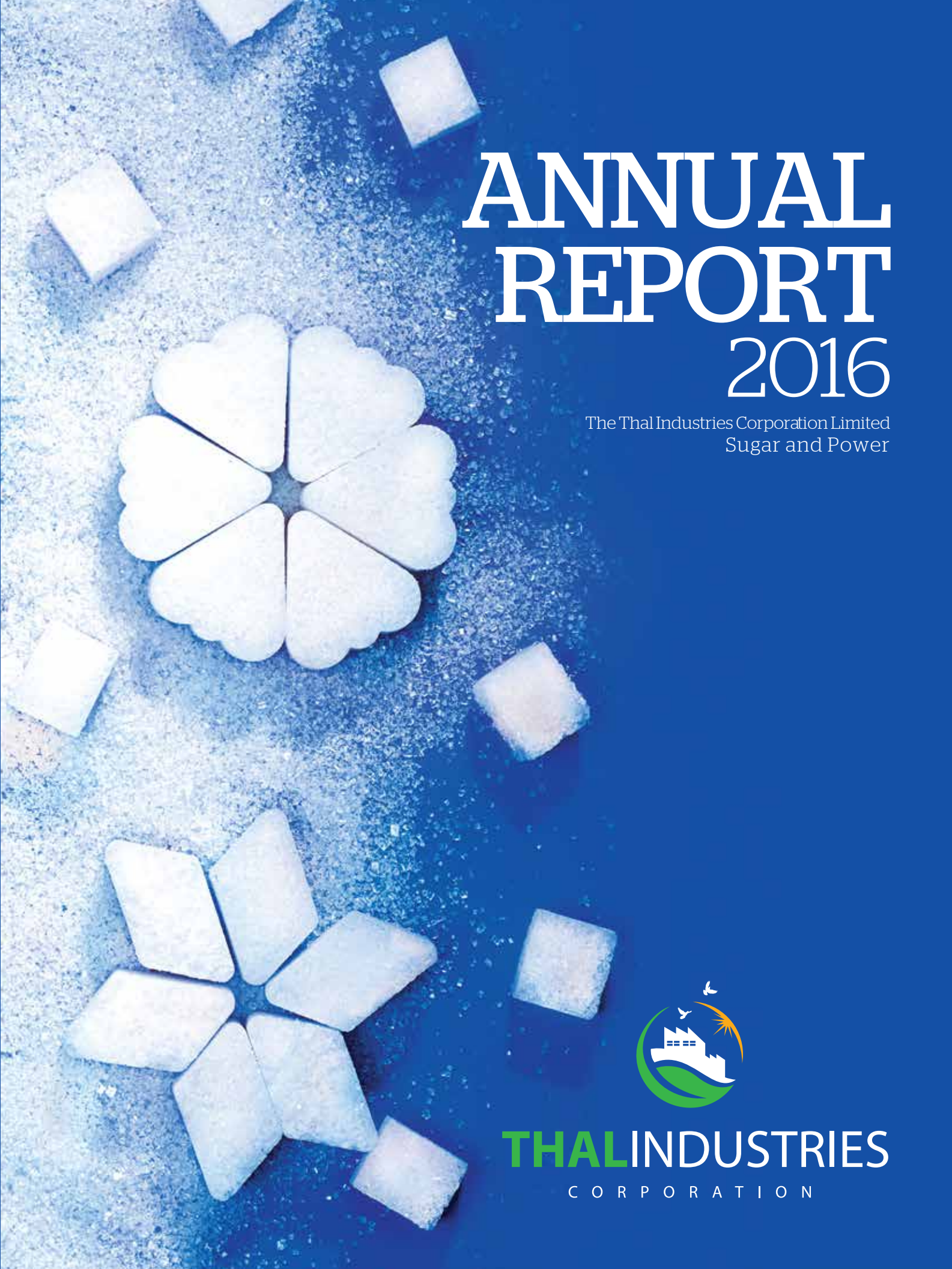


ANNUAL REPORT 2016

The Thal Industries Corporation Limited
Sugar and Power

THAL INDUSTRIES
CORPORATION

Table of Contents

CompanyInformation..... 2
NoticeofAnnualGeneralMeeting..... 4
Director'sReport..... 7
Director'sReportUrdu..... 12
VisionStatement..... 16
StatementofEthics&BusinessPractices 17
SixYearsSummaryofFinancialHighlights..... 19
PatternofHoldingofShares..... 20
CategoriesofShareHolders 22
CodeofCorporateGovernance..... 24
ReviewReporttotheMembers..... 26
Auditor'sReporttotheMembers..... 27
BalanceSheet..... 28
Profit and Loss Account..... 30
StatementofOtherComprehensiveIncome..... 31
CashFlowStatement..... 32
StatementofChangesinEquity..... 33
NotestotheFinancialStatements 34
ProxyForm

Company Information

BOARDOFDIRECTORS

CHAIRMAN/CHIEFEXECUTIVE

Mr.MuhammadShamimKhan

MANAGINGDIRECTOR

Mr.NaumanAhmedKhan

DIRECTORS

Mrs.QaiserShamimKhan
Mr.AdnanAhmedKhan
Ms.FarrahKhan
Mr.MuhammadKhan
Mr.MuhammadAshrafKhanDurani (IndependentDirector)

AUDITCOMMITTEE

Mr.MuhammadAshrafKhanDurani (Chairman)
Mrs.QaiserShamimKhan (Member)
Mr.AdnanAhmedKhan (Member)

HUMANRESOURCE& REMUNERATION COMMITTEE

Mr.MuhammadAshrafKhanDurani (Chairman)
Mr.MuhammadShamimKhan (Member)
Mr.AdnanAhmedKhan (Member)

CHIEFFINANCIALOFFICER

Mr. Hafiz Muhammad Arif

COMPANYSECRETARY

Mr.WasifMahmood

AUDITORS

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

LEGALADVISOR

Mr. Shehzad Ata Elahi, Advocate
Ch.AltafHussainAdvocate

BANKERS

Albaraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
DubaiIslamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
United Bank Limited

SHAREREGISTRAR	M/s.CORPLINK (Pvt) Ltd WingsArcade,1-K-Commercial Model Town, Lahore Tel:042-35839182,35887262 Fax:042-35869037
REGISTEREDOFFICE	23-PirKhurshidColonyGulgasht,Multan Tel:061-6524621,6524675 Fax:061-6524675
LAHOREOFFICE	2-D-1Gulberg-III, Lahore – 54600 Tel:042-35771066-71 Fax:042-35771175
FACTORYADDRESSES	**Unit1:**Layyah Sugar Mills, Layyah Tel:0606-411981-4,0606-410014 Fax:0606-411284 **Unit2:** Safina Sugar Mills, Lalian District Chinniot. Tel:047-6610011-6 Fax:047-6610010
WEBSITE	www.thalindustries.com

Notice of Annual General Meeting

Notice is hereby given that the 63rd Annual General Meeting of the Shareholders of The Thal Industries Corporation Limited will be held on Saturday, the 28th January, 2017 at 4:30 p.m. at Registered Office, 23-Pir Khurshid Colony Gulgasht, Multan to transact the following business:-

ORDINARY BUSINESS:

1. Confirmation of the minutes of the 62nd Annual General Meeting of the Thal Industries Corporation Limited held on 30-01-2016.

2. To receive, consider and adopt Annual Audited Accounts along with Balance Sheet for the year ended 30th September 2016 together with Auditors' and Directors' reports thereon.

3. To consider and approve cash dividend @ of Rs. 5.00 per share i.e. 50% for the year ended 30th September, 2016.

4. To appoint Auditors for the year ending 30th September, 2017 and to fix their remuneration. M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants retire and are eligible for re-appointment of the Company for the year ending 30-09-2017.

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

SPECIAL BUSINESS:

6. To consider and pass the following ordinary resolution, with or without modification:

(a) RESOLVED that approval of the Company be and is hereby accorded enter into a contract with Mrs. Qaiser Shamim Khan, director of the Company for the lease/rent of premises situated at 2D/1 (Off MM Alam Road), Gulberg III, Lahore at a monthly rent of Rs. 700,000/- per month and subject to other terms and conditions disclosed to the shareholders in the statement under Section 160 (1) (b) of the Companies Ordinance, 1984 and the chief executive of the Company be and is hereby authorized to execute the agreements and other documents and to take any and all necessary actions necessary for the purpose of giving effect to the above resolution on behalf of the Company.

(b) RESOLVED that the Company be and is hereby authorized to purchase sugarcane from Adnan Nauman Farms, jointly owned by Mr. Muhammad Shamim Khan, Mr. Adnan Ahmed Khan & Mr. Nauman Ahmed Khan, directors of the Company at prevailing market price at the time of purchase in the normal course of business and in this connection, the Company Secretary of the Company be and is hereby authorized to take any and all necessary actions required , if any, in the normal course of business and sign and execute any and all documents/ agreements as may be required in this regard on behalf of the Company.

BY ORDER OF THE BOARD

W ASIF MAHMOOD
Company Secretary

Lahore: 26th December 2016

Note:

1. Closure of Shares T ransfer Books:

Share Transfer Books of the Company will remain closed from 21-01-2017 to 28-01-2017 (both days inclusive). No transfer of shares will be accepted for registration during the closed period. However, transfer received at the office of the Company's Share Registrar Office at M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore by the close of business hours on 20th January, 2017 will be treated in time for the entitlement of payout of cash dividend.

2. Participation in the Annual General Meeting:

Members are requested to attend in person along with national identity card or appoint some other member as proxy and send their proxy duly witnessed so as to reach at 23-Pir Khurshid Colony Gulgasht, Multan not later than 48 hours before the time of holding the meeting.

Copies of Memorandum and Articles of Association of the Company, Listing Regulations of the Pakistan Stock Exchange, Companies Ordinance 1984 and other relevant laws/record may be inspected during the business hours on any working day at 2D-1, Gulberg III, Lahore from the date of the publication of the notice till the conclusion of the general meeting. A Corporate member of the Company may by a resolution of its Board of Directors authorize a person to act as its representative at the meeting.

3. Change of Address:

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

4. Further guidelines for CDC Account Holders:

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

5. Submission of Copy of CNIC (Mandatory):

As directed by the SECP through its Notification No. SRO 831 (1) 2012 dated July 5, 2012 r/w SRO 19(1)/2014 dated January 10, 2014, dividend warrants cannot be issued without valid CNICs, through Registered Post dated 18-04-2016 and through advertisement in newspapers dated 19-04-2016 and all the shareholders were advised to submit copies of their valid CNICs. In the absence of shareholders valid CNIC the company will be constrained to withhold dispatch of dividend to such shareholders. Those shareholders who have not yet submitted their valid CNICs are once again advised to provide attested copies of their valid CNICs with their folio numbers to the company's Share Registrar if they hold physical shares, to ensure timely disbursement of dividend.

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

It is further being informed that pursuant to the provisions of Finance Act, 2016 effective from July 1, 2014 a new criteria for withholding of tax on dividend income has been introduced by Federal Board of Revenue (FBR) as per this criteria, Filer and Non Filer shareholders will pay tax on dividend income @ 12.50% and 20% respectively.

You are therefore advised to check and ensure your Filer status from Active Tax Payer List (ATL) available to FBR, website www.fbr.gov.pk as well as ensure that your CNIC/Passport number has been recorded by your Participant/Investor Account Services (in case your shareholding is in book entry form) or by Company's Share Registrar M/s. Corplink (Pvt.) Ltd. (in case of physical shareholding).

7. PaymentofDividendElectronically(Optional)

In order to enable a more efficient method of cash dividend through its Circular No. 8(4)SM/CDC 2008 ofApril05,2013,theSECPhasannouncedane-dividendmechanismwhereshareholderscangettheir dividend credited directly into their respective bank accounts electronically by authorizing the Company to electronically credit their dividend to their accounts. Accordingly, all non CDC shareholders are requestedtosendtheirbankaccountdetailstotheCompany'sRegistrar,Shareholderswhoholdshares withCDCorParticipants/StockBrokersareadvisedtoprovidethemandatetoCDCortheirParticipants/ StockBrokers.

8. AuditedFinancialStatementsthroughe-mail(Optional)

SECP through its Notification SRO No. 787 (1) 2014 dated September 8, 2014 has allowed the circulation ofAuditedFinancialStatementsalongwithNoticeofAnnualGeneralMeetingtothemembersofthe Companythroughemail.Therefore,allmembersoftheCompanywhowishtoreceivesoftcopyofAnnual Reportarerequestedtosendtheiremailaddresses.TheConsentFormforelectronictransmissioncould bedownloadedfromCompany'swebsite:www.thalindustries.com.

TheCompanyhasalreadydispatchedhardcopyoftheAuditedFinancialStatementtoitsshareholders.

STATEMENTU/S160(1)(b)OFTHECOMPANIESORDINANCE,1984

1)- Lease/Rent of Office Premises owned by a related party:

The Company intends to enter into a contract for leasing/rent of premises for its head office use located at 2D-1, Gulberg – III, Lahore from one of the Directors namely Mrs. Qaiser Shamim Khan at a monthly rent of Rs. 700,000 which is the 50% share of the total monthly rent amount of Rs. 1,400,000 per month. As the property will be jointly shared therefore rent amount will also be equally shared with other associated undertaking i.e. Almoiz Industries Ltd. The rent rates are in line withprevailingrentratesinthesaidlocalityandarebeingagreedonthebasisofthirdpartyvaluation by different relevant valuer. The other terms and conditions would be:

(a) AgreementTenor: 03(three)years(renewableonmutualterms&conditions)
(b) 10%Increaseaftereachyears
(c) Utilitybillswillbetheresponsibilityofthetenants
(d) Tenantswillberesponsiblefortheproperupkeepandmaintenanceofthebuilding

Mrs. Qaiser Shamim Khan, director of the company owns the above premises and is, therefore, interestedintheabovearrangement.TheotherdirectorsoftheCompanyarenotdirectlyorindirectly interestedintheabovearrangement.

2)- PurchaseofSugarcanefromrelatedparty:

TheCompanyduringtheyearending30September2017andthereafterintendstopurchasequality sugarcanefromAdnanNaumanFarmswhichisownedbythreeofthedirectors.Thesugarcanewill bepurchasedatthearms'lengthpricepreviailinginthelocalmarketatthetimeofpurchase.These purchaseswillbeinthenormalcourseofbusinessoftheCompanyandconsistofminimalinterms ofquantityandvaluesoftherequiredsugarcanepurchase.

Mr. Muhammad Shamim Khan, Mr. Adnan Ahmed Khan & Mr. Nauman Ahmed Khan, Directors jointly owns the Adnan Nauman Farms and are directly interested in the above business. The other directorsoftheCompanyarenotdirectlyorindirectlyinterestedintheabovearrangement.

Director's Report to the Members

The Directors of your Company are pleased to present the 63rd Annual Report together with Audited Accounts and Auditor's Report thereon for the Financial Year ended 30th September 2016.

INDUSTRY OVERVIEW

The Sugarcane crop acreage was lower as compared to last year, primarily due to floods in Layyah. About 7,000 acres were destroyed and both recovery and yield per acre were badly affected in a further area of about 8,000 acres of sugarcane. Cane crushing and sugar production in the area as well as in all over Punjab was on slightly lower side as compared to last year crushing season. However, the sugar production was still surplus over the national demand and therefore the Government very rightly made the timely decision to allow sugar export for price stabilization.

Despite depressed sugar prices for the last four years in local as well as international markets, the sugarcane minimum price was maintained by the Punjab & KPK Government at Rs. 180/- per mound for the crushing season 2015-16 (period under review), whereas Sindh Government notified minimum cane price at Rs. 172/- per mound.

There was price competition over cane purchase price during the last 6 to 7 weeks of the crushing season when the sugar prices showed some positive gains.

PERFORMANCE OF THE COMPNAY

During the year under review the Company was able to crush 1,839,916 m.tons sugarcane and produced 178,912.150 m. tons white refined sugar with an average recovery of 9.724% as compared to last year's crushing of 1,808,462 m. tons and production of 175,909.500 m. tons white refined sugar at an average recovery of 9.73%. The marginal increase in crushing was due to BMR completed last year, the installation of high pressure boiler in Layyah helped in improving the steam percent cane and eventually the mill was able to process more of the crop on a per day basis. Sugar price in the local market stabilized to some extent on the export of sugar announcement and the company tried its best to achieve maximum benefit from the sugar export package and in order to get relief from the depressed local sugar market.

FINANCIAL HIGHLIGHTS

During the financial year under review your Company was able to earn pretax profit of Rs. 666.550 million and after tax Rs. 660.182 million as compared to last year's pretax profit of Rs. 314.724 million and after tax of Rs. 261.019 million.

Increase in profitability was mainly due to improved sugar prices in the local and export sugar market and partially due to better cost efficiencies. All these factors cumulatively contributed to the improvement of the profitability of the company.

FINANCIALRESULTS

	2016 (RupeesinMillion)	2015
Pre- Tax Profit	666.550	314.724
ProvisionforTaxation		
-Current	(42.709)	(87.404)
-Deferred	34.535	33.699
-PriorYear	1.806	-
Profit after Taxation	660.182	261.019
Effect of other comprehensive income	0.147	(1.796)
	660.329	259.223
Accumulated profit brought forward	1,060.676	826.541
	1,721.005	1,085.764
APPROPRIATIONS		
Dividendpaidduringtheyear@50%(2015-7.50%)	(75.116)	(11.267)
InterimCashDividendpaidduringtheyear@Nil(2015-9.20%)	-	(13.821)
Accumulated profit carried forward	1,645.889	1,060.676
Earningspershare(Rs.)	43.94	17.37

EARNINGPERSHARE:

Theearningpershareofthecompanyfortheyearunderreviewstoodat Rs.43.94(2015:Rs.17.37).

DIVIDEND

Your Board has recommended 50% (2015: 50%) cash dividend for the financial year that ended 30, September2016.

RESEARCHANDDEVELOPMENT

Agricultural R&D is an integral part of the Company's policy which entails identification and multiplication of promisingnewsugarcanevarietiesandtheirsubsequentcommercialsowingthroughprogressivegrowers with best agricultural practices. This not only increases per acre yield of sugarcane but also enhances growers earning and creates more enthusiasm for sowing sugarcane compared to competing crops. It alsoincreasesthesugarcanesupplytotheCompanyandboostsoverallsugarrecovery,directlyimproving thebottomlineofthecompany.

Like previous years, your management has decided to provide new improved varieties of sugarcane seed with high yield/recovery and disease/frost resistance along with fertilizers and pesticides to cane growers onmarkupfreecreditbasisforAutumnsowing2016,aswellasfreeofcosttimelyservicesofbiological laboratory at their door step so that sugarcane procurement for the next crushing season may not suffer.

FUTUREOUTLOOK

Itisexpectedthatsugarcanesupplyforthecomingcrushingseason2016-17willbehigherascomparedto the year under review due to increased loaning facilities to our farmers to overcome last year's flood effects andonintroductionofbettervarietiesofsugarcaneandexpectinghighersugarcanecropsandultimately

higher sugar production as compared to last year. Despite expectation of surplus sugar production in the local and international markets, the government has maintained the minimum cane price of Rs. 180/- per mound for the crushing season 2016-17.

It is important to mention that in anticipation of this surplus sugar production scenario, sugar prices have already started declining before start of next cane crushing season. So far all reports point that cane season 2016-17 will be another high crop year of sugar production in Pakistan. Keeping in view the historical experience, only timely decision from the government for sugar export for surplus sugar can stabilize national sugar prices and reasonable financial outcomes for the sugar sector. If such support from the government is lacking or delayed, the sugar industry of Pakistan would be facing another challenging year.

Your company is making round the clock efforts on timely completion of its 20 MW power export project at Layyah. COD is expected in the off-season and power export from the saved bagasse is expected to have a material impact on the company's profitability, which will strengthen our ability to prosper in this tough competitive environment.

RELATED PARTIES DISCLOSURE

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

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

d) International Financial Reporting Standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 have been followed in preparation of financial statements and there has been no departure there from;

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

f) The company has adopted the central depository system and the listing regulations of Pakistan Stock Exchanges. So far 144,854 shares of the company have been transferred by the shareholders to the Central Depository Company of Pakistan Karachi;

g) The company has appointed M/s CORPLINK (Pvt) Ltd, independent share Registrar in terms of section 204A of the Companies Ordinance, 1984;

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

i) Therehasbeennomaterialdeparturefromthebestpracticesofcorporategovernance,asdetailed in the listing regulations of Stock Exchange;

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

k) Therearenostatutorypaymentsagainstthecompanyonaccountof Taxes,duties,leviesandother charges except for those which are being paid in the normal course of business;

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

m) Therehavebeenfourboardmeetingsduringtheyearandattendanceofeach Directorintheboard meeting is stated under;

n) The Pattern of shareholders including additional information is annexed;

o) No Share transactions have been reported by the Directors, CFO, other Executives, Auditors, CompanySecretaryortheirspousesandminorchildernduringtheyearended30September,2016.

BOARDMEETINGS

Duringtheyearunderreview,fourboardmeetingswereheldandattendanceofeach Directorintheboard meetingwasasunder:

SR.NO.	NAMEOFTHEDIRECTORS	NO.OFMEETINGSATTENDED
1	Mr.MuhammadShamimKhan	4
2	Mrs.QaiserShamimKhan	4
3	Mr.AdnanAhmedKhan	4
4	Mr.NaumanAhmedKhan	3
5	Mrs.FarrahKhan	4
6	Mr.MuhammadKhan	4
7	Mr.MuhammadAshrafKhanDurani	4

PATTERNOFSHAREHOLDING

Thestatementofpatternofshareholdingalongwithcategoriesofshareholdingofthecompanyasnoted on September 30, 2016 required under section 236 of the Companies Ordinance, 1984 and Code of CorporateGovernanceisannexedwiththisreport.

AUDITORS

The present Auditors M/S Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have retired and being eligible, offered their services for reappointment. The Audit Committee has recommended M/S Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants for reappointment as Auditors for the year ending30September,2017.

OTHERSTATEMENTSANDREPORTS

Statement of Ethics and Business Practices, Six years summary of financial highlights, Pattern of Shareholding,StatementofcompliancewiththeCodeofCorporateGovernanceandAuditors'Reportin thisregardarealsopresented.

ACKNOWLEDGEMENT

The directors would like to record their appreciation for the efforts and devotion of all the company's employeesandhopethattheywillcontinuetheircontributionstowardstheenhancementofproductivity andwellbeingofthecompanyinthefutureaswell.

ForandonbehalfofBoardofDirectors,
TheThalIndustriesCorporationLtd.

MuhammadShamimKhan
Chairman/ChiefExecutive

Lahore: 26th December 2016

ممبران کیلئے ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2016 کو ختم ہونے والے مالی سال کے لئے 63 ویں سالانہ رپورٹ معہ تنقیح شدہ حسابات اور اس پر آڈیٹرز کی رپورٹ بخوشی پیش کر رہے ہیں۔

صنعت کا مجموعی جائزہ

بنیادی طور پر لیہ میں سیلاب کی وجہ سے گنے کی فصل رقبے کے لحاظ سے گزشتہ سال کے مقابلے میں نسبتاً کم تھی۔ تقریباً 7,000 ایکڑ اراضی ضائع ہوگئی اور گنے کی تقریباً 8,000 ایکڑ کے مزید علاقے میں فصل کی صحت اور پیداوار فی ایکڑ دونوں بری طرح متاثر ہوئی تھی۔ گزشتہ سال کرشنگ سیزن کے مقابل علاقے میں اور پنجاب بھر میں کین کرشنگ اور چینی کی پیداوار قدرے کم تھی۔ تاہم، چینی کی پیداوار قومی طلب کے مقابلے میں اب بھی زیادہ تھی اور اس وجہ سے حکومت نے بجا طور پر قیمت کے استحکام کے لئے چینی کی برآمد کی اجازت دینے کا بروقت فیصلہ کیا۔

مقامی طور پر اور بین الاقوامی مارکیٹ میں گزشتہ چار سالوں سے چینی کی کم قیمتوں کے باوجود، کرشنگ سیزن 16-2015 کے لئے پنجاب اور خیبر پختونخواہ حکومت کی طرف سے گنے کی کم سے کم قیمت -/180 روپے فی من کے برقرار رکھی گئی جبکہ سندھ حکومت نے گنے کی کم سے کم قیمت -/172 روپے فی من مقرر کردی۔

کرشنگ سیزن کے آخری 6 سے 7 ہفتوں کے دوران گنے کی خریداری کی قیمت پر مقابلہ دیکھا گیا بالخصوص جب چینی کی قیمتوں میں مثبت فوائد ظاہر ہوئے۔

کمپنی کی کارکردگی

زیرِ جائزہ سال کے دوران کمپنی نے 1,839,916 میٹرک ٹن کرشنگ کی اور 9.724 فیصد اوسط ریکوری کے ساتھ 178,912.150 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ جبکہ اس کے مقابلے میں گزشتہ سال 1,808,462 میٹرک ٹن کرشنگ کی اور 9.73 فیصد اوسط ریکوری کے ساتھ 175,909.500 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ کرشنگ میں نمایاں اضافہ گزشتہ سال BMR مکمل ہونے کی وجہ سے تھا۔ لیہ میں ہائی پریشر بوائلر کی تنصیب سے گنے کی بھاپ فیصد (Steam Percent Cane) کو بہتر بنانے میں مدد ملی ہے اور آخر کار مل یومیہ بنیاد پر گنے کے مزید عمل کو بہتر بنانے کے قابل ہوئی۔ چینی کی برآمد کا اعلان ہونے پر مقامی مارکیٹ میں چینی کی قیمت کسی حد تک مستحکم ہوئی اور کمپنی نے مقامی چینی کی مارکیٹ کی کمی کے دباؤ سے بچنے کی غرض سے چینی کے برآمدی پیکج سے زیادہ سے زیادہ فائدہ حاصل کرنے کے لئے اپنی بہترین کوشش کی۔

مالی جھلکیاں

زیرِ جائزہ مالی سال کے دوران آپ کی کمپنی نے قبل از ٹیکس منافع 666.550 ملین روپے اور بعد از ٹیکس منافع 660.182 ملین روپے حاصل کیا جبکہ گزشتہ سال قبل از ٹیکس منافع 314.724 ملین روپے اور بعد از ٹیکس منافع 261.019 ملین روپے حاصل کیا۔

منافع میں اضافہ بنیادی طور پر مقامی اور برآمد چینی کی مارکیٹ میں چینی کی قیمتوں میں بہتری کی وجہ سے اور جزوی طور پر اخراجات پر قابو پانے کی وجہ سے تھا۔ ان تمام عوامل نے کمپنی کے مجموعی منافع کی بہتری میں اہم کردار ادا کیا۔

مالیاتی نتائج درجہ ذیل ہیں

تفصیلات	سال مختتمہ 30 ستمبر 2016 (روپے ملین میں)	سال مختتمہ 30 ستمبر 2015 (روپے ملین میں)
قبل از ٹیکس منافع	666.550	314.724
ٹیکس کی ادئیگی		
موجودہ	(42.709)	(87.404)
زیرالتوا ٹیکس (Deferred)	34.535	33.699
پچھلے سال کی رودُبدل	1.806	-
بعد از ٹیکس منافع	660.182	261.019
دیگر جامع آمدنی (OCI) کا اثر	0.147	(1.796)
	660.329	259.223
مجموعی منافع جو آگے آیا	1,060.676	826.541
	1,721.005	1,085.764
تصرفات		
سال کے دوران اداشدہ منافع منقسمہ بشرح 50% (2016),7.50%(2015)	(75.116)	(11.267)
سال کے دوران اداشدہ عبوری نقد منافع منقسمہ بشرح 9.20%(2015)	-	(13.821)
مجموعی منافع جو آگے گیا	1,645.889	1,060.676
فی شیئر آمدنی	43.94	17.37

فی شیئر آمدنی:

زیر جائزہ سال کے لئے کمپنی کی فی شیئر آمدنی 43.94 روپے (2015:17.37 روپے)

منافع منقسمہ (ڈیویڈینڈ)

30 ستمبر 2016 کو ختم ہونے والے مالی سال کے لئے بورڈ نے 50 فیصد (2015:50 فیصد) نقد منافع منقسمہ کی سفارش کی ہے۔

تحقیق وترقی

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

گزشتہ سالوں کی طرح، انتظامیہ نے خزاں 2016 بوائی کے لئے سود کے بغیر قرض کی بنیاد پر گنے کے کاشتکاروں کو کھاد اور کیڑے مار ادویات کے ساتھ ساتھ اعلیٰ پیداوار اور بیماری کے خلاف مزاحمت کے حامل گنے کے بیج کی نئی بہتر اقسام فراہم کرنے کے ساتھ ساتھ ان کے کھیتوں میں ہی حیاتیاتی تجربہ گاہوں کی مدد سے بروقت مفت خدمات دینے کا فیصلہ کیا ہے تاکہ اگلے کرشنگ سیزن کے لئے گنے کے حصول میں دشواری نہ ہو۔

مستقبل کا نقطہ نظر

امید کی جاتی ہے کہ آئندسال زیر جائزہ سال کے مقابلے میں گزشتہ سال کے سیلاب کے اثرات پر قابو پانے کے لئے کسانوں کو قرض کی سہولیات میں اضافہ اور گنے کی بہتر اقسام کے متعارف ہونے کی وجہ سے آئندہ کرشنگ سیزن 17-2016 کے لئے گنے کی سپلائی زیادہ ہوگی اور گنے کی فصل اعلیٰ اور بالآخر گزشتہ سال کے مقابلے میں چینی کی پیداوار بھی زیادہ ہونے کی توقع کی جارہی ہے۔مقامی اور بین الاقوامی منڈیوں میں سرپلس چینی کی پیداوار کی امید کے باوجود حکومت نے کرشنگ سیزن 17-2016 کے لئے گنے کی کم ازکم قیمت-/180 روپے فی من کو برقرار رکھا ہے۔

یہ ذکر بہت اہم ہے کہ اس سرپلس چینی کی پیداوار کے منظر نامہ کی پیش بینی میں، چینی کی قیمتیں اگلے سال گنے کے کرشنگ سیزن کے آغاز سے پہلے ہی زوال پذیر ہونا شروع ہوگئی ہیں۔گزشتہ نتائج کو دیکھتے ہوئے یہ اشارہ ملتا ہے کہ گنے کا 17-2016 موسم پاکستان میں چینی کی پیداوار کا ایک اور اعلیٰ فصل کا سال ہوگا۔تاریخی تجربے کو ذہن میں رکھتے ہوئے، سرپلس چینی کے لئے چینی کی برآمد کے لئے حکومت کی جانب سے صرف بروقت فیصلہ ہی چینی کی قیمتوں اور مناسب مالیاتی نتائج کو مستحکم کرسکتا ہے۔اگر حکومت کی جانب سے اس طرح کی حمایت کی کمی یا تاخیر ہوئی تو، پاکستان کی چینی کی صنعت کو ایک اور مشکل سال کا سامنا درپیش ہوگا۔

کمپنی اپنے لیہ والے یونٹ میں 20 میگاواٹ بجلی کی پیداوار کے منصوبے کی بروقت تکمیل کے لئے دن رات کوشاں ہے۔کمرشل ڈیٹ آف آپریشن (COD) آف سیزن میں متوقع ہے اور محفوظ شدہ بگاس سے بجلی کی پیداوار سے کمپنی کے منافع پر واضح اثر متوقع ہے، جو اس سخت مسابقتی ماحول میں کامیاب ہونے کی ہماری صلاحیت کو مضبوط کرے گا۔

متعلقہ پارٹیوں سے تعلقات

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

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

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

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

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

d) مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور کمپنیز آرڈیننس، 1984 کی ضروریات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

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

f) کمپنی سنٹرل ڈیپازٹری سسٹم اور پاکستان اسٹاک ایکسچینج کے فہرستی قواعد وضوابط پر عمل کرتی ہے۔کیونکہ کمپنی کے 144,854 حصص سنٹرل ڈیپازٹری کمپنی کراچی، پاکستان کو حصص داران کی طرف سے منتقل کئے گئے ہیں۔

g) کمپنی نے کمپنیز آرڈیننس، 1984 کی دفعہ 204-A کی شرائط میں میسرز کارپ لنک (پرائیویٹ) لمیٹڈ کو انڈیپنڈنٹ شیئر رجسٹرار مقرر کیا ہے۔

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

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

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

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

l) کمپنی اپنے مستقل ملازمین کے لئے غیر فنڈڈ گریجوئٹی سکیم برقرار رکھتی ہے۔

m) سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے اور بورڈ کے اجلاس میں ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

n) نمونہ حصص داری بشمولہ اضافی معلومات منسلک ہیں۔

o) 30 ستمبر 2016 مختتمہ سال کے دوران ڈائریکٹرز، سی ایف او، دیگر ایگزیکٹوز، آڈیٹرز، کمپنی سیکرٹری یا ان کے زوج اور نابالغ بچوں کی طرف سے حصص کی کوئی تجارت نہیں کی گئی۔

بورڈ کے اجلاس

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

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

نمونہ حصہ داری

کمپنیز آرڈیننس، 1984 کی دفعہ 236 اور کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت درکار 30 ستمبر 2016 کو مذکورہ کے مطابق شیئر ہولڈنگ کا نمونہ بمعہ کمپنی کے شیئر ہولڈنگ کی اقسام رپورٹ ہذا کے ہمراہ منسلک ہیں۔

آڈیٹرز کی تعناتی

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس سبکدوش ہوگئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو 30 ستمبر 2017 کو ختم ہونے والے سال کے لئے بطور آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

دیگر وضاحتیں اور رپورٹس

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

اظہار تشکر/اعتراف

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

لاہور: 26 دسمبر 2016

منجانب بورڈ آف ڈائریکٹر
تھل انڈسٹریز کارپوریشن لمیٹڈ

محمد شمیم خان
چیئرمین/چیف ایگزیکٹو

Vision Statement

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

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

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

MISSION STATEMENT

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

CORPORATE STRATEGY

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

CORE VALUES

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

Statement of Ethics & Business Practices

After taking over of The Thal Industries Corporation Limited in 1998 the aim of the new management is to producequalityproductforitscustomers.Weensuretransparencyandprofessionalismateverystepof ourdealings,andlookaftertheinterestsofstakeholders.

Thestatementofthecompanyisbasedonthefollowingprinciples.

QualityofProduct:

- We would strive to produce the best quality / refined sugar for consumers.
- We would continuously update ourselves with technological advancements in sugar industry and strivetoimplementthesechangesinourcompany.
- We would maintain all relevant technical and professional standards to be compatible with requirementsoftheindustry.

Dealing with Employees:

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

ResponsibilitytoSociety/InterestedSectors:

Wehaveanimportantroletowardsoursociety,shareholders,creditorsandparticularlytothesugarcane growersandtheGovernment.Ourdealingsaretransparentwithallourcustomers/supplierssoasto meettheexpectationsofthepeoplewhodealwithus.

Wemeetallourobligationsandensuretimelycompliance.

FinancialReporting&InternalControls:

Our policies with reference to accounting, finance and corporate matters are governed by relevant corporate regulations, Companies Ordinance, 1984, and the Code of Corporate Governance. It is our responsibilitytocomplywithInternationalFinancialReportingStandards(IFRSs)asapplicableinPakistan for the preparation of financial statements with any departure therefrom being adequately disclosed.

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

PurchaseofGoods&TimelyPayment:

To ensure cost effectiveness, we only purchase goods and services that meet our specifications and are competitivelypriced.Togaugethemarketconditionsandavailabilityofsubstituteproductsorservices, we obtain quotations from various sources before finalizing our decision, so as not to hurt the confidence, reliabilityandtrustofoursuppliers.Weensuretimelypaymentsafterdeductingapplicabletaxes.

Conflict of Interest:

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

Observance to Laws of the Country:

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

ObjectivesoftheCompany:

We at The Thal Industries Corporation Limited, recognize the need of working at the highest standards to attaingreaterlevelsofperformance.Weendeavortomeettheexpectationsofallourstakeholders.

Weconductthebusinessofthecompanywithintegrityandbelieveinquality.

Weproduceandsupplygoodsandinformationwithgreatcareandcompetencetoensurethatcustomers andcreditorsreceiveservicethattheydeserve.

We respect that confidentiality of the information acquired during the course of our dealings with the interestedpartiesandrefrainfromactinginanymannerwhichdiscreditthecompany.

Six Years Summary of Financial Highlights

OPERATINGPERFORMANCE:

	2016	2015	2014	2013	2012	2011
QuantitativeData(M.T ons)						
CaneCrushed	1,839,916	1,808,462	1,814,123	1,661,939	1,668,548	1,380,805
SugarProduced	178,912	175,910	178,630	161,733	159,530	121,024
RawSugarProcessed	749.15	1,296	-	-	-	2,096
SugarProducedfromRawSugar	749.15	1,296	-	-	-	1,986
Profitability (Rs in 000)						
GrossSales	11,511,115	12,057,447	9,250,729	10,319,973	7,948,675	8,019,513
Sales(Net)	10,673,418	11,244,799	8,595,814	9,543,137	7,374,484	7,378,520
Gross Profit	1,342,155	923,407	901,403	986,981	674,490	950,816
Profit before Taxation	666,550	314,724	83,513	314,921	164,323	290,741
Profit after Taxation	660,182	261,019	62,473	204,873	106,609	183,697
FinancialPosition(Rsin000)						
TangibleFixedAssets	3,179,407	2,516,493	2,347,980	2,454,555	1,812,174	1,653,701
OtherNonCurrentAssets	44,510	465	440	1,617	3,153	3,325
	3,223,917	2,516,958	2,348,420	2,456,173	1,815,327	1,657,026
CurrentAssets	3,564,768	2,832,311	3,969,012	2,319,988	3,081,126	2,368,028
Current Liabilities	3,155,104	2,596,015	3,754,353	2,308,188	2,700,540	2,120,560
NetWorkingCapitalEmployed	409,664	236,296	214,659	11,800	380,586	247,468
CapitalEmployed	3,633,581	2,753,254	2,563,079	2,467,973	2,195,913	1,904,494
Long Term Loan & Other Liabilities	1,743,659	1,448,545	1,492,505	1,437,081	1,348,006	1,133,150
Shareholder'sEquity	1,889,921	1,304,708	1,070,574	1,030,892	847,907	771,344
RepresentedBy:						
ShareCapital	150,232	150,232	150,232	150,232	150,232	150,232
Reserve&Unappropriated						
Profit/ (Loss) Carried Forward	1,739,689	1,154,476	920,341	880,660	697,675	621,112
	1,889,921	1,304,708	1,070,574	1,030,892	847,907	771,344
Ratios						
Gross Profit Ratio (%age)	12.57	8.21	10.49	10.34	9.15	12.89
Net Profit Before Tax Ratio (%age)	6.24	2.80	0.97	3.3	2.23	3.94
DebttoEquityRatio	48:52	67:33	76:24	90:10	89:11	32.68
CurrentRatio	1.13	1.09	1.06	1.01	1.14	1.12
BreakupValueperShare(Rs.)	125.80	86.85	71.26	68.62	56.44	51.34
EarningperShare(Rs.)	43.94	17.37	4.16	13.64	7.10	12.23
Dividend(%age)	50.00	50.00	7.5	15	10	15
DividendPaid(Rsin000)	75,116	75,116	11,267	22,535	15,023	22,535

FORM-34
THE COMPANIES ORDINANCE, 1984

(Section 236(1) and 464)
PATTERN OF HOLDING OF SHARES

1. IncorporationNumber: **0000619**
2. NameoftheCompany: **THETHALINDUSTRIESCORP .LIMITED**
3. Patternofholdingoftheshareheldbytheshareholdersasat: 30/09/2016

4. Numberof Shareholders	Shareholdings		Total SharesHeld
	From	To	
505	1	100	22,165
227	101	500	59,357
108	501	1,000	79,163
87	1,001	5,000	213,578
16	5,001	10,000	111,076
3	10,001	15,000	30,320
3	15,001	20,000	58,570
1	25,001	30,000	27,600
2	30,001	35,000	62,636
7	45,001	50,000	345,608
2	50,001	55,000	106,000
2	55,001	60,000	115,500
2	60,001	65,000	124,000
1	65,001	70,000	68,000
3	75,001	80,000	236,000
3	80,001	85,000	244,700
3	90,001	95,000	283,753
5	95,001	100,000	498,550
3	100,001	105,000	306,500
4	105,001	110,000	437,300
2	115,001	120,000	239,000
1	120,001	125,000	125,000
1	130,001	135,000	135,000
1	145,001	150,000	150,000
1	150,001	155,000	150,013
1	175,001	180,000	180,000
1	180,001	185,000	182,500
1	190,001	195,000	191,807
2	195,001	200,000	398,500
2	200,001	205,000	403,069
1	205,001	210,000	209,878
1	215,001	220,000	218,500
2	225,001	230,000	455,500
1	240,001	245,000	242,000
1	250,001	255,000	254,000
1	255,001	260,000	256,694
1	265,001	270,000	267,960
1	305,001	310,000	308,000
1	365,001	370,000	367,045
1	785,001	790,000	786,480
1	1,215,001	1,220,000	1,216,060
1	4,855,001	4,860,000	4,855,850
1013			**15,023,232**

5.	Categoriesofshareholders	SharesHeld	Percentage
5.1	Directors, Chief Executive Officers, andtheirspouseandminorchildern	7,396,850	49.2361%
5.2	AssociatedCompanies, undertakingsandrelatedparties.	0	0.0000%
5.3	NITandICP	25	0.0002%
5.4	BanksDevelopment FinancialInstitutions,Non BankingFinancialInstitutions.	0	0.0000%
5.5	InsuranceCompanies	170	0.0011%
5.6	ModarabasandMutualFunds	0	0.0000%
*5.7	Shareholdersholding10%	4,855,850	32.3223%
5.8	GeneralPublic		
	a. Local	7,613,021	50.6750%
	b.Foreign	0	0.0000%
5.9	Others (to be specified)		
	Joint Stock Companies	13,166	0.0876%
	T otal	**15,023,232**	**100.0000%**

***Note:**

ThisbeingapartofitemNo.5.1therefore,itisnotcountedagainindoinggrandtotal.

Categories of Share Holders as Required Under C.C.G.
As on 30th September 2016

S.No.	NAME	HOLDING	%AGE
DIRECTORS,CEOTHEIRSPOUSES&MINORCHILDREN			
1	MR.MUHAMMADSHAMIMKHAN	4,855,850	32.3223%
2	MRS.QAISERSHAMIMKHAN	786,480	5.2351%
3	MR.ADNANAHMEDKHAN	267,960	1.7836%
4	MR.NAUMANAHMEDKHAN	1,216,060	8.0945%
5	MRS.FARRAHKHAN	55,000	0.3661%
6	MR.MUHAMMADKHAN	5,000	0.0333%
7	MR.MUHAMMADASHRAFKHANDURANI	100,500	0.6690%
8	MRS.AAMRAKHANW/OADNANAHMEDKHAN	50,000	0.3328%
9	MRS.ANIQAKHANW/ONAUMANAHMEDKHAN	50,000	0.3328%
10	RANIAKHAN(MINOR)THROUGHGARDIAN MR.ADNANAHMEDKHAN	10,000	0.0666%
		7,396,850	49.2361%
ASSOCIATEDCOMPANIES		0	0.0000%
NIT&ICP			
1	INVESTMENTCORPORATIONOFPAKISTAN	25	0.0002%
BANKS,DEVELOPMENTFINANCEINSTITUTIONS, NONBANKINGFINANCEINSTITUTIONS		0	0.0000%
INSURANCECOMPANIES			
1	ADAMJEE INSURANCE COMPANY LIMITED	170	0.0011%
MODARABA&MUTUALFUND		0	0.0000%
JOINTSTOCKCOMPANIES			
1	GHULAM RASOOL & SONS	295	0.0020%
2	SH.MOHAMMADIBRAHIMANDSONS	295	0.0020%
3	MANZOORAHMADANDSONS	63	0.0004%
4	M/S RAJPUT METAL WORKS LTD.	7,509	0.0500%
5	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000%
6	SALIM SOZER SECURITIES (PRIVATE) LTD. (CDC)	5,000	0.0333%
7	SARFARAZ MAHMOOD (PVT) LTD. (CDC)	3	0.0000%
		13,166	0.0876%
SHARESHELDBYTHEGENERALPUBLIC(Foreign)		0	0.0000%
SHARESHELDBYTHEGENERALPUBLIC(Local)		7,613,021	50.6750%
		7,613,021	50.6750%
TOTAL:		**15,023,232**	**100.0000%**

S.No.	NAME	HOLDING	%AGE
SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL			
1	MR. MUHAMMAD SHAMIM KHAN	4,855,850	32.3223%
SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL			
1	MR. MUHAMMAD SHAMIM KHAN	4,855,850	32.3223%
2	MR. NAUMAN AHMED KHAN	1,216,060	8.0945%
3	MRS. QAISER SHAMIM KHAN	786,480	5.2351%
		6,858,390	45.6519%

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

S.No.	NAME	SALE	PURCHASE
	NIL		

Statement of Compliance with the Code of
Corporate Governance for the Year Ended 30 September 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of listing regulations (rulebook) of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Mr. Muhammad Ashraf Khan Durani
Executive Directors	Mr. Muhammad Shamim Khan (CEO & Chairman) Mr. Muhammad Khan
Non-Executive Directors	Mr. Adnan Ahmed Khan Mr. Nauman Ahmed Khan Mrs. Qaiser Shamim Khan Mrs. Farrah Khan

   The independent director meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. All the resident directors of the company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. There was no casual vacancy occurred on the board during the year.

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

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

7. All the powers of the board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors have been taken by the board.

8. The meetings of the board were presided over by the Chairman and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. All the directors on the board are well conversant with their duties and responsibilities. Six directors are exempt from directors training program in view of their fourteen years of education and fifteen years of experience on the board of a listed company and one director has completed directors' training program of ICAP duly approved by SECP.

10. None appointment of CFO, company secretary and head of internal audit were made during the year.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG. The company's management has developed evaluation criteria for carrying out performance evaluation of its members&chairman.Thecriteriahasbeenapprovedbytheboardofdirectorson30September2016.

15. Theboardhasformedan AuditCommittee.Itcomprisesofthreemembersofwhomtwoarenon-executive directorsandthechairmanofthecommitteeisanindependentdirector.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final resultsofthecompanyandasrequiredbytheCCG.Thetermsofreferenceofthecommitteehavebeenformed andadvisedtothecommitteeforcompliance.

17. TheBoardhasformedaHumanResourceandRemuneration(HR&R)Committeeasrequiredunder CCG.It comprisesthreemembers,ofwhomonememberisexecutivedirector,onememberisnonexecutivedirector andchairmanofthecommitteeisanindependentdirector.

18. The board has set up an effective internal audit function which is considered suitably qualified and experienced forthepurposeandisconversantwiththepoliciesandproceduresofthecompany.

19. Allrelatedpartytransactionsenteredduringtheyearwereatarm'slengthbasisandthesehavebeenplaced beforetheauditcommitteeandboardofdirectors.Thesetransactionsarealreadyreviewedandapprovedby theauditcommitteeandboardofdirectorsalongwithpricingmethod.

20. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with InternationalFederationofAccountants(IFAC)guidelinesoncodeofethicsasadoptedbytheICAP.

21. Thestatutoryauditorsorthepersonsassociatedwiththemhavenotbeenappointedtoprovideotherservices except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelinesinthisregard.

22. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employeesandstockexchange.

23. Material/price sensitive information has been disseminated among all market participants at once through stockexchange.

24. The company has started the process to comply with the requirements notified by PSX vide letter dated September 19, 2016 relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintain proper record including basis for inclusionorexclusionofnamesofpersonsfromthesaidlist.

25. We confirm that all other material principles enshrined in the CCG have been complied with except for the matter stated in paragraph 24 towards which reasonable progress is being made by the company to seek compliancewithinnextaccountingyear.

ForandonbehalfofBoardofDirectors,
TheThalIndustriesCorporationLtd.



MuhammadShamimKhan
Chairman/ChiefExecutive

Lahore: 26 December 2016

Review Report to the Members

On Statement of Compliance With Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the code) prepared by the Board of Directors of **The Thal Industries Corporation Limited** for the year ended 30 September 2016 to comply with the requirements of Listing Regulations of the Pakistan Stock Exchange, where the company is listed.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 September 2016.

Further we highlight instance of non-compliance with the requirements of the code as reflected in statement of compliance in paragraph 24 regarding register of persons having access to inside information.



Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: A. Rahman Mir

LAHORE: DECEMBER 26, 2016

Auditor's Report to the Members

We have audited the annexed balance sheet of **The Thal Industries Corporation Limited** as at 30 September 2016 and the related profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that–

a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

b) in our opinion –

   i) the balance sheet and profit & loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 September 2016 and of the profit, total comprehensive income, its cash flows & changes in equity for the year then ended; and

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

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: A. Rahman Mir

LAHORE: DECEMBER 26, 2016

Balance Sheet
As At 30 September 2016

	Note	2016 Rupees	2015 Rupees
EQUITY&LIABILITIES			
ShareCapitalandReserves			
Sharecapital	3	150,232,320	150,232,320
Revenuereserves	4	93,800,000	93,800,000
Accumulated profit		1,645,889,094	1,060,676,077
		1,889,921,414	1,304,708,397
NonCurrentLiabilities			
Long term finance	5	884,641,139	561,970,786
Liabilities against assets subject to finance lease	6	7,517,935	10,366,443
Loans from directors	7	574,800,000	574,800,000
Deferredliabilities	8	276,700,267	301,408,059
		1,743,659,341	1,448,545,288
CurrentLiabilities			
Tradeandotherpayables	9	469,460,605	283,229,563
Financecostpayable	10	139,459,088	77,458,455
Shorttermborrowings-secured	11	1,767,921,046	1,508,479,052
Advancesfromdirectors	12	375,300,000	383,300,000
Currentportionoflongtermliabilities	13	333,563,071	229,453,007
Provisionfortaxation		69,400,368	114,095,088
		3,155,104,178	2,596,015,165
ContingenciesandCommitments	14		
		6,788,684,933	5,349,268,850

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

CHIEFEXECUTIVE

	Note	2016 Rupees	2015 Rupees
PROPERTY AND ASSETS			
Non Current Assets			
Property, plant & equipment	15	3,179,407,334	2,516,493,361
Long term deposits		464,500	464,500
Long term advances	16	44,045,112	10,000,000
		3,223,916,946	2,526,957,861
Current Assets			
Stores, spare parts and loose tools	17	423,426,940	371,107,200
Stock-in-trade	18	1,508,711,664	1,253,863,481
Trade debts	19	625,127,111	302,753,242
Loans and advances	20	452,539,177	289,168,017
Trade deposits, prepayments and other receivables	21	40,221,850	100,046,316
Taxes recoverable / adjustable	22	456,167,384	472,496,044
Cash and bank balances	23	58,573,861	32,876,689
		3,564,767,987	2,822,310,989
		6,788,684,933	5,349,268,850

DIRECTOR

Profit and Loss Account
For the year ended 30 September 2016

	Note	2016 Rupees	2015 Rupees
Sales-net	24	10,673,417,774	11,244,798,613
Costofsales	25	(9,331,263,134)	(10,321,391,296)
Gross profit		1,342,154,640	923,407,317
Operatingexpenses			
Distributionandsellingexpenses	26	(99,640,880)	(110,097,187)
Administrativeexpenses	27	(293,455,476)	(240,515,398)
		(393,096,356)	(350,612,585)
Operating profit		949,058,284	572,794,732
Otherincome	28	94,614,313	185,844,011
		1,043,672,597	758,638,743
Financecost	29	(321,373,800)	(425,142,131)
Notionalinterestexpenseonlongtermadvances		(10,954,888)	-
Otherexpenses	30	(44,793,936)	(18,772,728)
		(377,122,624)	(443,914,859)
Profit before taxation		666,549,973	314,723,884
Taxation	31	(6,367,773)	(53,704,502)
Profit after taxation		660,182,200	261,019,382
Earningspershare-basicanddiluted	32	43.94	17.37

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

CHIEFEXECUTIVE

DIRECTOR

Statement of Comprehensive Income
For the year ended 30 September 2016

	2016 Rupees	2015 Rupees
Profit after tax	660,182,200	261,019,382
OtherComprehensiveIncome-NetofT ax		
Items that will be reclassified to profit or loss	-	-
Items that will never be reclassified to profit or loss:		
Remeasurement of staff gratuity gain / (loss)	226,118	(2,762,999)
Relatedimpactondeferredtax	(79,141)	967,050
	146,977	(1,795,949)
Totalcomprehensiveincomefortheyear	660,329,177	259,223,433

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

CHIEFEXECUTIVE

DIRECTOR

Cash Flow Statement

For the year ended 30 September 2016

	Note	2016 Rupees	2015 Rupees
CASHFLOWFROMOPERATINGACTIVITIES			
Profit before taxation		666,549,973	314,723,884
Adjustment for:			
-Depreciation		252,040,350	220,896,318
-Provisionforgratuity		20,208,929	21,713,968
-Provisionagainstdoubtfuladvances		-	2,889,911
- Gain on disposal of fixed assets		(642,083)	(230,516)
-Financecost		321,373,800	425,142,131
-Notionalinterestexpenseonlongtermadvances		10,954,888	-
- Workers' profit participation fund		36,114,940	16,674,831
-Workerswelfarefund		8,678,996	2,097,897
		648,729,820	689,184,540
Operating cash flows before changes in working capital		1,315,279,793	1,003,908,424
Changesinworkingcapital	33	(551,310,128)	713,299,107
Cashgeneratedfromoperations		763,969,665	1,717,207,531
Gratuitypaid		(10,234,315)	(4,968,269)
Financecostpaid		(256,340,860)	(482,738,591)
Workers' profit participation fund paid		(19,703,497)	(4,738,629)
WorkersWelfarefundpaid		(2,022,697)	(664,703)
Incometaxpaid		(85,597,922)	(54,607,574)
NETCASHFLOWFROM/(USEDIN)OPERATINGACTIVITIES		390,070,374	1,169,489,765
CASHFLOWFROMINVESTINGACTIVITIES			
Fixedcapitalexpenditure		(904,565,303)	(367,129,531)
Long term deposits		-	(25,000)
Long term advances		(45,000,000)	(10,000,000)
Proceeds from disposal of fixed assets		1,282,563	697,137
NETCASHUSEDININVESTINGACTIVITIES		(948,282,740)	(376,457,394)
CASHFLOWFROMFINANCINGACTIVITIES			
Long term finance		427,745,710	(24,537,082)
Lease and security deposit payments		(14,843,301)	(12,219,531)
Shorttermborrowings-net		259,441,994	(1,295,633,225)
Advancesfromdirectors		(8,000,000)	357,300,000
Dividendpaid		(80,434,865)	(15,974,089)
NETCASHFLOWFROM/(USEDIN)FINANCINGACTIVITIES		583,909,538	(991,063,927)
NETINCREASE/(DECREASE)INCASHAND CASHEQUIVALENTS		25,697,172	(198,031,556)
CASHANDCASHEQUIVALENTSATTHE BEGINNINGOFTHEYEAR		32,876,689	230,908,245
CASHANDCASHEQUIVALENTSATTHEEND OFTHEYEAR	23	58,573,861	32,876,689

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

CHIEFEXECUTIVE

DIRECTOR

Statement of Changes in Equity
For the year ended 30 September 2016

PARTICULARS	SHARE CAPITAL	GENERAL RESERVES	ACCUMULATED PROFIT	TOTAL
	RUPEES			
Balance as on 01 October 2014	150,232,320	93,800,000	826,541,441	1,070,573,761
Cash dividend @ 7.50% i.e. Re. 0.75 per share for the year ended 30 September 2014	-	-	(11,267,424)	(11,267,424)
Interim cash dividend @ 9.20% i.e. Re. 0.92 per share declared during the year	-	-	(13,821,373)	(13,821,373)
Total comprehensive income for the year	-	-	259,223,433	259,223,433
Balance as on 30 September 2015	150,232,320	93,800,000	1,060,676,077	1,304,708,397
Cash dividend @ 50.00% i.e. Re. 5.00 per share for the year ended 30 September 2015	-	-	(75,116,160)	(75,116,160)
Total comprehensive income for the year	-	-	660,329,177	660,329,177
Balance as on 30 September 2016	150,232,320	93,800,000	1,645,889,094	1,889,921,414

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

CHIEF EXECUTIVE

DIRECTOR

Notes to the Financial Statements
For the year ended 30 September 2016

1. STATUS AND ACTIVITIES

The Thal Industries Corporation Limited (Company) is a public limited company incorporated in Pakistan on 07th September 1953 under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange. Its registered office is situated at 23-Pir Khurshid Colony, Gulgasht, Multan. The Company is principally engaged in production and sale of refined sugar and its by-products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board as are notified under the provisions of the Companies Ordinance, 1984 and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 shall prevail.

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

a) Standards and interpretations to existing standards that are effective but not relevant to the Company:

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

- IFRS 7 - “Financial instruements: Disclosures” (amendments)
- IFRS 10 - “Consolidated Financial statements” (amendments)
- IFRS 11 - “Joint Arrangements” (amendments)
- IFRS 12 - “Disclosure of Interests in Other Entities” (amendments)
- IFRS 13 - “Fair Value Measurements” (amendments)
- IAS 27 - “Separate financial statements” (amendments)
- IAS 28 - “Investment in associates” (amendments)

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

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

- IFRS 1 - “First time adoption of International Financial Reporting Standards” (amendments applicable for annual periods beginning on or after January 01, 2018) - Not notified by SECP.

- IFRS 2 - “Share based payment” (amendments applicable for annual periods beginning on or after January 01, 2018)

- IFRS 4 - “Insurance Contracts” (amendments applicable for annual periods beginning on or after January 01, 2018)
- IFRS 5 - “Non-Current Assets held for sale and Discontinued Operations” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IFRS 7 - “Financial Instruments: Disclosures” (amendments applicable for annual periods beginning on or after January 01, 2015, January 01, 2016).
- IFRS 9 - “Financial Instruments: Classification and Measurement” (applicable for annual periods beginning on or after January 01, 2018) - Not notified by SECP
- IFRS 10 - “Consolidated Financial Statements” - (amendments applicable for annual periods beginning on or after January 01, 2016).
- IFRS 11 - “Joint Arrangements” - (amendments applicable for annual periods beginning on or after January 01, 2016).
- IFRS 12 - “Disclosure of Interests in Other Entities” - (amendments applicable for annual periods beginning on or after January 01, 2016 & January 01,2017).
- IFRS 14 - “Regulatory Deferral Accounts” - (applicable for annual periods beginning on or after January 01, 2016)-Not notified by SECP.
- IFRS 15 - “Revenue from Contracts with Customers” - (applicable for annual periods beginning on or after January 01, 2018)-Not notified by SECP.
- IFRS 16 - “Leases” - (applicable for annual periods beginning on or after January 01, 2017 & 01 January 2018)-Not notified by SECP.
- IAS 1 - “Presentation of financial statements” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 7 - “Statement of Cash Flows” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 12 - “Income Taxes” (amendments applicable for annual periods beginning on or after January 01, 2017).
- IAS 16 - “Property, Plant and Equipment” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 19 “Employee Benefits” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 27 - “Separate financial statements” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 28 - “Investments in Associates and Joint Ventures” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 34 - “Interim Financial Reporting” (amendments applicable for annual periods beginning on or after January 01, 2016).

- IAS 38 - "Intangible Assets" (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 39 - "Financial Instruments: Recognition and Measurement" (amendments applicable for annual periods beginning on or after January 01, 2018).
- IAS 40 - "Investment Property" (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 41 - "Agriculture" (amendments applicable for annual periods beginning on or after January 01, 2016).
- IFRIC -22 "Foregin currency transactions and advance considerations (applicable for annual periods beginning on or after 01 January 2018)

2.3 Accountingconvention

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

2.4 Useofestimatesandjudgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. Theestimatesandassociatedassumptionsarebasedonhistoricalexperience andvariousotherfactorsthatarebelievedtobereasonableunderthecircumstances,the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from theseestimates.

Theestimatesandunderlyingassumptionsarereviewedonanongoingbasis.Revisionsto accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

- Staff retirement benefits	(note 2.5 & 8.1)
- Provisions	(note2.6)
- Deferredtaxation	(note2.7&8.2)
- Contingencies	(note14)
- Usefullifeofdepreciableassets	(note2.9&15.1)

2.5 Staff retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all permanent employees of the Company who have completed minimum qualifying period. Provisions are made annually to cover the obligation and charged to income currently,

based on actuarial valuation by using the projected unit credit method. Actuarial gains and losses are recognised immediately in other comprehensive income and past service cost is recognized immediately to the profit and loss account. Interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability / asset is also directly charged to profit and loss account.

2.6 Provisions

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

2.7 Taxation

Current

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

Deferred

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

2.8 Foreign currency transactions

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

2.9 Property, plant & equipment and depreciation

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

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

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

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

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

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

2.10 Capital work in progress

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

2.11 Borrowing Costs

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

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

2.12 Accounting for finance lease

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

2.13 Ijarah

Ujrah payments under Ijarah agreements are recognized as an expense in the income statement on straight-line basis over the Ijarah term.

2.14 Stores, spares and loose tools

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

2.15 Stock-in-trade

Thesearevaluedapplyingthefollowingbasis:

Workinprocess	Atcost
Finished goods	At lower of cost and net realizable value
Molasses	At net realizable value

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

2.16 Revenuerecognition

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

2.17 Dividend

Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividend is approved.

2.18 FinancialInstruments

InitialRecognition

Financial assets and financial liabilities are recognized when entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognised on a trade date basis.

InitialMeasurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate,oninitialrecognition.Transactioncostsdirectlyattributabletotheacquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financialassets

The Company's financial assets are classified into following categories:

- Financial assets at fair value through profit or loss ("FVTPL").
- Loans and receivables.
- Held-to-maturityinvestments.
- Available-for-sale financial assets.

Company's financial statements include long term deposits, trade debts, loans & advances, tradedeposits&otherreceivablesandcashandbankbalances.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are subcategorized as:

- Financialassetsheldfortrading.
- Financial assets designated as at FVTPL on initial recognition.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable paymentsthatarenotquotedinanactivemarket.

At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses.

Held-to-maturityinvestments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Company's management has the positive intention and abilitytoholdtomaturity.

Ateachbalancesheetdatesubsequenttoinitialrecognition,held-to-maturityinvestments are measured at amortised cost using the effective interest method, less any identified impairmentlosses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments. Inadditiontoequityinvestments,theCompanymayalsodesignatecertaindebtsecurities as available-for-sale financial assets.

At each balance sheet date subsequent to initial recognition, available-for-sale financial assetsaremeasuredatfairvalue.Changesinfairvaluearerecognisedinequity,untilthe financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit orloss.

Foravailable-for-saleequityinvestmentsthatdonothaveaquotedmarketpriceinanactive marketandwhosefairvaluecannotbereliablymeasuredandderivativesthatarelinkedtoand mustbesettledbydeliveryofsuchunquotedequityinstruments,theyaremeasuredatcostless any identified impairment losses at each balance sheet date subsequent to initial recognition.

Financialliabilities

Financial liabilities and equity instruments issued by Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liabilityandanequityinstrument.

Company's financial liabilities include loans from directors', long term finance, trade and other payables, finance cost payable, short term borrowings and advances from directors.

The Company's financial liabilities are generally classified into:
- financial liabilities at FVTPL and
- other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL has two subcategories:
- financial liabilities held for trading and
- those designated as at FVTPL on initial recognition.

At each balance sheet date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

If Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises acollateralisedborrowingfortheproceedsreceived.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial assetandofallocatinginterestincomeovertherelevantperiod.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL, of which interest income is included in net gains or losses.

The effective interest method applied to financial liability is of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate,ashorterperiod.

Interest expense is recognised on an effective interest basis other than those financial liabilities designated as at FVTPL, of which the interest expense is included in net gains or losses.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial asset, such as trade debts, assets that are assessed not tobeimpairedindividuallyaresubsequentlyassessedforimpairmentonacollectivebasis. Objective evidence of impairment for a portfolio of receivables could include Company's pastexperienceofcollectingpayments,anincreaseinthenumberofdelayedpaymentsin theportfoliopasttheaveragecreditperiodof30days,observablechangesinnationalor localeconomicconditionsthatcorrelatewithdefaultonreceivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when the company has a legally enforceable right to set off the recognized asset and liability or intend either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

2.19 Cash and cash equivalents

Cash and cash equivalents include cash, cheques in hand and balances with banks on current and deposit accounts.

2.20 Related parties transactions

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

2.21 Impairment

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

2.22 Presentation

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

3. SHARECAPITAL

2016 (Numberofshares)	2015		Note	2016 Rupees	2015 Rupees
AuthorizedCapital:					
20,000,000	20,000,000	OrdinarysharesofRs.10/-each		200,000,000	200,000,000
Issued,subscribedandpaidupcapital:					
8,368,846	8,368,846	OrdinarysharesofRs.10/-each fullypaidincash		83,688,460	83,688,460
142,770	142,770	OrdinarysharesofRs.10/-each issuedasfullypaidforconsideration otherwisethancash		1,427,700	1,427,700
6,511,616	6,511,616	OrdinarysharesofRs.10/-each issuedasbonusshares		65,116,160	65,116,160
15,023,232	15,023,232			150,232,320	150,232,320

4. REVENUERESERVES

Generalreserves		93,800,000	93,800,000

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

5. LONGTERMFINANCE-SECURED

Frombankingcompanies:			
Openingbalance		779,155,418	803,692,500
Obtainedduringtheyear		628,190,154	184,488,751
		1,407,345,572	988,181,251
Paidduringtheyear		(200,444,444)	(209,025,833)
	5.1	1,206,901,128	779,155,418
Less: current portion		(322,259,989)	(217,184,632)
		884,641,139	561,970,786

5.1 Demand finance / Diminishing musharaka facilities of Rs. 1,300 million (2015: Rs. 1,000 million) and term finance facilities of Rs. 600 million (2015: 700 million) have been obtained from various banking companies. These loans are secured against first pari passu / hypothecation charge of Rs. 2,535 million over all present and future fixed assets of the Company,personalguaranteesofdirectorsoftheCompanyandsubordinationofdirectors' loan.Thefacilitiesarebeingrepaidinquarterly/biannuallyinstalmentsbeginningfrom18 September2012andendingon22September2022.Thesecarrymarkup@3to6month KIBOR+0.75%to1.25%(2015:3to6monthKIBOR+0.75%to1.25%)p.a.

	2016 Rupees	2015 Rupees
6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED		
Opening balance	26,803,668	14,002,049
Obtained during the year	11,029,500	22,746,500
Payments during the year	(13,740,351)	(9,944,881)
	24,092,817	26,803,668
Less: security deposits adjustable on expiry of lease term	(5,271,800)	(4,168,850)
	18,821,017	22,634,818
Less: current portion grouped under current liabilities	(11,303,082)	(12,268,375)
	7,517,935	10,366,443

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

	30 September 2016		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	12,322,851	(1,019,769)	11,303,082
Later than one year but not later than five years	7,967,840	(449,905)	7,517,935
	20,290,691	(1,469,674)	18,821,017

	30 September 2015		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	13,739,407	(1,471,032)	12,268,375
Later than one year but not later than five years	11,110,908	(744,465)	10,366,443
	24,850,315	(2,215,497)	22,634,818

6.2 The Company has a finance lease agreement of Rs. 65 million for vehicles with Bank Al-Habib Limited. Rentals are payable in 12 quarterly installments commencing from September 2013 and ending on September 2019. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a. (2015: 3 months KIBOR + 1.00% to 1.25%). The lease is secured by way of vehicle registered in the name of Bank Al-Habib Limited with 10% of vehicle value held as security.

6.3 The Company intends to exercise its option to purchase the leased assets upon the maturity of lease term. Taxes, repairs and insurance cost is to be borne by the Company. In case of termination of the agreement, the Company has to pay the entire rentals for the unexpired period for the lease agreement.

	Note	2016 Rupees	2015 Rupees
7. LOANS FROM DIRECTORS-UNSECURED			
	7.1	574,800,000	574,800,000

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

8. DEFERRED LIABILITIES

Staff gratuity (as determined in Actuarial valuation)	8.1	77,020,363	67,271,867
Deferred taxation	8.2	199,679,904	234,136,192
		276,700,267	301,408,059

8.1 Staff gratuity

The Company operates a non-funded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. Actuarial valuation of the gratuity is undertaken at appropriate regular intervals and the latest valuation was carried out at 30 September 2016, using the "Projected Unit Credit Method". The relevant information in the actuarial report is given in the following sub notes. The amount recognized in balance sheet represents the present value of the defined benefit obligation as on 30 September 2016 according to the amended IAS-19 "Employees Benefits".

Present value of defined benefit liability as at beginning of the year	67,271,867	47,763,169
Cost chargeable to profit and loss account during the year	20,208,929	21,713,968
Cost chargeable to other comprehensive income	(226,118)	2,762,999
Benefit paid during the year	(10,234,315)	(4,968,269)
Net defined benefit liability as at end of the year	77,020,363	67,271,867
Present value of defined benefit obligations	76,117,409	66,514,713
Benefits due but not paid	902,954	757,154
Defined benefit liability as at 30 September	77,020,363	67,271,867

	Note	2016 Rupees	2015 Rupees
Reconciliation of defined benefit obligation is as follows:			
Present value of defined benefit obligations (PVDBO)atthebeginningoftheyear		66,514,713	46,108,038
- Benefits due but not paid as at beginning of the year		757,154	1,655,131
-Currentservicecostfortheyear		14,536,399	15,874,310
-Interestcostfortheyear		5,672,530	5,839,658
- Benefits paid during the year		(10,234,315)	(4,968,269)
- Benefits due but not paid as at end of the year		(902,954)	(757,154)
-Actuarial(gains)/lossesfromchangesin demographicassumptions		-	-
- Actuarial (gains) / losses due to experience adjustments		(226,118)	2,762,999
Present value of defined benefit obligations at theendoftheyear		76,117,409	66,514,713
Amount charged to profit and loss account duringtheyear:			
-Currentservicecostfortheyear		14,536,399	15,874,310
-Interestcostfortheyear		5,672,530	5,839,658
Expense charged to profit and loss account		20,208,929	21,713,968
Expense is recognized as below:			
Costofsales	25	14,678,820	15,387,599
Administrativeexpenses	27	5,530,109	6,326,369
		20,208,929	21,713,968
Amountchargedtoothercomprehensive incomeduringtheyear:			
Re-measurementofplanobligation:			
-Actuarial(gains)/lossesfromchangesin demographicassumptions		-	-
- Experience adjustments		(226,118)	2,762,999
Totalre-measurementschargedtoother comprehensiveincome		(226,118)	2,762,999

	2016	2015
	Gratuity perannum	Gratuity perannum
Assumptions used for valuation of the defined benefit obligatioaren as under:		
Discountrate	9.00%	9.25%
Expectedrateofincreaseinsalaryinfutureyears	8.00%	8.25%
Mortality rates	SLIC (2001-05)	SLIC (2001-05)
Averageexpectedremainingworkinglifetimeofemployees	11Years	12Years

	2016 Rupees	2015 Rupees
Year end Sensitivity Analysis on defined benefit obligation:		
Discountrate+100bps	68,842,961	60,038,905
Discountrate-100bps	84,519,288	74,014,057
Futuresalaryincrease+100bps	84,519,288	74,014,057
Futuresalarydecrease-100bps	68,716,536	59,926,789

8.2 DeferredT axation

Deferredtaxliabilityarisinginrespectof depreciationofownedassets	322,554,459	315,363,452
Deferredtaxliabilityarisinginrespectofassets subject to finance lease	3,855,127	3,178,237
	326,409,586	318,541,689
Deductible temporary differences:		
Deferredtaxassetsarisinginrespectof employees benefits	(23,106,109)	(23,545,153)
DeferredtaxassetonMinimumtaxu/s113 adjustable against future tax liability	(103,623,573)	(60,860,344)
	(126,729,682)	(84,405,497)
Deferredtaxliabilityason30September	199,679,904	234,136,192

	Note	2016 Rupees	2015 Rupees
9. TRADE AND OTHER PAYABLES			
Creditors		147,899,634	105,305,890
Accrued liabilities		50,576,298	35,011,883
Advances from customers	9.1	183,163,078	98,874,437
Income tax deducted at source		1,309,070	697,096
Sales tax payable		29,509,901	7,118,977
Unpresented dividend warrants		11,563,598	16,882,303
Workers' profit participation fund	9.2	36,707,172	17,263,422
Workers welfare fund payable		8,731,854	2,075,555
		469,460,605	283,229,563

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

Naubahar Bottling Co. (Pvt) Ltd	-	73,907,878

The maximum aggregate balance due to the above company at the end of any month during the year was Rs. 492,430,644/- (refer note 19.1).

9.2 Workers' profit participation fund

Opening balance	17,263,422	5,017,834
Interest for the year	3,032,307	309,386
	20,295,729	5,327,220
Less payments made:		
To workers	19,703,497	4,738,629
To Government	-	-
	19,703,497	4,738,629
	592,232	588,591
Share of the Company's profit for the year	36,114,940	16,674,831
	36,707,172	17,263,422

9.2.1 The Company retains the workers' profit participation fund for the business operations till the date of allocation to the workers. Interest is being paid at the rate of 37.50% (2015: 12.00%) p.a. as prescribed under the Act on fund utilized by the Company till the date of allocation to the workers.

10. FINANCE COST PAYABLE

Short term borrowings - secured	15,328,262	10,711,523
Long term borrowings - secured	46,406,370	23,062,132
Loans from directors	77,724,456	43,684,800
	139,459,088	77,458,455

	Note	2016 Rupees	2015 Rupees

11. SHORTTERMBORROWINGS-SECURED

FROMBANKINGCOMPANIES

	Sanctioned Limits(Rs.inmillions) 2016	2015	Note	2016 Rupees	2015 Rupees
Running finance	915	775	11.1	402,940,648	486,479,011
Cash finance	7,260	5,860	11.2	1,364,980,398	1,022,000,041
				1,767,921,046	1,508,479,052

11.1 Theseloanshavebeenobtainedfromvariousbankstomeettheworkingcapitalrequirements and are secured against first pari passu hypothecation / registered ranking charge over current assets of the Company and personal guarantees of directors. These are subject to markupattherateof1yearKIBORminus1.00%&1to3monthKIBOR+0.75to1.00% (2015:1yearKIBORminus1.00%&1to3monthKIBOR+0.75to1.50%)p.a.Thelimits willexpireonvariousdatesby31March2017butarerenewable.

11.2 Theseloanshavebeenobtainedfromvariousbankstomeettheworkingcapitalrequirements and are secured against pledge over sugar bags of equivalent value with 10% to 25% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to3monthsKIBORplus0.25%to1.00%(2015:1to3monthsKIBORplus0.75%to1.00%) p.a.Thelimitswillexpireonvariousdatesby30April2017butarerenewable.

	Note	2016 Rupees	2015 Rupees

12. ADVANCESFROMDIRECTORS

		375,300,000	383,300,000

AdvancesfromDirectorsareunsecuredandareinterestfree.Thesearepayableondemand.

13. CURRENTPORTIONOFLONGTERMLIABILITIES

Long term finance	5	322,259,989	217,184,632
Liabilities against assets subject to finance lease	6	11,303,082	12,268,375
		333,563,071	229,453,007

	Note	2016 Rupees	2015 Rupees
14. CONTINGENCIES AND COMMITMENTS			
Contingencies			
Various claims against the Company not acknowledged as debt which are pending in the Court for decision		1,568,000	1,568,000
Sales tax on molasses	14.1	1,217,508	1,217,508
Income tax cases	14.2	11,955,520	11,955,520
Additional tax u/s 87 of Income Tax Ordinance, 1979	14.3	4,500,353	4,500,353
Bank guarantees	14.4	231,084,153	344,155,053
		250,325,534	363,396,434
Commitments			
Contracts for capital expenditure		21,783,747	71,950,885
Letters of credit for capital expenditure		46,981,631	327,403,134
Letters of credit for other than capital expenditure		13,027,088	35,321,702
		81,792,466	434,675,721

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

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

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

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

14.4 One bank guarantee of Rs. 218.737 million was issued by bank for advance against sales of Sugar. Two bank guarantees of Rs. 11.505 million were issued by Bank Al Habib Ltd to Alternative Energy Development Bora dagainst power generation licensing. These guarantees will expire on various dates upto 20 August 2017.

Bank guarantee of Rs. 841,653/- was issued by Bank Al-Habib Ltd main branch Lahore in favour of Collector of Sales Tax Multan, liabilities against this guarantee was fully discharged by the Company. The Company requested the Sales Tax Collector for release of captioned Bank Gurantee which is still pending for decision with the Appellate Tribunal at Lahore.

15. PROPERTY, PLANT AND EQUIPMENT			
Operating tangible assets	15.1	2,967,583,810	2,482,514,983
Capital work in progress - Tangible Assets	15.2	190,530,551	33,978,378
Capital work in progress - Intangible Assets	15.3	21,292,973	-
		3,179,407,334	2,516,493,361

15.1 Operating fixed assets

	Freehold land	Buildingson freehold land	Plantand machinery	T ools, implements and other factory equipments	Computer andother office equipments	Electric installation	V ehicles	T otal
	RUPEES							
OWNEDASSETS								
COST								
Balanceasat01October2014	299,545,283	574,519,816	2,791,382,013	96,160,564	33,943,733	49,252,805	62,657,305	3,907,461,519
Additionsduringtheyear	11,158,800	59,856,600	252,975,679	16,856,476	2,353,765	1,200,000	3,140,886	347,542,206
Disposals	-	-	-	-	(547,137)	(300,000)	-	(847,137)
Balanceasat30September2015	310,704,083	634,376,416	3,044,357,692	113,017,040	35,750,361	50,152,805	65,798,191	4,254,156,588
*Additionsduringtheyear	34,843,910	29,755,535	637,290,603	4,847,872	6,806,562	316,423	12,784,252	726,645,157
Disposals	-	-	(1,158,500)	-	-	-	(1,492,500)	(2,651,000)
Transferred from Leased Assets	-	-	-	-	-	-	7,427,000	7,427,000
Balanceasat30September2016	345,547,993	664,131,951	3,680,489,795	117,864,912	42,556,923	50,469,228	84,516,943	4,985,577,745
DEPRECIATION								
Balanceasat01October2014	-	241,751,927	1,228,971,208	43,592,202	17,501,296	18,355,918	39,657,193	1,589,829,744
Chargefortheyear	-	34,721,749	161,271,740	7,167,141	2,597,606	3,086,846	5,062,790	213,907,872
Depreciationondisposals	-	-	-	-	(232,065)	(148,451)	-	(380,516)
Balanceasat30September2015	-	276,473,676	1,390,242,948	50,759,343	19,866,837	21,294,313	44,719,983	1,803,357,100
Chargefortheyear	-	36,245,165	188,362,791	7,189,987	3,224,507	2,909,490	6,699,103	244,631,043
Depreciationondisposals	-	-	(649,647)	-	-	-	(1,360,873)	(2,010,520)
Transferred from Leased Assets	-	-	-	-	-	-	3,687,753	3,687,753
Balanceasat30September2016	-	312,718,841	1,577,956,092	57,949,330	23,091,344	24,203,803	53,745,966	2,049,665,376
LEASEDASSETS								
COST								
Balanceasat01October2014	-	-	-	-	-	-	19,741,500	19,741,500
Additionsduringtheyear	-	-	-	-	-	-	22,746,500	22,746,500
Disposals	-	-	-	-	-	-	-	-
Balanceasat30September2015	-	-	-	-	-	-	42,488,000	42,488,000
Additionsduringtheyear	-	-	-	-	-	-	11,104,500	11,104,500
Disposals	-	-	-	-	-	-	-	-
TransferredtoOwnedAssets	-	-	-	-	-	-	(7,427,000)	(7,427,000)
Balanceasat30September2016	-	-	-	-	-	-	46,165,500	46,165,500
DEPRECIATION								
Balanceasat01October2014	-	-	-	-	-	-	3,784,059	3,784,059
Chargefortheyear	-	-	-	-	-	-	6,988,446	6,988,446
Depreciationondisposals	-	-	-	-	-	-	-	-
Balanceasat30September2015	-	-	-	-	-	-	10,772,505	10,772,505
Chargefortheyear	-	-	-	-	-	-	7,409,307	7,409,307
Depreciationondisposals	-	-	-	-	-	-	-	-
TransferredtoOwnedAssets	-	-	-	-	-	-	(3,687,753)	(3,687,753)
Balanceasat30September2016	-	-	-	-	-	-	14,494,059	14,494,059
Written down value as at 30September2015	310,704,083	357,902,740	1,654,114,744	62,257,697	15,883,524	28,858,492	52,793,703	2,482,514,983
Written down value as at 30September2016	345,547,993	351,413,110	2,102,533,703	59,915,582	19,465,579	26,265,425	62,442,418	2,967,583,810
Rateofdepreciation(%)	-	10	10	10-15	10-30	10	20	

Depreciation charged has been allocated as follows:

	Note	2016			2015		
		Owned Assets	Leased Assets	Total	Owned Assets	Leased Assets	Total
		----Rupees---			----Rupees---		
Costofgoodsmanufactured	25.1	238,533,837	-	238,533,837	207,914,326	-	207,914,326
Administrativeexpenses	27	6,097,206	7,409,307	13,506,513	5,993,546	6,988,446	12,981,992
Total		244,631,043	7,409,307	252,040,350	213,907,872	6,988,446	220,896,318

*ThetitledocumentsofthelandofRs.4.2millionacquiredduringtheyeararetheprocessofbeingregisteredinthename ofthecompany.

15.1.1 Detail of disposal of operating fixed assets

Disposalsmadeduringtheyeararesummarisedasbelow:

2016						
Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Soldto	Modeof Disposal
	----------Rupees----------					
Plant&Machinery						
Juice Heater	1,158,500	649,647	508,853	650,000	M/s Almoiz Industries Limited	Negotiation
Vehicles						
Double Cabin Dala	500,000	398,055	101,945	407,563	Mr. Abdullah Sajjad	Negotiation
ToyotaCorolla	992,500	962,818	29,682	225,000	Mr.MuhammadZahid	
	2,651,000	2,010,520	640,480	1,282,563		

*Proceedsondisposalaretakennetofsalestax.

	Note	2016 Rupees	2015 Rupees
15.2 Capital work in progress			
Plantandmachinery		180,505,780	25,047,172
Factorybuildings		10,024,771	547,465
Otherbuildings		-	8,383,741
		190,530,551	33,978,378
15.3 CapitalWorkinProgress-IntangibleAssets			
Inangibleassets		21,292,973	-
		21,292,973	-
16. LONGTERMADVANCES			
Long term Advances - face value		55,000,000	10,000,000
Unamortisednotionalinterest		(10,954,888)	-
		44,045,112	10,000,000

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

	Note	2016 Rupees	2015 Rupees
17. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		255,329,000	234,162,206
Spareparts		163,253,566	132,554,122
Loose tools		4,844,374	4,390,872
		423,426,940	371,107,200

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

	Note	2016 Rupees	2015 Rupees
18. STOCK IN TRADE			
Work in process		5,620,905	5,683,095
Finished goods:			
-Sugar	18.1	1,482,129,927	1,245,052,503
-Molasses		20,960,832	3,127,883
		1,503,090,759	1,248,180,386
		1,508,711,664	1,253,863,481

18.1 It includes pledged stocks of Rs. 1,403,558,058/- (2015: Rs. 1,155,482,628/-) against borrowings from various financial institutions.

	Note	2016 Rupees	2015 Rupees
19. TRADE DEBTS			
Unsecured and considered good by the management	19.1	625,127,111	302,753,242

19.1 This includes amount due from associated undertaking as follows:

Naubahar Bottling Co. (Pvt) Ltd		24,732,806	-
The aging of receivable balance is as follows:			
Not past due		24,732,806	-

	Note	2016 Rupees	2015 Rupees
20. LOANS AND ADVANCES - unsecured, interest free and considered good			
-Growers	20.1	141,012,965	126,284,732
-Suppliers	20.2	310,067,644	159,667,319
-Employees	20.3	1,458,568	1,289,353
-Others	20.4	-	1,926,613
		452,539,177	289,168,017

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

20.2	Advances to suppliers	312,957,555	162,557,230
	Provision against doubtful advances	20.2.1 (2,889,911)	(2,889,911)
		310,067,644	159,667,319
20.2.1	Opening balance of provision	2,889,911	-
	Add: provided during the year	-	2,889,911
	Less: reversal during the year	-	-
	Closing balance of provision	2,889,911	2,889,911

20.3 These advances are given to employees against their salaries and do not include any advance to Chief Executive and Directors. Amount due from executives is Rs. 96,919/- (2015: Rs. 39,897/-) at the year end.

	Note	2016 Rupees	2015 Rupees
21. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Margin against bank guarantees		84,216	84,216
Letters of credit		28,097,257	76,423,068
Prepayments		4,254,800	4,001,061
Current portion of ijarah key money		396,500	396,500
Other receivables	21.1	7,389,077	19,141,471
		40,221,850	100,046,316

21.1 This includes an amount of Rs. 2,907,400/- (2015: Rs. 15,944,934/-) receivable from Almoiz Industries Limited, an associated company.

The maximum aggregate balance due from the above company at the end of any month during the year was Rs. 42,449,171/- (2015: 18,513,174).

	2016 Rupees	2015 Rupees
22. TAXESRECOVERABLE/ADJUSTABLE		
Advanceincometax	441,862,265	459,585,396
Salestax-input	8,407,729	7,013,258
Floodsurcharge	5,897,390	5,897,390
	456,167,384	472,496,044
23. CASHANDBANKBALANCES		
Cashandchequesinhand	806,488	393,182
Cashwithbanks:		
-Currentaccounts	52,347,179	22,919,026
-Depositaccounts	5,420,194	9,564,481
	57,767,373	32,483,507
	58,573,861	32,876,689
24. SALES-NET		
Local sales:		
Sugar	10,449,582,056	10,367,320,493
ByProducts:		
Molasses	585,320,948	639,518,521
Pressmud	2,924,000	2,794,002
Bagasse	38,534,363	18,978,290
Electricity	141,969,886	67,669,110
	11,218,331,253	11,096,280,416
Exportsales:		
Sugar	292,783,428	961,166,149
	11,511,114,681	12,057,446,565
Less: Sales Tax / Special Excise Duty		
Sugar	(767,791,095)	(768,062,250)
Molasses	(43,211,843)	(31,562,029)
Pressmud	(466,856)	(433,880)
Bagasse	(5,599,010)	(2,757,530)
Electricity	(20,628,103)	(9,832,263)
	(837,696,907)	(812,647,952)
	10,673,417,774	11,244,798,613

	Note	2016 Rupees	2015 Rupees
25. COST OF SALES			
Finished goods - opening		1,248,180,386	2,329,251,957
Add: cost of goods manufactured	25.1	9,586,173,507	9,240,319,725
		10,834,353,893	11,569,571,682
Finished goods - closing		(1,503,090,759)	(1,248,180,386)
		9,331,263,134	10,321,391,296
25.1 Cost of goods manufactured:			
Work in process - opening		5,683,095	6,042,876
Raw material consumed	25.1.1	8,545,451,704	8,232,439,588
Cost of Refined Sugar Purchased		46,924,593	49,368,641
Salaries, wages and other benefits	25.1.2	297,971,965	255,324,094
Fuel and power		37,974,862	44,039,254
Stores, spare parts and loose tools		149,899,150	178,557,297
Repairs and maintenance		251,338,935	256,029,057
Insurance		2,557,587	2,189,478
Depreciation	15.1	238,533,837	207,914,326
Vehicles running		10,421,110	9,535,435
Miscellaneous		5,037,574	4,562,774
		9,591,794,412	9,246,002,820
Work in process - closing		(5,620,905)	(5,683,095)
		9,586,173,507	9,240,319,725
25.1.1 Raw material consumed			
Sugarcane purchases		8,438,467,457	8,132,237,534
Cane procurement and other expenses		106,984,247	100,202,054
		8,545,451,704	8,232,439,588

25.1.2 Salaries, wages and other benefits include Rs. 14,678,820 (2015: Rs. 15,387,599/-) in respect of gratuity (Refer note 8.1).

26. DISTRIBUTION AND SELLING EXPENSES		
Salaries, wages and other benefits	8,472,959	6,893,660
Freight outward	54,319,987	68,289,861
Godown expenses	26,261,814	24,656,853
Insurance	4,010,089	4,205,954
Commission on sale of sugar	6,576,031	6,050,859
	99,640,880	110,097,187

	Note	2016 Rupees	2015 Rupees
27. ADMINISTRATIVEEXPENSES			
Directors'remuneration		4,080,000	4,080,000
Salaries and other benefits	27.1	199,241,914	162,814,191
Rent,ratesandtaxes		11,603,586	6,123,313
Travellingandconveyance	27.2	4,228,237	3,057,965
Foreigntravelling		813,985	1,555,107
Feesandsubscriptions		5,199,761	5,144,992
Repairandmaintenance		8,717,325	4,295,905
Vehiclesrunning		14,785,394	13,856,032
Postageandtelephone		3,840,949	2,419,231
Printingandstationery		1,576,429	1,845,766
Legal and professional		3,231,614	2,596,368
Auditors'remuneration	27.3	1,284,419	1,289,979
Ijarah rentals		-	199,654
Depreciation	15.1	13,506,513	12,981,992
Donations		189,581	1,950,416
Provisionagainstdoubtfuladvances	20.2.1	-	2,889,911
Miscellaneous		21,155,769	13,414,576
		293,455,476	240,515,398

27.1 Salaries and other benefits include Rs. 5,530,109 (2015: Rs. 6,326,369/-) in respect of gratuity.(Refernote8.1)

27.2 Auditors'travellingexpensesamountingto Rs.27,500(2015:Rs.25,000/-)areincludedin travellingexpenses.

27.3 Auditors'remuneration:

	2016 Rupees	2015 Rupees
Auditfees	1,000,000	1,000,000
IncomeTaxconsultationservices	284,419	289,979
	1,284,419	1,289,979

	Note	2016 Rupees	2015 Rupees
28. OTHERINCOME			
FinancialAssets			
Profit on deposit accounts		362,760	613,261
Others			
(Loss) / Gain on sale of stores		(46,116)	675,753
Gain on disposal of fixed assets		642,083	230,516
Saleofscrap		4,297,670	12,881,296
Gainonagricultureinputstogrowers		15,098,931	8,115,352
Rentalincome		415,226	255,000
Subsidyonexportofsugar		71,224,000	159,430,000
Miscellaneous		2,619,759	3,642,833
		94,614,313	185,844,011
29. FINANCECOST			
Interest/mark-upon:			
-Shorttermborrowings		207,991,037	302,408,201
- Lease finance		1,759,787	2,236,759
- Loans from directors		40,465,920	43,684,800
- Long term finance		64,076,909	71,001,854
		314,293,653	419,331,614
Interest on workers' profit participation fund	9.2	3,032,307	309,386
Bankchargesandcommission		4,047,840	5,501,131
		321,373,800	425,142,131
30. OTHEREXPENSES			
Workers' profit participation fund	9.2	36,114,940	16,674,831
Workers'welfarefund-current	9	8,731,854	2,075,555
-prior		(52,858)	22,342
		44,793,936	18,772,728

		Note	2016 Rupees	2015 Rupees
31. TAXATION				
	Current	31.1	42,708,851	87,403,571
	Prioryear		(1,805,649)	-
	Deferred	31.3	(34,535,429)	(33,699,069)
			6,367,773	53,704,502
31.1	Income Tax Liability		106,954,341	112,701,138
	Less: Tax Credits u/s (65B)	31.1.1	(64,245,490)	(25,297,567)
			42,708,851	87,403,571

31.1.1 During the year the company has invested Rs. 642,454,898/- (2015: Rs. 252,975,679/-) in the purchase of plant and machinery, for the purpose of balancing, modernization and replacement (BMR) in terms of section 65-B of the Income Tax Ordinance, 2001. The provision for the taxation has been reduced by taking tax credit under the said section.

Provision for the current year has been made at the current tax rate after taking into account tax rebates and tax credits available. The income tax assessments of the Company have been finalized up to tax year 2016 except for assessment year 1992-93, 1993-94, 2001-02, 2002-03 and 2003-04 which are under appeal (Refer note 14 for detail).

31.2 Tax charge reconciliation for the current and previous year is not prepared as the Company is charged to minimum tax, and relationship between income tax expense and accounting profit is not meaningful.

31.3 Deferred

	Note	2016 Rupees	2015 Rupees
Closing deferred tax liability	8.2	199,679,904	234,136,192
Opening deferred tax liability	8.2	(234,136,192)	(268,802,311)
Deferred tax (income)/expense		(34,456,288)	(34,666,119)
Deferred tax attributable to other comprehensive income		(79,141)	967,050
Deferred tax attributable to profit and loss		(34,535,429)	(33,699,069)

32. EARNINGS PER SHARE - BASIC AND DILUTED

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

	2016 Rupees	2015 Rupees
Profit after tax	660,182,200	261,019,382
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings per share	43.94	17.37

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

	2016 Rupees	2015 Rupees
33. CHANGES IN WORKING CAPITAL		
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(52,319,740)	(46,630,578)
Stock-in-trade	(254,848,183)	1,081,431,352
Trade debts	(322,373,869)	66,006,060
Loans and advances	(163,371,160)	(51,036,352)
Trade deposits, prepayments and other receivables	59,824,466	(40,715,566)
Taxes recoverable / adjustable	16,328,660	(63,275,256)
Increase/(decrease) in current liabilities:		
Trade and other payables	165,449,698	(232,480,553)
	(551,310,128)	713,299,107

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2016				2015			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	RUPEES							
Managerial remuneration	2,040,000	2,040,000	64,674,550	68,754,550	2,040,000	2,040,000	54,303,931	58,383,931
Utilities			1,273,336	1,273,336	-	-	1,120,228	1,120,228
Bonus			7,086,872	7,086,872	-	-	2,654,276	2,654,276
Total	2,040,000	2,040,000	73,034,758	77,114,758	2,040,000	2,040,000	58,078,435	62,158,435
Number of Persons	1	1	42	44	1	1	41	43

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

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

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

35. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Amounts due from and due to related parties are shown in note 7, 9, 10, 12, 19, 20 and 21. Finance cost paid to directors and remuneration of the key management personnel is disclosed in note 29 & 34 respectively. Other significant transactions with related parties is as follows:

Relationship	Transaction	2016 Rupees	2015 Rupees
Associated undertakings	-Sale of goods	1,404,199,459	2,092,595,273
	-Expenses paid of associate	-	192,268
	-Purchase of goods	52,328,920	2,200,445

The Company continues to have a policy whereby all transactions with related parties and associated undertakings are priced at comparable uncontrolled market price.

Key management personnel:

Advances received from/(returned to) directors during the year	(8,000,000)	357,300,000
Mark up on loans from directors	40,465,920	43,684,800
Advances to executives	848,492	552,075

36. FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

36.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted and arises principally from trade receivables. Out of the total financial assets of Rs. 737,538,945/- (2015: Rs. 367,183,021/-), the financial assets which are subject to credit risk amounted to Rs.736,732,457/- (2015: Rs.366,789,839/-).

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

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

Some of the major customer accounts for Rs. 370,173,298/- of the trade receivables carrying amount at 30 September 2016 (2015: Rs.236,621,350/-) that have a good track record with the Company.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposuretocreditriskatthereportingdateis:

	2016 Rupees	2015 Rupees
Long term deposits	464,500	464,500
Long term advances	44,045,112	10,000,000
Tradedebts	625,127,111	302,753,242
Loan & advances	1,458,568	1,466,403
Tradedepositsandotherreceivables	7,869,793	19,622,187
Bankbalances	57,767,373	32,483,507
	736,732,457	366,789,839

Allthetradedebtorsatthebalancesheetdaterepresentdomesticparties.

Theagingoftradereceivableatthereportingdateis:

Notpastdue	400,081,349	193,762,074
Pastdue1-30days	125,025,417	60,550,646
Pastdue30-150days	100,020,345	48,440,522
Pastdue150days	-	-
	625,127,111	302,753,242

Intheopinionofthemanagementnoprovisionisnecessaryforpastduetradedebtsastheseare consideredgoodbasedonpaymenthistory.

36.2 Liquidityrisk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they falldue.Thecompany'sapproachtomanageliquidityistoensureasfaraspossibletoalwayshave sufficient liquidity to meet its liabilities when due. The company is not materially exposed to liquidity riskassubstantiallyallobligations/commitmentsofthecompanyareshortterminnatureandare restricted to the extent of available liquidity. In addition, the company has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquiditycommitments.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	2016					
	Carrying amount	Contractual Cash flows	Six Months or less	Six to twelve months	One to two years	Two to five years
	Rupees					
FinancialLiabilities:						
Loans from directors	574,800,000	574,800,000	-	-	-	574,800,000
Long term finance	1,206,901,128	1,398,468,890	177,610,387	213,449,543	407,897,427	599,511,533
Liabilities against assets subject to finance lease	18,821,017	20,290,691	6,168,467	6,154,384	6,071,344	1,896,496
Tradeandotherpayables	210,039,530	210,039,530	-	210,039,530	-	-
Financecostpayable	139,459,088	139,459,088	139,459,088	-	-	-
Shorttermborrowings	1,767,921,046	1,767,921,046	-	1,767,921,046	-	-
Advancesfromdirectors	375,300,000	375,300,000	-	375,300,000	-	-
	4,293,241,809	4,486,279,245	323,237,942	2,572,864,503	413,968,771	1,176,208,029

	2015					
	Carrying amount	Contractual Cash flows	Six Months or less	Six to twelve months	One to two years	Two to five years
	Rupees					
FinancialLiabilities:						
Loans from directors	574,800,000	574,800,000	-	-	-	574,800,000
Long term finance	779,155,418	928,626,493	142,819,258	149,709,406	259,829,939	376,267,890
Liabilities against assets subject to finance lease	22,634,818	24,850,315	6,869,704	6,869,704	8,694,149	2,416,759
Tradeandotherpayables	157,200,076	157,200,076	-	157,200,076	-	-
Financecostpayable	77,458,455	77,458,455	77,458,455	-	-	-
Shorttermborrowings	1,508,479,052	1,508,479,052	-	1,508,479,052	-	-
Advancesfromdirectors	383,300,000	383,300,000	-	383,300,000	-	-
	3,503,027,819	3,654,714,391	227,147,416	2,205,558,238	268,524,088	953,484,649

36.3 Marketrisk

Marketriskistheriskthatchangesinmarketprice,suchasforeignexchangerates,interestratesand equity prices will effect the Company's income or the value of its holdings of financial instruments.

36.3.1Currencyrisk

Currency risk is the risk that fair value or future cash flows of a financial instrument, will fluctuate becauseofchangesinforeignexchangerates.Foreigncurrencyriskarisesmainlywherereceivables and payables exist due to foreign currency transactions. The company is not significantly exposed tocurrencyrisk.

36.3.2Interestraterisk

At the reporting date the interest rate profile of the Company's significant interest bearing financial instrumentswasasfollows:

	2016	2015	2016	2015
	Effective rate		Carryingamount	
	(inPercent)		(Rupees)	
Financialliabilities				
Fixedrateinstruments	-	-	-	-
Variablerateinstruments				
Long term finances	6.75 to 7.85	7.31 to 12.17	1,206,901,128	779,155,418
Liabilities against assets subject to finance lease	7.27 to 7.08	7.00 to 9.60	18,821,017	22,634,818
Loans from directors	7.04%	7.60%	574,800,000	574,800,000
Shorttermborrowings	6.50to7.50	7.36to11.93	1,767,921,046	1,508,479,052

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

Achangeof100basispointsininterestratesatthereportingdatewouldhavedecreased/(increased) profit for the year by the amounts shown below. This analysis assumes that all other variables remainconstant.Theanalysisisperformedonsamebasisfor2015.

	Increase/ decrease in %	Effect on profit before tax (Rupees)
As at 30 September 2016		
Cash flow sensitivity-Variable rate financial liabilities	1%	35,684,432
As at 30 September 2015		
Cash flow sensitivity-Variable rate financial liabilities	1%	28,850,693

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

36.3.3 Other price risk

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

36.4 Fair value of financial instruments

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

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs.

As at 30 September 2016 the net fair value of all financial instruments has been based on the valuation methodology outlined below:

Long term deposits

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

Non current liabilities

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

Other financial instruments

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

36.5 Financialinstrumentbycategories

FinancialAssets	Loans&receivables	
	2016	2015
	Rupees	
Long term deposits	464,500	464,500
Long term advances	44,045,112	10,000,000
Tradedebts	625,127,111	302,753,242
Loan & advances	1,458,568	1,466,403
Tradedepositsandotherreceivables	7,869,793	19,622,187
CashandBankbalances	58,573,861	32,876,689
	737,538,945	367,183,021

Financial Liabilities	Atamortisedcost	
	2016	2015
	Rupees	
Loans from directors	574,800,000	574,800,000
Long term finance	1,206,901,128	779,155,418
Liabilities against assets subject to finance lease	18,821,017	22,634,818
Tradeandotherpayables	210,039,530	157,200,076
Financecostpayable	139,459,088	77,458,455
Shorttermborrowings	1,767,921,046	1,508,479,052
Advancesfromdirectors	375,300,000	383,300,000
	4,293,241,809	3,503,027,819

37. Operatingsegments

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

a) Revenuefromsaleofsugaranditsby-productsrepresents100%(2015:100%)ofthesaleof thecompany.

b) 97.50%(2015:91.50%)ofthesalefortheyearofthecompanyismadetocustomerslocated inPakistanand2.50%(2015:8.50%)ofthesalefortheyearismadetocustomerslocated outsidePakistan.

c) Allnon-currentassetsofthecompanyasat30September2016arelocatedinPakistan.

d) Saletothefollowingcustomersaccountsformorethan10%ofthesalesofthecompany:

	2016		2015	
	Rs.	Percentage	Rs.	Percentage
Naubahar Bottling Co. (Pvt) Ltd	1,376,626,000	13%	2,055,034,200	18%

38. CAPITAL RISK MANAGEMENT

The company's objectives for managing capital are:

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

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

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

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

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

During 2016, the company's strategy, which was unchanged from 2015, was to maintain the net debt-to-equity ratio in the range 2.50 to 4.00 times, in order to secure access to finance at a reasonable cost.

	2016 Rupees	2015 Rupees
The net debt-to-equity ratio as at 30 September 2016 and at 30 September 2015 are as follows:		
Total debts	3,943,743,191	3,268,369,288
Less: cash and cash equivalents	(58,573,861)	(32,876,689)
Net debt	3,885,169,330	3,235,492,599
Total equity	1,889,921,414	1,304,708,397
Net debt-to-equity (Times)	2.06	2.48

The decrease in debt-to-equity ratio during 2016 resulted from proportionate decrease in dependance on borrowings with respect to increase in equity.

39. PLANTCAPACITYANDACTUALPRODUCTION

			2016	2015
Designedcrushingcapacity:				
- Layyah Sugar Mills	Old Plant	Metric Tons/day	4,000	3,300
- Layyah Sugar Mills	New Plant	Metric Tons/day	7,500	7,500
- Safina Sugar Mills	Old Plant	Metric Tons/day	8,000	7,000
Capacityonthebasisofoperatingdays		MetricTons	2,086,500	1,966,900
Actualcrushing		MetricTons	1,839,916	1,808,462
Percentageofcapacityattained		%	88.18	91.94
Sugarproductionfromcane		MetricTons	178,912	175,910
Recoveryofsugarcane		%	9.72	9.73

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

40. NUMBEROFEMPLOYEES

Numberofemployeesasat30September2016were557(2015:635).

Averagenumberofemployeesduringtheyearwere565(2015:740).

41. NON-CASHFINANCINGACTIVITIES

Duringtheyear,theCompanyacquiredproperty,plantandequipmentamountingtoRs.11,029,500/- (2015: Rs. 22,746,500/-) by means of finance lease.

42. RECOVERABLEAMOUNTSANDIMPAIRMENT

Asatthereportingdate,recoverableamountsofallassets/cashgeneratingunitsareequaltoor exceed their carrying amounts, unless stated otherwise in these financial statements.

43. DIVIDEND

Theboardofdirectorshaveproposedcashdividendfortheyearended30September2016of Rs. 5.00/- (2015: Rs.5.00) per share i.e. 50% (2015: 50%) amounting to Rs. 75,116,160/- (2015:Rs.75,116,160/-)attheirmeetingheldon26December2016forapprovalofthemembers at Annual General Meeting to be held on 28 January 2017.

44. DATEOFAUTHORIZATIONOFISSUE

These financial statements were authorized for issue on 26 December 2016 by the Board of Directors ofthecompany.

CHIEFEXECUTIVE **DIRECTOR**

Proxy Form

No.ofShares

FolioNo./CDCParticipantID

I/We _____

of_____

Being member of THE THAL INDUSTRIES CORPORATION LIMITED hereby appoint

Mr./Miss/Mrs._____

offailinghim/her_____

beingamemberofthecompanyamy/ourproxytoattend,actandvoteforme/usandonmy/usandonmy/orbehalf, atthe63rdAnnualGeneralMeetingofthecompanytobeheldat23-PirKhurshidColony,Gulgasht,Multanon 28 January 2017 at 4:30 p.m. and every adjournment thereof:

Aswitnessmyhandthis_____dayof_____2017

Signedbythesaid_____of_____

1.Witness'sSignature
Name:_____
CNICNo._____
Address:_____

Member'sSignature

2.Witness'sSignature
Name:_____
CNICNo._____
Address:_____

RevenueStamp
Rs.5/-

Date_____

Place_____

Notes:_____

1. This form of proxy, in order to be effected must be deposited duly completed at the registered office 23-PirKhurshidColony,Gulgasht,Multan, notlessthan48hoursbeforethetimeforholdingthemeeting.

2. AProxymustbeamemberofthecompany.

3. Signatureshouldagreewiththespecimenregisteredwiththecompany.

4. CDC shareholder's entitled to attend and vote at this meeting must bring with them their Computerized NationalIdentityCard/passportinoriginaltoprovidehis/heridentity.

دی تھل انڈسٹریز کارپوریشن لمیٹڈ

مختار نامہ

میں/ہم----------کا / کے----------

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

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

اور سب اکاؤنٹ ذیلی کھاتہ نمبر----------

محترم/محترمہ----------

کو اپنے/ہمارے ایماء پر----------مورخہ 28 جنوری 2017، بروز ہفتہ بوقت 04:30----------

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

آج بروز----------بتاریخ----------2017ء کو دستخط کیے گئے۔

گواہان

-1

دستخط:----------

نام:----------

پتہ:----------

کمپیوٹرائزڈ شناختی کارڈ نمبر:----------

پانچ روپے کے رسید ٹکٹ پر دستخط

-2

دستخط:----------

نام:----------

پتہ:----------

کمپیوٹرائزڈ شناختی کارڈ نمبر:----------

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

نوٹ:

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

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

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

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

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

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

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

THALINDUSTRIES
CORPORATION

If undelivered, please return to:

THE THAL INDUSTRIES CORPORA TION LIMITED

Registered Office: 23-Pir Khurshid Colony Gulgasht Multan.
Ph:061-6524621-6524675
Fax:061-6524675

Lahore Office: 2-D-1 Gulberg-III, Lahore–54600
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MAKHDOOMS 35965469