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COST AUDITORS' REPORT ON COST STATEMENTS OF THE THAL INDUSTRIES CORPORATION LIMITED FOR THE YEAR ENDED SEPTEMBER 30, 2025

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The Board of Directors,

The Thal Industries Corporation Limited
Lahore.

March 18, 2026
T-64/AA-3960/26

AUDIT OF COST STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

Dear Members of the Board,

We have completed the cost audit of your Company's cost accounts for the above referred year and are pleased to enclose herewith three copies of the draft cost statements together with our draft audit report thereon duly initialed by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the cost statements are approved by the Board of Directors and signed on their behalf by the Chief Executive and Chief Financial Officer and on receipt/review of the letter of representation addressed to us on behalf of the Board of Directors and signed by the Chief Executive and Chief Financial Officer as per draft provided by us.

Our observation and comments on this set of cost accounts are as under:

1. RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND AUDITORS IN RELATION TO THE COST STATEMENTS

1.1 The responsibilities of the cost auditors are usual examination of costing records as stipulated in Companies (Maintenance and Audit of Cost Accounts) Regulations, 2020.

1.2 While the auditors are responsible for forming and expressing their opinion on the cost accounts, the responsibility for preparation of such cost accounts is primarily that of the Company's Board of Directors. The Board's responsibilities include causing the maintenance of adequate costing records and internal controls, the selection and application of accounting policies. The audit of the cost accounts does not relieve the Board of its responsibilities. Accordingly, our examination of books of cost accounts and records should not be relied upon to disclose all errors or irregularities

2. CAPITALIZATON POLICY

We have observed that the Company does not have a proper capitalization policy duly approved by the Board of Directors (BOD) of the Company. In the absence of a proper capitalization policy there is a risk that certain material items of the assets may not be capitalized which may result in the distortion of the operating results of the Company. We recommend that proper capitalization policy should be formulated by the BOD in order to bring consistency in accounting for capital and revenue expenditure.

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3. ASSETS NOT CODED AND TAGGED

We have observed that fixed assets are not coded and tagged. Further, the Company does not have any practice of periodic physical verification of fixed assets. In the absence of appropriate coding and tagging, assets are difficult to locate and verify physically at the time of disposal and for test of impairment. Further, in the absence of periodic physical verification, there is a risk that the fixed assets may not be properly safeguarded. We recommend that all the assets should be properly coded and tagged for effective control.

4. OVERHEADS APPORTIONMENT POLICY

As per cost order, overheads and cost of service departments should be prorated over various departments on such basis or such one or more bases as may be deemed necessary. We recommend that a study (internally or externally) should be conducted to ascertain basis of allocation keeping in view the financial aspect and the production aspect of the process carried out in each department of every plant.

5. INVENTORIES

We have observed that there are several items amounting to Rs. 21.607 million in the list of stores which have not been used for over twenty-four months. We recommend that a clear policy should be developed to ensure that provisions are made for the diminution in the value of obsolete and damaged stores on a timely basis.

6. MINIMUM AND MAXIMUM QUANTITY

We have observed that minimum and maximum quantity levels are not maintained in the case of stock-in-trade or stores. In the absence of minimum and maximum quantity levels, inventory procurement, production and delivery standards may not be optimal. We recommend that minimum and maximum quantity levels should be set to ensure that adequate levels of inventory are maintained keeping in view the carrying cost of inventory and time lost due to production halts.

7. ACCOUNTING MANUAL

The Company has developed a comprehensive Accounting Procedures Manual but it has not been approved. The purpose of this Manual is to harmonize accounting procedures at all locations and to serve as a reference point for trouble-shooting. The Manual also facilitates training and induction to new staff members. In the absence of a documented Manual there is an inherent risk that accounting procedures may be adopted that is not consistent resulting in errors of accounting. We recommend that an Accounting Procedures Manual should be approved and implemented expeditiously to consolidate the various guidelines and directives issued by the management from time to time.

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8. MANUAL CALCULATION

We noted that cost of products has been calculated manually instead of using an automated system. We recommend automated system should be used for cost calculation. In absence of an automated system errors and inaccuracy may result due to the use of manual working where formulas are manually inserted and manual working may result in inefficiency as well.

9. HUMAN RESOURCE MANUAL

The Human Resources (HR) function is at the center of most employers' efforts to identify, hire and retain the people the organization needs to execute its strategy and achieve its goals. Further, the HR function is a key player within the organization's compliance structure as well. However, we have observed that Company has developed human resource manual but it is not approved. We recommend that HR manual should be approved.

10. COST ACCOUNTING MANUAL

We have observed that the Company does not have a documented cost accounting policy duly approved by the Board of Directors (BOD) of the Company. In the absence of a proper approved policy there is a risk that the objectives of cost accounting system may not be achieved.

The objectives of cost accounting are ascertainment of cost, fixation of selling price, proper recording and presentation of cost data to management for measuring efficiency and for cost control and cost reduction, ascertaining the profit of each activity, assisting management in decision making and determination of break-even point.

11. PROCUREMENT

We have observed that the Company does not have a documented procurement policy duly approved by the Board of Directors (BOD) of the Company. In the absence of required policy, risk exists that procurement might not take place on the basis of most competitive rates. Further, we also observed following weakness in the procurement process.

- Purchase requisition approval limits are not defined;
- There is no approved list of suppliers for a particular procurement along with lead times;
- Master file of suppliers is not being maintained;
- Supplier performance indicators are not defined and periodically evaluated;
- Documented and approved standard operating procedures for receipt of items do not exist; and
- Manual process of settlement of advances against expenses may cause inefficiency and errors.

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In addition to above, though we noted that, purchases are only made within authorized budget limits. However, due to manual comparison of purchase requisition against budget, there is inherent risk that the purchase requisition can be raised without budget allocation for the period. However, the cumulative expense on such purchases is not maintained in the head office to ensure as to how much limit is remaining for which order can be placed or budget can be revised. In the absence of such cumulative figure order can be placed for those products whose budget has been already used.

12. HIRING OF DAILY WAGERS DURING SEASON

We have observed that management hires daily wagers for season. The practice of hiring daily wagers in this way may take time of management for hiring and maintenance of records and further preparation of payroll and distribution of wages. For disbursement of wages in cash management require more liquid cash in office, as cash based payments present a fraud risk and do not provide for an audit trail.

Further the cash payments in excess of the prescribed statutory limits may result in disallowance of the related expenditure and may ultimately attract additional income tax on the Company. We recommend that all payments should be made in the manner as prescribed under the law to avoid any adverse treatment by the tax authorities. We also recommend that management should hire daily wagers through contractor, so singly payment can be made through the cross cheque.

13. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMPLIANCE

We draw the Board's attention to the SECP Order dated December 31, 2024 mandating the phased adoption of IFRS S1 and IFRS S2 for listed companies in Pakistan. Under this Order, listed companies meeting any two of the following thresholds – turnover exceeding Rs. 25 billion, employees exceeding 1,000, or total assets exceeding Rs. 12.5 billion – are required to apply the standards for reporting periods beginning on or after July 01, 2025. Listed companies meeting any two of the lower thresholds – turnover exceeding Rs. 12.5 billion, employees exceeding 500, or total assets exceeding Rs. 6.25 billion – are required to apply the standards from periods beginning on or after July 01, 2026, with the requirements extending to all remaining listed companies from periods beginning on or after July 01, 2027. The standards introduce structured disclosures on governance, strategy, risk management and sustainability metrics and targets.

The Order requires sustainability disclosures to be presented in a sustainability report forming part of the annual reporting package, typically placed after the Directors' Report and approved in the same manner as financial statements. For the first year of application, SECP has permitted issuance of the sustainability report within nine months of the year-end.

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From the second year onward, sustainability disclosures are required to be subject to assurance by the external auditors in accordance with applicable assurance standards. In view of these requirements, management should consider timely assessment of readiness, including governance arrangements, data collection processes, internal controls and reporting systems necessary to support reliable sustainability disclosures.

We also draw the Board's attention to SECP's Notification dated December 11, 2025 issuing revised ESG Disclosure Guidelines for listed companies. These Guidelines establish a standardized framework for ESG reporting aligned with the Pakistan Green Taxonomy and are intended to promote consistent and transparent reporting of environmental, social and governance matters by listed companies. The Guidelines follow a phased implementation approach under which listed companies meeting any two of the thresholds of turnover exceeding Rs. 25 billion for the last two consecutive years, employees exceeding 1,000, or total assets exceeding Rs. 12.5 billion are required to report from periods beginning on or after July 01, 2029. Listed companies meeting any two of the lower thresholds of turnover exceeding Rs. 12.5 billion, employees exceeding 500, or total assets exceeding Rs. 6.25 billion are required to report from periods beginning on or after July 01, 2030, with the requirements extending to remaining listed companies from periods beginning on or after July 01, 2031.

The Guidelines encourage disclosures relating to ESG governance, strategy, risk oversight and performance indicators, and expect ESG information to be reported on an annual basis. Listed companies may present such disclosures within the annual report, through a standalone sustainability report or via online disclosures, providing flexibility in reporting location. While the Guidelines do not currently mandate external assurance, independent verification is encouraged to enhance credibility and stakeholder confidence. Management may therefore wish to continue strengthening ESG governance frameworks, data collection processes and internal monitoring systems to support consistent and reliable ESG reporting as regulatory expectations evolve.

We wish to place on record our appreciation for the courtesy and cooperation extended to us during the course of our audit.

Yours faithfully,

BDO EBRAHIM & CO.
(Enclosed as above)

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COST AUDITORS' REPORT TO THE DIRECTORS

We **BDO EBRAHIM & CO., Chartered Accountants** having been appointed to conduct an audit of cost accounts of **The Thal Industries Corporation Limited ("the Company"),** have examined the books of account and the statements specified under the first proviso to sub-section (1) of section 220 of the Companies Act, 2017 and other relevant record for the year ended on September 30, 2025 and report that:

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of this audit.

In our opinion:

(a) proper cost accounting records as required by first proviso to sub-section (1) of section 220 of the Companies Act, 2017 (XIX of 2017), and as required by these regulations, have been kept by the Company;

(b) proper returns, statements and schedules for the purpose of audit of cost accounts have been received from branches not visited by us; and

(c) the said books and records give the information required by the regulations in the manner so required.

In our opinion and, subject to the best of our information:

(a) the annexed statement of capacity utilization and stock-in-trade are in agreement with the books of account of the Company and exhibit true and fair view of the Company's affairs; and

(b) cost accounting records have been properly kept so as to give a true and fair view of the cost of production, processing, manufacturing, marketing, cost of sales, profit margin on indigenous and export sales and any other information of the product of the Company, namely White Refined Sugar.

The matter contained in the Appendix III forms part of this report and approved by the Board on March 26, 2026.

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Imran

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LAHORE

DATE: 26 MAR 2026

Explanation of variances

In current year, 7.37 % decrease in sugar production can be attributed to 7.39 % decrease in Curshing of sugarcane as compared to last year.

(e) Addition to production capacity

Layyah Sugar Mill:

In pursuance of the amendment in section 11 of the Ordinance, The maximum upper limit of 18000 TCD for Layyah Sugar Mills has been regularized in prior year through payment of Rs. 180 million to the Government for Layyah Unit.

Safina Sugar Mills:

In pursuance of the amendment in section 11 of the Ordinance, The maximum upper limit of 12000 TCD for Safina Sugar Mills has been regularized in prior year through payment of Rs. 120 million to the Government for Safina Unit.

	2025	2024	2023
	Audited	Audited	Audited
Available hours	2,481.925	2,510.300	2,560.895
Utilized hours	2,381.145	2,330.580	2,381.795
% age	95.939%	92.841%	93.006%

Explanation of variances

Available hours is dependent upon no of crushing days i.e. 103.00 days (2024: 105.00 days). Decrease in available hours is due to decrease in number of crushing days. Increase in percentage of utilization during current year is due to effective use of available hours.During the current year, the plant remained shut down for 4.20 days (2024: 7.49 days). The capacity utilization increased by 3.10% compared to the prior period, primarily due to reduced plant stoppages and improved operational efficiency.

Available hours is dependent upon no of working days i.e. 103.00 days (2023: 107.00 days). Decrease in available hours is due to decrease in number of crushing days. This year plant stopped for less period i.e. 4.20 days (2023: 7.46 days) thus increasing the percentage of utilization in relation to installed capacity by 2.93 %.

4. RAW MATERIALS:

(a) Consumption of major raw materials in terms of quantity and value:

Raw Materials	2025		2024	
	Quantity Consumed (metric tons)	Amount (Rupees)	Quantity Consumed (metric tons)	Amount (Rupees)
Sugarcane (See annexure – 3)	2,501,855	26,605,519,737	2,701,533	29,804,270,762
Process material (See annexure - 5)		319,348,071		328,174,747

(b) Consumption of major materials per unit of production:

Raw Materials	Actual Consumption Per Unit (per metric ton of Sugar)		
	2025	2024	2023
Sugarcane (See annexure – 3)	9.652%	9.650%	10.780%

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Consumption of raw material per unit of production is dependent on many factors, such as sucrose contents/sugar recovery percentage, quality of sugarcane, elapsed time between sugarcane harvesting and crushing, distance from sugarcane field and factory site and un-interrupted milling/crushing etc.

Although no standard has been fixed for cane procured and consumed, company strives to consume fresh and clean cane. Since, the Company did not operate a 'Standard Costing System'; comparison of actual raw material consumption with standard could not be made. Therefore, variances could not be worked out.

All the raw material used in production is domestic. There is no imported raw material used in production. However, some chemicals (i.e. hard coke, decolorizer, sugar press oil, etc.) are being imported and used as other materials.

(c) Explanation of variances

Sugarcane yield depends upon the quality of sugarcane; and the quality varies with the maturity of the crop and quality of seed implanted in crop. Good quality of seed combined with higher maturity of crop means higher quality of sugar cane and higher yield of sugar. Raw material consumption of cane has decreased by 199,679 metric tons as compared to 2024 due to decrease in availability of sugar cane. However, in comparison with 2023 raw material consumption has decreased by 73,911 metric tons.

Consumption of sugarcane per tonne of sugar has decreased by 0.02 % to 10.361 per tonne of production (2024: 10.363) because of higher recovery during the year i.e. 9.652% as compared to last year's recovery 9.650%.

Consumption of sugarcane per tonne of sugar has increased by 11.69 % to 10.361 per tonne of production (2023: 9.277) because of lower recovery during the year i.e. 9.652% as compared to 2023 recovery 10.780%.

(d) Comments on the method of accounting followed for recording the quantities and value of receipts, issues and balances of all material directly used in production

Sugarcane is procured mainly at the mills directly and partially at depots situated at a number of locations. Cost of purchase of raw material comprises of transport, government levies, handling and other costs directly attributable to the acquisition of materials. Purchases of sugarcane are accounted for when they are received at mill / purchase centers. Value of material consumed is taken on actual basis. The raw material is valued by applying the average cost / weighted average method.

Sugarcane receipt at mills

The Company is using its in house developed Software Module named as Crop Management System (CMS) for recording the purchase of sugarcane at its mills. Sugarcane is brought to the factory using different modes of transportation e.g. trolleys, trucks, carts and trailers. Whatever the haulage is, a computerized token and gate pass is given to the haulage. At the weighing post the gross weight of the haulage is measured. The gross weight (Sugar Cane + Haulage) is entered into the database by an online weighing machine into the system. The haulage is then unloaded and at the weighing post the tare weight of the haulage is entered into the database by the same online weighing machine into the system. The net weight is automatically calculated by the software. After measuring the net weight, a computerized Cane Purchase Receipt (CPR) is generated. It is a document which acknowledges the supply of cane made by the grower and contains the net weight procured and amount payable to the grower. Upon the generation of CPR, an automated Purchase order is created in the CMS application with the net weight and amount payable to the grower based on the CPR. The purchase is recorded at the market value as already defined in system time to time. An automated receipt of the cane is recorded by the system based on the purchase order. The receipt is recorded at a value which is a sum of the cost of cane at PO and the direct procurement costs per unit like cane development cess, market committee fee, unloading charges etc.

The cane is issued to consumption as raw material consumed at cost.

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Sugarcane receipt at depots

The depot is a purchase center where the Company purchases Cane and brings it to the factory using the transport of the contractor. The Company has opened depots at various places in order to increase and facilitate the sugar cane growers. A weigh bridge has been installed at each depot where a net weight of cane received is measured through laden and un-laden weight of haulage. Manual CPRs are then issued on weighing the sugarcane received at depots. The details of CPRs are entered in Cane Purchase Sheet of respective depots. Cane is then sent to the mills where it is weighed again and recorded in the system and a computerized CPR is generated against Cane received from respective depots. Thereafter the PO, receipt, issuance and accounting process takes place similar to the process of purchase at mills mentioned above.

(e) Other direct material used in production

Other direct material used includes unslaked lime, soda caustic flakes, phosphoric acid, decolorizing agent etc. The Company has computerized inventory system in which all the material purchased is recorded at the respective rates in separate accounts and consumption is charged on daily basis at the moving average rate calculated by the system. The purchases are recorded by Product Receipts (PRs) while consumption is recorded on the basis of approved Internal Purchase Requisition (IPRs).

Transportation expenses during the year were Rs. 11.217 million (2024: Rs. 22.656 million).

All the raw material used in production is domestic. There is no imported raw material used in production.

5. WAGES AND SALARIES:

(a) Wages and salaries paid to different categories of employees are as follows:

	2025 (Rupees)	2024 (Rupees)
i. Direct labour cost on production	784,748,349	697,073,430
ii. Indirect employees cost on production	116,282,500	100,574,826
iii. Employees cost on administration	807,271,258	672,374,601
iv. Employees cost on selling and distribution	23,974,434	23,405,431
v. Other employees cost	-	-
Total wages and salaries	1,732,276,541	1,493,428,288
* vi. Bonus to workers and employees	130,754,483	101,693,103

* It is included in items (i) to (iv) above.

(b) Salary and perquisites of directors and chief executive are as under:

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	Rupees					
Managerial remuneration	2,040,000	2,040,000	2,040,000	2,040,000	223,064,489	171,371,196
Meetiing Fee	90,000	170,000	660,000	1,270,000	-	-
Utilities	-	-	-	-	11,153,224	8,523,223
Bonus	-	-	-	-	40,094,411	28,218,875
Incentives		-		-	11,393,844	-
Gratuity expense	-	-	-	-	10,866,861	1,882,238
	2,130,000	2,210,000	2,700,000	3,310,000	296,572,829	209,995,532
Number of persons	1	1	9	9	61	55

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

Chief executive, directors and executives are not entitled for any benefit other than disclosed as above.

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(c) **Total man-days of direct labour for the year :**

During the crushing season	**2025 (Days)**	**2024 (Days)**	**Increase / (decrease)**	**Percentage%**
Total man-days of labour available - average	277,111	271,719	5,392	1.98%
Total man-days of labour actually worked - average	266,926	251,295	15,632	6.22%
Percentage worked	96.32%	92.48%		
Other than crushing season				
Total man-days of labour available - average	384,204	407,754	(23,550)	(6%)
Total man-days of labour actually worked - average	384,204	407,754	(23,550)	(6%)
Percentage worked	100%	100%		

	2025 (Days)	**2024 (Days)**	**Increase / (decrease)**	**Percentage%**
(d) **Average number of workers employed**				
During the crushing season				
Direct and in-direct labour (including contract staff)	2,690	2,588	103	4%
Other than crushing season				
Direct and in-direct labour (including contract staff)	1,466	1,568	(101.86)	(6%)

(e) **Direct labour cost per unit of output of the product**

		2025	**2024**	**2023**
		Audited	**Audited**	**Audited**
Total labour cost on production	(Rupees)	901,030,849	797,648,256	676,933,513
Direct labour cost on production	(Rupees)	784,748,349	697,073,430	592,693,423
Indirect labour cost on production	(Rupees)	116,282,500	100,574,826	84,240,090
Production of White Refined Sugar	(Metric tons)	241,471	260,696	277,664
Total labour cost per unit of output	(Rupees)	3,731.42	3,059.69	2,437.96
Direct labour cost per unit of output	(Rupees)	3,249.86	2,673.90	2,134.57
Indirect labour cost per unit of output	(Rupees)	481.56	385.79	303.39

(f) **Explanation for variances**

Comparison with 2024

- Direct labour cost

The increase in direct labour cost by Rs. 87.675 million as compared to 2024 is mainly due to increase in minimum wage and no. of workers as compared to 2024. Direct labour cost per tonne of production has increased by Rs. 575.97 per tonne from 2024.

- Indirect labour cost

Indirect labour cost has increased by Rs. 15.708 million as compared to last year due to salary increments and no. of employees. Indirect labour cost per tonne of production has increased by Rs. 95.76 per tonne from 2024.

Comparison with 2023

- Direct labour cost

The increase in direct labour cost by Rs. 192.055 million as compared to 2023 is mainly due to increase in minimum wage as compared to 2023. Direct labour cost per tonne of production has increased by Rs. 1,115.29 per tonne from 2023 due to increase in minimum wage.

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- Indirect labour cost

Indirect labour cost has increased by Rs. 32.042 million as compared to last year due to Salary increments and increase in No. of employees as compared to last year 2023. Indirect labour cost per tonne of production has increased by Rs. 178.17 per tonne from 2023 due to increase in minimum wage.

(g) Comments on Incentive scheme, with particular reference to its contribution towards increasing productivity and its effect on cost of production

Bonus scheme is in place which is based on the discretion of the Board of Directors and covers the permanent employees of the Company. Two bonuses has been provided/recognized during the year 2025. Similarly, two bonuses were granted in the prior year 2024. There is also an increment in salaries of all of the employees of the company in 2025 and 2024.

Due to increments during the year, total direct labour costs have increased as compared to last year. Also increased average no. of workers employed during the year has an impact.

		2025	2024	2023
		Audited	Audited	Audited
Cost of bonus per metric ton of output (Annexure-6)	(Rupees)	541.49	390.08	451.81

6. STORES AND SPARE PARTS:

(a) Expenditure per unit of output on stores and spare parts:

		2025	2024	Variance %
Process material (Annexure 5)	(Rupees)	319,348,071	328,174,747	(3%)
Consumable stores	(Rupees)	11,228,101	12,383,658	(9%)
Packing material	(Rupees)	225,904,234	259,940,790	(13%)
Printing and stationery	(Rupees)	1,764,049	2,212,057	(20%)
Total store and spares consumed	(Rupees)	558,244,455	602,711,252	(7%)
Production of sugar	(Metric tons)	241,471.30	260,695.85	(7%)
Stores and spares per unit of production	(Rupees)	2,311.85	2,311.93	(0.004%)

Explanation of variances

Consumption of chemicals and stores including packing material and oil and lubricants has decreased by Rs. 44.467 million (7.38%) as compared to the last year, this decrease is primarily attributable to lower production volume during the year, as sugar production declined by 384,491 bags (7.37%) compared to the prior year. Further, decrease in store consumption has also the effect of issuance of store items to mechanical, electrical and general departments.

(b) Comments on the system of stores accounting for recording receipts, issues and balances, both in quantities and values

Receipt recording

The Company follows perpetual method of accounting for stores and spares. These are valued at moving average cost except stores in transit which are stated at cost comprising invoice value plus other charges paid thereon. These are valued at cost comprising of purchase price, import duties, other taxes, and other costs directly attributable to the acquisition of stores and spares except transportation and handling cost which is separately charged to production.

Consumption

Stores and spares consumption is recorded on the basis of Internal Purchase Requisitions (IPRs) valued on the basis of weighted average rate having separate code for each type of material in stores. The store department receives the IPRs and then by properly authorizing the issue, the store item is issued to the relevant department.

Allocation

Stores and spare consumption is based on actual consumption towards various cost centers.

(c) Proportion which have not moved for over twenty four months:

	2025 (Rupees)	2024 (Rupees)
Total stores and spares	1,283,497,901	1,042,446,392
Slow moving stores	21,607,270	19,656,919
% age	1.68%	1.89%
Not moved for over twenty four months	21,607,270	19,656,919

No provision have been made against the above given items which have not been moved for over one to two years. According to management these items can be utilized in plant's normal course of operation during its useful life and are not technically obsolete.

7. DEPRECIATION:

(a) Method of depreciation

Depreciation on 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 reducing balance method over the estimated useful life of an asset at the rates specified in financial statements. 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 method 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.

(b) Basis of allocation of depreciation on common assets

Depreciation on assets identifiable to various cost centers is charged on actual basis while deprecation for assets under common use is charged to cost centers on the basis of services rendered to the respective departments i.e. 10% Admin and 90% Cost of sales.

(c) Basis of charging depreciation to cost of products

The depreciation of depreciable assets relating to units involved in the manufacturing of product is charged to the cost of production.

(d) There is no change in the accounting policy for depreciation during the year as compared to last year.

8. OVERHEADS

(a) Total amount of overheads

		2025 Audited	2024 Audited	2023 Audited
		----------Rs. '000'----------		
i.	Factory overheads	380,490	320,797	332,029
ii.	Administrative overheads	1,216,992	1,042,698	1,257,823
iii.	Selling and distribution overheads	461,318	328,796	301,911
iv.	Financial charges	1,465,674	2,455,816	1,232,285
		3,524,474	**4,148,107**	**3,124,048**

For break-up of the items (i), (ii) and (iii), please refer to the 'Statement showing Other Factory Overhead' (Annexure-9), the 'Statement showing Administration Expenses, (Annexure-10) and the 'Statement showing Selling Expenses, (Annexure-11) respectively. There is a difference under these heads as compared to audited financial statements for which reconciliations have been prepared and annexed to this Report.

	2025 Audited	2024 Audited	2023 Audited	Increase / (decrease)	
				2024	2023
	----------Rs. '000'----------				
(aa) Factory overheads					
Printing and stationery	1,764	2,212	1,433	(448)	331
Postage and telegram	54	57	69	(4)	(16)
Telephone fax and telex	2,446	2,020	1,760	426	685
Traveling and conveyance	1,550	1,881	2,196	(331)	(646)
Entertainment	1,857	1,741	1,628	116	230
Vehicle running expenses	320,281	300,870	257,240	19,411	63,041
Repair and maintenance buildings	33,248	9,677	62,440	23,571	(29,192)
Fire fighting	779	572	2,090	206	(1,312)
Other expenses	18,512	1,767	3,173	16,745	15,339
	380,490	**320,797**	**332,029**	**59,693**	**48,461**
(ab) Administrative overheads					
Salaries, wages and benefits	807,271	672,375	554,948	134,897	252,323
Director's remuneration	4,830	5,520	4,760	(690)	70
Rent, rates and taxes	23,702	3,333	4,864	20,370	18,838
Insurance	244	221	221	23	23
Water, gas and electricity	4,149	4,331	3,434	(182)	715
Printing and stationery	7,413	8,415	6,647	(1,002)	767
Postage and telegram	214	229	276	(14)	(62)
Telephone fax and telex	9,783	8,079	7,041	1,704	2,742
Repair and maintenance	40,539	47,250	28,367	(6,710)	12,172
Traveling and conveyance	28,811	28,291	18,935	520	9,876
Books and periodicals	48	76	88	(28)	(40)
Entertainment	23,638	31,445	26,478	(7,807)	(2,840)
Advertising	1,589	1,233	529	357	1,060
Legal and professional expenditure	74,452	39,768	147,968	34,684	(73,517)

	2025 Audited	2024 Audited	2023 Audited	Increase / (decrease)	
				2024	2023
	----------	----------	Rs. '000'	----------	----------
Auditor's remuneration	3,044	2,767	2,505	277	539
Vehicle running expenses	69,514	64,115	58,370	5,399	11,144
Charity and donation	-	-	-	-	-
Fee and subscription	28,937	27,680	320,015	1,257	(291,079)
Depreciation and Amortization	57,766	59,531	49,214	(1,765)	8,552
Others	31,048	38,039	23,163	(6,990)	7,885
	1,216,992	**1,042,698**	**1,257,823**	**174,297**	**(40,831)**

(ac) Selling and distribution overheads

Salaries, wages and benefits	23,974	23,405	23,327	569	648
Commission	21,553	9,829	23,260	11,724	(1,706)
Freight outward	276,239	191,396	131,637	84,843	144,602
Stacking / restacking	92,685	69,721	91,778	22,964	907
Loading / unloading	28,703	17,200	21,126	11,503	7,577
Numbering expenses	886	966	864	(80)	23
Insurance	8,362	11,132	5,559	(2,770)	2,803
Other expenses	8,915	5,145	4,360	3,769	4,555
	461,318	**328,796**	**301,911**	**132,525**	**159,409**

(ad) Financial charges

Profit on:					
- Deposit Account	(171,009)	(434,315)	(129,899)	263,306	(41,111)
- Government grant amortization	-	-	-	-	-
Markup on:					
- Short term borrowings	1,586,210	2,816,651	1,153,419	(1,230,440)	432,792
- Lease finance	22,496	20,166	15,962	2,330	6,534
- Long term borrowings	-	12,732	165,128	(12,732)	(165,128)
Interest on workers' (profit) participation fund	3,995	15,311	8,836	(11,316)	(4,841)
SBP salary loan	-	-	-	-	-
Bank and other charges	23,983	25,271	18,839	(1,288)	5,143
	1,465,674	**2,455,816**	**1,232,285**	**(990,141)**	**233,390**

(b) Reasons for variances

Factory overheads

The factory overheads in current year have been increased by Rs. 59.693 million (18.61 %) as compared to 2024. The increase is mainly due to increase in repair and maintenance expenses by Rs. 23.571 million and there is an increase in vehicle running expense amounting to Rs. 19.411 million.

The factory overheads in current year have been increased by Rs. 48,461 million (14.60 %) as compared to 2023. The increase is mainly due to increase in vehicle running expenses by Rs. 63.041 million. However there is a decrease by Rs. 29.192 million in repair and maintenance expenses.

The increase in vehicle running expense is represented by fluctuations in fuel prices, increase in repair and maintenance is due to increase in plant wear and tear.

Administrative overheads

The administrative expenses in current year have been increased by Rs. 174.294 million (16.72%) as compared to 2024. The increase is mainly due to increase in rent, rates and taxes by Rs. 20.370 million, legal and professional expenditure by Rs. 34.684 million and fee and subscription by Rs. 1.257 million. In addition, salaries, wages and other benefits increased by Rs. 134.897 million.

The administrative expenses in current year have been decreased by Rs. 40.833 million (3.25%) as compared to 2023. The decrease is mainly due to decrease in legal and professional expense by Rs. 73.517 million, fee and subscription by Rs. 291.079 million, offset by increase in vehicle running expenses by Rs. 11.144 million, traveling and conveyance by Rs. 9.876 million and Salaries, wages and benefits by Rs. 252.323 million.

The increase in salaries, wages and other benefits is due to annual increment, bonus and increase in average number of employees, increase in repair and maintenance is due to increase wear and tears, Increase in rent, rates and taxes is due to fluctuations in rent prices, increase in vehicle running expenses is due to increase in fuel prices.

Selling and distribution overheads

The selling and distribution expenses in current year have been increased by Rs. 132.522 million (40.31%) as compared to 2024. The increase is because of increase in freight outward expenses by Rs. 84.843 million due to increase in freight rates. During the period 23,260 tons of sugar was exported by the company. There is an increase in stacking/restacking and loading/unloading expenses by Rs. 22.964 million and Rs. 11.503 million respectively

The selling and distribution expenses in current year have been increased by Rs. 159.407 million (52.80%) as compared to 2023. The increase is mainly due to increase in stacking/restacking expenses by Rs. 0.907 million due to increase in wages of workers. Increase in loading/unloading expenses by Rs. 7.577 million because of increase in wages of labour involved in loading/unloading of sugar bags. While there is a increase in fright outward by Rs. 144.602 million due to increase in freight rates.

Financial charges

The finance cost has decreased by Rs. 990.140 million (40.32%) as compared to 2024. This decrease is mainly because of the decrease in finance cost on short term borrowings amounting to rupees Rs. 1.230 billion (43.68%), as the company's Cash Finance facility has decreased by Rs 7.292 billion (96.25%). The mark-up rates are also decreased to average of 17.26% p.a (2024: average 21.17% p.a) during the year. Furthermore, finance cost on long term borrowing decreased to Nil (2024: Rs. 12.732 million)

The finance cost has increased by Rs. 233.390 million i.e. 18.94% as compared to 2023. This increase is mainly because of the increase in finance cost of short term borrowing amounting to Rs 432.792 million (37.52%) as the company's Cash Finance facility has increased by 160%. The increase in short term borrowing during the year is to finance the cane procurement cost. Furthermore, finance cost on long term borrowing decreased to Nil (2024: Rs. 165.128 million).

(c) Basis of allocation

Identifiable costs are separately allocated to each cost center, while common costs are allocated on some rational basis like telephone, postage and telegram are allocated on the basis 20% to production and 80% to administration and building repair and maintenance is allocated 80% to production and 20% to administration.

BNO

(d) Cost of packing	2025 Audited	2024 Audited	2023 Audited
Total Sugar produced (metric tons)	241,471	260,696	277,664
Packing materials/number of bags consumed (rupees)	225,904,234	259,940,790	252,175,911
Cost per metric ton of sugar (rupees per metric ton)	935.53	997.10	908.21

Explanation for variances

Packing cost comprises the cost of polypropylene bags, thread cones, polythene bags, etc. Packing material cost decreased by approximately 13.09% as compared to 2024, mainly due to lower production during the current year, which resulted in reduced consumption of packing bags. However, packing material cost increased by 10.42% as compared to 2023, primarily due to an increase in the rates of packing materials.

9. ROYALTY PAYMENTS:

No royalty or technical aid payments have been made during the year.

10. ABNORMAL AND NON-RECURRING FEATURES:

(i) There were no abnormal features like strikes, lockouts, major breakdowns in the plant and serious accidents affecting production during the year.

11. COST OF PRODUCTION:

Exclusive of sales tax

	2025 (Rupees)	2024 (Rupees)	Increase/ (Decrease)
Cost of goods manufactured	26,006,311,335	28,231,200,762	-7.88%
Cost per metric ton of goods manufactured	107,699.39	108,291.72	-0.55%
Cost to make and sell	41,152,116,122	22,551,471,671	82.48%
Cost per metric ton of sold sugar	117,886.74	114,924.69	2.58%

Comments on the reasons for differences in cost of production (as per cost statements)

The total cost of production has decreased by Rs. 2.225 billion (7.88 %) as compared to last year. This decrease is mainly due to decrease in sugarcane prices, the average sugarcane price per mound has decreased by 3.54% up to Rs. 425 per mound (2024: Rs. 445 per mound). The sugarcane crushed has decreased by 199,679 tons (7.39%) as compared to last year.

The cost per ton of production of white bagged sugar has decreased by Rs. 592.327 per ton as compared to last year. This decrease in cost per ton is mainly due to an decrease in production, less supply of sugar cane, decrease in average sugar cane purchased during the year as compared to last year.

300

12. SALES:

	2025 (Metric tons)	2024 (Metric tons)
(a) Net sales realization		
Sales white refined sugar (own manufactured)	325,821.80	190,381.25
Export of white refined sugar (own manufactured)	23,260.00	5,847.00
Total Sales	349,081.80	196,228.25

	2025		2024	
	Rupees	Rupees per metric ton	Rupees	Rupees per metric ton
Local sales white sugar (own manufactured)	48,583,138,680	149,110	26,419,296,860	138,770
Export sales white sugar (own manufactured)	3,516,943,479	151,201	1,015,720,585	173,717
Less: Sales tax / Special Excise duty	(7,803,495,828)	(22,354)	(4,086,955,009)	(20,828)
Net Sales	44,296,586,331	126,895	23,348,062,436	118,984

	Increase/ (Decrease)	Percentage
	Rupees per metric ton	
Local Sales white sugar (own manufactured)	10,339	7.45%
Export of white sugar (own manufactured)	(22,515)	-12.96%
Less: Sales tax/ Special Excise Duty	1,527	-7.33%
Net sales	7,910	6.65%

The Company sold 6,981,636 bags of 50 kg each (2024 : 3,924,565 bags) of White Refined Sugar during the year.The selling price of sugar has increased compared to the previous year mainly due to higher local demand and impact of export sales, where export prices are generally higher than domestic market prices

The above does not include sales of by products and related sales tax amounting to Rs. 4,581.393 million and Rs. 651.900 million, respectively.

It has been observed that there is only one category of the product under reference.

(b) Exported products

The Company exported 23,260 metric tons of white sugar with an average sale price of Rs. 151,201 per metric ton, costing Rs. 117,887 per metric ton resulting in earning average profit of Rs. 33,314 per ton of sugar. Exports were made to these countries; Bangladesh, China, Srilanka and Afghanistan contributing Rs. 3.517 billion rupees in total sales.

13. PROFITABILITY:

Exclusive of sales Tax

	2025		2024	
	Rupees	Rs. per metric ton	Rupees	Rs. per metric ton
Gross Sugar Sales (own manufactured)	44,296,586,331	126,895	23,348,062,436	118,984
Total Cost to make & sell (Annexure - 1)	(41,152,116,122)	(117,887)	(22,551,471,671)	(114,925)
Profitability (owned manufactured)	3,144,470,209	9,008	796,590,765	4,060

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Inclusive of sales Tax

	2025		2024	
	Rupees	Rs. per metric ton	Rupees	Rs. per metric ton
			Restated	Restated
Gross Sugar Sales (own manufactured)	52,100,082,159	149,249	27,435,017,445	139,812
Total Cost to make & sell (Annexure - 1)	(48,955,611,950)	(140,241)	(26,638,426,680)	(135,752)
Profitability (owned manufactured)	3,144,470,209	9,008	796,590,765	4,060

The above does not include profitability of by products.

(a) Profit per machine hour

	2025 (Rupees)	2024 (Rupees)
Gross profit (Rupees)	3,144,470,209	796,590,765
Machine hours of actual crushing	2,381.15	2,330.58
Profit per machine hour (Rupees)	1,320,570.65	341,799.37

(b) Comments on the profitability of different categories of the products per unit as well as in terms of per machine hour, etc. and comments on the adequacy or otherwise of product for maximization of profits

The profitability of the Company depends on the price of sugar in the market and support prices of sugarcane. During the year, the average selling price/metric ton of sugar has increased by 6.65 % and sales volume increased by 77.90 % as compared to last year. In the current year average selling price is Rs. 126,894 per metric ton while in the previous year, it was Rs. 118,984 per metric ton. During the year, the gross sales have increase by 89.72 % from the year 2024 and accordingly, the cost of goods sold per metric ton of sugar sold has also increased by 2.58 % due to less supply of sugarcane and increase labor cost. Gross profit has increased by 294.74 % as compared to the last year.

It has been observed that there is only one category, variety or quality of the product under reference. As per cost order under Regulation 1(2) "Every Company engaged in the production, processing and manufacturing of sugar in any form except liquid, is required to maintain particulars of cost accounting record and prepare cost statements.

The comparative figures have been restated to reflect the appropriate treatment of by-products stock in the calculation of cost to make and sell.

14. RELATED PARTY TRANSACTIONS

The related parties comprise of associated companies, directors of the Company and entities under common directorship, key management personnel and post employment retirement plan. The Company has entered into transactions with the following related parties for the year ended September 30, 2025.

Name and address of related parties :

Name of the related party	Address
Naubahar Bottling Co. (Private) Limited	38-40 Grand Trunk Road Industrial State Model Town Gujranwala Punjab.
Baba Farid Sugar Mills Limited	2D-1 off MM Alam Road , Block D1, Gulberg III, Lahore Punjab.
Almoiz Industries Limited	2D-1 off MM Alam Road , Block D1, Gulberg III, Lahore Punjab.

BDO

The name of the directors and their shareholding percentages has been disclosed in the annual financial statements of the Company for the year ended September 30, 2025.

All the related party transactions for the year ended September 30, 2025 has been disclosed in the annexure B-1 attached to this report.

The transfer prices taken in related party transactions for the year ended September 30, 2025 is inclusive of sales tax.

The normal price charged for the white refined sugar is based on the average market price which is Rs. 7,830.23 per bag (2024: Rs. 7,036.48 per bag) market prices for bagasse and some of the stores, spares, scrap and other machinery items that are available has been mentioned in annexure B-1. Other prices have been taken on purchases basis.

	2025 (Rupees)	2024 (Rupees)
Key management personnel :		
Advances received from / (returned to) directors during the year	-	-
Repayment of loan from directors	478,600,000	-
Dividend paid	32,628,898	65,260,295
Lease Commitments	13,689,335	10,200,000

15. DISTRIBUTION OF EARNINGS:

The earnings were distributed to the following parties :		
Employees as salaries and wages, retirement benefits etc.	1,732,276,541	1,493,428,291
Shareholders as dividends	37,558,080	75,116,160
Company as retained earnings	2,326,354,720	1,125,632,488
Governments as taxes	816,806,711	408,753,613

16. ADJUSTMENT OF COST VARIANCES :

The Company maintains cost records on actual basis and do not follow standard costing method to determine the cost of its goods and services. Hence no variances has identified and adjusted.

17. OBSERVATIONS AND CONCLUSIONS:

In the course of our examination of the cost accounts of **THE THAL INDUSTRIES CORPORATION LIMITED** for the year ended September 30, 2025, certain weaknesses in the procedures, internal controls and accounting methods came to our notice. We are giving below our observations and conclusions to draw attention to these matters. The responsibility for maintenance of an adequate system of internal controls as well as for prevention and detection of irregularities and frauds rests with the management.

Our audit involves evaluating only those systems and internal controls in the organization upon which we rely for the purpose of determining our audit procedures. Accordingly, our audit may not have identified, and the comments in this report may not be a comprehensive record of all the weaknesses that may exist. However, our audit was planned so that we would have a reasonable expectation of detecting material misstatements in the accounts.

(a) Matters which appear clearly wrong in principle

(i) There is none noted. However, we have noted certain opportunities for improvement which are reported in suggestion for improvements in performance.

BDO

(b) ***Usage of company's funds***

There were no cases where the company's funds were used in a negligent or inefficient manner.

(c) ***Controlling factors***

No instances were observed where factors which could have been controlled, but were not done, resulting in increase in cost of production. There is an adequate budgeting and control system.

The Company has an effective internal audit and control function. The Board of Directors has constituted an audit committee, the meetings of which are held on regular basis.

(d) ***Suggestions for improvements in performance***

(i) No significant instances were found of general imbalances in production facilities.

(ii) Cost reduction and increased productivity; key limiting factors causing production bottlenecks; improved inventory policies are important areas to be considered.

Cost reduction and increased productivity:

The Company may make efforts towards optimum utilization of production capacity by promoting pre-season relationship with the growers, thereby ensuring regular supply of improved quality sugarcane.

key limiting factors:

The utilization of installed capacity is dependent upon availability of sugarcane of desired quantity and quality. As a part of long term planning, the Company should start increasing its relationship with growers to ensure regular supply of desired quality sugarcane to fully utilize the production capacity. During the current year 2025, the Company has utilized its installed capacity up to 80.19% (2024: 84.95%).

Improved inventory policies:

Policies relating to inventory are found satisfactory except that return in stores, spares and loose tools are booked at nil value.

Energy conservancy:

The Company is currently producing the electricity through the steam by using mainly bagasse as input. The production of electricity using the steam is the cheapest way so there are no further opportunities for energy conservancy.

(iii) Study should be conducted to segregate the total production cost into fixed and variable cost, as it would help the management to monitor and control the cost of production.

(iv) The Company is applying allocation of overheads consistently over the years. However, we recommend that proper survey should be conducted to determine the percentages of allocation of overheads according to their basis of utilization.

(v) We have observed that fixed assets are not completely coded and tagged. Further, the Company does not have any practice of periodic physical verification of fixed assets. Though, we have been informed by management that random physical verification is being done. We recommend that all the assets should be properly coded and tagged for effective control.

(vi) We noted cost of products has been calculated manually instead of using an automated system. We recommend automated system should be used for cost calculation. In absence of an automated system errors and inaccuracy may result due to the use of manual working where formulas are manually inserted and manual working may result in inefficiency as well.

RSO

(vii) We draw the Board's attention to the Order issued by the Securities and Exchange Commission of Pakistan on December 31, 2024 mandating the phased adoption of IFRS S1 and IFRS S2 for listed companies in Pakistan. The standards will be implemented in phases from reporting periods beginning July 01, 2025 to July 01, 2027, based on specified thresholds relating to turnover, number of employees and total assets.

The Order requires sustainability disclosures to be presented in a sustainability report forming part of the annual reporting package. For the first year of application, issuance of the sustainability report within nine months of the year-end has been permitted, while from the second year onward such disclosures will be subject to external assurance.

We also draw attention to the ESG Disclosure Guidelines issued by the Securities and Exchange Commission of Pakistan on December 11, 2025 introducing a standardized ESG reporting framework aligned with the Pakistan Green Taxonomy. These guidelines will be implemented in phases from periods beginning July 01, 2029 to July 01, 2031 based on similar thresholds, and companies are encouraged to strengthen ESG governance and reporting systems to support reliable ESG disclosures.

(e) ***State of technology***

The Company has installed up to date plants (Mill max and Mill roller shaft) for the main production facility. In year 2020 the company has installed 165 ton high pressure boiler which results in increase in productivity.

		Layyah Sugar Mills	Safina Sugar Mills	Total Capacity
Plant Crushing Capacity	Metric Tons/day	18,000	12,000	30,000

(f) ***Plant Condition when installed***

The old plants were new when installed.

18. RECONCILIATION WITH FINANCIAL ACCOUNTS

Reconciliation statements of cost of sales, raw material consumed, administrative expenses, distribution and selling expenses and financial charges with audited financial statements for the year ended September 30, 2025 are enclosed herewith.

19. COST STATEMENTS

Copies of all cost statements on the formats prescribed by Securities and Exchange Commission of Pakistan under SRO 1336 (I)/2020 Companies (Audit of Cost Accounts) Regulations, 2020, duly authenticated by the Chief Executive and Chief Financial Officer of the Company, and verified by us are appended to the report.

20. MISCELLANEOUS

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year.

The company has developed appropriate standards for use as a basis to evaluate performance. A team of technical experts and other staff has been employed on permanent basis to monitor and check the plant performance in terms of its economy and maintenance of high quality standards of its product.

BDO

Production reports are prepared on daily basis to evaluate the plant performance giving and explaining details of various consumption ratios. The reports not only give these details for the day but also cumulative data for every month and the year ended.

The daily production report also gives number of breakdowns, breakdowns hours, reasons for breakdowns, material consumed per metric ton of sugar produced.

21. GENERAL

21.1 The Thal Industries Corporation Limited was incorporated on September 07, 1953 under the Companies Act, 1913 (Now Companies Act, 2017) as public company, limited by shares. Its shares are quoted on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of white refined sugar and its by product. The company's sugar producing plants are located at Distt: Layyah and Lalian Distt. Chiniot, Pakistan. The registered office of the company situated at 23-Pir Khurshid Colony Gulgasht, Multan. The total crushing capacity of the company is 30,000 TCD.

Rahman Sarfaraz Rahim Iqbal Rafiq & Co., Chartered Accountants are the statutory auditors of the company. The Company's financial statements have been audited up to September 30, 2025.

21.2 All figures have been rounded off to nearest Rupee.

Annexure B1

	Quantity	Un	2024 Rupees	Purchase Rate	Cost	Profit earned
			Audited			
Almoiz Industries Limited						
Sales						
Sale Of Bagasses	55,295.11	M. T	226,784,985.00	-	-	226,784,985.00
Sale Of Tricogramma Cards	625,000.00	No	1,160,000.00	3.22	1,160,000.00	-
Bio Fertilizer Granular 50Kg	5,000.00	Ba	3,600,000.00	1,500.00	3,600,000.00	-
Sale Of Heavy Melting Scrap (H.M.S) Local	405,897.00	Kg	34,830,000.00	-	-	34,830,000.00
MS ELBOW A234 WP1190	-	No	44,250.00	-	-	44,250.00
MS PIPE Seamless SCH-120 12" P11 NONE	-	No	778,800.00	-	-	778,800.00
MS PIPE Seamless SCH-120 8" P11	-	No	566,400.00	-	-	566,400.00
Store sale-SODA CAUSTIC	10,000.00	Kg				
Store sale-CHEMRITE	1,500.00	Kg				
Store Sale-Polythene Liner 24"X40"	11,000.00	Kg	-	-	-	-
Store sale-Drone Spares	131.00	No				
Store sale-Air Bubble washer complete with drive	-	Se	12,761,762.00	2,703,763.00	10,815,052.00	1,946,710.00
Store sale-Slicing Machine	-	Se	5,240,346.00	1,110,243.11	4,440,972.44	799,373.56
Store sale-Air Dry Machine	-	Se	4,906,019.00	2,078,821.80	4,157,643.60	748,375.40
Store Sale-Balancing Machine complete with Drive	-	Se	9,279,023.00	3,931,789.30	7,863,578.60	1,415,444.40
Store sale-Brush Washing &Peeling Machine	-	Se	6,915,805.00	2,930,426.00	5,860,852.00	1,054,953.00
Store sale-Drying System Complete	-	Se	131,001,011.00	37,005,934.27	111,017,802.80	19,983,208.20
Store sale-PHOSPHORIC ACID	4,970.00	Kg	2,023,700.00	350.56	2,429,383.17	(405,683.17)
SS Black Liner	-	Ea	212,400.00	90,902.00	181,804.00	30,596.00
Kafzol R acid Inhibitor	390.00	Kg	282,492.00	382.80	241,161.48	41,330.52
Store Sale-Biocide Sds	-	Mi	237,888.00	275.31	198,225.00	39,663.00
Store Sale-Ss Screen 1100*5200MM	-	Se	164,787.00	56,400.00	56,400.00	108,387.00
Formic Acid	-	Kg	1,365,378.00	285.59	1,139,503.70	225,874.30
	1,119,183.11		442,155,846.00	49,911,076.96	153,162,378.79	288,992,667.21
Al- Moiz Industries Limited						
Purchases						
Laapsa Sugarpress Br 32000 Premium	12,300.00	Ea	50,494,502.00	-	-	-
Laapsa Sugarpress Br 32000 Premium	5,330.00	Ea	14,489,810.00	-	-	-
Laapsa Sugarpress Br 32000 Premium	6,150.00	Ea	20,144,370.00	-	-	-
Laapsa Sugarpress-Compound 46 KCS	10,070.00	Kg				
Ms Deform Bar-Moiz Steel Grade-60	6,500.00	Kg	12,411,900.69	-	-	-
Ms Deform Bar-Moiz Steel Grade-60	-	Kg	1,070,399.71	-	-	-
Ms Deform Bar-Moiz Steel Grade-60	-	Kg	1,337,999.64	-	-	-
Ms Deform Bar-Moiz Steel	-	Kg	1,061,525.80	-	-	-
Ms Deform Bar-Moiz Steel	-	Kg	1,061,525.80	-	-	-
Ms Deform Bar-Moiz Steel	-	Kg	1,386,948.60	-	-	-
Ms Deform Bar 3/8" -Moiz Steel	32,270.00	Kg	1,395,144.00	-	-	-
Ms Deform Bar 3/8" -Moiz Steel	-	Kg	5,100,000.00	-	-	-
Ms Deform Bar 1/2" -Moiz Steel	25,250.00	Kg	21,088,152.00	-	-	-
Ms Deform Bar 1" -Moiz Steel	6,670.00	Kg	5,072,625.00	-	-	-
Ms Deform Bar 3/4" -Moiz Steel	9,000.00	Kg				
Soda Ash	250.00	Kg	-	-	-	-
SS Wire Netting 30 MESH,WIDTH 6.5WG-33	350.00	Ro	-	-	-	-
GI Corrugated sheet (9*3.5*22SWG)	1,100.00	Pc	410,038.20	-	-	-
Conductivity Transmitter 2-Wire	1.00	Pc	396,478.20	-	-	-
Sensor Conductivity SC42	2.00	Pc	613,628.52	-	-	-
Kebo Slurry	1,140.00	Kg	5,599,067.82	-	-	-
	116,383.00		143,134,115.78	-	-	-
Baba Farid Sugar Mills Limited						
Sales						
Sale Of Trichograma Cards	120,000.00	No	330,000.00	2.75	330,000.00	-
Sale Of Store- Bio Fertilizer Granular 50Kg	1.00	Ea	-	-	-	-
Sale Of Tube Expander	200,000.00	No	-	-	-	-
Boiler Stocker Hmc Design	4,000.00	No	-	-	-	-
	324,001.00		330,000.00	2.75	330,000.00	-
Baba Farid Sugar Mills Limited						
Purchases						
Laapsa Sugar Press BR 32000 Premium	-	Ea	5,858,818.00	-	-	-
Declorser-Arquad food grade	-	Kg	6,992,129.24	-	-	-
Phosphoric Acid	-	Kg	2,153,795.00	-	-	-
	-		15,004,742.24	-	-	-
Naubahar Bottling Co. (Pvt) Ltd						
Sale						
White Bagged Sugar	1,667,381	Ba	5,264,299,036.00	5,746.23	4,357,444,490.50	906,854,545.50
Lead Seal Sale	-	No	-	-	-	-
	1,667,381.00		5,264,299,036.00	5,746.23	4,357,444,490.50	906,854,545.50

	Land Area	Loca	2024 Rupees	Purchase Rate	Cost	Profit earned
			Audited			
Mr. Muhammad Shamim Khan (CEO)						
Purchases						
Land	86 Canals	Chak Mandi	-	-	-	-
			-	-	-	-

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THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF STOCK IN TRADE
AS AT SEPTEMBER 30, 2025

Particulars	2025		2024	
	Quantity (Metric ton)	Amount (Rupees)	Quantity (Metric ton)	Amount (Rupees)
Raw material	-	-	-	-
Work in process				
Sugar	86.008	7,655,689	131.356	11,942,928
Molasses	61.236	1,641,064	85.393	2,309,112
	147.244	9,296,753	216.749	14,252,040
Finished goods				
Sugar:				
Own manufactured	23,385.450	2,540,476,510	130,995.950	14,316,392,663
Trading activity	-	-	-	-
In transit	-	-	-	-
	23,385.450	2,540,476,510	130,995.950	14,316,392,663
Molasses				
At mills	7,513.572	201,356,217	474.408	12,828,467
Stock in trade	31,046	2,751,129,480	131,687	14,343,473,170
Store, spares and loose tools				
Store		676,325,663		475,519,512
Spare parts		589,927,485		549,940,092
Loose tools		17,244,753		16,986,788
Less: Provision for obsolescence		-		-
		1,283,497,901		1,042,446,392

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF PRODUCTION CAPACITY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Capacity utilization in Production Units

Particulars	2025 Sugarcane crushed	2024 Sugarcane crushed
	Metric ton	
Installed capacity	3,120,000.000	3,180,000.000
Actual utilization	2,501,854.655	2,701,533.490
Percentage of utilization	80.188%	84.954%

Reasons for variances:

Crushing capacity of plants remained unchanged i.e. 30,000 MT/day. In current year, mill's lost hours were 100.78 (2024: 179.72). Company has attained 80.188% utilization as compared to 84.954% utilization in last year. However, Sugar production in 2025 is 7.37% less than that of last year due to less availability of sugarcane.

Capacity utilization in Machine Hours

Particulars	2025 Sugarcane crushed	2024 Sugarcane crushed
	Machine hours	
Installed capacity (Standard hours)	2,481.93	2,510.30
Actual utilization (Actual hours)	2,381.15	2,330.58
Percentage of utilization	95.94%	92.84%

Reasons for variances:

Standard hours is dependent upon no of working days i.e. 103 days (2024: 105 days). The comparative increase in utilization in current year is due to effective use of available hours. Sugar mills temporarily shutdowns for maintenance purposes in the mid of manufacturing season . During the year company stops for a period of i.e 4.2 days (2024: 7.49 days) thus Increasing the percentage of utilization in relation to installed capacity by 3.10%.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
THE COMPANY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

COMPANY INFORMATION

1.	Name of the company	The Thal Industries Corporation Limited
2.	Date of incorporation	September 07, 1953
3.	Location of registered office	23-Pir Khurshid Colony Gulgasht , Multan
4.	Location of factory Unit 1	Layyah Sugar Mills, Layyah
5.	Location of factory Unit 2	Safina Sugar Mills, Lalian District Chinniot
6.	Products other than sugar being manufactured	None
7.	Installed cane crushing capacity in metric tons	30,000 metric tons per day.

CHIEF EXECUTIVE OFFICER

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THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF PRODUCTION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S. #	Particulars	2025	2024
1.	**Production data**		
(a)	**Cane crushed**		
	Date of start	November 20, 2024	November 25, 2023
	Date of finish	March 6, 2025	March 11, 2024
	Duration of run days	103.00	105.00
	Total number of hours in duration	2,481.925	2,510.300
	Total number of hours of actual crushing	2,381.145	2,330.580
	Total numbers of hour lost	100.780	179.720
	Total cane milled (metric tons)	2,501,854.655	2,701,533.490
	Converted maunds	62,546,366.375	67,538,337.250
	Total mixed juice obtained (metric tons)	2,580,297.390	2,726,481.780
(b)	**Gur melted**		
2.	**Raw Sugar**		
	Raw Sugar Processed	-	-
	Sugar made (metric ton)	-	-
	Recovery%	-	-
	Molasses sent out (metric ton)	-	-
	Molasses %	-	-
3.	**Juice and added water**		
	Average mixed juice % cane	103.135	100.923
	Average added water % cane	30.888	29.365
4.	**Sugar made**		
	Total sugar bagged of all grade (100 kg)	-	-
	Total sugar bagged of all grade (50 kg)	4,829,426.000	5,213,917.000
	Sugar bagged (metric tons)	241,471.300	260,695.850
	Sugar in process (metric tons)	86.008	131.356
5.	**Molasses extracted**		
	Total molasses sent out (metric tons)	103,960.944	113,984.104
	Molasses in process (metric tons)	61.236	85.393
6.	**Recovery %**		
	Average recovery of marketable white sugar % cane	9.652	9.650
	Average production of final molasses % cane	4.155	4.219
7.	**By- products**		
	Bagasse % cane (metric tons)	27.530	28.364
	Filter Cake % cane (metric tons)	3.000	3.000
8.	**Clarification process**		
	Specify the process used by the mill	**Defecation Remelt Phosphatation**	**Defecation Remelt Phosphatation**

Figures in Production Data have been rounded to nearest three decimals.

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CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF CAPACITY UTILIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S. #	Particulars	2025	2024
1.	Licensed cane crushing capacity metric tons per day	30,000.000	30,000.000
2.	Installed cane crushing capacity metric tons per day	30,000.000	30,000.000
3.	Utilized cane crushing capacity metric tons per day	24,289.851	25,728.890
4.	Percentage of utilization in relation to installed capacity	80.188%	84.954%

Figures in statement of capacity utilization have rounded to three decimals.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER**

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF PRODUCTION CAPACITY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S. #	Particulars	2025 (Metric ton)	2024 (Metric ton)
1.	**Installed production**		
a)	Capacity of white sugar	301,132.783	306,867.491
b)	Molasses	129,647.078	134,171.741
c)	Bagasse	858,920.400	901,975.200
d)	Filter Cake	93,600.000	95,400.000
2.	**Actual production**		
a)	Actual capacity of sugar(sugarcane)	241,471.300	260,695.850
b)	Molasses	103,960.944	113,984.104
c)	Bagasse	688,748.077	766,262.959
d)	Filter Cake	75,055.640	81,046.005
3.	**Percentage of production in relation to installed capacity**		
a)	Sugar	80.188%	84.954%
b)	Molasses	80.188%	84.954%
c)	Bagasse	80.188%	84.954%
d)	Filter Cake	80.188%	84.954%

Figures in Statement of Production Capacity have rounded to three decimals.

Note: Molasses and bagasse are by-products therefore installed and utilized capacities are nil.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER**

Annexure-1

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF PRODUCTION AND SALE OF WHITE BAGGED SUGAR
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Quantitative Data - Bagged Sugar

	2025 Metric tons	2024 Metric tons
Opening Stock	130,995.95	66,528.35
Production & Purchased	241,471.30	260,695.85
	372,467.25	327,224.20
Sales	(349,081.80)	(196,228.25)
Closing Stock	**23,385.45**	**130,995.95**

S.No	Particulars	2025 Rupees	2025 Per metric ton	2024 Rupees	2024 Per metric ton
1	**Raw materials**				
	(a) Sugarcane (Annexure-3)	27,099,605,029	112,227.02	30,298,311,367	116,220.92
	(b) Beet (Annexure-4)	-	-		-
	(c) Gur	-	-		-
	(d) Raw / Refined sugar	-	-	-	-
	(e) Process material (Annexure-5)	319,348,071	1,322.51	328,174,747	1,258.84
2	**Salaries / wages and benefits (Annexure-6)**	552,812,023	2,289.35	486,289,534	1,865.35
3	**Consumable stores**	11,228,101	46.50	12,383,658	47.50
4	**Repair and maintenance**	701,132,699	2,903.59	864,193,802	3,314.95
5	**Steam (Annexure-7)** *	4,751,881,717	19,678.87	5,226,777,600	20,049.33
6	**Electric power (Annexure-8)** **	(289,465,032)	(1,198.76)	(734,685,933)	(2,818.17)
7	**Water and gas**	-	-	-	-
8	**Insurance**	6,313,505	26.15	4,941,375	18.95
9	**Depreciation**	388,897,211	1,610.53	372,208,655	1,427.75
10	**Other factory overheads (Annexure-9)**	380,489,852	1,575.71	320,796,528	1,230.54
11	**Total cost**	33,922,243,176	140,481.47	37,179,391,334	142,615.97
12	Add: Opening stock of W.I.P.	14,252,040	54.67	6,687,110	14.70
13	Less: Closing stock of W.I.P.	(9,296,753)	(38.50)	(14,252,040)	(54.67)
14	**Total cost of goods manufacturing**	33,927,198,463	140,501.99	37,171,826,404	142,586.95
15	**Less: Realizable value of By-Products:**				
	Molasses	(2,774,197,098)	(11,488.72)	(3,275,295,420)	(12,563.67)
	Bagasse	(5,058,123,106)	(20,947.10)	(5,606,806,017)	(21,507.08)
	Others (Press Mud)	(88,566,925)	(366.78)	(58,524,204)	(224.49)
16	**Net Cost of goods manufacturing**	26,006,311,335	107,699.39	28,231,200,762	108,291.72
17	Add : Packing material	225,904,234	935.53	259,940,790	997.10
18	**Net cost of bagged sugar**	26,232,215,569	108,634.92	28,491,141,552	109,288.82
19	Add :Excise duty / Sales tax.	-	-	-	-
20	**Total cost of bagged sugar**	26,232,215,569	108,634.92	28,491,141,552	109,288.82
	Add: Opening stock of sugar	14,316,392,663	54,916.07	4,549,416,047	17,873.85
	Less: Closing stock of sugar	(2,540,476,510)	(10,520.82)	(14,316,392,663)	(54,916.07)
21	**Cost of sales**	38,008,131,722	108,880.30	18,724,164,936	95,420.33
22	Administrative expenses (Annexure-10)	1,216,992,170	3,486.27	1,042,695,149	5,313.69
23	Selling and distribution expenses (Annexure-11)	461,318,199	1,321.52	328,796,103	1,675.58
24	Financial expenses ***	1,465,674,032	4,198.65	2,455,815,482	12,515.10
25	Other charges	-	-	-	-
	Total cost to make and sell	41,152,116,122	117,886.74	22,551,471,671	114,924.69

* This includes Rs. 2,998,583,530 /- Credit for exhaust steam Annexure-8.
** This consists of cost as per Annexure-8 less water Cost of Rs. 152,642,990/- Annexure-7.
*** Financial charges are net of profit on deposit account amounting Rs. 171,009,316.
From serial number 21 onward all cost per metric ton has been calculated based on the quantity sold.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Annexure-2

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SUGAR CANE PRODUCED
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S. No	Particulars	2025		2024	
		Rupees	Per metric ton	Rupees	Per metric ton
1	**Seeds & other inputs:**				
	Seed				
	Fertilizers, herbicides etc.				
	Insecticides				
	Abiana/water charges				
	Total cost of inputs				
2	**Labour cost:**				
	Land preparation				
	Plantation	NOT APPLICABLE			
	Maintenance of cane crop/rations				
	Operation of tractors				
	Harvesting				
	Total labour cost				
3	**Other cost:**				
	Fuel for tractors operation				
	Maintenance and over haul of tractors				
	Insurance				
	Interest expenses				
	Description of equipment's				
	Rent of agriculture equipments (if any)				
	Total other costs				
	Total cost of own production (1+2+3)				
	Sales value at controlled price				
	Profit / loss on own production				

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

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Annexure-3

THE THAL INDUSTRIES CORPORAT
STATEMENT SHOWING COST OF SU
FOR THE YEAR ENDED SEPTEMBEF

S.No	Particul	2024	
		Per metric ton	Rupees
1	Total sugarcane purchased	11,032.35	29,804,321,445
	Sugarcane produced from own far	-	-
	Less: Loss in transit	11,032.35	50,683
	Sugarcane received at factory gat	11,032.35	29,804,270,762
2	Commission	-	-
3	Quality premium	-	-
4	Unloading and feeding of cane	0.32	855,939
5	Cane development expenses	18.00	48,635,666
	(a) Salaries and wages of supply a	53.63	144,888,030
	(c) Supply staff and transportatior	11.70	31,605,884
	(d) Other expenditure (misc. proc	0.96	2,581,812
6	Taxes and Levies:		
	(a) Cane cess / purchase tax	62.50	168,848,102
	(b) Market Committee fee	10.00	27,015,381
	(c) Road cess	-	-
	(d) Octroi (toll Tax)	-	-
	(e) Other levies	-	-
7	Transportation Charges:		
	(a) Delivery expenses	11.45	30,930,355
	(b) Transport subsidy	-	-
	(c) Others	-	-
8	Other Expenditure at Cane Collec		
	(a) Salaries and wages	14.30	38,628,754
	(b) Stores	-	-
	(c) Repairs and maintenance	-	-
	(d)Others	-	-
	Total cost of sugarcane transfe (Annexure-1)	**11,215.23**	**30,298,311,367**

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CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER**

Annexure-4

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF BEAT CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S.No	Particulars	2025			2024		
		Metric tons	Per metric ton	Rupees	Metric tons	Per metric ton	Rupees
1	**Total beet purchased at govt. fixed rate**						
	Less: loss in transit						
	Beet received at factory gate						
2	Commission paid						
3	Loading un-loading						
4	Beet development expenses						
	a. Salaries and wages of supply and development Staff						
	b. Sugar development research						
	c. Supply staff and transportation expenses						
	d. Other expenditures						
5	**Taxes and Levies (if any)**						
	a. Purchase tax						
	b. Market committee fee						
	c. Road cess						
	d. Octroi						
	e. Other levies						
6	**Transportation charges:**						
	a. Delivery expenses/Travelling from purchases center to mill gate						
	b. Transport subsidy						
	c. Others						
7	**Other expenditures at best collection centers:**						
	a. Salaries and wages						
	b. Stores						
	c. Repair and maintenance						
	d. Others						
	Total cost of "beet" transferred to production process (Annexure-1)						

NOT APPLICABLE

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Annexure-5

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S.No	Particulars	2025		2024	
		Amount (Rs)	Cost per ton of sugar	Amount (Rs)	Cost per ton of sugar
	Total Sugar Produced 2024 - 260,695.85 metric tons Total Sugar Produced 2025 - 241,471.30 metric tons	M. Tons	241,471.30	M. Tons	260,695.85
1	Phosphoric Acid	30,462,053	126.15	35,038,555	134.40
2	Filter Acid (HCL)	625,647	2.59	386,885	1.48
3	Acid Inhibitor (Kafzol RN)	19,730,659	81.71	25,999,501	99.73
4	Bleaching Powder	448,832	1.86	413,747	1.59
5	BIO CIDE (Preventol ZL)	4,689,219	19.42	5,502,007	21.11
6	Chemfloc 57/56 HP/ Accofloc (Poly Electrolyte)	16,241,568	67.26	15,102,983	57.93
7	Colour Quest 55 (Decolorizer)	39,849,541	165.03	56,317,771	216.03
8	Chem Float - 100 (Floatation Aid)	-	-	-	-
9	Accofloc A-110PWG	3,863,587	16.00	3,752,468	14.39
10	SLURY Material	3,853,037	15.96	727,444	2.79
11	Anti Foam	283,244	1.17	237,382	0.91
12	Formalin.	84,552	0.35	83,766	0.32
13	Unslaked Lime	36,912,823	152.87	32,714,242	125.49
14	Soda Ash	9,350,215	38.72	6,350,815	24.36
15	Solid Caustic Soda.	25,245,166	104.55	29,393,745	112.75
16	Common Salt	1,560	0.01	33,600	0.13
17	Tri Sodium Phosphate (Chem Float A 100)	5,054	0.02	47,331	0.18
18	Others	24,223,831	100.32	16,395,330	62.89
19	Laboratory Chemicals.	3,036,909	12.58	4,150,728	15.92
20	Lubricants and Grease.	100,392,006	415.75	94,025,485	360.67
21	Filter Cloth	48,569	0.20	1,500,962	5.76
22	Sulphur	-	-	-	-
23	Sewing Thread	-	-	-	-
24	Cleaning Brushes	-	-	-	-
	Total	**319,348,071**	**1,322.51**	**328,174,747**	**1,258.84**
	Less allocated to				
	(a) Electric generation	-	-	-	-
	(b) Steam generation	-	-	-	-
	(c) Raw material	-	-	-	-
	(d) Admin expenses	-	-	-	-
	(e) Selling and distribution expenditure	-	-	-	-
	(f) Any other specify	-	-	-	-
	Balance transferred to cost of production (Annexure-1)	**319,348,071**	**1,322.51**	**328,174,747**	**1,258.84**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Annexure-6

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SALARIES, WAGES AND BENEFITS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S.No	Particulars	2025		2024	
		Amount (Rs)	Cost per ton of sugar	Amount (Rs)	Cost per ton of sugar
	Total Sugar Produced 2024 - 260,695.85 metric tons Total Sugar Produced 2025 - 241,471.30 metric tons	M. Tons	241,471.30	M. Tons	260,695.85
	Cost				
1	**Salaries / Wages:**				
(i)	Officers and permanent staff	741,068,028	3,068.97	628,068,437	2,409.20
(ii)	Seasonal staff	32,859,146	136.08	22,555,089	86.52
(iii)	Daily rated and contract labour	643,860,887	2,666.41	556,399,868	2,134.29
(iv)	Bonuses	130,754,483	541.49	101,693,103	390.08
2	**Benefits:**				
(i)	Medical expenses	4,684,417	19.40	4,232,257	16.23
(ii)	Canteen expenses	-	-	-	-
(iii)	Welfare, recreation	90,825,290	376.13	25,047,837	96.08
(iv)	Allowances	4,157,533	17.22	3,498,393	13.42
(v)	Education cess / expenses	177,300	0.73	181,075	0.69
(vi)	Group insurance / workmen	18,167,703	75.24	14,794,256	56.75
(vii)	Haj expenses	9,226,250	38.21	2,845,250	10.91
(viii)	Gratuity / pension	5,060,317	20.96	79,190,240	303.76
(ix)	Other benefits (E.O.B.I.)	13,758,425	56.98	14,396,223	55.22
(x)	Earned leave	9,558,644	39.59	7,882,871	30.24
(xi)	Social security contribution	28,118,118	116.44	32,643,392	125.22
	Total	**1,732,276,541**	**7,173.84**	**1,493,428,291**	**5,728.62**
	Less allocated to				
(a)	Raw material	201,631,821	835.01	183,516,784	703.95
(b)	Electricity generation	76,079,052	315.06	68,626,667	263.24
(C)	Steam generation	70,507,953	291.99	59,215,274	227.14
(d)	Admin expenses	807,271,258	3,343.14	672,374,601	2,579.15
(e)	Selling and distribution expenses	23,974,434	99.28	23,405,431	89.78
(f)	Any Other specify	-	-	-	-
	Total	**1,179,464,518**	**4,884.49**	**1,007,138,757**	**3,863.27**
	Balance transferred to production process (Annexure-1)	**552,812,023**	**2,289.35**	**486,289,534**	**1,865.35**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Annexure-7

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF STEAM GENERAT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Variance
	Types of steam boilers used (Water Tubes)	
1	No. of days worked	(2)
2	Installed capacity (steam in metric tons)	(29,520)
3	Utilized capacity (steam in metric tons)	(127,251)
4	Production:	-
	(a) High pressure steam	(134,026)
	(b) Medium pressure steam	6,775
	(c) Low pressure steam	-
	(d) Less: Transit losses	(6,363)
	(e) Total	(120,888)
5	Percentage of capacity utilization (3/2 * 100)	(6.74)

S.No	Particulars	Amount (Rs.)
1	Water	148,058,550
2	Fuels:	
	(a) Bagasse	
	(i) Own (including handling expenses)	5,214,300,729
	(ii) Purchased	-
	(b) Pith	-
	(c) Coal purchased	-
	(d) Furnace oil	-
	(e) Fire wood	-
	(f) Gas	-
	(g) Other fuels (cane carrier, cleaning etc.)	-
3	Quantity of waste heat from the plant, if any	-
4	Consumable stores	-
5	Direct salaries, wages and benefits	59,215,274
6	Repair and maintenance	101,175,555
7	Other direct expenses (e.g. Boiler inspection fee etc.)	-
8	Insurance	-
9	Depreciation	145,347,988

S.No	Particulars	Amount (Rs.)
10	**Total cost of steam raised (After Loss)**	**5,668,098,096**
	Less: Outside sale	-
	Add: Cost of steam purchased	-
11	**Total Cost of Steam Consumed**	**5,668,098,096**
12	**Allocation**	
	Total of item 11 allocated to	
	(i) White Bagged Sugar	1,990,427,294
	(ii) Electric powerhouse (Annexure-8)	3,677,670,802
	(iii) Others	
	(a) Staff colony	-
	(b) Office building, etc.	-
	Total	**5,668,098,096**

CHIEF EXECUTIVE OFFICER

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IEF FINANCIAL OFFICER

Annexure-8

THE THAL INDUSTRIES CORPORATION LIMIT
STATEMENT OF COST OF ELECTRIC POWER I
FOR THE YEAR ENDED SEPTEMBER 30, 2025

1	Installed capacity (2025: 73,000KW) (2024: 79,(
2	No. of units generated (KWH)
3	No. of units purchased (KWH)
4	Total (2+3)
5	Consumption in Power House including other los
6	Net units consumed (4-5)
7	Percentage of consumption and losses to total uni
8	Percentage of power generated to installed capaci

S.No	Particulars	2024 Per metric ton	Amount (Rs.)
1	Steam (Annexure-7)	4,574.63	3,677,670,802
2	Consumable stores		-
3	Salaries and wages (Annexure-6)	-	68,626,664
4	Other direct expenses (diesel for generator)	-	19,957,615
5	Repair and maintenance	-	47,352,192
6	Duty on electricity	-	-
7	Depreciation	-	44,346,462
	Total		**3,857,953,735**
8	Less: (a) Credit for exhaust steam used in process		(3,236,350,305)
	(b) Other credits ,if any		-
9	Cost of power generated		621,603,430
10	Less: Cost of power sold	24.15	(1,358,860,033)
11	Add: Cost of power purchased	-	150,629,220
12	**Total net cost of power consumed**		**(586,627,383)**
13	Cost per unit average	(9.23)	(586,627,383)
14	Total at item 12 allocated to		
	(i) White bagged sugar	(9.23)	(567,376,808)
	(ii) Self - consumption.	-	-
	(iii) Others	-	-
	(a) Staff colony	(9.23)	(12,334,876)
	(b) Office building	(9.23)	(5,866,274)
	(c) Other (Tube well)	(9.23)	(1,049,426)
	Total	**(9.23)**	**(586,627,383)**

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Annexure-9

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING OTHER FACTORY OVERHEADS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S.No	Particulars	2025		2024	
		Amount (Rs.)	Cost per ton of sugar	Amount (Rs.)	Cost per ton of sugar
	Total Sugar Produced 2024 - 260,695.85 metric tons Total Sugar Produced 2025 - 241,471.30 metric tons	M. Tons	241,471.30	M. Tons	260,695.85
	Cost				
1	Rent, rate and taxes	-	-	-	-
2	Printing and stationery	1,764,049	7.31	2,212,057	8.49
3	Postage and telegram	53,580	0.22	57,134	0.22
4	Telephone fax and telex	2,445,712	10.13	2,019,635	7.75
5	Traveling and conveyance	1,549,836	6.42	1,881,012	7.22
6	Entertainment	1,857,156	7.69	1,740,725	6.68
7	Vehicle running expenses	320,280,630	1,326.37	300,869,609	1,154.10
8	Repair and maintenance buildings	33,248,171	137.69	9,676,678	37.12
9	Fire fighting	778,598	3.22	572,445	2.20
10	Other expenses	18,512,121	76.66	1,767,233	6.78
	Total	**380,489,852**	**1,575.71**	**320,796,528**	**1,230.54**
	Allocated to				
	(i) White bagged sugar	380,489,852	1,575.71	320,796,528	1,230.54
	(ii) Electric power house	-	-	-	-
	(iii) Steam generation	-	-	-	-
	(iv) Others:				
	(a) Staff colony	-	-	-	-
	(b) Office building etc.	-	-	-	-
	Total as per above 10 items	**380,489,852**	**1,575.71**	**320,796,528**	**1,230.54**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Annexure-10

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S.No	Particulars	2025		2024	
		Amount (Rs.)	Cost per ton of sugar	Amount (Rs.)	Cost per ton of sugar
1	Total Sugar Sold 2024 - 196,228,25 metric tons Total Sugar Sold 2025 - 349,081.80 metric tons	54,560,126,048	156,296.11	27,811,361,631	141,729.65
2	**Cost:**				
	Director remuneration	4,830,000	13.84	5,520,000	28.13
	Salaries, wages and benefits (A- 6).	807,271,258	2,312.56	672,374,601	3,426.49
	Rent, rates and taxes.	23,702,489	67.90	3,332,824	16.98
	Insurance	243,734	0.70	220,886	1.13
	Water, gas and electricity	4,149,166	11.89	4,330,998	22.07
	Printing and stationery	7,413,328	21.24	8,414,951	42.88
	Postage and telegram.	214,318	0.61	228,534	1.16
	Telephone fax and telex	9,782,848	28.02	8,078,541	41.17
	Repair and maintenance	40,539,334	116.13	47,249,683	240.79
	Traveling and conveyance	28,810,759	82.53	28,291,000	144.17
	Subscriptions, Books and periodicals	47,820	0.14	76,210	0.39
	Entertainment.	23,637,687	67.71	31,445,160	160.25
	Advertising	1,589,332	4.55	1,232,691	6.28
	Legal and professional expenditure	74,451,748	213.28	39,767,794	202.66
	Auditor's remuneration.	3,043,950	8.72	2,766,750	14.10
	Vehicle running expenses	69,513,723	199.13	64,115,214	326.74
	Charity and donation.	-	-	-	-
	Fee and Subscription	28,936,715	82.89	27,679,825	141.06
	Depreciation and amortization	57,765,700	165.48	59,530,776	303.38
	Others.	31,048,262	88.94	38,038,711	193.85
	Total	**1,216,992,170**	**3,486.27**	**1,042,695,149**	**5,313.69**

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CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Annexure-11

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING SELLING EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

S.No	Particulars	2025		2024	
		Amount (Rs.)	Cost per ton of sugar	Amount (Rs.)	Cost per ton of sugar
1	Total Sugar Sold 2024 - 196,228.25 metric tons Total Sugar Sold 2025 - 349,081.80 metric tons	54,560,126,048	156,296.11	27,811,361,631	141,729.65
2	**Cost:**				
	Salaries, wages and benefits (Annex 6).	23,974,434	68.68	23,405,431	119.28
	Commission.	21,553,318	61.74	9,829,420	50.09
	Freight outward.	276,238,824	791.33	191,396,284	975.38
	Stacking / Restacking.	92,685,340	265.51	69,721,384	355.31
	Loading / Unloading.	28,702,937	82.22	17,200,325	87.65
	Numbering Expenses	886,422	2.54	965,933	4.92
	Insurance	8,362,268	23.96	11,132,081	56.73
	Other Expenses.	8,914,655	25.54	5,145,245	26.22
	Total	**461,318,199**	**1,321.52**	**328,796,103**	**1,675.58**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION OF PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	2025 Rupees	2024 Rupees
Profit as per cost accounting records	3,144,470,209	796,590,765
Add: Incomes not considered in cost records:		
Reversal of impairment allowance under expected credit loss	-	2,466,347
Gain on disposal of stores and PPE	7,157,460	6,421,105
Gain on disposal of short term investments.	23,751,117	16,511,916
Sale of scrap	108,690,076	82,076,578
Gain on agriculture inputs to growers	130,375,771	142,397,310
Other income	16,363,894	559,501,978
Less: Expenses not considered in cost accounts		
Other expenses (WPPF, WWF)	(231,590,909)	(109,508,117)
Loss on disposal of stores	(74,248)	-
Charity and donation	(31,549,988)	(29,826,159)
Taxation	(796,301,859)	(341,595,568)
Impairment allowance for ECL	(25,408,497)	-
Profit after taxation	2,345,883,027	1,125,036,154
Overvaluation of closing stock in financial accounts	9,007,145	26,392,953
Undervaluation of opening stock in financial account	-	(15,458,637)
Overvaluation of opening stocks in financial accounts	(26,392,953)	-
Undervaluation of closing stocks in financial accounts	-	-
Adjustment for other, if any (specify)	-	-
Profit as per financial accounting records	2,328,497,218	1,135,970,471

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CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION OF COST TO MAKE & SELLS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	COST ACCOUNTS (RUPEES)	FINANCIAL ACCOUNTS (RUPEES)	DIFFERENCE (RUPEES)
Raw material consumed	27,099,605,029	26,897,973,208	201,631,821
Salaries, wages and other benefits	552,812,023	996,730,946	(443,918,923)
Fuel and power	4,462,416,685	164,172,819	4,298,243,866
Stores, spare parts and loose tools	330,576,172	555,236,493	(224,660,321)
Repairs and maintenance	701,132,699	902,000,129	(200,867,430)
Insurance	6,313,505	6,313,505	-
Depreciation	388,897,211	570,068,802	(181,171,591)
Vehicle running	-	320,280,630	(320,280,630)
Miscellaneous	-	25,510,002	(25,510,002)
Factory Overheads	380,489,852	-	380,489,852
Total cost	33,922,243,176	30,438,286,534	3,483,956,642
Work in process-opening inventory	14,252,040	14,252,040	-
Work in process-closing inventory	(9,296,753)	(9,296,753)	-
	4,955,287	4,955,287	-
Total cost of goods manufactured	33,927,198,463	30,443,241,821	3,483,956,642
Less: Realizable value of By-Products:			
Molasses	(2,774,197,098)	-	(2,774,197,098)
Bagasse	(5,058,123,106)	-	(5,058,123,106)
Power sold	-		-
Others (Press mud)	(88,566,925)	-	(88,566,925)
	(7,920,887,129)	-	(7,920,887,129)
Net cost of goods manufacturing	26,006,311,335	30,443,241,821	(4,436,930,486)
Add: Packing material	225,904,234	-	225,904,234
Net cost of bagged sugar	26,232,215,569	30,443,241,821	(4,211,026,252)
Add: Excise duty / Sales Tax	-	-	-
Total cost of bagged sugar	26,232,215,569	30,443,241,821	(4,211,026,252)
Finished goods-opening inventory	14,316,392,663	14,355,614,084	(39,221,421)
Finished goods-closing inventory	(2,540,476,510)	(2,750,839,872)	210,363,361
	11,775,916,153	11,604,774,212	171,141,941
Cost of sales	38,008,131,722	42,048,016,033	(4,039,884,311)
Administrative expenses	1,216,992,170	1,172,740,649	44,251,521
Distribution and selling expenses	461,318,199	469,523,070	(8,204,871)
Financial expenses	1,465,674,032	1,636,683,347	(171,009,315)
Total cost to make and sell	41,152,116,122	45,326,963,099	(4,174,846,977)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Schedule 1

Contents

Reconciliation of administrative expenses
Reconciliation of distribution and selling expenses
Reconciliation statement of financial charges
Reconciliation of Raw materials consumed
Reconciliation of statement of cost of sales

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THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Particulars	2025 Rupees	2024 Rupees
Administrative expenses as per financial statements	**1,172,740,649**	**1,017,195,782**
Less:		
Firefighting (Annexure-09)	(778,598)	(572,445)
Postage and telegram (Annexure-09)	(53,580)	(57,134)
Charity and donation.	(31,549,988)	(29,826,158)
Telephone and telex (Annexure-09)	(2,445,712)	(2,019,635)
Impairment allowance for ECL	(25,408,497)	-
	(60,236,374)	(32,475,372)
Add:		
Others (Annexure-10)	238,106	3,405,673
Salaries and wages (Annexure-6)	103,904,969	54,569,067
Research and Development Expense	344,820	-
	104,487,895	57,974,740
Administrative expenses as per cost accounts	**1,216,992,170**	**1,042,695,149**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION OF DISTRIBUTION AND SELLING EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Particulars	2025 Rupees	2024 Rupees
Distribution and selling expenses as per financial statements	**469,523,070**	**331,596,848**
Less:		
Salaries and wages (Annexure-6)	(8,204,871)	(2,800,745)
	(8,204,871)	(2,800,745)
Distribution and selling expenses as per cost accounts	**461,318,199**	**328,796,103**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION STATEMENT OF FINANCIAL CHARGES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Particulars	2025 Rupees	2024 Rupees
Financial charges as per financial statements	**1,636,683,347**	**2,890,130,432**
Less :		
Profit on deposit account (Annexure-1)	(171,009,315)	(434,314,949)
	(171,009,315)	(434,314,949)
Financial Charges as per cost accounts	**1,465,674,032**	**2,455,815,482**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION OF RAW MATERIAL CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Particulars	2025 Rupees	2024 Rupees
Raw material as per financial statements	**26,897,973,208**	**30,114,794,583**
Add:		
Salaries & Wages cane department (Annexure-3)	201,631,821	183,516,784
	201,631,821	183,516,784
Raw material as per cost accounts	**27,099,605,029**	**30,298,311,367**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION STATEMENT OF COST OF SALE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Particulars	2025 Rupees	2024 Rupees
Cost of goods sold as per financial statements	**42,048,016,033**	**24,028,945,081**
Add:		
Overvaluation of closing stock in financial accounts	9,007,145	26,392,953
Admin Expenses as per Financial Accounts	1,172,740,649	1,017,195,784
Closing stock (by-products)	188,527,750	-
Undervaluation of closing stocks in financial accounts	-	-
Selling Expenses as per Financial Accounts	469,523,070	331,596,848
	1,839,798,613	1,375,185,585
Less:		
Realizable value of molasses (Annexure A-1)	(2,774,197,098)	(3,275,295,420)
Realizable value of bagasse	(405,980,463)	(405,774,578)
Charity and donation	(31,549,988)	(29,826,158)
Impairment allowance for ECL	(25,408,497)	
Overvaluation of opening stock in financial accounts	(26,392,953)	-
Opening stock (by-products)	-	(164,735,447)
Undervaluation of opening stock in financial Accounts	-	(15,458,637)
Realizable value of Muds (Annexure A-1)	(88,566,925)	(58,524,204)
Realizable value of Electricity (Annexure A-8)	(849,276,633)	(1,358,860,033)
Admin Expenses as per Cost Accounts (A-10)	(1,216,992,170)	(1,042,695,149)
Selling Expenses as per Cost Accounts (A-11)	(461,318,198)	(328,796,103)
	(5,879,682,924)	(6,679,965,730)
Cost of goods sold as per cost accounts	**38,008,131,722**	**18,724,164,936**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER