flows and changes in equity

b) Proper books of accounts of the company have been maintained

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement

d) International Financial Reporting Standards as applicable in Pakistan and the requirements of the Companies Act, 2017 have been followed in preparation of financial statements and there has been no departure there from

e) The system of internal control has been designed and effectively implemented according to the requirement of the industry and on modern managerial principles which are being continuously reviewed and monitored. The review will continue in future for the improvement in control

f) The company has adopted the central depository system and the listing regulations of Pakistan Stock Exchange. So far 205,929 shares of the company have been transferred by the shareholders to the Central Depository Company, Pakistan

g) The company has appointed M/s CORPLINK (Pvt) Ltd., independent share Registrar in terms of section 195 of the Companies Act, 2017

h) There is no doubt upon the Company's ability to continue as a going concern

i) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations of Stock Exchanges

j) The key operating and financial data of the last six (06) years is annexed herewith

k) There are no statutory payments against the company on account of Taxes, duties, levies and other charges except for those which are being paid in the normal course of business

l) The Company maintains unfunded gratuity scheme for its permanent employees

m) Share transactions (if any) have been reported by the Directors, CFO, other Executives, Auditors, Company secretary or their spouses and minor children during the year ended 30 September, 2019 are annexed in pattern of shareholding

n) All the information as required to be placed on Company's website under SRO-634(1) 2014 is appropriately placed at www.thalindustries.com.

BOARD MEETINGS

During the year under review, six board meetings were held and attendance of each Director in the board meeting was as under:

SR. NO.	NAME OF THE DIRECTORS	NO. OF MEETINGS ATTENDED
1	Mrs. Qaiser Shamim Khan	6
2	Mr. Muhammad Shamim Khan	6
3	Mr. Adnan Ahmed Khan	5
4	Mr. Nauman Ahmed Khan	5
5	Mr. Muhammad Khan	6
6	Mr. Hafiz Rab Nawaz	6
7	Mr. Muhammad Ashraf Khan Durani	6

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, 2017 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. Abdul Wahid Khan
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Mr. Muhammad Khan

3. The Board has formed committees comprising of members given below:

Audit Committee

- Mr. Muhmmad Ashraf Khan Durani (Chairman)
- Mrs. Qaiser Shamim Khan
- Mr. Adnan Ahmed Khan

HR and Remuneration Committee

- Mr. Abdul Wahid Khan (Chairman)
- Mr. Adnan Ahmed Khan
- Mr. Muhammad Khan

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: 35 to the Financial Statement.

PATTERN OF SHARE HOLDING

The statement of pattern of shareholding alongwith categories of shareholding of the company as noted on September 30, 2019 required under section 227 of the Companies Act, 2017 and Code of Corporate Governance is annexed with this report.

AUDITORS

The present Auditors M/S Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have retired and being eligible, offered their services for reappointment. The Audit Committee has recommended M/S Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants for reappointment as Auditors for the year ending 30 September, 2020.

OTHER STATEMENTS AND REPORTS

Statement of Ethics and Business Practices, Six years summary of financial highlights, Pattern of Shareholding, Statement of compliance with the Code of Corporate Governance and Auditors' Report in this regard are also presented.

ACKNOWLEDGEMENT

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

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

Muhammad Shamim Khan
Chief Executive

Mrs. Qaiser Shamim Khan
Chairperson

Lahore: 30 December 2019

ڈائریکٹرز کی ممبران کو رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2019 کو ختم ہونے والے مالی سال کے لئے 66ویں سالانہ رپورٹ معہ نظرثانی شدہ حسابات اور اس پر آڈیٹرز کی رپورٹ بخوشی پیش کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران فصل کا سائز تقریباً 25% کم تھا اور کاشتکاروں کی طرف سے بیان کی گئی فی ایکڑ پیداوار بھی قابل ذکر کم تھی۔ تاہم، سکروس کے اجزاء گزشتہ کرشنگ سیزن سے بہتر تھے۔ ان عناصر کے مدنظر کمپنی کو اپنے موجودہ سال کی پیداوار میں کمی ہوئی ہے۔ جس سے ملک میں مجموعی طور پر چینی کی پیداوار میں متوقع کمی ہوئی ہے۔
حالیہ کرشنگ سیزن 19-2018 کیلئے گنے کی کم سے کم قیمت خرید حکومت پنجاب کی طرف سے -/180 روپے فی من برقرار رکھی گئی۔ دسمبر 2018 میں، وفاقی حکومت نے 1.1 ملین ٹن چینی برآمد کرنے کی اجازت دی اور برآمدات میں گزشتہ صوبائی حصہ کی تناسبی مقدار (تقریباً 52%) کے لئے حکومت پنجاب نے -/5.35 روپے فی کلوگرام کی برآمدی سبسڈی کی بھی منظوری دی گئی تھی۔

کمپنی کی کارکردگی

30 ستمبر 2019 کو ختم ہونے والے سال کے دوران، کمپنی نے 2,006,892 میٹرک ٹن گنے کی کرشنگ کی اور 10.192 فیصد اوسط ریکوری کے ساتھ 204,406 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ جبکہ اس کے مقابلے میں گذشتہ سال 2,697,755 میٹرک ٹن گنے کی کرشنگ کی اور 9.672 فیصد اوسط ریکوری کے ساتھ 260,788 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ کمپنی کی شوگر پیداوار میں کمی ملک میں شوگر پیداوار کی مجموعی کمی کے ساتھ منسوب ہے۔

مالی جھلکیاں

30 ستمبر 2019 کو ختم ہونے والے سال کے لئے، کمپنی نے قبل از ٹیکس منافع 542.575 ملین روپے اور بعد از ٹیکس منافع 342.299 ملین روپے کمایا جبکہ گزشتہ سال قبل از ٹیکس نقصان (153.140) ملین روپے اور بعد از ٹیکس نقصان (160.451) ملین روپے حاصل کیا۔ منافع میں اضافہ بنیادی طور پر مقامی مارکیٹ میں چینی کی بہتر قیمتوں کی وجہ سے ہوا ہے اور گنے کی کرشنگ اور کم راسی ہونے کے باعث مولاسس کی نمایاں کم پیداوار کی وجہ سے مولاسس کی قیمتوں میں قابل ذکر بہتری آئی ہے۔ کوجنریشن پاور پلانٹ نے بھی بہتر مالی نتائج حاصل کرنے میں نمایاں حصہ شامل کیا ہے۔ 30 ستمبر 2019 کو ختم ہونے والے سال کیلئے فی شیئر آمدنی 22.78 روپے درج کی گئی جبکہ گزشتہ سال کی اسی مدت کے لئے فی شیئر نقصان (10.68) روپے تھا۔
30 ستمبر 2019 کو ختم ہونے والے سال کے دوران خالص فروخت 14,359.613 ملین روپے درج کی گئی جبکہ گزشتہ سال کی اسی مدت میں 14,104.443 ملین روپے تھی۔ فروخت حجم میں دی گئی کمی، فروخت آمدنی میں مارجنل اضافہ اوسط فروختی قیمتوں میں اضافہ کی وجہ سے ہوا۔
تمام تر کوششیں گنے کے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں، کیڑے مار ادویات اور باہم سہولیات پہنچا کر عمل کارکردگی بہتر بنانے، جدت طرازی، جدید ترین ٹیکنالوجی آلات نصب، کڑی نگرانی سے پیداواری اخراجات کو کم کر کے گنے کے معیار کو بہتر بنانے کے ذریعے کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جا رہی ہیں جس کے نتیجہ میں نہ صرف چینی کی ریکوری زیادہ بلکہ گنے کے کاشتکاروں کو مالی فوائد بھی حاصل ہوں گے۔

مالیاتی نتائج درجہ ذیل ہیں

تفصیلات	2019 (روپے ملین میں)	2018 (روپے ملین میں)
قبل از ٹیکس منافع/(نقصان)	542.575	(153.140)
ٹیکس کی ادیئگی		
موجودہ	(199.603)	(33.019)
پچھلے سال کی ردوبدل	(70.232)	(165.898)
زیر التوا ٹیکس (Deferred)	69.559	191.606
بعد از ٹیکس منافع/(نقصان)	342.299	(160.451)
دیگر جامع آمدنی (OCI) کا اثر	(4.032)	(4.367)
	338.267	(164.818)
مجموعی منافع جو آگے آیا	1,641.525	2,089.701
	1,979.792	1,924.883
تصرفات		
سال کے دوران اداشدہ حتمی نقد منافع منقسمہ بشرح NIL (2018: 100%)		(150.232)
سال کے دوران اداشدہ عبوری نقد منافع منقسمہ بشرح NIL (2018: 88.86%)		(133.126)
مجموعی منافع جو آگے گیا	1,979.792	1,641.525
فی شیئر آمدنی	22.78	(10.68)

فی شیئر آمدنی:

زیر جائزہ سال کے لئے کمپنی کی فی شیئر آمدنی 22.78 روپے (2018: (10.68) روپے)

منافع منقسمہ (ڈیویڈینڈ)

30 ستمبر 2019 کو ختم ہونے والے مالی سال کے لئے بورڈ نے 15% یعنی 1.50 روپے فی شیئر (Nil:2018) نقد منافع تقسیم کرنے کی سفارش کی ہے۔

تحقیق و ترقی

زرعی تحقیق و ترقی کمپنی کی پالیسی کا ایک لازمی حصہ ہے جس میں بہترین زرعی طریقوں کے ساتھ ترقی پسند کاشتکاروں کے ذریعے گنے کی مختلف اور نئی اقسام کی شناخت اور اس کے بعد تجارتی پیمانے پر ان کی کاشت شامل ہے۔ یہ نہ صرف گنے کی فی ایکڑ پیداوار بڑھاتی ہے بلکہ کاشتکاروں کی آمدنی میں اضافہ اور مسابقتی فصلوں کے مقابلے میں گنے کی بوائی کے لئے زیادہ شوق پیدا کرتی ہے۔ یہ کمپنی کو گنے کی سپلائی، مجموعی طور پر شوگر کی ریکوری کو بڑھاتی ہے اور براہ راست کمپنی کے منافع کو بہتر بناتی ہے۔

گزشتہ سالوں کی طرح، انتظامیہ نے خزاں 2019 کی بوائی کے لئے سود کے بغیر قرض کی بنیاد پر گنے کے کاشتکاروں کو کھاد اور کیڑے مار ادویات کے ساتھ ساتھ اعلیٰ پیداوار اور بیماری کے خلاف مزاحمت کے حامل گنے کے بیج کی نئی بہتر اقسام فراہم کرنے کے ساتھ ساتھ ان کے کھیتوں میں ہی حیاتیاتی تجربہ گاہوں کی مدد سے بروقت مفت خدمات دینے کا فیصلہ کیا ہے تاکہ اگلے کرشنگ سیزن کے لئے گنے کے حصول میں دشواری نہ ہو۔

مستقبل کا نقطہ نظر

سروے سے یہ بات واضح ہے کہ سال 20-2019 کے دوران گنے کی فصل اور فی ایکڑ پیداوار 19-2018 کے مقابلہ میں کم ہوگی۔ اس سے آس پاس کے علاقے کی شوگر ملوں کے مابین گنے کی خریداری پر قیمتوں میں جنگ شروع ہوسکتی ہے۔ پچھلے سال کے مقابلہ میں 20-2019 سیزن کے لئے شوگر اسٹاک کا کیری اوور بہت کم ہے، توقع کی جارہی ہے کہ چینی کی قیمتیں

2019-20 میں موجودہ سطح کے یکساں یا بہتر رہیں گی۔ مولاسس اور بیگاس کی قیمتیں 2019-20 میں بھی روپے کی قدر میں کمی اور مولاسس کی متوقع پیداوار یکساں یا کم رہنے کی وجہ سے جزوی طور پر زیادہ ہونے کی توقع ہے۔

مجموعی طور پر، ملک ایک سخت معاشی حالات سے گذر رہا ہے اور گذشتہ سال کے مقابلہ میں کائبر (KIBOR) کی شرحوں میں لگ بھگ دوگنی سطح تک اضافہ ہوا ہے، خاص طور پر چینی جیسی سیزنل صنعتوں پر تناؤ بڑھ رہا ہے، جو اپنی آمدنی اور لاگت کے درمیان خلاء کو پُر کرنے کے لئے بھاری مالیاتی قرضوں پر انحصار کرتی ہیں۔ تاہم، بین الاقوامی منڈیوں میں چینی کی انتہائی دباؤ کے باوجود کرنسی کی قدر میں کمی کی وجہ سے پاکستان کی چینی کی صنعت عالمی سطح پر مسابقتی ہے۔

لہذا، امید ہے کہ وفاقی اور صوبائی حکومتیں گنے کی کم سے کم قیمت کے تعین اور چینی کی برآمدکی اجازت جیسی پالیسی پر فیصلے کرتے ہوئے معاشی مسائل کو دھیان میں رکھیں گے۔ گنے سے متعلق تمام اسٹیک ہولڈرز تبھی خوشحال ہو سکتے ہیں جب صنعت کی برآمدی مسابقت پر سمجھوتہ کئے بغیر تمام اسٹیک ہولڈرز کو مناسب مارجن کی اجازت دی جائے۔

آپ کی کمپنی معہ المعز انڈسٹریز لمیٹڈ اور نو بہار بوٹلنگ کمپنی پرائیویٹ لمیٹڈ، شریک کمپنیاں (اجتماعی طور پر گروپ)، کوئینز لینڈ، آسٹریلیا کے علاقے بنڈابرگ میں واقع Isis سنٹرل شوگر مل کمپنی لمیٹڈ ("ICSM") میں قابل اطلاق قانونی اور باضابطہ منظوری کے حوالہ سے، 36.10 ملین آسٹریلین ڈالر (چھتیس ملین ایک سو ہزار آسٹریلین ڈالر) مساوی 26.6 ملین امریکی ڈالر کے ساتھ، ایک تہائی حصہ ہر ایک ("ٹرانزیکشن" یا "حصول") کی شراکت سے مجموعی شیئر ہولڈنگ کی 54.03 فیصد عام حصص حاصل کرنے کا ارادہ رکھتا ہے۔

متعلقہ پارٹیوں سے تعلقات

متعلقہ فریقوں کے درمیان لین دین مارکیٹ کی مقرر کردہ قیمتوں کے مطابق کیا جاتا ہے طریقہ کار کے موازنہ سے مقرر کردہ قابل رسائی قیمتوں پر کیا جاتا ہے۔ کمپنی قیمتوں کی منتقلی پر بہترین ضابطہ کے مطابق مکمل طور پر عمل کرتی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

a) کمپنی کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

b) کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

c) مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

d) مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور کمپنیز ایکٹ 2017 کی ضروریات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

e) اندرونی کنٹرول کا نظام صنعت کی ضروریات اور جدید انتظامی اصولوں کے مطابق ڈیزائن ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔ کنٹرول میں بہتری کے لئے مستقبل میں مسلسل جائزہ لیا جائے گا۔

f) کمپنی سنٹرل ڈیپازٹری سسٹم اور پاکستان اسٹاک ایکسچینج کے فہرستی قواعد وضوابط پر عمل کرتی ہے۔ کیونکہ کمپنی کے 205,929 حصص سنٹرل ڈیپازٹری کمپنی پاکستان کو حصص داران کی طرف سے منتقل کئے گئے ہیں۔

g) کمپنی نے کمپنیز ایکٹ 2017 کی دفعہ 195 کی شرائط میں میسرز کارپ لنک (پرائیویٹ) لمیٹڈ کو انڈیپنڈنٹ شیئر رجسٹرار مقرر کیا ہے۔

h) کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔

i) پاکستان اسٹاک ایکسچینج کے فہرستی قواعد وضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عوامل سے کوئی مادی انحراف نہیں کیا گیا ہے۔

j) گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

k) ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو بقایا ہوں، سوائے ان کے جن کا معمول کے کاروبار میں انکشاف کیا گیا ہے۔

l) کمپنی اپنے مستقل ملازمین کے لئے غیر فنڈ ڈ گریجویٹی سکیم برقرار رکھتی ہے۔

m) 30 ستمبر 2019 مختتمہ سال کے دوران ڈائریکٹرز، سی ای او، دیگر ایگزیکٹوز، آڈیٹرز، کمپنی سیکرٹری یا ان کے زوج اور نابالغ بچوں کی طرف سے حصص کی تجارت (اگر کوئی ہو) نمونہء حصص داری سے منسلک ہیں۔

n) 2014 (1)SRO-634 کے ساتھ تمام درکار معلومات کو بطریق احسن کمپنی کی ویب سائٹ www.thalindustries.com پر رکھ دیا گیا ہے۔

بورڈ کے اجلاس

زیرِ جائزہ سال کے دوران بورڈ کے چھ اجلاس منعقد ہوئے اور بورڈ کے اجلاس میں ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

نمبر شمار	نام ڈائریکٹرز	تعداد حاضری
1	محترمہ قیصر شمیم خان	6
2	جناب محمد شمیم خان	6
3	جناب عدنان احمد خان	5
4	جناب نعمان احمد خان	5
5	جناب محمد خان	6
6	جناب حافظ رب نواز	6
7	جناب محمد اشرف خان درانی	6

کارپوریٹ گورننس

بہترین کارپوریٹ عوامل

ڈائریکٹرز بہتر کارپوریٹ گورننس پر عملدرآمد اور فہرستی کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2017 اور پاکستان اسٹاک ایکسچینج کی رُول بک کی ضروریات کو پورا کرتے ہیں۔ CCG کے مطابق تعمیل کا بیان منسلک ہے۔

1۔حسبِ 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 اشرف خان درانی جناب عبدالواحد خان
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 حسبِ ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں۔

آڈٹ کمیٹی

- جناب محمد اشرف خان درانی (چیئرمین)
- محترمہ قیصر شمیم خان
- جناب عدنان احمد خان

ایچ آر اینڈ ریمنریشن کمیٹی

- جناب عبدالواحد خان (چیئرمین)
- جناب عدنان احمد خان
- جناب محمد خان

4۔ بورڈ آف ڈائریکٹرز ایکٹ اور ریگولیشنز کے مطابق ڈائریکٹرز کے مشاہرہ کے لئے فارمل پالیسی اور شفاف طریقہ کار ترتیب دیا ہے۔ جس کی تفصیل مالی گوشواروں کے نوٹ 35 میں دی گئی ہے۔

نمونہء حصہ داری

کمپنیز ایکٹ کی دفعہ 227 اور کارپوریٹ گورننس کے ضابطہء اخلاق کے تحت درکار 30 ستمبر 2019 کو مذکورہ کے مطابق شیئر ہولڈنگ کا نمونہ بمعہ کمپنی کے شیئر ہولڈنگ کی اقسام رپورٹ ہذا کے ہمراہ منسلک ہیں۔

آڈیٹرز کی تعیناتی

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس سبکدوش ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو 30 ستمبر 2020 کو ختم ہونے والے سال کے لئے بطور آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

دیگر زوضاحتیں اور رپورٹس

ضابطہء اخلاق اور کاروباری عوامل کی وضاحت، مالی جھلکیوں کا چھ سالہ خلاصہ، شیئر ہولڈنگ کا نمونہ، کارپوریٹ گورننس کے ضابطہء اخلاق کی تعمیل اور بابت ہذا میں آڈیٹرز کی رپورٹ بھی پیش کی گئی ہیں۔

اظہار تشکر / اعتراف

کمپنی کے ڈائریکٹرز تمام ملازمین کی کوششوں اور لگن کو سراہتے ہیں اور امید کرتے ہیں کہ وہ پیداوار میں اضافہ اور کمپنی کی بھلائی کی خاطر مستقبل میں بھی اپنی کوششوں کو جاری رکھیں گے۔ ڈائریکٹرز 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 ڈائریکٹر
تھل انڈسٹریز کارپوریشن لمیٹڈ

Qaiser Shamim

محترمہ قیصر شمیم خان
چیئرپرسن

محمد شمیم خان
چیف ایگزیکٹو

لاہور: 30 دسمبر 2019

Vision Statement

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 accede 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 mehtod to the growers and to educate regarding latest developments of agriculture technology and free consultancy of professionals.

MISSION STATEMENT

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.

CORPORATE STRATEGY

Our corporate strategy and objectives for the future are to find new and improved means of cost reduction, fuel economy and to acquire advanced manufacturing capabilities to support our product development efforts and product line expansion and stand ready to leverage our debt and be responsive to the changing economic scenario. We believe in harnessing the inherent strengths of available human resource and materials to the utmost and a commitment for building a solid foundation poised for sustainable growth for the long-term benefit of our shareholders and employees.

CORE VALUES

- Strive for excellence and build on our core competencies.
- Keep up with technological advancements in our biological control laboratory and extend the Research & Development Programme to control sugarcane crop diseases.
- Inculcate efficient, ethical and time tested business practices in our management.
- Work as a team and support each other.
- Put the interest of the company before that of the individuals.

Statement of Ethics & Business Practices

After taking over of The Thal Industries Corporation Limited in 1998 the aim of the new management is to produce quality product for its customers. We ensure transparency and professionalism at every step of our dealings, and look after the interests of stakeholders.

The statement of the company is based on the following principles.

Quality of Product:

- We would strive to produce the best quality / refined sugar for consumers.
- We would continuously update ourselves with technological advancements in sugar industry and strive to implement these changes in our company.
- We would maintain all relevant technical and professional standards to be compatible with requirements of the industry.

Dealing with Employees:

- We recognize and appreciate employees for their performance.
- We measure the performance of our employees by their ability to meet their objectives, their conduct at work, and their dealings with others both within and outside the organization, their contribution towards training peoples and successful planning, and innovation at their work place.
- We provide congenial work atmosphere where all employees are treated with respect and dignity and work as a team to achieve common objective.
- Unless specifically mentioned, all rules and regulations prevailing in the company apply to all levels of employees of the company.

Responsibility to Society / Interested Sectors:

We have an important role towards our society, shareholders, creditors and particularly to the sugarcane growers and the Government. Our dealings are transparent with all our customers / suppliers so as to meet the expectations of the people who deal with us.

We meet all our obligations and ensure timely compliance.

Financial Reporting & Internal Controls:

Our policies with reference to accounting, finance and corporate matters are governed by relevant corporate regulations, Companies Act, 2017, and the Code of Corporate Governance. It is our responsibility to comply with International Financial Reporting Standards (IFRSs) as applicable in Pakistan for the preparation of financial statements with any departure therefrom being adequately disclosed.

We are in the process of establishing an efficient internal Audit department to enhance the scope of Internal control and data generated by the Company. It also helps in building the confidence of our creditors, financial institutions and other interested organizations.

Purchase of Goods & Timely Payment:

To ensure cost effectiveness, we only purchase goods and services that meet our specifications and are competitively priced. To gauge the market conditions and availability of substitute products or services, we obtain quotations from various sources before finalizing our decision, so as not to hurt the confidence, reliability and trust of our suppliers. We ensure timely payments after deducting applicable taxes.

Conflict of Interest:

Activities and involvements of the directors and employees of the company in no way conflict with the interest of the company. All acts and decisions of the management are based keeping in view of the interest of the company.

Observance to Laws of the Country:

The company fulfils all statutory requirements of the Government and follows all applicable laws of the country.

Objectives of the Company:

We at The Thal Industries Corporation Limited, recognize the need of working at the highest standards to attain greater levels of performance. We endeavor to meet the expectations of all our stakeholders.

We conduct the business of the company with integrity and believe in quality.

We produce and supply goods and information with great care and competence to ensure that customers and creditors receive service that they deserve.

We respect that confidentiality of the information acquired during the course of our dealings with the interested parties and refrain from acting in any manner which discredit the company.

Six Years Summary of Financial Highlights

OPERATING PERFORMANCE:

	2019	2018	2017	2016	2015	2014
Quantitative Data (M. Tons)						
Cane Crushed	2,006,892	2,697,755	2,869,699	1,839,916	1,808,462	1,814,123
Sugar Produced	204,406	260,788	279,308	178,912	175,910	178,630
Refined Sugar Purchased	750	237	-	749.15	1,296	-
Profitability (Rs in 000)						
Gross Sales	15,670,122	15,351,153	16,261,713	11,511,115	12,057,447	9,250,729
Sales (Net)	14,359,613	14,104,443	14,918,562	10,673,418	11,244,799	8,595,814
Gross Profit	1,738,295	369,282	1,842,981	1,342,155	923,407	901,403
Profit / (Loss) before Taxation	542,575	(153,140)	941,522	666,550	314,724	83,513
Profit / (Loss) after Taxation	342,299	(160,451)	708,395	660,182	261,019	62,473
Financial Position (Rs in 000)						
Tangible Fixed Assets	4,879,358	4,457,161	3,876,640	3,179,407	2,516,493	2,347,980
Other Non Current Assets	40,212	54,571	63,745	44,510	465	440
	4,919,570	4,511,732	3,940,385	3,223,917	2,516,958	2,348,420
Current Assets	4,342,856	5,702,867	4,908,411	3,564,768	2,832,311	3,969,012
Current Liabilities	4,970,173	6,106,855	4,369,065	3,155,104	2,596,015	3,754,353
Net Working Capital Employed	(627,317)	(403,988)	539,346	409,664	236,296	214,659
Capital Employed	4,292,253	4,107,744	4,479,731	3,633,581	2,753,254	2,563,079
Long Term Loan & Other Liabilities	2,068,429	2,222,187	2,145,997	1,743,659	1,448,545	1,492,505
Shareholder’s Equity	2,223,824	1,885,558	2,333,734	1,889,921	1,304,708	1,070,574
Represented By:						
Share Capital	150,232	150,232	150,232	150,232	150,232	150,232
Reserve & Unappropriated Profit/ (Loss) Carried Forward	2,073,592	1,735,325	2,183,501	1,739,689	1,154,476	920,341
	2,223,824	1,885,558	2,333,734	1,889,921	1,304,708	1,070,574
Ratios						
Gross Profit Ratio (%age)	12.11	2.62	12.35	12.57	8.21	10.49
Net Profit / (Loss) Before Tax Ratio (%age)	3.78	(1.09)	6.31	6.24	2.8	0.97
Net debt-to-equity (Times)	2.00	3.08	1.99	2.06	2.48	3.73
Current Ratio	0.87	0.93	1.12	1.13	1.09	1.06
Break up Value per Share (Rs.)	148.03	125.51	155.34	125.8	86.85	71.26
Earning / (Loss) per Share (Rs.)	22.78	(10.68)	47.15	43.94	17.37	4.16
Dividend Paid (%age)	0.00%	188.86%	175.78%	50	50	7.5
Dividend Paid (Rs in 000)	-	283,358	264,078	75,116	75,116	11,267

FORM-34
THE COMPANIES ACT, 2017
(SECTION 227(2)(F)
PATTERN OF HOLDING OF SHARES

1. Incorporation Number: **0000619**

2. Name of the Company: **THE THAL INDUSTRIES CORP. LIMITED**

2.1 Pattern of holding of the shares held by the shareholders as at 30/09/2019

2.2 Number of Shareholders	Shareholdings From	Shareholdings To	Total Shares Held
529	1	100	23,002
249	101	500	65,578
105	501	1,000	76,087
76	1,001	5,000	192,039
18	5,001	10,000	127,908
2	10,001	15,000	22,142
2	15,001	20,000	38,570
5	45,001	50,000	248,608
1	50,001	55,000	55,000
1	65,001	70,000	65,200
1	300,001	305,000	300,500
1	1,195,001	1,200,000	1,197,674
1	1,500,001	1,505,000	1,502,223
1	2,250,001	2,255,000	2,253,698
1	8,855,001	8,860,000	8,855,003
993			**15,023,232**

2.3	Categories of shareholders	Shares Held	Percentage
2.3.1	Directors, Chief Executive Officers, and their spouse and minor children	14,225,098	94.6873%
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3	NIT and ICP	25	0.0002%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5	Insurance Companies	170	0.0011%
2.3.6	Modarabas and Mutual Funds	0	0.0000%
*2.3.7	Shareholders holding 10% or more	11,108,701	73.9435%
2.3.8	General Public		
	a. Local	791,682	5.2697%
	b. Foreign	0	0.0000%
2.3.9	Others (to be specified)		
	1- Joint Stock Companies	6,257	0.0416%
	Total	**15,023,232**	**100.0000%**

***Note:**

This being a part of item No. 2.3.7 therefore, it is not counted again in doing grand total.

Categories of Share Holders
As on 30th September 2019

S. No.	NAME	HOLDING	%AGE
	DIRECTORS, CEO THEIR SPOUSES & MINOR CHIDREN		
1	MR. MUHAMMAD SHAMIM KHAN	8,855,003	58.9421%
2	MRS. QAISER SHAMIM KHAN	2,253,698	15.0014%
3	MR. ADNAN AHMED KHAN	1,197,674	7.9721%
4	MR. NAUMAN AHMED KHAN	1,502,223	9.9993%
5	MR. MUHAMMAD KHAN	5,000	0.0333%
6	MR. MUHAMMAD ASHRAF KHAN DURANI	300,500	2.0002%
7	MR. ABDUL WAHID KHAN	1,000	0.0067%
8	MRS. AAMRA KHAN W/O ADNAN AHMED KHAN	50,000	0.3328%
9	MRS. ANIQA KHAN W/O NAUMAN AHMED KHAN	50,000	0.3328%
10	RANIA KHAN (MINOR) THROUGH GARDIAN MR. ADNAN AHMED KHAN	10,000	0.0666%
		14,225,098	94.6873%
	ASSOCIATED COMPANIES	0	0.0000%
	NIT & ICP		
1	INVESTMENT CORPORATION OF PAKISTAN	25	0.0002%
	BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS	0	0.0000%
	INSURANCE COMPANIES		
1	ADAMJEE INSURANCE COMPANY LTD	170	0.0011%
	MODARABA & MUTUAL FUND	0	0.0000%
	JOINT STOCK COMPANIES		
1	GHULAM RASOOL & SONS	295	0.0020%
2	SH. MOHAMMAD IBRAHIM AND SONS	295	0.0020%
3	MANZOOR AHMAD AND SONS	63	0.0004%
4	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000%
5	SALIM SOZER SECURITIES (PRIVATE) LTD. (CDC)	5,000	0.0333%
6	SARFARAZ MAHMOOD (PVT) LTD. (CDC)	3	0.0000%
7	YASIR MAHMOOD SECURITIES (PVT) LTD. (CDC)	600	0.0040%
		6,257	0.0416%
	SHARES HELD BY THE GENERAL PUBLIC (Foreign)	0	0.0000%
	SHARES HELD BY THE GENERAL PUBLIC (Local)	791,682	5.2697%
		791,682	5.2697%
	TOTAL:	**15,023,232**	**100.0000%**

S. No.	NAME	HOLDING	%AGE
SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL			
1	MR. MUHAMMAD SHAMIM KHAN	8,855,003	58.9421%
2	MRS. QAISER SHAMIM KHAN	2,253,698	15.0014%
		11,108,701	73.9435%
SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL			
1	MR. MUHAMMAD SHAMIM KHAN	8,855,003	58.9421%
2	MRS. QAISER SHAMIM KHAN	2,253,698	15.0014%
3	MR. NAUMAN AHMED KHAN	1,502,223	9.9993%
4	MR. ADNAN AHMED KHAN	1,197,674	7.9721%
		13,808,598	91.9150%

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

SR. NO.	NAME	SALE	PURCHASE
1	MR. MUHAMMAD SHAMIM KHAN		3,999,153
2	MRS. QAISER SHAMIM KHAN		1,467,218
3	MR. ADNAN AHMED KHAN		929,714
4	MR. NAUMAN AHMED KHAN		286,163
5	MR. ABDUL WAHID KHAN		1,000

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

The Thal Industries Corporation Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") in the following manner:

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

   a. Male: Six
   b. Female: One

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

Category	Names
Independent Directors	Mr. Muhammad Ashraf Khan Durani Mr. Abdul Wahid Khan
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan (Female Director) Mr. Adnan Ahmed Khan Mr. Muhammad Khan

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board /shareholders as empowered by the relevant provisions of the Act and these regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recordings and circulating minutes of meeting of the board.

8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has arranged Directors' Training program (DPT) of the following:

   Mr. Muhammad Ashraf Khan Durani (October 2015)

   Five directors are exempted from such training as they have fourteen years of education and fifteen years of experience on the Board of the listed company. Remaining one director Mr. Abdul Wahid Khan completed DPT after the year end in October 2019.

10. The Board has approved appointment of chief financial officer, company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. No new appointments were made during the year.

11. Chief financial officer and chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

AUDIT COMMITTEE

Mr. Muhammad Ashraf Khan Durani (Chairman) – Independent Director
Mrs. Qaiser Shamim Khan – Non- Executive Director
Mr. Adnan Ahmed Khan – Non- Executive Director

HR AND REMUNERATION COMMITTEE

Mr. Abdul Wahid Khan (Chairman)	– Independent Director
Mr. Adnan Ahmed Khan	– Non- Executive Director
Mr. Muhammad Khan	– Non- Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the aforesaid committees were as per following:

a) Audit Committee: (6) meetings held during the year.
b) HR and Remuneration Committee: One held during the year.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with international federation of accountant (IFAC) guidelines on code of ethics as adopted by Institute of chartered accountants of Pakistan and that they and partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the Regulations have been complied with.

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

Muhammad Shamim Khan
Chief Executive

Mrs. Qaiser Shamim Khan
Chairperson

Lahore: 30 December 2019

Independent Auditor's Report

To the members of The Thal Industries Corporation Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of The Thal Industries Corporation Limited for the year ended 30 September 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 September 2019.

Rashid

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: Rashid Rahman Mir

LAHORE: DECEMBER 30, 2019

Independent Auditor's Report

To the members of The Thal Industries Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **The Thal Industries Corporation Limited (the Company)**, which comprise the statement of financial position as at **30 September 2019**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of the profit and comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr.No	Key audit matters	How the matter was addressed in our audit
1.	***<u>Adoption of IFRS 09 “Financial Instruments”</u>*** Refer notes 2.18, 20 and 37 to the financial Statements. IFRS 9 ‘Financial Instruments’ is effective for the Company for the first time during the current year and replaces the financial instruments standard IAS 39 ‘Financial Instruments: Recognition and Measurement’. In relation to financial assets, IFRS 9 requires the recognition of expected credit losses (‘ECL’) rather than incurred credit losses under IAS 39 and is therefore a fundamentally different approach. Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. In accordance with IFRS 9, the measurement of ECL reflect a range of unbiased and probability weighted outcomes, time value of money, reasonable and supportable information based on the consideration of historical events, current conditions and forecasts of future economic conditions. The calculation of ECLs in accordance with IFRS 9 is therefore complex and involves a number of judgmental assumptions We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.	Our audit procedure, amongst others, included the following: • Considered the management’s process to assess the impact of adoption of IFRS 9 on the Company’s financial statements. • Reviewed the appropriateness of the assumptions used (future and historical), the methodology and policies applied to assess the ECL in respect of financial assets of the Company. Reviewed the working of management for expected credit losses. • We reviewed and assessed the impact and disclosures made in the financial statements with regard to the effect of adoption of IFRS 9.

2.	***Capitalization of property, plant and equipment*** Refer notes 2.9 and 15 to the financial Statements. The Company has incurred significant capital expenditure of Rs. 250.10 million during the year on expansion of Manufacturing facilities. We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on capitalization of borrowing costs and Depreciation charge for the year.	Our audit procedures, amongst others, included the following • Obtained understanding of the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and ensured accuracy of its recording in the system; • testing, on sample basis, the costs incurred on projects with supporting documentation and contracts; • assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; Conducted visit to the sites to which significant capital expenditure relates to verify existence of manufacturing facilities expansion ;
3	***Valuation of stock in trade*** Refer notes 2.15 and 19 to the financial statements. The stock-in trade at 30 September 2019 amounted to Rs. 1,542.4 million. Given the relative size of the stock in trade with respect to the total assets, it was identified as key audit matter as it involves significant management judgment in determining the carrying value of stock in trade.	Our audit procedures, amongst others, included the following: • assessing the appropriateness of Company's accounting policy for valuation of stock in trade and compliance of the policy with applicable standards; • obtaining an understanding of internal controls over valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness; • obtaining an understanding and assessing reasonableness of the management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, and costs necessary to make the sales and their basis • testing on sample basis the net realizable value of finished goods to recent selling prices and; • comparing the NRV, to the cost of stock in trade to assess whether any adjustments are required to the value of stock in trade in accordance with the accounting policy.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss ,the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in Central Zakat Fund established under section 7 of that Ordinance.

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

Rashid

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

LAHORE: DECEMBER 30, 2019

Statement of Financial Position
As at 30 September 2019

	Note	2019 Rupees	2018 Rupees
EQUITY & LIABILITIES			
Share Capital and Reserves			
Share capital	3	150,232,320	150,232,320
Revenue reserves	4	93,800,000	93,800,000
Accumulated profit		1,979,791,613	1,641,525,185
		2,223,823,933	1,885,557,505
Non Current Liabilities			
Long term finance	5	1,250,031,565	1,358,208,808
Liabilities against assets subject to finance lease	6	21,839,579	16,974,899
Loans from directors	7	574,800,000	574,800,000
Deferred liabilities	8	221,757,770	272,202,969
		2,068,428,914	2,222,186,676
Current Liabilities			
Trade and other payables	9	1,740,022,303	1,824,941,014
Finance cost payable	10	184,700,507	90,874,346
Short term borrowings-secured	11	1,967,664,631	2,977,034,076
Advances from directors	12	355,300,000	575,300,000
Current portion of long term liabilities	13	438,630,825	477,987,304
Uncashed dividend warrants		57,560,349	101,007,378
Provision for taxation		226,294,702	59,710,588
		4,970,173,317	6,106,854,706
Contingencies and Commitments	14		
		9,262,426,164	10,214,598,887

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE

	Note	2019 Rupees	2018 Rupees
PROPERTY AND ASSETS			
Non Current Assets			
Property, plant & equipment	15	4,879,358,204	4,457,161,171
Intangible assets	16	9,362,489	14,979,982
Long term deposits		464,500	464,500
Long term advances	17	30,384,413	39,126,456
		4,919,569,606	4,511,732,109
Current Assets			
Stores, spare parts and loose tools	18	641,148,747	531,578,505
Stock-in-trade	19	1,542,450,249	2,937,537,390
Trade debts	20	903,639,619	1,270,683,142
Loans and advances	21	502,442,119	316,101,765
Trade deposits, prepayments and other receivables	22	97,482,966	95,379,609
Current portion of long term advances	17	20,569,308	3,556,950
Taxes recoverable / adjustable	23	469,570,929	375,133,356
Cash and bank balances	24	165,552,621	172,896,061
		4,342,856,558	5,702,866,778
		9,262,426,164	10,214,598,887

CHIEF FINANCIAL OFFICER **DIRECTOR**

Statement of Profit or Loss
For the year ended 30 September 2019

	Note	2019 Rupees	2018 Rupees
Sales - net	25	14,359,613,210	14,104,442,769
Cost of sales	26	(12,621,318,250)	(13,735,160,627)
Gross profit		1,738,294,960	369,282,142
Operating expenses			
Distribution and selling expenses	27	(266,667,864)	(147,865,958)
Administrative expenses	28	(483,198,580)	(409,129,556)
		(749,866,444)	(556,995,514)
Operating profit / (loss)		988,428,516	(187,713,372)
Other income	29	310,785,649	521,020,787
		1,299,214,165	333,307,415
Finance cost	30	(728,082,480)	(486,448,454)
Other expenses	31	(28,556,584)	860
		(756,639,064)	(486,447,594)
Profit / (Loss) before taxation		542,575,101	(153,140,179)
Taxation	32	(200,276,284)	(7,310,843)
Profit / (Loss) after taxation		342,298,817	(160,451,022)
Earnings / (Loss) per share - basic and diluted	33	22.78	(10.68)

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Statement of Comprehensive Income

For the year ended 30 September 2019

	2019 Rupees	2018 Rupees
Profit / (Loss) after tax	342,298,817	(160,451,022)
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	(5,679,421)	(6,150,709)
Related impact on deferred tax	1,647,032	1,783,706
	(4,032,389)	(4,367,003)
Total comprehensive income / (loss) for the year	338,266,428	(164,818,025)

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Statement of Changes in Equity
For the year ended 30 September 2019

PARTICULARS	SHARE CAPITAL	GENERAL RESERVES	ACCUMULATED PROFIT	TOTAL
	RUPEES			
Balance as on 01 October 2017	150,232,320	93,800,000	2,089,701,346	2,333,733,666
Final Cash dividend @ 100.00 % i.e. Rs. 10.00 per share	-	-	(150,232,320)	(150,232,320)
Interim Cash Dividend @ 88.86% i.e. Rs. 8.8 per share	-	-	(133,125,816)	(133,125,816)
Total comprehensive (loss) for the year	-	-	(164,818,025)	(164,818,025)
Balance as on 30 September 2018	150,232,320	93,800,000	1,641,525,185	1,885,557,505
Total comprehensive income for the year	-	-	338,266,428	338,266,428
Balance as on 30 September 2019	150,232,320	93,800,000	1,979,791,613	2,223,823,933

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Statement of Cash Flows

For the year ended 30 September 2019

	Note	2019 Rupees	2018 Rupees
Cash flow from operating activities			
Profit / (Loss) before taxation		542,575,101	(153,140,179)
Adjustment for:			
- Depreciation		433,147,590	393,181,701
- Amortization		5,617,493	5,617,493
- Provision for gratuity		33,553,775	30,202,944
- Gain on disposal of fixed assets		(782,692)	(700,224)
- Finance cost		728,082,480	486,448,454
- Workers' profit participation fund		28,556,584	-
- Workers welfare fund		-	(860)
		1,228,175,230	914,749,508
Operating cash flows before changes in working capital		1,770,750,331	761,609,329
Changes in working capital	34	1,239,191,485	174,013,646
Cash generated from operations		3,009,941,816	935,622,975
Gratuity paid		(18,472,092)	(12,512,482)
Finance cost paid		(634,256,319)	(445,979,494)
Workers' profit participation fund paid		-	(66,204,512)
Workers Welfare fund paid		-	(17,176,073)
Income tax paid		(103,251,441)	(268,081,678)
Net cash flow from / (used in) operating activities		2,253,961,964	125,668,736
Cash flow from investing activities			
Fixed capital expenditure		(829,137,565)	(942,676,272)
Long term advances		8,742,043	-
Proceeds from disposal of fixed assets		5,201,195	804,201
Net cash used in investing activities		(815,194,327)	(941,872,071)
Cash flow from financing activities			
Long term finance		(152,522,147)	255,808,672
Lease liability paid		(20,772,456)	(18,999,531)
Short term borrowings - net		(1,009,369,445)	770,484,721
Advances from directors		(220,000,000)	226,000,000
Dividend paid		(43,447,029)	(320,837,707)
Net cash flow from/ (used in) financing activities		(1,446,111,077)	912,456,155
Net increase / (decrease) in cash and cash equivalents		(7,343,440)	96,252,820
Cash and cash equivalents at the beginning of the year		172,896,061	76,643,241
Cash and cash equivalents at the end of the year	24	165,552,621	172,896,061

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

Notes to the Financial Statements
For the year ended 30 September 2019

1. CORPORATE AND GENERAL INFORMATION

Reporting entity

The Thal Industries Corporation Limited (Company) is a public limited company incorporated in Pakistan on 07th September 1953 under the Companies Act, 1913 (now 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Initial Application of a Standard, Amendment or an Interpretation to an Existing Standard and Forthcoming Requirements

a) Standards and interpretations that became effective and are relevant to the Company:

IFRS 15 ‘Revenue from Contracts with Customers’ is effective for accounting period beginning on or after July 1, 2018. This standard has replaced IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers.

The IFRS 15 establish a five-steps model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods to a customer. The standard requires the entities to exercise judgment, taking in to consideration all of the relevant facts and circumstances when applying each step of the model to contracts with the customers. Hence, The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition and the amount of revenue recognised.

There is no material impact of transition to IFRS 15 on the financial position of the Company and there is no effect on the accounting policies of the Company in respect of revenue from contracts with Customers.

IFRS 9: Financial Instruments

IFRS 9 replaced the provisions of IAS 39 ‘Financial Instruments: Recognition and Measurement’ that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

A Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale.

IFRS 9, classifies financial assets in the following three categories:

- fair value through other comprehensive income (FVOCI);

- fair value through profit or loss (FVTPL); and

- measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

a) The determination of business model within which a financial asset is held; and

b) The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

a) it is held within business model whose objective is to hold assets to collect contractual cash flows; and

b) its contractual terms give rise on specified dates to cash flows that are solely Payments of principal and interest on principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

a) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) its contractual terms give rise on specified dates to cash flows that are solely Payments of principal and interest on The principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss account or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities.

The accounting policies that apply to financial instruments are stated in note 2.18 to the financial statements.

The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 30 September 2018;

Financial assets	Original classiication under IAS 39	New classification under IFRS 9	Original Carrying Amount	New Carrying Amount
Long term deposits	Loans & receivables	Amortised cost	464,500	464,500
Long term advances	Loans & receivables	Amortised cost	42,683,406	42,683,406
Trade debts	Loans & receivables	Amortised cost	1,270,683,142	1,270,683,142
Loan & advances	Loans & receivables	Amortised cost	2,935,645	2,935,645
Trade deposits and other receivables	Loans & receivables	Amortised cost	4,859,051	4,859,051
Cash and Bank balances	Loans & receivables	Amortised cost	172,896,061	172,896,061

The new measurement catagories for 2019 and carrying amounts determined acording to IFRS 9 has been disclosed in Note 37.

B Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. Given the Company's experience of collection history and no historical loss rates / bad debts and normal receivable aging, the move from an incurred loss model to an expected loss model has not had an impact on the financial position and / or financial performance of the Company.

C. **Transition**

The Company has used the exemption not to restate comparative periods and any adjustments on adoption of IFRS 9 are to be recognized in statement of changes in equity as on July 1, 2018. However, the adoption of IFRS 9 did not have any impact on opening retained earnings as on July 1, 2018. Accordingly, the comparative information is presented as per the requirements of IAS 39.

b) Standards and interpretations that became effective but not relevant to the Company:

The following standards (revised or amended) and interpretations became effective for the current financial year but are either not relevant or do not have any material effect on the financial statements of the company other than increased disclosures in certain cases:

- IFRS 2 - Share Based Payments - (Amendmetns to clarify the classification and measurements)
- IFRS 4 - Insurance contracts - (Amendments regarding the interaction of IFRS 4 and IFRS 9)-IFRS 17 will replace IFRS 4 as of 1 January 2022.
- IFRS 7 - Financial Instruments Disclosures - (Amendments relating to additional hedge accounting disclosures)
- IFRS 9 - Financial Instruments Disclosures - (Amended)
- IAS 28 - Investments in Associates-(Amendments resulting from annual improvements 2014-2016 cycle)- clarifying certain values
- IAS 40 - Investment Property - Amendmetns to clarify transfer or property to/from investment property.
- IFRIC 22 - Foreign Currency Transaction and Advance Consideration

c) Forthcoming requirements not effective in current year and not considered relevant:

The following standards (revised or amended) and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than increased disclosures in certain cases:

- IFRS 1 - First-time Adoption of International Financial Reporting Standards - (Amended)-(effective for annual periods beginning on or after 1 January 2018) - Not notified by SECP.

- IFRS 3 - Business Combinations - (Amended)-(applicable for annual periods beginning on or after 1 January 2019)
- IFRS 3 - Business Combinations - (Amended-definition of business)-(applicable for annual periods beginning on or after 1 January 2020)
- IFRS 11 - Joint Arrangements (Amended by Annual Improvements to IFRS Standards 2015–2017 Cycle)- (applicable for annual periods beginning on or after 1 January 2019).
- IFRS 14 - Regulatory Deferral Accounts - (applicable for annual periods beginning on or after 1 January 2016) - Not notified by SECP.
- IFRS 16 - Leases - (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 17- Insurance Contracts - (effective for annual periods beginning on or after 1 January 2021) - SECP effective date Jan 2022
- IAS 1- Presentation of Financial Statements - (Amended)-(effective for annual periods beginning on or after 1 January 2020).
- IAS 8- Accounting Policies , Changes in Accounting Estimates and Errors - (Amended-definition of material)-(effective for annual periods beginning on or after 1 January 2020).
- IAS 12- Income Taxes - (Amended)-(effective for annual periods beginning on or after 1 January 2019).
- IAS 19 - Employee Benefits-(Plan amendment,curtailment or settlement)- (effective for annual periods beginning on or after 1 January 2019).
- IAS 23 - Borrowing Costs-(Amendments resulting from annual improvements 2015-2017 cycle)- (effective for annual periods beginning on or after 1 January 2019).
- IAS 28 - Investments in Associates-(Amended by Long-term Interests in Associates and Joint Ventures)- (effective for annual periods beginning on or after 1 January 2019).
- IFRIC 23 - Uncertainity Over Income Tax Treatments - (applicable for annual periods beginning on or after 1 January 2019).

2.3 Accounting convention

The financial statements have been prepared under the "Historical Cost Convention" except for recognition of staff retirement benefits which is based on actuarial values and financial instruments which are stated at fair value. The financial statements, except for cash flow information, have been prepared under the accrual basis of accounting.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Staff retirement benefits	(note 2.5 & 8.1)
- Provisions	(note 2.6)
- Deferred taxation	(note 2.7 & 8.2)
- Contingencies	(note 14)
- Useful life of depreciable assets	(note 2.9 & 15.1)

2.5 Staff retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all permanent employees of the Company who have completed minimum qualifying period. Provisions are made annually to cover the obligation and charged to income currently, based on actuarial valuation by using the projected unit credit method. Actuarial gains and losses are recognised immediately in other comprehensive income and past service cost is recognized immediately to the profit and loss account. Interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability / asset is also directly charged to profit and loss account.

2.6 Provisions

Provisions are recognized in the statement of financial position when the Company has legal or constructive obligation as a result of past event, and it is probable that outflow of economic benefits will be required to settle the obligation. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

2.7 Taxation

Current

Provision for current taxation is calculated in the manner prescribed by the current tax pronouncements after taking into consideration tax rebates, tax credits or other adjustments available, if any.

Deferred

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the current rate of taxation. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax is charged and credited to income except in the case of items credited or charged to equity in which case it is included in equity.

2.8 Foreign currency transactions

Assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date, except those covered under forward exchange contracts which are stated at contracted rate. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. All exchange differences are included in profit or loss account currently.

2.9 Property, plant & equipment and depreciation

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost.

Depreciation is charged by applying the reducing balance method over its estimated useful life at the rates specified in note 15.1

Depreciation is charged on additions during the year from the month in which property, plant and equipment become available for use while no depreciation is charged from the month of deletion / disposal.

The useful life and depreciation method are reviewed to ensure that the methods and period of depreciation charged during the year are consistent with the expected pattern of economic benefits from items of operating fixed assets. Appropriate adjustments are made if the impact of depreciation is significant.

Normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and assets so replaced, if any, are retired.

Gains and losses on disposal of property, plant and equipment are taken to profit or loss account.

2.10 Capital work in progress

Capital work in progress is stated at cost and represents expenditure incurred on fixed assets during the construction and installation. Costs may also include borrowing costs as stated in accounting policy for borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

2.11 Intangible Assets

Intangible assets acquired by the Company are stated at cost less accumulated amortization and impairment losses, if any. Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to profit or loss account on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

2.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized as an expense in the period in which these are incurred.

2.13 Accounting for finance lease

Assets subject to finance lease are initially recorded at lower of the present value of minimum lease payments under the lease agreement and the fair value of leased assets. The related obligation under the finance lease less finance cost allocable to future period are shown as liability. Finance cost is allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged at the rates as charged to owned assets to write off the assets over the estimated useful life in view of the certainty of the ownership of the assets at the end of the lease period.

2.14 Stores, spares and loose tools

These are valued at moving average cost except stores in transit which are stated at cost comprising invoice value plus other charges paid thereon up to the statement of financial position date. Adequate provision is made against items considered obsolete / slow moving.

2.15 Stock-in-trade

These are valued applying the following basis:

Work in process	At cost
Finished goods	At lower of cost and net realizable value
Molasses	At net realizable value

Average cost in relation to work in process and finished goods means production cost including all production overheads. Net realizable value signifies the estimated selling price in ordinary course of business less cost necessary to be incurred in order to make the sale.

2.16 Revenue recognition

Sales are recorded when significant risks and rewards (dispatch of goods to customer) of ownership of the goods are transferred to the customers.

Income from bank deposits and loans and advances is recognized on accrual basis.

2.17 Dividend

Dividend to the company's shareholders is recognized as a liability in the period in which it is declared and approved. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

2.18 Financial Instruments

i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized Cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through proft or loss:

a) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and

b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii) Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Derecognition

The fnancial assets are de-recognized when the Company loses control of the contractual rights that comprise the fnancial assets. The fnancial liabilities are de-recognized when they are extinguished i.e. when the obligation specifed in the contract is discharged, cancelled or expired.

iii) Trade and other payables

Liability for trade and other amounts payable are carried at cost which is the fair value of consideration to be paid in future for goods and services.

iv) Trade debts, advances & deposits

These are intially recorded at cost which is fair value and any impairment would be charged on the basis of ECL.

v) Off setting

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise running finances, cash balances and items of short term borrowings with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

2.20 Related parties transactions

Transactions with related parties are carried out at arm's length and priced at comparable uncontrolled market price.

2.21 Impairment

The carrying amounts of the assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of that asset or group of assets is estimated and impairment losses are recognized in the profit or loss account.

2.22 Presentation

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency. Figures are rounded off to the nearest rupee. The corresponding figures are rearranged wherever necessary to facilitate comparison. Appropriate disclosure is given in relevant note in case of material rearrangements.

3. SHARE CAPITAL

2019	2018		Note	2019	2018
(Number of shares)				Rupees	Rupees
Authorized Capital:					
100,000,000	20,000,000	Ordinary shares of Rs. 10/- each		1,000,000,000	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

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

4. REVENUE RESERVES

		2019 Rupees	2018 Rupees
General reserve		93,800,000	93,800,000

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

5. LONG TERM FINANCE - SECURED

	Note	2019 Rupees	2018 Rupees
From banking companies:			
Opening balance		1,820,902,701	1,565,094,029
Obtained during the year		310,171,744	676,601,276
		2,131,074,445	2,241,695,305
Paid during the year		(462,693,891)	(420,792,604)
	5.1	1,668,380,554	1,820,902,701
Less: current portion	13	(418,348,989)	(462,693,893)
		1,250,031,565	1,358,208,808

5.1 Demand finance / Diminishing musharaka facilities of Rs. 835 million (2018: Rs. 1,367 million) and term finance facilities of Rs. 1,400 million (2018: Rs. 1,400 million) have been obtained from various banking companies. These loans are secured against first pari passu / hypothecation charge over all present and future fixed assets of the Company, personal guarantees of directors of the Company and subordination of directors' loan. The facilities are being repaid in quarterly instalments beginning from 21 January 2015 and ending on 05 December 2023. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 0.75 % (2018: 3 to 6 month KIBOR + 0.50 % to 1.25 %) p.a.

6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

	Note	2019 Rupees	2018 Rupees
Opening balance		37,763,160	25,159,141
Obtained during the year		30,625,561	31,131,000
Payments / adjustments during the year		(18,503,336)	(18,526,981)
		49,885,385	37,763,160
Less: security deposits adjustable on expiry of lease term		(7,763,970)	(5,494,850)
		42,121,415	32,268,310
Less: current portion grouped under current liabilities	13	(20,281,836)	(15,293,411)
		21,839,579	16,974,899

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

	30 September 2019		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	25,526,173	(5,244,337)	20,281,836
Later than one year but not later than five years	25,013,580	(3,174,001)	21,839,579
	50,539,753	(8,418,338)	42,121,415

	30 September 2018		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	17,636,428	(2,343,017)	15,293,411
Later than one year but not later than five years	18,402,126	(1,427,227)	16,974,899
	36,038,554	(3,770,244)	32,268,310

6.2 The Company has a finance lease agreement of Rs. 116 million (2018 : Rs. 90 Million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly instalments ending on September 2022. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2018: 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.

6.3 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	2019 Rupees	2018 Rupees
7. LOANS FROM DIRECTORS - UNSECURED	7.1	574,800,000	574,800,000

7.1 These unsecured loans have been obtained from directors of the Company, and will be paid as and when convenient to the Company. These loans carry markup @ 3 month KIBOR + 1% p.a. prevailing at the year end (2018: 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.

8. DEFERRED LIABILITIES

	Note	2019 Rupees	2018 Rupees
Staff gratuity (as determined in Actuarial valuation)	8.1	155,947,421	135,186,317
Deferred taxation	8.2	65,810,349	137,016,652
		221,757,770	272,202,969

8.1 Staff gratuity

The Company operates a non-funded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. Actuarial valuation of the gratuity is undertaken at appropriate regular intervals and the latest valuation was carried out at 30 September 2019, using the "Projected Unit Credit Method". The relevant information in the actuarial report is given in the following sub notes. The amount recognized in balance sheet represents the present value of the defined benefit obligation as on 30 September 2019 according to the amended IAS-19 "Employees Benefits".

	2019 Rupees	2018 Rupees
Present value of defined benefit liability as at beginning of the year	135,186,317	111,345,146
Cost chargeable to profit or loss account during the year	33,553,775	30,202,944
Cost chargeable to other comprehensive income	5,679,421	6,150,709
Benefit paid during the year	(18,472,092)	(12,512,482)
Net defined benefit liability as at end of the year	155,947,421	135,186,317
Present value of defined benefit obligations	155,947,421	134,830,757
Benefits due but not paid	-	355,560
Defined benefit liability as at 30 September	155,947,421	135,186,317

	Note	2019 Rupees	2018 Rupees
Reconciliation of defined benefit obligation is as follows:			
Present value of defined benefit obligations (PVDBO) at the beginning of the year		134,830,757	110,840,124
- Benefits due but not paid as at beginning of the year		355,560	505,022
- Current service cost for the year		22,234,251	22,091,901
- Interest cost for the year		11,319,524	8,111,043
- Benefits paid during the year		(18,472,092)	(12,512,482)
- Benefits due but not paid as at end of the year		-	(355,560)
- Actuarial (gains) / losses due to experience adjustments		5,679,421	6,150,709
Present value of defined benefit obligations (PVDBO) at the end of the year		155,947,421	134,830,757
Amount charged to profit or loss account during the year:			
- Current service cost for the year		22,234,251	22,091,901
- Interest cost for the year		11,319,524	8,111,043
Expense charged to profit or loss account		33,553,775	30,202,944
Expense is recognized as below:			
Cost of sales	26	24,799,519	21,681,082
Administrative expenses	28	8,754,256	8,521,862
		33,553,775	30,202,944
Amount charged to other comprehensive income during the year:			
Re-measurement of plan obligation:			
- Experience adjustments		5,679,421	6,150,709
Total re-measurements charged to other comprehensive income		5,679,421	6,150,709

	2019	2018
	Gratuity per annum	Gratuity per annum
Assumptions used for valuation of the defined benefit obligatioaren as under:		
Discount rate	13.00%	9.00%
Expected rate of increase in salary in future years	12.00%	8.00%
Mortality rates	SLIC (2001-05)	SLIC (2001-05)
Average expected remaining working life time of employees	10 Years	11 Years

	2019 Rupees	2018 Rupees
Year end Sensitivity Analysis on defined benefit obligation:		
Discount rate + 100 bps	142,118,741	122,928,137
Discount rate - 100 bps	171,832,076	148,524,744
Future salary increase + 100 bps	171,832,076	148,524,744
Future salary decrease - 100 bps	141,877,690	122,720,817

8.2 Deferred taxation

	2019 Rupees	2018 Rupees
Deferred tax liability arising in respect of depreciation of owned assets	458,744,032	458,448,422
Deferred tax liability arising in respect of assets subject to finance lease	6,617,643	3,317,769
	465,361,675	461,766,191
Deductible temporary differences:		
Deferred tax assets arising in respect of employees benefits	(45,224,752)	(39,204,032)
Defferred tax assets arising in respect of taxable losses	(196,095,743)	(248,822,840)
Deferred tax asset on Minimum tax u/s 113 adjustable against future tax liability	(158,230,831)	(36,722,667)
	(399,551,326)	(324,749,539)
Deferred tax liability as on 30 September	65,810,349	137,016,652

9. TRADE AND OTHER PAYABLES

	Note	2019 Rupees	2018 Rupees
Creditors		234,644,040	252,879,123
Accrued liabilities		46,974,307	52,109,434
Contract liability	9.1	1,394,017,655	1,478,102,057
Income tax deducted at source		2,337,676	2,077,828
Sales tax payable		33,492,041	39,772,572
Workers' profit participation fund	9.2	28,556,584	-
		1,740,022,303	1,824,941,014

9.1 This includes following amount due to associated undertaking for sale of refined sugar:

	2019 Rupees	2018 Rupees
Naubahar Bottling Co. (Pvt) Ltd	14,549,000	-

9.2 Workers' profit participation fund

	2019 Rupees	2018 Rupees
Opening balance	-	50,527,228
Interest for the year	-	15,677,284
	-	66,204,512
Less payments made:		
To workers	-	66,204,512
To Government	-	-
	-	66,204,512
	-	-
Share of the Company's profit for the year	28,556,584	-
	28,556,584	-

9.2.1 The Company retains the workers' profit participation fund for the business operations till the date of allocation to the workers. Interest is being paid at the rate of Kibor +2.5% (2018: 75%) p.a. as prescribed under the Act on fund utilized by the Company till the date of allocation to the workers.

10. FINANCE COST PAYABLE

	2019 Rupees	2018 Rupees
Short term borrowings - secured	79,540,457	22,244,739
Long term borrowings - secured	79,940,701	49,201,366
Loans from directors - unsecured	25,219,349	19,428,240
	184,700,507	90,874,346

11. SHORT TERM BORROWINGS - SECURED

FROM BANKING COMPANIES

	Sanctioned Limits (Rs. in millions) 2019	2018	Note	2019 Rupees	2018 Rupees
Running finance	1,165	915	11.1	712,044,188	708,799,196
Cash finance	9,860	8,420	11.2	1,255,620,443	2,268,234,880
				1,967,664,631	2,977,034,076

11.1 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 at the rate of 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 1.00% (2018: 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 0.75%) p.a. The limits will expire on various dates by 30 March 2022 but are renewable.

11.2 These loans have been obtained from various banks to meet the working capital requirements and are secured against pledge over sugar bags of equivalent value with 10% to 20% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to 3 months KIBOR plus 0.30% to 1.00% (2018: 1 to 3 months KIBOR plus 0.15% to 0.75%) p.a. The limits will expire on various dates by 30 March 2022 but are renewable.

	Note	2019 Rupees	2018 Rupees
12. ADVANCES FROM DIRECTORS		355,300,000	575,300,000

12.1 These Loans are taken from directors to meet the working capital requirements of the company and utilized for the same.

12.2 Advances from Directors are unsecured and are interest free. These are payable on demand.

13. CURRENT PORTION OF LONG TERM LIABILITIES

	Note	2019 Rupees	2018 Rupees
Long term finance	5	418,348,989	462,693,893
Liabilities against assets subject to finance lease	6	20,281,836	15,293,411
		438,630,825	477,987,304

	Note	2019 Rupees	2018 Rupees
14. CONTINGENCIES AND COMMITMENTS			
Contingencies			
Various claims against the Company not acknowledged as debt which are pending in the Court for decision		1,568,000	1,568,000
Sales tax on molasses	14.1	1,217,508	1,217,508
Income tax cases	14.2	11,955,520	11,955,520
Additional tax u/s 87 of Income Tax Ordinance, 1979	14.3	4,500,353	4,500,353
Bank guarantees	14.4	747,631,653	797,102,453
		766,873,034	816,343,834
Commitments			
Contracts for capital expenditure		27,733,706	68,694,895
Letters of credit for capital expenditure		142,231,518	187,543,724
Letters of credit for other than capital expenditure		31,908,909	29,097,600
		201,874,133	285,336,219

14.1 This represents sales tax claimed by Collector of Sales tax on Molasses. The Company has filed an appeal with the Appellate Tribunal Lahore. The case is still pending.

14.2 The Company is contingently liable for income tax demands in respect of various assessment years. Out of this amount Rs. 5,933,493/- pertains to the period prior to the privatization and management believes that the liability would be borne by Thal Development Authority (Defunct).

The Company has gone into appeals at higher appellate forum and the management is confident that outcome of the appeals would be ultimately in favour of the Company.

14.3 This represents additional tax of Rs. 2,279,633/- and Rs. 2,220,720/- claimed by the Deputy Commissioner of Income Tax u/s 87 of the Income tax Ordinance, 1979 for the assessment years 1992-93 and 1993-94 respectively. The Company has filed appeals against imposition of this tax and in any case the management is of the view that Thal Development Authority (Defunct) is liable for taxes for the said amount.

14.4 Bank guarantees of Rs. 742 million was issued by banks for advance against sales of Sugar. One bank guarantee of Rs. 1.05 million were issued to Alternative Energy Development Board against power generation licensing. One bank guarantee of Rs. 4 million issued to Ghani Gases Limited agaisnt supply of commercial gas. These guarantees will expire on various dates upto November 2020. Bank guarantee of Rs. 841,653/- was issued by Bank Al-Habib Ltd main branch Lahore in favour of Collector of Sales Tax Multan, liabilities against this guarantee was fully discharged by the Company. The Company requested the Sales Tax Collector for release of captioned Bank Gurantee which is still pending for decision with the Appellate Tribunal at Lahore.

	Note	2019 Rupees	2018 Rupees
15. PROPERTY, PLANT AND EQUIPMENT			
Operating tangible assets	15.1	4,201,220,854	4,352,220,574
Capital work-in-progress - at cost	15.4	678,137,350	104,940,597
		4,879,358,204	4,457,161,171

*The amount of borrowing cost capitalized to operating tangible assets (Plant & Machinery) during the year amounted to Rs. Nil/- (2018: Rs. 13,244,020) and capital work in progress amounted to Rs. 51,843,904 /- (2018 : Rs. 1,406,343/-).

15.1 Operating tangible assets

	Freehold land	Buildings on freehold land	Plant and machinery	Tools, implements and other factory equipments	Computer and other office equipments	Electric installation	Vehicles	Total
	RUPEES							
OWNED ASSETS								
COST								
Balance as at 01 October 2017	345,547,993	715,408,981	4,130,360,295	122,777,392	49,974,372	74,425,405	158,668,146	5,597,162,584
Additions during the year	-	196,945	1,391,804,525	9,799,445	6,116,284	3,043,433	25,311,954	1,436,272,586
Disposals	-	-	-	-	-	-	(4,929,926)	(4,929,926)
Transferred from leased assets							24,258,500	24,258,500
Balance as at 30 September 2018	345,547,993	715,605,926	5,522,164,820	132,576,837	56,090,656	77,468,838	203,308,674	7,052,763,744
Additions during the year	-	22,602,522	141,196,246	35,543,826	4,198,513	7,095,039	39,473,006	250,109,152
Disposals	-	-	(1,158,500)	-	(104,800)	(4,700,000)	(10,086,233)	(16,049,533)
Transferred from Leased Assets	-	-	-	-	-	-	7,927,000	7,927,000
Balance as at 30 September 2019	345,547,993	738,208,448	5,662,202,566	168,120,663	60,184,369	79,863,877	240,622,447	7,294,750,363
DEPRECIATION								
Balance as at 01 October 2017	-	350,556,248	1,803,958,639	64,850,080	26,967,370	28,750,502	71,633,966	2,346,716,805
Charge for the year	-	36,537,756	311,444,343	6,946,458	4,192,004	4,836,270	20,825,941	384,782,772
Depreciation on disposals	-	-	-	-	-	-	(4,825,949)	(4,825,949)
Transferred from leased assets	-	-	-	-	-	-	17,578,435	17,578,435
Balance as at 30 September 2018	-	387,094,004	2,115,402,982	71,796,538	31,159,374	33,586,772	105,212,393	2,744,252,063
Charge for the year	-	33,640,694	348,572,595	8,145,692	4,405,107	4,676,648	22,272,971	421,713,707
Depreciation on disposals	-	-	(784,852)	-	(59,317)	(2,254,264)	(8,532,597)	(11,631,030)
Transferred from Leased Assets	-	-	-	-	-	-	4,135,642	4,135,642
Balance as at 30 September 2019	-	420,734,698	2,463,190,725	79,942,230	35,505,164	36,009,156	123,088,409	3,158,470,382
LEASED ASSETS								
COST								
Balance as at 01 October 2017	-	-	-	-	-	-	45,892,500	45,892,500
Additions during the year	-	-	-	-	-	-	28,132,000	28,132,000
Trasfer to Owned Asset	-	-	-	-	-	-	(24,258,500)	(24,258,500)
Balance as at 30 September 2018	-	-	-	-	-	-	49,766,000	49,766,000
Additions during the year	-	-	-	-	-	-	36,457,221	36,457,221
Trasfer to Owned Asset							(7,927,000)	(7,927,000)
Balance as at 30 September 2019	-	-	-	-	-	-	78,296,221	78,296,221
DEPRECIATION								
Balance as at 01 October 2017	-	-	-	-	-	-	15,236,613	15,236,613
Charge for the year	-	-	-	-	-	-	8,398,929	8,398,929
Transfer to owned assets	-	-	-	-	-	-	(17,578,435)	(17,578,435)
Balance as at 30 September 2018	-	-	-	-	-	-	6,057,107	6,057,107
Charge for the year	-	-	-	-	-	-	11,433,883	11,433,883
Transfer to owned assets							(4,135,642)	(4,135,642)
Balance as at 30 September 2019	-	-	-	-	-	-	13,355,348	13,355,348
Written down value as at 30 September 2018	345,547,993	328,511,922	3,406,761,838	60,780,299	24,931,282	43,882,066	141,805,174	4,352,220,574
Written down value as at 30 September 2019	345,547,993	317,473,750	3,199,011,841	88,178,433	24,679,205	43,854,721	182,474,911	4,201,220,854
Rate of depreciation (%)	-	10	10	10-15	10-30	10	20	

Depreciation charged has been allocated as follows:

	Note	2019 Owned Assets	2019 Leased Assets	2019 Total	2018 Owned Assets	2018 Leased Assets	2018 Total
		----Rupees---			----Rupees---		
Cost of goods manufactured	26.1	406,655,130	-	406,655,130	370,051,907	-	370,051,907
Administrative expenses	28	15,058,577	11,433,883	26,492,460	14,730,865	8,398,929	23,129,794
Total		421,713,707	11,433,883	433,147,590	384,782,772	8,398,929	393,181,701

15.2 Particulars of immovable property (i.e. land and building)in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (In Acres)	Covered Area (In Sq Meter)
a) Layyah Sugar Mills,Layyah	Factory & Residential Colony	109.562	582,822
b) Safina Sugar Mills,Lalian District Chinniot	Factory & Residential Colony	102.237	307,654

15.3 The details of operating fixed assets dispossed off during the year have not been provided because aggregate book value of these assets don't exceed Rs. 5,000,000.

	2019 Rupees	2018 Rupees
15.4 Capital Work in Progress - Tangible Assets		
Plant and machinery	639,543,187	104,846,307
Factory buildings	38,594,163	94,290
	678,137,350	104,940,597

Particulars	Plant & Machinery	Buildings	Computer and other office	Tools, implements and other factory equipments	Total
	----------Rupees----------				
Balance as at 01 October, 2017	595,537,911	-	-	-	595,537,911
Capital Expenditure Incurred During the Year	899,172,921	291,235	1,586,222	4,647,386	905,697,764
Transferred to Operating Tangible Assets	(1,389,864,525)	(196,945)	(1,586,222)	(4,647,386)	(1,396,295,078)
Balance as at 30 September 2018	104,846,307	94,290	-	-	104,940,597
Capital Expenditure Incurred During the Year	633,241,089	48,234,229	469,150	-	681,944,468
Transferred to Operating Tangible Assets	(98,544,209)	(9,734,356)	(469,150)	-	(108,747,715)
Balance as at 30 September 2019	639,543,187	38,594,163	-	-	678,137,350

	Note	2019 Rupees	2018 Rupees
16. INTANGIBLE ASSETS-COMPUTER SOFTWARES			
Cost			
Balance as at 1 October		22,469,973	22,469,973
Transfer from CWIP		-	-
Balance as at 30 September		22,469,973	22,469,973
Amortization			
Balance as at 1 October		(7,489,991)	(1,872,498)
Ammortization Expense	16.1	(5,617,493)	(5,617,493)
Balance as at 30 September		(13,107,484)	(7,489,991)
Net Book Value as at 30 September		9,362,489	14,979,982

16.1 The company amortize intangible asset @ 25% per annum on straight line basis.

17. LONG TERM ADVANCES

	Note	2019 Rupees	2018 Rupees
Long term Advances - face value		55,000,000	55,000,000
Unamortised notional interest		(4,046,279)	(12,316,594)
		50,953,721	42,683,406
Less: current and overdue portion		(20,569,308)	(3,556,950)
		30,384,413	39,126,456

17.1 This represent interest free loan given to Multan Electric Power Company (MEPCO) under an arrangement to construct 132 KV inter connection line at Layyah Sugar Mills for power transmission. The MEPCO will pay back this loan in 36 equal monthly instalments and loan payment will start after 18 months of commercial operation date of the power plant. The power plant commenced the operation from December 2017. The loan has been carried at amortized cost which has been determined using a discount rate of 6% per annum being the expected rate of return on such loans.

18. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2019 Rupees	2018 Rupees
Stores		285,792,552	258,347,480
Spare parts	18.1	342,383,573	265,866,668
Loose tools		12,972,622	7,364,357
		641,148,747	531,578,505

18.1 There are no spare parts held exclusively for capitalization as at the reporting date.

19. STOCK IN TRADE

	Note	2019 Rupees	2018 Rupees
Work in process		4,723,041	6,778,912
Finished goods:			
- Sugar	19.1	1,537,727,208	2,726,570,700
- Molasses		-	204,187,778
		1,537,727,208	2,930,758,478
		1,542,450,249	2,937,537,390

19.1 It includes pledged stocks of Rs. 1,379,966,991/- (2018: Rs. 2,713,205,950/-) against borrowings from various financial institutions.

20. TRADE DEBTS

	Note	2019 Rupees	2018 Rupees
Unsecured and considered good by the management		910,884,682	1,270,683,142
Impairment allowance for expected credit loss	20.3	(7,245,063)	-
		903,639,619	1,270,683,142

20.1 This includes amount due from associated undertaking as follows:

	Note	2019 Rupees	2018 Rupees
Naubahar Bottling Co. (Pvt) Ltd	20.1.2	-	13,376,000
Almoiz Industries Limited	20.1.1	-	-
Baba Farid Sugar Mills Limited	20.1.3	690,094	
		690,094	13,376,000

20.1.1 The maximum aggregate balance due from Almoiz Industires at the end of any month during the year was Rs. 39,033,661/- (2018: 52,966,558 /-).

20.1.2 The maximum aggregate balance due from /(due to) Naubahar Bottling Co. (Pvt) Ltd. at the end of any month during the year was Rs. 372,246,775/- (2018: Rs. 98,235,368/-).

20.1.3 The maximum aggregate balance due from /(due to) Baba Farid Sugar Mills Limited at the end of any month during the year was Rs. 690,094/- (2018: Nil/-).

20.2 The aging of trade receivable (associated companies) at the reporting date is:

	Associated Companies	
	2019	2018
Not past due	690,094	13,376,000
Past due 1-30 days	-	-
Past due 30-150 days	-	-
Past due 150 days	-	-
	690,094	13,376,000

20.3 Impairment allowance for expected credit loss

	2019 Rupees	2018 Rupees
As at beginning of the year	-	-
Recognized during the year	7,245,063	-
Reversed during the year	-	-
As at end of the year	7,245,063	-

	Note	2019 Rupees	2018 Rupees
21. LOANS AND ADVANCES - unsecured, interest free and considered good			
- Growers	21.1	228,457,431	163,146,672
- Suppliers	21.2	271,211,665	150,019,448
- Employees	21.3	2,773,023	2,935,645
		502,442,119	316,101,765

21.1 Advances to sugar cane growers for agricultural inputs against commitment to supply sugar cane in the following season and is adjusted against price of cane supplied.

	Note	2019 Rupees	2018 Rupees
21.2 Advances to suppliers		274,101,576	152,909,359
Provision against doubtful advances	21.2.1	(2,889,911)	(2,889,911)
		271,211,665	150,019,448
21.2.1 Opening balance of provision		(2,889,911)	(2,889,911)
Add: provided during the year		-	-
Less: reversal during the year		-	-
Closing balance of provision		(2,889,911)	(2,889,911)

21.3 These advances are given to employees against their salaries and do not include any advance to Chief Executive or Directors. Amount due from executives is Rs. 139,025 (2018: NIL) at the year end.

22. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2019 Rupees	2018 Rupees
Margin against bank guarantees	84,216	84,216
Letters of credit	91,928,107	86,251,954
Prepayments	2,067,726	4,268,604
Other receivables	3,402,917	4,774,835
	97,482,966	95,379,609

23. TAXES RECOVERABLE / ADJUSTABLE

	2019 Rupees	2018 Rupees
Advance income tax	459,928,174	371,417,097
Sales tax - input	9,642,755	3,716,259
	469,570,929	375,133,356

	2019 Rupees	2018 Rupees
24. CASH AND BANK BALANCES		
Cash and cheques in hand	873,863	946,972
Cash with banks:		
- Current accounts	105,364,386	115,754,158
- Saving accounts	59,314,372	56,194,931
	164,678,758	171,949,089
	165,552,621	172,896,061
25. SALES - NET		
Local sales:		
Sugar	11,931,613,972	11,737,600,556
By Products:		
Molasses	1,087,680,249	865,225,624
Press mud	4,038,001	3,434,003
Bagasse	40,845,402	63,610,720
Electricity	726,600,312	1,162,204,258
	13,790,777,936	13,832,075,161
Export sales:		
Sugar	1,886,018,798	1,525,297,971
Less: Export Handling Charges	(6,674,499)	(6,220,333)
	1,879,344,299	1,519,077,638
	15,670,122,235	15,351,152,799
Less: Sales Tax / Special Excise Duty		
Sugar	(1,210,838,816)	(1,108,894,469)
Molasses	(33,175,161)	(21,427,276)
Press mud	(673,001)	(560,431)
Bagasse	(5,934,802)	(10,025,659)
Electricity	(59,887,245)	(105,802,195)
	(1,310,509,025)	(1,246,710,030)
	14,359,613,210	14,104,442,769

	Note	2019 Rupees	2018 Rupees
26. COST OF SALES			
Finished goods - opening		2,930,758,478	2,792,910,415
Add: cost of goods manufactured	26.1	11,228,286,980	13,873,008,690
		14,159,045,458	16,665,919,105
Finished goods - closing		(1,537,727,208)	(2,930,758,478)
		12,621,318,250	13,735,160,627

26.1 Cost of goods manufactured:

	Note	2019 Rupees	2018 Rupees
Work in process - opening		6,778,912	4,215,669
Raw material consumed	26.1.1	9,355,160,485	12,271,552,351
Cost of Refined Sugar Purchased		53,926,123	13,556,400
Salaries, wages and other benefits	26.1.2	450,355,783	435,971,400
Fuel and power		228,510,562	78,031,576
Stores, spare parts and loose tools		217,757,097	244,245,820
Repairs and maintenance		451,976,599	424,389,479
Insurance		4,941,947	4,232,256
Depreciation	15.1	406,655,130	370,051,907
Vehicles running		53,260,014	25,205,231
Miscellaneous		3,687,369	8,335,513
		11,233,010,021	13,879,787,602
Work in process - closing		(4,723,041)	(6,778,912)
		11,228,286,980	13,873,008,690

26.1.1 Raw material consumed

	2019 Rupees	2018 Rupees
Sugar cane purchases	9,221,736,204	12,089,568,313
Cane procurement and other expenses	133,424,281	181,984,038
	9,355,160,485	12,271,552,351

26.1.2 Salaries, wages and other benefits include Rs. 24,799,519/- (2018: Rs. 21,681,082/-) in respect of gratuity (Refer note 8.1).

27. DISTRIBUTION AND SELLING EXPENSES

	2019 Rupees	2018 Rupees
Salaries, wages and other benefits	10,544,119	9,374,031
Freight outward	163,640,149	68,637,089
Godown expenses	75,834,526	56,861,010
Insurance	4,490,346	3,780,307
Commission on sale of sugar	12,158,724	9,213,521
	266,667,864	147,865,958

28. ADMINISTRATIVE EXPENSES

	Note	2019 Rupees	2018 Rupees
Directors' remuneration		4,080,000	4,080,000
Salaries and other benefits	28.1	277,045,440	246,697,065
Rent, rates and taxes		13,568,399	22,731,676
Travelling and conveyance		2,434,988	1,694,935
Foreign travelling		2,635,965	4,071,548
Fees and subscriptions		18,808,308	12,775,862
Repair and maintenance		13,080,532	17,175,170
Vehicles running		23,397,810	20,175,359
Postage and telephone		6,994,724	6,670,915
Printing and stationery		3,965,186	4,008,787
Legal and professional		40,351,941	3,859,665
Auditors' remuneration	28.2	1,888,660	1,554,150
Depreciation	15.1	26,492,460	23,129,794
Ammortization cost		5,617,493	5,617,493
Donations	28.3 & 28.4	3,760,545	256,513
Write off (input tax)		-	6,100,455
Impairment allowance for expected credit losses	20.3	7,245,063	-
Miscellaneous		31,831,066	28,530,170
		483,198,580	409,129,556

28.1 Salaries and other benefits include Rs. 8,754,256 /- (2018: Rs. 8,521,862/-) in respect of gratuity. (Refer note 8.1)

28.2 Auditors' remuneration:

	2019 Rupees	2018 Rupees
Fee for statutory audit	1,470,440	1,210,000
Income Tax consultation services	418,220	344,150
	1,888,660	1,554,150

28.3 None of the directors or their spouses have any interest in the donees.

28.4 Donations

The names of donees to whom donation amount exceeds Rs. 1,000,000 or 10% of company's total donation which ever is higher are as follows:

	2019 Rupees	2018 Rupees
Agha Khan Hospital & Medical College Foundation	2,000,000	-

	Note	2019 Rupees	2018 Rupees
29. OTHER INCOME			
Financial Assets			
Profit on deposit accounts		1,510,051	1,229,757
Income on unwinding of long term advances		8,270,315	-
Other assets			
Gain on disposal of stores		1,667,096	121,123
Gain on disposal of fixed asset		782,692	700,224
Gain/(Loss) on foreign exchange rates		66,798,821	2,856,465
Sale of scrap		41,507,986	43,777,839
Gain on agriculture inputs to growers		17,676,458	17,252,457
Rental income		331,500	331,500
Subsidy on export of sugar		165,240,100	442,680,400
Miscellaneous		7,000,630	12,071,022
		310,785,649	521,020,787
30. FINANCE COST			
Interest / mark-up on:			
- Short term borrowings		468,399,224	281,596,584
- Lease finance		3,798,727	2,078,022
- Loans from directors		85,357,800	53,571,360
- Long term finance		156,862,898	127,911,330
		714,418,649	465,157,296
Interest on workers' profit participation fund	9.2	-	15,677,284
Bank charges and commission		13,663,831	5,613,874
		728,082,480	486,448,454
31. OTHER EXPENSES			
Workers' profit participation fund	9.2	28,556,584	-
Workers' welfare fund - current	9	-	(860)
		28,556,584	(860)
32. TAXATION			
Current	32.1	199,603,185	33,019,071
Prior year	32.2	70,232,370	165,898,051
Deferred	32.3	(69,559,271)	(191,606,279)
		200,276,284	7,310,843

	Note	2019 Rupees	2018 Rupees
32.1 Income Tax Liability		207,082,004	173,483,811
Less: Tax Credits u/s (65B)	32.1.1	(7,478,819)	(140,464,740)
		199,603,185	33,019,071

32.1.1 During the year the company has invested Rs. 149,576,379/- (2018 : Rs 1,404,647,402/-) in the purchase of plant and machinery, for the purpose of balancing, modernization and replacement (BMR) in terms of section 65B of the Income Tax Ordinance, 2001. The provision for the taxation has been reduced by taking tax credit under the said section.

Provision for the current year has been made at the current tax rate after taking into account tax rebates and tax credits available. The income tax assessments of the Company have been finalized up to tax year 2019 except for assessment year 1992-93, 1993-94, 2001-02, 2002-03 and 2003-04 which are under appeal (Refer note 14 for detail).

32.2 The prior year figures consists of Rs. 70,232,370/- pertains to tax year 2019 on account of reduction in rate of BMR tax credit.

32.3 Deferred

	Note	2019	2018
Closing deferred tax liability	8.2	65,810,349	137,016,652
Opening deferred tax liability	8.2	(137,016,652)	(330,406,637)
Deferred tax (income) / expense		(71,206,303)	(193,389,985)
Deferred tax attributable to other comprehensive income		1,647,032	1,783,706
Deferred tax attributable to profit and loss		(69,559,271)	(191,606,279)

32.4 Tax returns filed for Tax Years till 2019 stand assessed in terms of section 120 of the Income Tax Ordinance, 2001. However, tax authorities are empowered to open or amend the assessments within five years of the date of assessment. As per management's assessment, the provision for tax made in the financial statements is sufficient.

	Tax provision as per financial statements	Tax as per assessment
	--------- Rupees	---------
2016	42,708,851	42,708,851
2017	102,183,627	164,260,567
2018	33,019,071	103,251,441

33. EARNINGS PER SHARE - BASIC AND DILUTED

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

	2019 Rupees	2018 Rupees
Profit / (Loss) after tax	342,298,817	(160,451,022)
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings / (Loss) per share	22.78	(10.68)

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.

34. CHANGES IN WORKING CAPITAL

	2019	2018
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(109,570,242)	(54,664,420)
Stock-in-trade	1,395,087,141	(140,411,306)
Trade debts	367,043,523	(865,861,384)
Loans and advances	(186,340,354)	106,434,440
Trade deposits, prepayments and other receivables	(2,103,357)	151,824,129
Current portion of long term advances	(17,012,358)	-
Taxes recoverable / adjustable	(94,437,573)	108,032,185
Increase / (decrease) in current liabilities:		
Trade and other payables	(113,475,295)	868,660,002
	1,239,191,485	174,013,646

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2019				2018			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	RUPEES							
Managerial Remuneration	2,040,000	2,040,000	77,702,611	81,782,611	2,040,000	2,040,000	76,612,015	80,692,015
Utilities	-	-	2,679,400	2,679,400	-	-	1,531,682	1,531,682
Bonus	-	-	9,578,637	9,578,637	-	-	6,763,609	6,763,609
Gratuity expense	-	-	8,309,365	8,309,365	-	-	6,303,840	6,303,840
Total	2,040,000	2,040,000	98,270,013	102,350,013	2,040,000	2,040,000	91,211,146	95,291,146
Number of Persons	1	1	26	28	1	1	34	36

35.1 The executives have been provided free unfurnished accommodation with maintained car for Company's affairs only.

35.2 No meeting fee has been paid to the Directors during the year.

35.3 Chief Executive, Directors and Executives are not entitled for any benefit other than disclosed as above.

36. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors of the Company and entities under common directorship, key management personnel and post employment retirement plan.

Amounts due from and due to related parties are shown in note 7,9,10,12,20 and 21 . Finance cost paid to directors and remuneration of the key management personnel is disclosed in note 30 & 35 respectively.

36.1 Following are the related parties with whom the Company had entered into transactions during the year:

Sr No	Name	Postion	Direct Shareholding
1	Naubahar Bottling Co. (Pvt) Limited	Common Directorship	Associated undertaking
2	Almoiz Industries Limited	Common Directorship	Associated undertaking
3	Baba Farid Sugar Mills	Common Directorship	Associated undertaking
4	Mr. Muhammad Shamim Khan	Director	58.942%
5	Mrs. Qaiser Shamim Khan	Director	15.001%
6	Mr. Adnan Ahmed Khan	Director	7.972%
7	Mr. Nauman Ahmed Khan	Director	9.999%
8	Mr. Muhammad Khan	Director	0.033%
9	Mr. Muhammad Ashraf Khan Durani	Director	2.000%
10	Mr. Abdul Wahid Khan	Director	0.007%

36.2 Transaction with related parties and associated undertakings,other than those disclosed elsewhere in the financial statements are as follows:

Name of Related Party	Relationship	Basis of Relationship	2019 Rupees	2018 Rupees
Naubahar Bottling Co Pvt Limited	Associated undertaking	Common Directorship		
- Sale of goods			2,535,120,675	2,574,973,294
Almoiz Industries Limited	Associated undertaking	Common Directorship		
- Sale of goods			82,890,424	93,644,740
- Purchase of goods			254,428,152	42,215,884
Baba Farid Sugar Mills Limited	Associated undertaking	Common Directorship		
- Sale of goods			690,094	-

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:

	2019	2018
Advances received from / (returned to) directors during the year	(220,000,000)	226,000,000
Markup on loans from directors	85,357,800	53,571,360
Advances to executives-net	13,214	-
Dividend paid	3,119,882	107,403,477
Rent	8,400,000	8,400,000

37. FINANCIAL INSTRUMENTS

The objective of the Company's overall financial risk management is to minimize earnings volatility and provide maximum return to shareholders. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

The Company's activities expose it to a variety of risks:

- Credit risk
- Liquidity risk
- Market risk

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the company's risk management policies.

37.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade receivables. Out of the total financial assets of Rs. 1,126,870,615 /- (2018: Rs. 1,494,521,805/-), the financial assets which are subject to credit risk amounted to Rs. 1,125,996,752/- (2018: Rs. 1,493,574,833/-).

To manage exposure to credit risk in respect of trade receivables management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 days in respect of sales to certain institutions to reduce the credit risk.

37.1.1 Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

Some of the major customer accounts for Rs. 825,832,197/- of the trade receivables carrying amount at 30 September 2019 (2018 : Rs.794,985,662/-) that have a good track record with the Company.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2019 Rupees	2018 Rupees
Long term deposits	464,500	464,500
Long term advances	50,953,721	42,683,406
Trade debts	910,884,682	1,270,683,142
Loan & advances	2,773,023	2,935,645
Trade deposits and other receivables	3,487,133	4,859,051
Bank balances	164,678,758	171,949,089
	1,133,241,817	1,493,574,833

All the trade debtors at the balance sheet date represent domestic parties.

The aging of trade receivable at the reporting date is:

	2019	2018
Not past due	694,780,655	415,667,219
Past due 1-30 days	78,881,121	102,302,676
Past due 30-150 days	106,692,036	750,401,650
Past due 150 days	30,530,870	2,311,597
	910,884,682	1,270,683,142

In the opinion of the management no provision is necessary for past due trade debts as these are considered good based on payment history.

37.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The company is not materially exposed to liquidity risk as substantially all obligations / commitments of the company are short term in nature and are restricted to the extent of available liquidity. In addition, the company has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the maturity date.

	2019					
	Carrying amount	Contractual Cash flows	Six Months or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial Liabilities:						
Loans from directors	574,800,000	574,800,000	-	-	-	574,800,000
Long term finance	1,668,380,554	1,821,388,342	266,658,738	222,425,827	322,987,372	1,009,316,405
Liabilities against assets subject to finance lease	42,121,415	50,539,753	13,590,130	11,936,045	16,910,070	8,103,508
Trade and other payables	281,618,347	281,618,347	-	281,618,347	-	-
Uncashed dividend warrants	57,560,349	57,560,349	-	57,560,349	-	-
Finance cost payable	184,700,507	184,700,507	184,700,507	-	-	-
Short term borrowings	1,967,664,631	1,967,664,631	-	1,967,664,631	-	-
Advances from directors	355,300,000	355,300,000	-	355,300,000	-	-
	5,132,145,803	5,293,571,929	464,949,375	2,896,505,199	339,897,442	1,592,219,913

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

	2018					
	Carrying amount	Contractual Cash flows	Six Months or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial Liabilities:						
Loans from directors	574,800,000	574,800,000	-	-	-	574,800,000
Long term finance	1,820,902,701	2,102,438,120	305,238,124	285,983,390	489,084,555	1,022,132,051
Liabilities against assets subject to finance lease	32,268,310	36,038,554	9,077,434	8,558,694	13,382,945	5,019,481
Trade and other payables	304,988,557	304,988,557	-	304,988,557	-	-
Uncashed dividend warrants	101,007,378	101,007,378	-	101,007,378	-	-
Finance cost payable	90,874,346	90,874,346	90,874,346	-	-	-
Short term borrowings	2,977,034,076	2,977,034,076	-	2,977,034,076	-	-
Advances from directors	575,300,000	575,300,000	-	575,300,000	-	-
	6,477,175,368	6,762,481,031	405,189,904	4,252,872,095	502,467,500	1,601,951,532

37.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

37.3.1 Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument, will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The company is not significantly exposed to currency risk.

37.3.2 Interest rate risk

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2019	2018	2019	2018
	Effective rate		Carrying amount	
	(in Percent)		(Rupees)	
Financial liabilities				
Variable rate instruments				
Long term finances	7.54% to 14.66%	6.65% to 8.68%	1,668,380,554	1,820,902,701
Liabilities against assets subject to finance lease	9.88% to 15.1%	7.15% to 9.57%	42,121,415	32,268,310
Loans from directors	14.85%	9.32%	574,800,000	574,800,000
Short term borrowings	8.03% to 15.31%	5.47% to 8.97%	1,967,664,631	2,977,034,076
			4,252,966,600	5,405,005,087

Fair value sensitivity analysis for fixed rate instruments

The company is not exposed to interest rate risk for fixed rate instruments as it does not hold any such fixed rate financial instruments.

Cash flow sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been stated below.

This analysis assumes that all other variables remain constant. The analysis is performed on same basis for 2018.

	Increase/ decrease in %	Effect on profit before tax (Rupees)
As at 30 September 2019		
Cash flow sensitivity-Variable rate financial liabilities	1%	42,529,666
As at 30 September 2018		
Cash flow sensitivity-Variable rate financial liabilities	1%	54,050,051

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

37.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to other price risks.

37.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 September 2019 the net fair value of all financial instruments has been based on the valuation methodology outlined below:

Long term deposits

Long term deposits do not carry any rate of return. The fair value of these has been taken at book value as it is not considered materially different and readily exchangeable.

Non current liabilities

For all non-current liabilities the fair values have been taken at book values as these are not considered materially different based on the current market rates of return and re-pricing profiles of similar non-current liabilities.

Other financial instruments

The fair values of all other financial instruments are considered to approximate their book values as they are short term in nature.

37.5 Financial instrument by categories

Financial Assets	At amortised cost 2019	At amortised cost 2018
	Rupees	Rupees
Long term deposits	464,500	464,500
Long term advances	50,953,721	42,683,406
Trade debts	910,884,682	1,270,683,142
Loan & advances	2,773,023	2,935,645
Trade deposits and other receivables	3,487,133	4,859,051
Cash and Bank balances	165,552,621	172,896,061
	1,134,115,680	1,494,521,805

Financial Liabilities	At amortised cost 2019	At amortised cost 2018
	Rupees	Rupees
Loans from directors	574,800,000	574,800,000
Long term finance	1,668,380,554	1,820,902,701
Liabilities against assets subject to finance lease	42,121,415	32,268,310
Trade and other payables	281,618,347	304,988,557
Unpresented dividend warrants	57,560,349	101,007,378
Finance cost payable	184,700,507	90,874,346
Short term borrowings	1,967,664,631	2,977,034,076
Advances from directors	355,300,000	575,300,000
	5,132,145,803	6,477,175,368

38. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

- **Acquistion of sugar mill outside Pakistan**

The Company together with Almoiz Industries Limited and Naubahar Bottling Company (Private) Limited (Associated undertakings) is in process to acquire 55% of the overall stake in ISIS Central Sugar Mill Limited (ICSM), Bundaberg region of Queensland, Australia at a price of 35 Million Australian Dollars subject to the applicable statutory and regulatory approvals.

- **Dividend**

The board of directors have proposed final cash dividend for the year ended 30 September 2019 of Rs. 1.50 (2018: Rs.Nil) per share i.e. 15% (2018: Nil) amounting to Rs. 22,534,848/- (2018: Rs. Nil/-) at their meeting held on 30 December 2019 for approval of the members.

39. CAPITAL RISK MANAGEMENT

The company's objectives for managing capital are:

i) to safeguard the entity's ability to continue as a going concern; and

ii) to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may issue new shares, or sell assets to reduce debts.

Consistently with others in the industry, the company monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Equity comprises of share capital, reserves and retained earnings.

During 2019, the company's strategy, which was unchanged from 2018, was to maintain the net debt-to-equity ratio in the range 1.50 to 3.50 times, in order to secure access to finance at a reasonable cost.

	2019 Rupees	2018 Rupees
The net debt-to-equity ratios at 30 September 2019 and at 30 September 2018 are as follows:		
Total debts	4,608,266,600	5,980,305,088
Less: cash and cash equivalents	(165,552,621)	(172,896,061)
Net debt	4,442,713,979	5,807,409,027
Total equity	2,223,823,933	1,885,557,505
Net debt-to-equity (Times)	2.00	3.08

The decrease in debt-to-equity ratio during 2019 resulted from proportionate decrease in dependance on borrowings with respect to increase in equity.

40. PLANT CAPACITY AND ACTUAL PRODUCTION

		2019	2018
Designed crushing capacity:			
- Layyah Sugar Mills	Metric Tons/day	15,000	13,000
- Safina Sugar Mills	Metric Tons/day	8,000	8,000
Capacity on the basis of operating days	Metric Tons	2,208,000	3,003,000
Actual crushing	Metric Tons	2,006,892	2,697,755
Percentage of capacity attained	%	90.89	89.84
Sugar production from cane	Metric Tons	204,406	260,788
Recovery of sugar cane	%	10.19	9.67

40.1 The under utilization of the capacity is mainly due to non availability of better quality sugarcane.

41. NUMBER OF EMPLOYEES

The total and average number of employees during the year as at 30 September 2019 and 2018 respectively are as follows:

	2019	2018
Number of employees as at 30 September	618	607
Number of other employees as at 30 September	65	72
Average number of employees during the year	614	608
Average number of other employees during the year	66	68

42. NON-CASH FINANCING ACTIVITIES

During the year, the Company acquired property, plant and equipment amounting to Rs. 30,625,561/- (2018: Rs. 31,131,000/-) by means of finance lease.

43. RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets / cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

44. Operating segments

These financial statements have been prepared on the basis of single reportable segment.

a) Revenue from sale of sugar and its by-products represents 100% (2018: 100%) of the sale of the company.

b) 87% (2018: 89%) of the sale for the year of the company is made to customers located in Pakistan and 13% (2018: 11%) of the sale for the year is made to customers located outside Pakistan.

c) All non-current assets of the company as at 30 September 2019 are located in Pakistan.

d) Sale to the following customers accounts for more than 10 % of the sales of the company:

	2019		2018	
	Rs.	Percentage	Rs.	Percentage
Naubahar Bottling Co. (Pvt) Ltd	2,535,120,675	18%	2,574,973,294	18%

45. DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on 30 December 2019 by the Board of Directors of the company.

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

Proxy Form

No. of Shares ____________ Folio No./CDC Participant ID ____________

I/We ____

of____

Being member of THE THAL INDUSTRIES CORPORATION LIMITED hereby appoint

Mr./Miss/Mrs.____

of failing him/her ____

being a member of the company a my/our proxy to attend, act and vote for me/us and on my/us and on my/or behalf, at the 66th Annual General Meeting of the company to be held Head Office 2-D-1, Gulberg III, Lahore on Monday, the 27th January, 2020 at 3.00 p.m. and every adjournment thereof:

As witness my hand this ____________________ day of ________________________________ 2020

Signed by the said ____________________________ of ___________________________________

1. Witness's Signature

Name: ___________________________

CNIC No. _________________________

Address: __________________________

Member's Signature

____

2. Witness's Signature

Name: ___________________________

CNIC No. _________________________

Address: __________________________

Revenue Stamp
Rs. 5/-

Date ____________________

Place ___________________

Notes: __________________

1. This form of proxy, in order to be effected must be deposited duly completed at the registered office 23-Pir Khurshid Colony, Gulgasht, Multan, not less than 48 hours before the time for holding the meeting.
2. A Proxy must be a member of the company.
3. Signature should agree with the specimen registered with the company.
4. CDC shareholder's entitled to attend and vote at this meeting must bring with them their Computerized National Identity Card / passport in original to provide his/her identity.

دی تھل انڈسٹریز کارپوریشن لمیٹڈ

مختار نامہ

میں/ہم-- کا / کے --

بحیثیت رکن دی تھل انڈسٹریز کارپوریشن لمیٹڈ اور حامل حصص، بمطابق شیئر رجسٹر فولیو نمبر--

اور/یا سی ڈی سی پارٹیسپینٹ (شرکت آئی ڈی نمبر---

اور سب اکاؤنٹ ذیلی کھاتہ نمبر---

محترم/محترمہ---

کو اپنے/ہمارے ایماء پر------------------ مورخہ 27 جنوری 2020ء بروز پیر بوقت 3:00 بجے ---------------------------

کو منعقد ہونے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/ کرتے ہیں۔

آج بروز---------------- بتاریخ ------------------------- **2020**ء کو دستخط کیے گئے۔

گواہان

1-

دستخط:--

نام:--

پتہ:--

کمپیوٹرائزڈ شناختی کارڈ نمبر:---

پانچ روپے کے رسید ٹکٹ پر دستخط

2-

دستخط:--

نام:--

پتہ:--

کمپیوٹرائزڈ شناختی کارڈ نمبر:---

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

نوٹ:

1- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کرسکتا وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس کے پتے پر ارسال کرے۔

2- سی ڈی سی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا۔

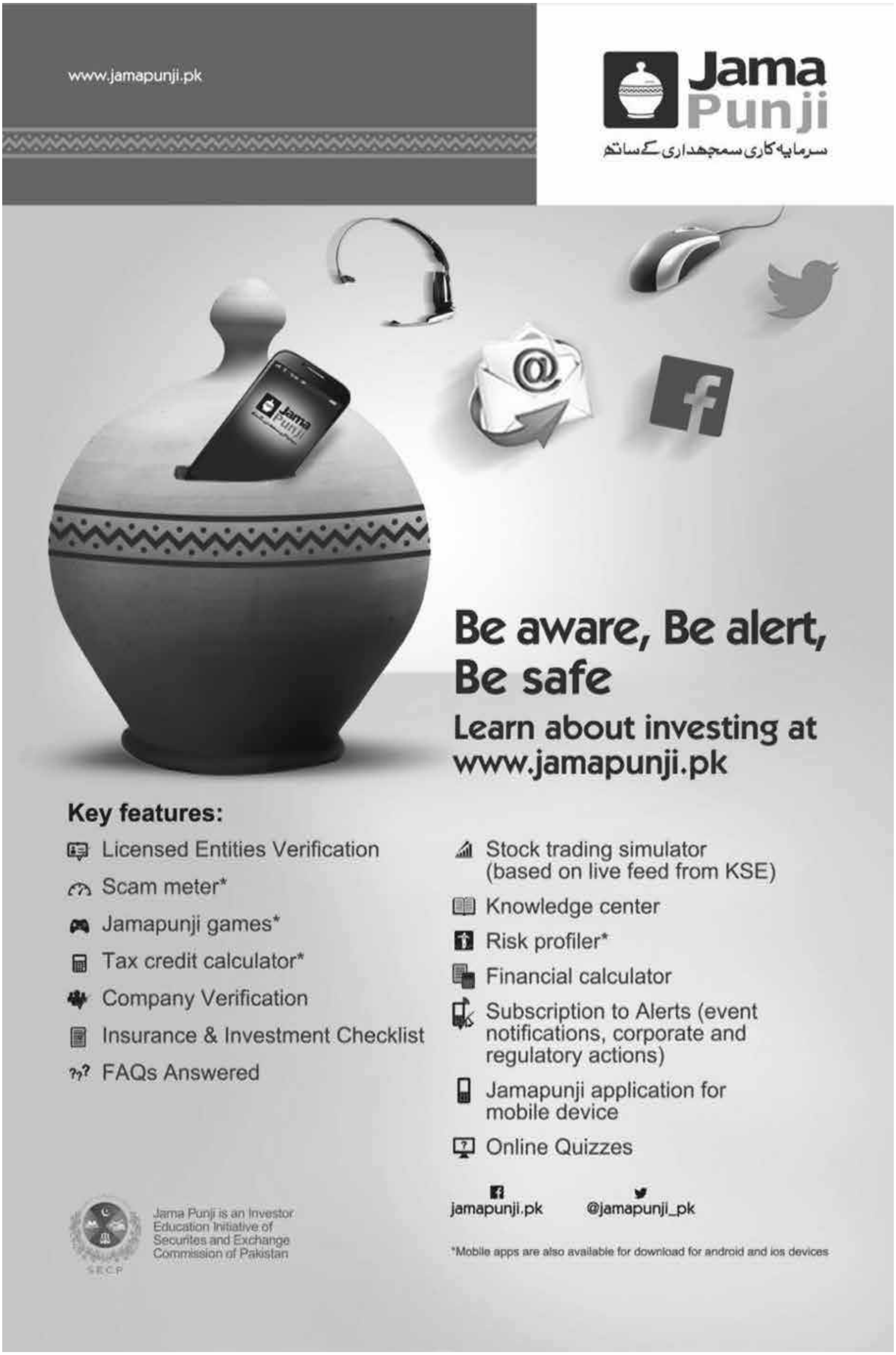
الف۔ فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ جس کی سیکیوریٹز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد وضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایت کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔

ب۔ مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

ج۔ بینفشل اونرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختار نامہ کے ہمراہ پیش کرے گا۔

د۔ اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

و۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن) بورڈ آف ڈائریکٹرز قرارداد/مع نامزد کردہ شخص/اٹارنی کے نمونہ دستخط یا ورآف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔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THALINDUSTRIES

CORPORATION

If undelivered, please return to:

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