PROGRESS & CARE

THALINDUSTRIES
CORPORATION



ANNUAL REPORT 2018

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Company Information

BOARDOFDIRECTORS

CHAIRPERSON

Mrs.QaiserShamimKhan

CHIEFEXECUTIVE

Mr.MuhammadShamimKhan

MANAGINGDIRECTOR

Mr.NaumanAhmedKhan

DIRECTORS

Mr.MuhammadShamimKhan	(Director)
Mrs.QaiserShamimKhan	(Director)
Mr.AdnanAhmedKhan	(Director)
Mr.NaumanAhmedKhan	(Director)
Mr.MuhammadKhan	(Director)
Mr.MuhammadAshrafKhanDurani	(IndependentDirector)
Mr.RabNawaz	(IndependentDirector)

AUDITCOMMITTEE

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

HUMANRESOURCE& REMUNERATION COMMITTEE

Mr.RabNawaz	(Chairman/Member)
Mr.AdnanAhmedKhan	(Member)
Mr.MuhammadKhan	(Member)

CHIEFFINANCIALOFFICER

Mr. Hafiz Muhammad Arif

COMPANYSECRETARY

Mr.WasifMahmood

AUDITORS

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

LEGALADVISOR

Mr.ShehzadAtaElahi,Advocate
Ch.AltafHussainAdvocate

BANKERS

Albaraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited

	Meezan Bank Limited NationalBankofPakistan 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	Unit 1: Layyah Sugar Mills, Layyah Tel:0606-411981-4,0606-410014 Fax:0606-411284 Unit 2: Safina Sugar Mills, Lalian District Chinniot. Tel:047-6610011-6 Fax:047-6610010
WEBSITE	www.thalindustries.com

Notice of Annual General Meeting

Notice is hereby given that the 65th Annual General Meeting of the Shareholders of The Thal Industries Corporation Limited will be held on Saturday, the 26th January, 2019 at 4.00 p.m. at Head Office 2-D/1, Gulberg III, Lahore to transact the following business:

ORDINARY BUSINESS:

1. Confirmation of the minutes of the 64th Annual General Meeting of the Thal Industries Corporation Limited held on 22-01-2018.

2. To receive, consider and adopt Annual Audited Accounts along with Balance Sheet for the year ended 30th September 2018 together with Auditors' and Directors' reports thereon.

3. To appoint Auditors for the year ending 30th September, 2019 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 30-09-2019.

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

BY ORDER OF THE BOARD

WASIF MAHMOOD
Company Secretary

Lahore: 26th December 2018

Note:

1. Closure of Shares Transfer Books:

Share Transfer Books of the Company will remain closed from 20-01-2019 to 26-01-2019 (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 19th January, 2019 will be treated in time for the entitlement of payout of cash dividend (if any).

2. Participation in the Annual General Meeting

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

Copies of Memorandum and Articles of Association of the Company, Listing Regulations of the Stock Exchanges, Companies Act 2017 and other relevant laws/record may be inspected during the business hours on any working day at 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):

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

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

It is further being informed that pursuant to the provisions of Finance Act, 2017 the rate of deduction of income tax under section 150 of the Income Tax Ordinance 2001 from dividend payment have been revised as: for filers of Income Tax return 15.00% and Non-filers of Income Tax return 20.00% respectively. You are therefore advised to check and ensure your Filer status from Active Tax Payer List (ATL) available to FBR, website www.fbr.gov.pk as well as ensure that your CNIC/ Passport number has been recorded by your Participant/Investor Account Services (in case your shareholding is in book entry form) or by Company's Share Registrar M/s. Corplink (Pvt.) Ltd. (in case of physical shareholding).

7. Payment of Dividend Electronically

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

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

1. Name of Shareholder's_____
2. Father's/Husband's Name;_____
3. Folio Number;_____
4. Postal Address;_____
5. Name of Bank;_____
6. Name of Branch;_____
7. Address of Branch;_____
8. Title of Bank Account;_____
9. Bank Account Number (Complete with code);_____

10. IBANNumber(Completewithcode);_____
11. CellNumber;_____
12. TelephoneNumber(ifany);_____
13. CNICNumber(attachcopy);_____
14. NTN(incaseofcorporateentity,attachcopy);_____

IBANnumber(InternationalBankAccountNumber)willbeprovidedbyyourbanker,containingalpha, numberandwithoutanyspaceandgap.

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

8. AuditedFinancialStatementsthroughe-mail(Optional)

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

9. VideoConferencingFacility:

If the Company receives consent from members holding aggregate 10% or more shareholding, residing ingeographicallocationtoparticipateinthemeetingthroughvideoconferenceatleast7dayspriorto thedateofAGM,theCompanywillarrangevideoconferencefacilityinthatcitysubjecttoavailabilityof suchfacilityinthatcity.

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

I/We, _____ of _____, being a member of The Thal Industries Corporation Limited, holder of _____ ordinary share(s) as per Registered Folio/CDC Account/ SubAccountNo._____herebyoptforvideoconferencefacilityat_____.

10. ZakatDeclarations(CZ-50)

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/-each) under Zakat and Ushar Laws and will be deposited within the prescribed period with the relevant authority, Please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 &Rule4ofZakat(Deduction&Refund)Rules,1981CZ-50form,incaseyouwanttoclaimexemption, with your brokers or the Central Depository Company Ltd(In case the shares held in Investor Accounts Services on the CDC) or to our Registrars, M/s. Corplink (Pvt.) Limited 1-K, Commercial Model Town, Lahore (In case the shares are held in paper certificate form). The shareholders while sending the Zakat Declarations,asthecasemaybemustquotecompanynameandrespectivefolionumbers.

Director's Report to the Members

The Directors of your Company are pleased to present the 65th Annual Report together with Audited Accounts and Auditor's Report thereon for the Financial Year ended 30th September 2018.

INDUSTRY OVERVIEW

Last year's per acre yield of cane crop was much healthy and above average. Despite expectation of surplus sugar production in the local and international markets, the sugarcane minimum price was again maintained by the Punjab Government at Rs.180/- per mound for the crushing season 2017-18, whereas the Sindh Government notified the cane price at Rs. 182/- per mound later on reduced to Rs 160/- per mound consequent to sugar mills writ in Honorable Sind High Court.

At the start of season, Federal Government had announced an export subsidy of maximum Rs. 10.70 per Kg with a sliding scale linked to sugar prices in the international market. This facility was eventually extended to all 2 Million Tons of surplus sugar being carried over from 2016-17. However, the new season brought its own surplus and the timing of the general elections proved to be very unfortunate for the sugar industry as no further decisions could be notified with regard to the new surplus. The additional surplus produced in season 2017-18, which was over a million tons, thereby remained in the country and kept sugar prices testing minimum levels all year. Resultantly, it was very difficult for the industry to maintain its financial position.

To bail out the sugar industry, Sindh Government had also approved in its provincial cabinet meeting an additional cash freight support of Rs.9.30/kg on export of sugar allowed by the federal government. This relief was restricted to export of 20,000 tons of sugar for each mills located in the province. Even though your company could not benefit from this, the decision of the Sindh government must be appreciated as it provided the necessary relief which was needed to bridge the gap between actual cost of sugar production in Pakistan and international prices at the time.

PERFORMANCE OF THE COMPANY

Your company was able to crush 2,697,755 M. Tons sugarcane and produced 260,788.300 M. Tons white refined sugar at an average recovery of 9.672% during the current year as compared to last year's sugarcane crushing of 2,869,699 M. Tons and production of 279,307.850 M. Tons white refined sugar at an average recovery of 9.736%. The reason for low production in the current year was that mainly farmer yields and recovery were slightly lower than the previous year. Company was able to achieve its target of COD (Commercial Operation Date) in the start of December for 20 MW Power Project at its Layyah plant, which is a milestone to be proud of.

FINANCIAL HIGHLIGHTS

Due to higher sugarcane cost and sharp decrease in sugar & molasses prices Company earned pretax loss of Rs. (153.140) million and after tax loss of Rs. (160.451) million as compared to last year's pretax profit of Rs. 941.522 million and after tax of Rs. 708.395 million. Moreover, sugar sale rate fixed by FBR for sales tax purposes was higher by Rs. 15/- to 20/- per kg than the actual market price which had adversely affected our profitability in the current year.

Net sales were recorded at Rs. 14,104.443 million during the year as compared to Rs. 14,918.562 million against the corresponding period of last year. Net sales declined by 5% mainly due to lower sales volume and low sugar prices in local & international market.

The period under review can be considered as the worst period in the history of sugar industry when high sugar cane cost, bumper crop, stocks carry over and lowest sugar prices in local and International market. Under these adverse circumstances for sugar industry, where industry projected heavy losses, our Company has minimized losses due to sale of electricity to Central Power Purchasing Agency (Guarantee) Ltd (CPPAGL) from newly completed power project under policy of upfront tariff.

Efforts of everyone associated with the company must be appreciated for extracting value from investment of past few years at a time when the company needed it most.

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

	2018 (Rupees in Million)	2017
Pre - Tax (Loss)/Profit	(153.140)	941.522
Provision for Taxation		
-Current	(33.019)	(102.184)
-Deferred	191.606	(130.943)
-Prior Year	(165.898)	-
(Loss)/Profit after Taxation	(160.451)	708.395
Effect of OCI	(4.367)	(0.505)
	(164.818)	707.890
Accumulated Profit brought forward	2,089.701	1,645.889
	1,924.883	2,353.779
APPROPRIATIONS		
Final Cash Dividend paid during the year @ 100% (2017: 50%)	(150.232)	(75.116)
Interim Dividend paid during the year @88.86% (2017: 125.78%)	(133.126)	(188.962)
Accumulated profit carried forward	1,641.525	2,089.701
Earnings/(loss) per share (Rs.)	(10.68)	47.15

EARNING PER SHARE:

The earning per share of the company for the year under review stood at Rs.(10.68) (2017: Rs.47.15).

DIVIDEND

Your Board has recommended Nil (2017: 100%) final cash dividend for the financial year that ended 30, September 2018.

RESEARCHANDDEVELOPMENT

Agricultural R&D is an integral part of the Company's policy which entails identification and multiplication of promisingnewsugarcanevarietiesandtheirsubsequentcommercialsowingthroughprogressivegrowers withbestagriculturalpractices.Thisnotonlyincreasesperacreyieldofsugarcanebutalsoenhances growersearningandcreatesmoreenthusiasmforsowingsugarcanecomparedtocompetingcrops.It alsoincreasesthesugarcanesupplytotheCompanyandboostsoverallsugarrecovery,directlyimproving thebottomlineofthecompany.

Like previous years, your management has decided to provide new improved varieties of sugarcane seed withhighyield/recoveryanddisease/frostresistancealongwithfertilizersandpesticidestocanegrowers onmarkupfreecreditbasisforAutumnsowing2018,aswellasfreeofcosttimelyservicesofbiological laboratory at their door step so that sugarcane procurement for the next crushing season may not suffer.

FUTUREOUTLOOK

The year 2018-19 comes as one of the most uncertain years in recent memory for the sugar industry. However,uncertaintyisn'talwaysabadthingastherearesomebullishpossibilitiesthatarestilldistantbut onthehorizonnevertheless.Itisalmostcertainthatatanationallevel,sugarproductionwillseeafurther declinethisyearastotalsugarcanecultivatedareahasdecreasedandlackofirrigationwateraswellas inclement weather are expected to have a negative effect on yields as well. While this might all be positive signalsforsugarprices,themarkethasnotbudgedbecauseoftheonemilliontonsplussurplusthatis beingcarriedintothecomingseason.Untilandunlessthegovernmenttakesallthenecessarymeasures neededtoexportthissugar,itishighlyunlikelythatthedropinproductionisgoingtobehighenoughto warrantamorebalancedsupplydemandpositionofsugarinthecountry.Asofthedateofthisreport, the government has notified 1.1 million tons of sugar export but the critical financial support needed to achieve this export is still awaited from the provinces. As it stands, your company's future profitability hangsinthebalance.

Bagassebasedpowerplant,installationofFFEsandhighpressure165Tonsboilerisexpectedtodecrease emissions and fuel consumption resulting in increased production efficiencies and power export. These factors will have a material impact on the company's financial position which will strengthen our ability to fight in the upcoming competitive, challenging, and tough economic climate.

RELATEDPARTIESDISCLOSURE

The transactions between the related parties were carried out at arm's length prices determined in accordancewiththecomparableuncontrolledmarketpricesmethod.TheCompanyhasfullycomplied withthebestpracticesontransferpricing.

CORPORATEANDFINANCIALREPORTINGFRAMEWORK

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) Properbooksofaccountsofthecompanyhavebeenmaintained

c) Appropriate accounting policies have been consistently applied in preparation of financial statements andaccountingestimatesarebasedonreasonableandprudentjudgement

d) InternationalFinancialReportingStandardsasapplicableinPakistanandtherequirementsofthe Companies Act, 2017 have been followed in preparation of financial statements and there has been nodeparturetherefrom

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 reviewedandmonitored.Thereviewwillcontinueinfutureforthetheimprovementincontrol

f) The company has adopted the Central Depository System and the listing regulations of Pakistan Stock Exchange. So far 194,686 shares of the company have been transferred by the shareholders to the Central Depository Company, Pakistan

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

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

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

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

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

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

m) Share transactions (if any) have been reported by the Directors, CFO, other Executives, Auditors, Company Secretary or their spouses and minor children during the year ended 30 September, 2018 are annexed in pattern of shareholding.

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

CORPORATE GOVERNANCE

Best Corporate Practices

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Rule Book of Pakistan Stock Exchange. The statement of compliance with the CCG is enclosed.

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

   *Male: Six
   * Female: One

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

Category	Names
Independent Directors*	Mr. Muhammad Ashraf Khan Durani Mr. Hafiz Rab Nawaz
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Mr. Muhammad Khan

*Number of Independent Directors as prescribed by the Regulations, shall be implemented in accordance with the timeline given in proviso of Regulation 6 of the Regulations, i.e. not later than expiry of its current term pursuance to provisions of the Regulations.

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

Audit Committee

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

HR and Remuneration Committee

- Mr. Hafiz Rab Nawaz (Chairman)
- Mr. Adnan Ahmed Khan
- Mr. Muhammad Khan

4. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations. The detail of which is given in Note. 35 to the Financial Statement.

BOARD MEETINGS

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

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

PATTERN OF SHAREHOLDING

The statement of pattern of shareholding along with categories of shareholding of the company as noted on September 30, 2018 required under section 227 of the Companies Act, 2017 and Code of Corporate Governance is annexed with this report.

AUDITORS

The present Auditors M/S Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have retired and being eligible, offered their services for reappointment. The Audit Committee has recommended M/S Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants for reappointment as Auditors for the year ending 30 September, 2019.

OTHERSTATEMENTSANDREPORTS

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

ACKNOWLEDGEMENT

The Board would like to record their appreciation for the efforts and devotion of all the company's employees andhopetheywillcontinuetheircontributiontowardstheenhancementofproductivityandwell-beingof the company in the future as well. The board also wishes to thank the financial institutions, farmers and all stakeholdersassociatedwiththecompanyfortheirsupportandcooperation.

ForandonbehalfofBoardofDirectors,
TheThalIndustriesCorporationLtd.

MuhammadShamimKhan
ChiefExecutive

Mrs.QaiserShamimKhan
Chairperson

Lahore: 26 December 2018

ممبران کیلئے ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2018 کو ختم ہونے والے مالی سال کے لئے 65ویں سالانہ رپورٹ معہ تنقیح شدہ حسابات اور اس پر آڈیٹرز کی رپورٹ بخوشی پیش کر رہے ہیں۔

صنعت کا مجموعی جائزہ

گزشتہ سال گنے کی فصل کی فی ایکڑ پیداوار بہت صحت مند اور اوسط سے زیادہ تھی۔ مقامی اور بین الاقوامی منڈیوں میں وافر چینی کی پیداوار کی توقعات کے باوجود، گنے کی کم سے کم قیمت خرید کرشنگ سیزن 18-2017 کیلئے حکومت پنجاب کی طرف سے -/180 روپے فی من برقرار رکھی گئی، جبکہ سندھ حکومت کی طرف سے گنے کی کم سے کم قیمت خرید -/182 روپے فی من کا اعلان کیا گیا، جو بعد میں شوگر ملوں کی معزز عدالت عالیہ سندھ میں رٹ کے نتیجے -/160 روپے تک کم کی گئی۔

سیزن کے آغاز میں، وفاقی حکومت نے بین الاقوامی منڈی میں چینی کی قیمتوں سے منسلک سلائیڈنگ سکیل کے ساتھ زیادہ سے زیادہ -/10.70 روپے کی برآمد سبسڈی کا اعلان کیا تھا۔ یہ سہولت آخرکار 17-2016 سے آنے والی تمام اضافی چینی کے جو کہ 2 ملین ٹن تک تھی بڑھا دی گئی۔ تاہم، نیا سیزن اپنی اضافی پیداوار لایا اور عام انتخابات کا وقت شوگر انڈسٹری کے لئے بدقسمت ثابت ہوا کیونکہ نئے سرپلس کی بابت کوئی مزید فیصلے نہیں ہو سکے تھے۔ سیزن 18-2017 میں اضافی سرپلس پیدا ہوا، جو ایک ملین ٹن سے زیادہ تھا، اس لئے ملک میں ہی رہا اور چینی کی قیمتوں کو تمام سال کم از کم سطحوں پر رکھا۔ نتیجتاً، انڈسٹری کے لئے اپنی مالی حالت کو برقرار رکھنا بہت مشکل ہو گیا تھا۔

شوگر انڈسٹری کی بیل آؤٹ کے لئے، سندھ حکومت نے اپنی صوبائی کابینہ کے اجلاس میں وفاقی حکومت کی طرف سے اجازت یافتہ چینی کی برآمد پر -/9.30 روپے فی کلوگرام کی اضافی نقد فریٹ سپورٹ کی بھی منظوری دی تھی۔ یہ امداد صوبہ میں موجود ہر ایک فیکٹری کے لئے 20,000 ٹن چینی کی برآمد تک محدود تھی۔ اگرچہ آپ کی کمپنی اس سے فائدہ نہیں اٹھا سکتی تھی، سندھ حکومت کا یہ فیصلہ لازماً قابل پذیرائی ہے کیونکہ یہ ضروری مدد فراہم کی گئی جو اس وقت پاکستان اور بین الاقوامی قیمتوں میں چینی کی پیداوار کی اصل لاگت کے درمیان خلاء کو پُر کے لئے ضروری تھی۔

کمپنی کی کارکردگی

زیرِ جائزہ سال کے دوران آپ کی کمپنی نے 2,697,755 میٹرک ٹن گنے کی کرشنگ کی اور 9.672 فیصد اوسط ریکوری کے ساتھ 260,788,300 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ جبکہ اس کے مقابلے میں گذشتہ سال 2,869,699 میٹرک ٹن گنے کی کرشنگ کی اور 9.736 فیصد اوسط ریکوری کے ساتھ 279,307,850 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ موجودہ سال میں کم پیداوار کی بنیادی وجہ یہ تھی کہ کسانوں کی فی ایکڑ پیداوار اور اوسط ریکوری گزشتہ سال سے قدرے کم تھی۔ کمپنی اپنے لیہ پلانٹ میں 20 میگاواٹ پاور پروجیکٹ کے لئے دسمبر کے شروع میں سی او ڈی (کمرشل آپریشن ڈیٹ) کا ہدف حاصل کرنے کے قابل رہی، جو ایک قابل فخر سنگ میل ہے۔

مالی جھلکیاں

گنے کے زیادہ اخراجات اور چینی اور مولاسس کی قیمتوں میں تیزی سے کمی کی وجہ سے زیرِ جائزہ مالی سال کے دوران آپ کی کمپنی نے قبل از ٹیکس نقصان (153,140) ملین روپے اور بعد از ٹیکس نقصان (160,451) ملین روپے حاصل کیا جبکہ گزشتہ سال قبل از ٹیکس منافع 941,522 ملین روپے اور بعد از ٹیکس منافع 708,395 ملین روپے حاصل کیا۔ اس کے علاوہ، سیلز ٹیکس مقاصد کے لئے ایف بی آر کی طرف سے مقرر کردہ چینی کی سیلز شرح اصل مارکیٹ قیمت سے -/15 روپے تا -/20 روپے فی کلوگرام تک زیادہ تھی جس نے موجودہ سال میں ہماری منافع پایابی کو بُری طرح متاثر کیا۔

سال کے دوران خالص فروخت 14,104,443 ملین روپے درج کی گئی جبکہ گزشتہ سال کی اسی مدت میں 14,918,562 ملین روپے تھی۔ خالص فروخت میں 5% کمی، فروختی حجم اور مقامی اور بین الاقوامی منڈی میں چینی کی کم قیمتوں کی وجہ سے ہوئی۔

زیرِ جائزہ مدت کو چینی کی صنعت کی تاریخ میں بدترین عرصہ خیال کیا جا سکتا ہے جب گنے کی قیمت خرید زیادہ، بمپر فصل، وافر اسٹاک اور مقامی اور بین الاقوامی مارکیٹ میں چینی کی قیمتیں کم سے کم ہیں۔ ان منفی حالات میں جہاں انڈسٹری کو بھاری نقصانات متوقع ہیں، آپ کی کمپنی نے اپ فرنٹ ٹیرف کی پالیسی کے تحت نئے مکمل کردہ پاور پراجیکٹ سے CPPA(G)L کو بجلی کی فروخت کی بدولت کم سے کم نقصانات اٹھائے ہیں۔

کمپنی کے ساتھ منسلک ہر ایک شخص کی کوششوں کی جب کمپنی کو ان کی بہت ضرورت ہو گزشتہ چند سالوں کی بروقت سرمایہ کاری سے قدر حاصل کرنے کے لئے لازماً حوصلہ افزائی کی جانی چاہئے۔

تمام تر کوششیں گنے کے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں، کیڑے مار ادویات اور باہم سہولیات پہنچا کر عمل کارکردگی بہتر بنانے، جدت طرازی، جدید ترین ٹیکنالوجی آلات نصب، کڑی نگرانی سے پیداواری اخراجات کو کم کر کے گنے کے معیار کو بہتر بنانے کے ذریعے کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جارہی ہیں جس کے نتیجہ میں چینی کی ریکوری زیادہ اور گنے کے کاشتکاروں کو مالی فوائد بھی حاصل ہوں گے۔

مالیاتی نتائج درجہ ذیل ہیں

تفصیلات	سال مختتمہ 30 ستمبر 2018 (روپے ملین میں)	سال مختتمہ 30 ستمبر 2017 (روپے ملین میں)
قبل از ٹیکس (نقصان)/منافع	(153,140)	941,522
ٹیکس کی ادائیگی		
موجودہ	(33,019)	(102,184)
زیر التوا ٹیکس (Deferred)	191,606	(130,943)
پچھلے سال کی ردوبدل	(165,898)	-
بعد از ٹیکس (نقصان)/منافع	(160,451)	708,395
دیگر جامع آمدنی (OCI) کا اثر	(4,367)	(0,505)
	(164,818)	707,890
مجموعی منافع جو آگے آیا	2,089,701	1,645,889
	1,924,883	2,353,779
تصرفات		
سال کے دوران ادا شدہ منافع منقسمہ بشرح 100% (2017 : 50%)	(150,232)	(75,116)
سال کے دوران ادا شدہ عبوری نقد منافع منقسمہ بشرح 88.86% (2017: 125.78%)	(133,126)	(188,962)
مجموعی منافع جو آگے گیا	1,641,525	2,089,701
فی شیئر آمدنی	(10,68)	47,15

فی شیئر آمدنی:

زیر جائزہ سال کے لئے کمپنی کی فی شیئر آمدنی (10,68) روپے (47,15:2017 روپے)۔

منافع منقسمہ (ڈیویڈینڈ)

30 ستمبر 2018 کو ختم ہونے والے مالی سال کے لئے بورڈ نے Nil (100: 2017 فیصد) نقد منافع تقسیم کرنے 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 گئے کی مختلف اور نئی اقسام کی شناخت اور اس کے بعد تجارتی پیمانے پر ان کی کاشت شامل ہے۔ یہ نہ صرف گنے کی فی ایکڑ پیداوار بڑھاتی ہے بلکہ کاشتکاروں کی آمدنی میں اضافہ اور مسابقتی فصلوں کے مقابلے میں گنے کی بوائی کے لئے زیادہ شوق پیدا کرتی ہے۔ یہ کمپنی کو گنے کی سپلائی، مجموعی طور پر شوگر کی ریکوری کو بڑھاتی ہے اور براہ راست کمپنی کے منافع کو بہتر بناتی ہے۔

گزشتہ سالوں کی طرح، انتظامیہ نے خزاں 2018 کی بوائی کے لئے سود کے بغیر قرض کی بنیاد پر گنے کے کاشتکاروں کو کھاد اور کیڑے مار ادویات کے ساتھ ساتھ اعلیٰ پیداوار اور بیماری کے خلاف مزاحمت کے حامل گنے کے بیج کی نئی بہتر اقسام فراہم کرنے کے ساتھ ساتھ ان کے کھیتوں میں ہی حیاتیاتی تجربہ گاہوں کی مدد سے بروقت مفت خدمات دینے کا فیصلہ کیا ہے تاکہ اگلے کرشنگ سیزن کے لئے گنے کے حصول میں دشواری نہ ہو۔

مستقبل کا نقطہ نظر

سال 19-2018 شوگر انڈسٹری کے لئے حالیہ یاداشت میں بہت ہی غیر یقینی سالوں کا ایک سال ہے۔ تاہم، غیر یقینی صورت حال ہمیشہ ایک بُری چیز نہیں ہے کیونکہ چند قوی امکانات موجود ہیں لیکن اس کے باوجود جو ابھی افق پر سرد مہر ہیں۔ ہمیں یقین ہے کہ قومی سطح پر، چینی کی پیداوار اس سال مزید کم ہوگی کیونکہ گنے کی کاشت کا کل رقبہ کم ہوگیا ہے اور آب پاشی پانی کی کمی اور سخت موسم سے فی ایکڑ پیداوار پر منفی اثرات پڑنے کی توقعات ہیں۔ جبکہ یہ چینی کی قیمتوں کے لئے تمام مثبت اشارے ہوسکتے ہیں، مارکیٹ میں ایک ملین ٹن پلس اضافی چینی کی وجہ سے بجٹ نہیں ہے جو آنے والے سیزن میں سے آگے آرہا ہے۔ جب تک حکومت اس چینی کو برآمد کرنے کے لئے تمام ضروری اقدامات نہیں اُٹھاتی تب تک، یہ بہت زیادہ امکان نہیں ہے کہ ملک میں چینی کی زیادہ متوازن فراہمی کی طلب کی حالت یقینی بنانے کے لئے چینی کی پیداوار میں کافی کمی ہورہی ہے۔ اس رپورٹ کی تاریخ تک، حکومت نے 1.1 ملین ٹن چینی برآمد کا اعلان کیا ہے لیکن اس برآمد کے حصول کے لئے اب بھی صوبوں سے ضروری مالی معاونت کا انتظار کیا جارہا ہے۔ اگر یہ صورت حال قائم رہی تو، آپ کی کمپنی کی مستقبل کی منافع یابی غیر متوازن رہے گی۔

محفوظ شدہ بگاس کی بنیاد پر پاور پلانٹ اور FFEs اور اعلیٰ پریشر 165 ٹن بوائلر کی تنصیب سے اخراج اور ایندھن کی کھپت کے نتیجے پیداوار اور بجلی کی برآمد کی صلاحیتوں میں اضافہ کی توقع ہے۔ یہ عناصر کمپنی کی مالی حالت پر مادی اثرات ڈالیں گے جو آنے والے مسابقتی چیلنجنگ، اور سخت اقتصادی ماحول میں کامیاب ہونے کی ہماری صلاحیت کو مضبوط کرے گی۔

متعلقہ پارٹیوں سے تعلقات

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

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

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

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

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

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

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

f) کمپنی سنٹرل ڈیپازٹری سسٹم اور پاکستان اسٹاک ایکسچینج کے فہرستی قواعد وضوابط پر عمل کرتی ہے۔ کیونکہ کمپنی کے 194,686 حصص سنٹرل ڈیپازٹری کمپنی کراچی، پاکستان کو حصص داران کی طرف سے منتقل کئے گئے ہیں۔

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

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

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

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

k) ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو بتایا 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) 30 ستمبر 2018 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 تجارت (اگر کوئی ہو) نمونہ حصص داری سے منسلک ہیں۔

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

کارپوریٹ گورننس

بہترین کارپوریٹ عوامل

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

1۔ مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات ہے:

- مرد: چھ
- خاتون: ایک

2۔ بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل مندرجہ ذیل ہے:

کیٹگری	نام
آزاد ڈائریکٹر*	جناب محمد اشرف خان درانی جناب حافظ رب نواز
ایگزیکٹو ڈائریکٹرز	جناب محمد شمیم خان (سی ای او) جناب نعمان احمد خان
نان ایگزیکٹو ڈائریکٹر	محترمہ قیصر شمیم خان جناب عدنان احمد خان جناب محمد خان

* ضابطے کے تحت مقرر کردہ آزاد ڈائریکٹرز کی تعداد، ریگولیشنز کے ریگولیشن 6 کی تعمیل میں دی گئی حدود میں، عملدرآمد کیا جائے گا، یعنی ریگولیشنز کی پروویژنز کی پیروی میں اس کی موجودہ مدت کے اختتام کے بعد نہیں ہوگی۔

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

آڈٹ کمیٹی

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

ایچ آر اینڈ ریمونریشن کمیٹی

- جناب حافظ رب نواز (چیئرمین)
- جناب عدنان احمد خان
- جناب محمد خان

4۔ بورڈ آف ڈائریکٹرز نے ایکٹ اور ان ریگولیشنز کے مطابق ڈائریکٹرز کے صلۂ خدمت کے لئے ایک رسمی پالیسی اور شفاف طریقہ کار اپنایا ہے۔ جس کی تفصیل مالی حسابات کے نوٹ 35 میں دی گئی ہے۔

بورڈ کے اجلاس

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

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

نمونہ حصہ داری

کمپنیز ایکٹ کی دفعہ 227 اور کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت درکار 30 ستمبر 2018 کو مذکورہ کے مطابق شیئر ہولڈنگ کا نمونہ بمعہ کمپنی کے شیئر ہولڈنگ کی اقسام رپورٹ ہذا کے ہمراہ منسلک ہیں۔

آڈیٹرز کی تعیناتی

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس سبکدوش ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو 30 ستمبر 2019 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

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

منجانب بورڈ آف ڈائریکٹر
تھل انڈسٹریز کارپوریشن لمیٹڈ

Qaiser Shamim

مسز قیصر شمیم خان
چیئرپرسن

محمد شمیم خان
چیف ایگزیکٹو

لاہور: 26 دسمبر 2018

Vision Statement

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

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

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

MISSION STATEMENT

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

CORPORATE STRATEGY

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

CORE VALUES

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

Statement of Ethics & Business Practices

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

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

Quality of Product:

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

Dealing with Employees:

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

Responsibility to Society/Interested Sectors:

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

We meet all our obligations and ensure timely compliance.

Financial Reporting & Internal Controls:

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

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

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.

ObservancetoLawsoftheCountry:

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:

	2018	2017	2016	2015	2014	2013
QuantitativeData(M.Tons)						
CaneCrushed	2,697,755	2,869,699	1,839,916	1,808,462	1,814,123	1,661,939
SugarProduced	260,788	279,308	178,912	175,910	178,630	161,733
Refined Sugar Purchased	237	-	749.15	1,296	-	-
Profitability (Rs in 000)						
GrossSales	15,351,153	16,261,713	11,511,115	12,057,447	9,250,729	10,319,973
Sales(Net)	14,104,443	14,918,562	10,673,418	11,244,799	8,595,814	9,543,137
Gross Profit	369,282	1,842,981	1,342,155	923,407	901,403	986,981
Profit / (Loss) before Taxation	(153,140)	941,522	666,550	314,724	83,513	314,921
Profit / (Loss) after Taxation	(160,451)	708,395	660,182	261,019	62,473	204,873
FinancialPosition(Rsin000)						
TangibleFixedAssets	4,457,161	3,876,640	3,179,407	2,516,493	2,347,980	2,454,555
Other Non Current Assets	54,571	63,745	44,510	465	440	1,617
	4,511,732	3,940,385	3,223,917	2,516,958	2,348,420	2,456,173
CurrentAssets	5,702,867	4,908,411	3,564,768	2,832,311	3,969,012	2,319,988
Current Liabilities	6,106,855	4,369,065	3,155,104	2,596,015	3,754,353	2,308,188
NetWorkingCapitalEmployed	(403,988)	539,346	409,664	236,296	214,659	11,800
CapitalEmployed	4,107,744	4,479,731	3,633,581	2,753,254	2,563,079	2,467,973
Long Term Loan & Other Liabilities	2,222,187	2,145,997	1,743,659	1,448,545	1,492,505	1,437,081
Shareholder'sEquity	1,885,558	2,333,734	1,889,921	1,304,708	1,070,574	1,030,892
RepresentedBy:						
ShareCapital	150,232	150,232	150,232	150,232	150,232	150,232
Reserve&Unappropriated						
Profit/ (Loss) Carried Forward	1,735,325	2,183,501	1,739,689	1,154,476	920,341	880,660
	1,885,558	2,333,734	1,889,921	1,304,708	1,070,574	1,030,892
Ratios						
Gross Profit Ratio (%age)	2.62	12.35	12.57	8.21	10.49	10.34
Net Profit /(Loss) Before Tax Ratio (%age)	(1.09)	6.31	6.24	2.80	0.97	3.30
NetDebttoEquity(Times)	3.08	1.99	2.06	2.48	3.73	2.70
CurrentRatio	0.93	1.12	1.13	1.09	1.06	1.01
BreakupValueperShare(Rs.)	125.51	155.34	125.8	86.85	71.26	68.62
Earning / (Loss) per Share (Rs.)	(10.68)	47.15	43.94	17.37	4.16	13.64
Dividend (%age)	188.86%	175.78%	50	50	7.5	15
DividendPaid(Rsin000)	283,358	264,078	75,116	75,116	11,267	22,535

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

1. IncorporationNumber: **0000619**
2. NameoftheCompany: **THETHALINDUSTRIESCORP.LIMITED**
3. PatternofholdingoftheshareshеldbytheshareholdersasatAs at 30/09/2018

4. Numberof Shareholders	Shareholdings From	Shareholdings To	Total SharesHeld
512	1	100	22,677
250	101	500	65,563
103	501	1,000	74,597
85	1,001	5,000	210,634
18	5,001	10,000	129,108
2	10,001	15,000	20,274
2	15,001	20,000	38,570
2	30,001	35,000	62,636
6	45,001	50,000	295,608
2	50,001	55,000	106,000
1	55,001	60,000	60,000
3	60,001	65,000	188,212
1	65,001	70,000	68,000
1	70,001	75,000	71,163
1	75,001	80,000	80,000
1	80,001	85,000	80,500
2	90,001	95,000	189,253
4	95,001	100,000	397,050
1	100,001	105,000	105,000
1	105,001	110,000	109,000
1	110,001	115,000	113,500
1	115,001	120,000	119,000
2	120,001	125,000	247,500
1	130,001	135,000	135,000
1	135,001	140,000	137,800
1	145,001	150,000	150,000
1	170,001	175,000	173,013
1	175,001	180,000	180,000
2	190,001	195,000	384,807
2	195,001	200,000	398,500
1	205,001	210,000	209,878
1	210,001	215,000	212,300
1	215,001	220,000	218,500
1	225,001	230,000	230,000
1	240,001	245,000	242,000
1	250,001	255,000	251,000
1	265,001	270,000	267,960
1	300,001	305,000	300,500
2	315,001	320,000	636,000
1	365,001	370,000	367,045
1	380,001	385,000	381,694
1	430,001	435,000	435,000
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
1027			**15,023,232**

5.	Categoriesofshareholders	SharesHeld	Percentage
5.1	Directors, Chief Executive Officers, and their spouse and minor children	7,908,895	52.6444%
5.2	AssociatedCompanies,undertakingsandrelated parties. (Parent Company)	0	0.0000%
5.3	NIT and ICP	25	0.0002%
5.4	Banks Development FinancialInstitutions,Non BankingFinancialInstitutions.	0	0.0000%
5.5	Insurance Companies	170	0.0011%
5.6	Modarabas and Mutual Funds	0	0.0000%
*5.7	Share holders holding 10% or more	4,855,850	32.3223%
5.8	GeneralPublic		
	a. Local	7,104,485	47.2900%
	b. Foreign	2,300	0.0153%
5.9	Others (to be specified)		
	1- Joint Stock Companies	7,357	0.0490%
	Total	**15,023,232**	**100.0000%**

***Note:**

ThisbeingapartofitemNo.5.1therefore,itisnotcountedagainindoinggrandtotal.

Categories of Share Holders as Required Under C.C.G.
As on 30th September 2018

S.No.	NAME	HOLDING	%AGE
DIRECTORS,CEOTHEIRSPOUSES&MINORCHILDREN			
1	MR. MUHAMMAD SHAMIM KHAN	4,855,850	32.3223%
2	MRS. QAISER SHAMIM KHAN	786,480	5.2351%
3	MR. ADNAN AHMED KHAN	267,960	1.7836%
4	MR. NAUMAN AHMED KHAN	1,216,060	8.0945%
5	MR. MUHAMMAD KHAN	5,000	0.0333%
6	MR. MUHAMMAD ASHRAF KHAN DURANI	300,500	2.0002%
7	MR. RAB NAWAZ	367,045	2.4432%
8	MRS. AAMRA KHAN W/O ADNAN AHMED KHAN	50,000	0.3328%
9	MRS. ANIQA KHAN W/O NAUMAN AHMED KHAN	50,000	0.3328%
10	RANIA KHAN (MINOR) THROUGH GARDIAN MR.ADNANAHMEDKHAN	10,000	0.0666%
		7,908,895	52.6444%
ASSOCIATEDCOMPANIES		0	0.0000%
NIT&ICP			
1	INVESTMENT CORPORATION OF PAKISTAN	25	0.0002%
BANKS,DEVELOPMENTFINANCEINSTITUTIONS, NONBANKINGFINANCEINSTITUTIONS		0	0.0000%
INSURANCECOMPANIES			
1	ADAMJEE INSURANCE COMPANY LTD	170	0.0011%
MODARABA&MUTUALFUND		0	0.0000%
JOINTSTOCKCOMPANIES			
1	GHULAM RASOOL & SONS	295	0.0020%
2	SH. MOHAMMAD IBRAHIM AND SONS	295	0.0020%
3	MANZOOR AHMAD AND SONS	63	0.0004%
4	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000%
5	N. U. A. SECURITIES (PRIVATE) LIMITED - MF (CDC)	1,100	0.0073%
6	SALIM SOZER SECURITIES (PRIVATE) LTD. (CDC)	5,000	0.0333%
7	SARFARAZ MAHMOOD (PVT) LTD. (CDC)	3	0.0000%
8	YASIR MAHMOOD SECURITIES (PVT) LTD. (CDC)	600	0.0040%
		7,357	0.0490%
SHARESHELDBYTHEGENERALPUBLIC(Foreign)		2,300	0.0153%
SHARESHELDBYTHEGENERALPUBLIC(Local)		7,104,485	47.2900%
		7,106,785	47.3053%
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
1	MR. MUHAMMAD ASHRAF KHANDURANI		200,000

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

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

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

   a. Male: Six
   b. Female: One

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

Category	Names
Independent Directors*	Mr. Muhammad Ashraf Khan Durani Mr. Hafiz Rab Nawaz
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Mr. Muhammad Khan

*Number of Independent Directors as prescribed by the Regulations, shall be implemented in accordance with the timeline given in proviso of Regulation 6 of the Regulations, i.e. not later than expiry of its current term pursuance to provisions of the Regulations.

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

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

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

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

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

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

9. The company is planning to arrange training program for one director namely Mr. Hafiz Rab Nawaz as provided by code. Company is taking steps to complete the directors training program by 30 June 2019, whereas Mr. Ashraf Khan Durani, director, has completed DTP during last year, remaining five directors are exempt from such training as they have fourteen years of education and fifteen years of experience on the board of the listed company.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. None appointments were made during the year.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of theBoard.

12. TheBoardhasformedcommitteescomprisingofmembersgivenbelow:

AuditCommittee

Mr.MuhmmadAshrafKhanDurani(Chairman)
Mrs.QaiserShamimKhan
Mr.AdnanAhmedKhan

HRANDREMUNERATIONCOMMITTEE

Mr. Hafiz Rab Nawaz (Chairman)
Mr.AdnanAhmedKhan
Mr.MuhammadKhan

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

14. Thefrequencyofmeetingsoftheaforesaidcommitteeswereasperfollowing:

a) AuditCommittee:(6)meetingsduringtheyear.
b) HR and Remuneration Committee: Once during the year.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced forthepurposeandareconversantwithpoliciesandproceduresoftheCompany.

16. The statutory auditors of the Company confirmed that they have been given a satisfactory rating under the qualitycontrolreviewprogramoftheInstituteofCharteredAccountantsofPakistan("theICAP")andregistered with Audit Oversight Board of Pakistan, 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.

17. Thestatutoryauditorsorthepersonsassociatedwiththemhavenotbeenappointedtoprovideotherservices exceptinaccordancewiththeAct,theseRegulationsoranyotherregulatoryrequirementandtheauditorshave confirmed that they have observed IFAC guidelines in this regards.

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

ForandonbehalfofBoardofDirectors,
TheThalIndustriesCorporationLtd.

MuhammadShamimKhan
ChiefExecutive

Mrs.QaiserShamimKhan
Chairperson

Lahore: 26 December 2018

Independent Auditor's Report

To the members of The Thal Industries Corporation Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of The Thal Industries Corporation Limited for the year ended 30 September 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 September 2018.

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

LAHORE: DECEMBER 26, 2018

Independent Auditor's Report

To the members of The Thal Industries Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **The Thal Industries Corporation Limited (the Company)**, which comprise the statement of financial position as at 30 September 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of the loss and comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

FollowingaretheKeyauditmatters:

Sr.No	Keyauditmatters	Howthematterwasaddressedinouraudit
1.	***First time application of third and fourth schedules to the Companies Act, 2017*** In view of promulgation of the Companies Act 2017, the third and fourth schedules to the Companies Act, 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended September 30, 2018. The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. The changes are considered as a key audit matter in view of the significant changes in disclosures in the financial statements and failure in compliance may have financial & reputational impact. Refer note 2.2(a) to the financial statements.	Our audit procedures, amongst others, included the following: • Obtained understanding of the requirements regarding preparation, disclosure and filing of financial statements applicable to the Company and assessed the design and operation of its key controls over preparation and filing of financial statements. • Reviewed minutes of meetings of Board of Directors, Audit Committee and internal audit reports for any recorded instances of potential non compliance and maintained a high level of vigilance when carrying out other audit procedures for indication of non-compliance. • Reviewed financial statements to ensure completeness and accuracy of disclosures in the financial statements to ensure compliance with reporting and disclosure requirements of Companies Act, 2017.
2.	***Valuation of stock in trade*** Refer notes 2.15 and 19 to the financial statements. The stock-in trade at 30 September 2018 amounted Rs. 2,937.24 million. Given the relative size of the stock in trade with respect to the total assets, it was identified as key audit matter as it involves significant management judgment in determining the carrying value of stock in trade.	Our audit procedures, amongst others, included the following: • assessing the appropriateness of Company's accounting policy for valuation of stock in trade and compliance of the policy with applicable standards; • obtaining an understanding of internal controls over valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness; • obtaining an understanding and assessing reasonableness of the management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, and costs necessary to make the sales and their basis • testing on sample basis the net realizable value of finished goods to recent selling prices and; • comparing the NRV, to the cost of stock in trade to assess whether any adjustments are required to the value of stock in trade in accordance with the accounting policy.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

ReportonOtherLegalandRegulatoryRequirements

Basedonouraudit,wefurtherreportthatinouropinion:

a) properbooksofaccounthavebeenkeptbytheCompanyasrequiredbytheCompaniesAct,2017 (XIXof2017);

b) the statement of financial position, the statement of profit or loss ,the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereonhavebeendrawnupinconformitywiththeCompaniesAct,2017(XIXof2017)andarein agreementwiththebooksofaccountandreturns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purposeoftheCompany'sbusiness;and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), wasdeductedbytheCompanyanddepositedinCentralZakatFundestablishedundersection7of that Ordinance.

Theengagementpartnerontheauditresultinginthisindependentauditors'reportisMrRashidRahman Mir.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

LAHORE: DECEMBER 26, 2018

Statement of Financial Position
As At 30 September 2018

	Note	2018 Rupees	2017 Rupees
EQUITY&LIABILITIES			
ShareCapitalandReserves			
Sharecapital	3	150,232,320	150,232,320
Revenuereserves	4	93,800,000	93,800,000
Accumulated profit		1,641,525,185	2,089,701,346
		1,885,557,505	2,333,733,666
NonCurrentLiabilities			
Long term finance	5	1,358,208,808	1,119,301,425
Liabilities against assets subject to finance lease	6	16,974,899	10,144,102
Loans from directors	7	574,800,000	574,800,000
Deferredliabilities	8	272,202,969	441,751,783
		2,222,186,676	2,145,997,310
CurrentLiabilities			
Tradeandotherpayables	9	1,824,941,014	1,023,985,173
Financecostpayable	10	90,874,346	66,082,670
Shorttermborrowings-secured	11	2,977,034,076	2,206,549,355
Advancesfromdirectors	12	575,300,000	349,300,000
Currentportionoflongtermliabilities	13	477,987,304	455,785,343
Uncasheddividendwarrants		101,007,378	138,486,949
Provisionfortaxation		59,710,588	128,875,144
		6,106,854,706	4,369,064,634
ContingenciesandCommitments	14		
		10,214,598,887	8,848,795,610

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

CHIEFEXECUTIVE

	Note	2018 Rupees	2017 Rupees
PROPERTY AND ASSETS			
Non Current Assets			
Property, plant & equipment	15	4,457,161,171	3,876,639,577
Intangible assets	16	14,979,982	20,597,475
Long term deposits		464,500	464,500
Long term advances	17	39,126,456	42,683,406
		4,511,732,109	3,940,384,958
Current Assets			
Stores, spare parts and loose tools	18	531,578,505	476,914,085
Stock-in-trade	19	2,937,537,390	2,797,126,084
Trade debts	20	1,270,683,142	404,821,758
Loans and advances	21	316,101,765	422,536,205
Trade deposits, prepayments and other receivables	22	95,379,609	247,203,738
Current portion of long term advances	17	3,556,950	-
Taxes recoverable/adjustable	23	375,133,356	483,165,541
Cash and bank balances	24	172,896,061	76,643,241
		5,702,866,778	4,908,410,652
		10,214,598,887	8,848,795,610

CHIEF FINANCIAL OFFICER

DIRECTOR

Statement of Profit or Loss

For the year ended 30 September 2018

	Note	2018 Rupees	2017 Rupees
Sales-net	25	14,104,442,769	14,918,562,029
Costofsales	26	(13,735,160,627)	(13,075,580,613)
Gross profit		369,282,142	1,842,981,416
Operating expenses			
Distributionandsellingexpenses	27	(147,865,958)	(161,752,644)
Administrativeexpenses	28	(409,129,556)	(372,863,199)
		(556,995,514)	(534,615,843)
Operating (loss)/profit		(187,713,372)	1,308,365,573
Other income	29	521,020,787	47,787,335
		333,307,415	1,356,152,908
Financecost	30	(486,448,454)	(345,608,340)
Notionalinterestexpenseonlongtermadvances		-	(1,361,706)
Other expenses	31	860	(67,660,855)
		(486,447,594)	(414,630,901)
(Loss) / Profit before taxation		(153,140,179)	941,522,007
Taxation	32	(7,310,843)	(233,126,667)
(Loss) / Profit after taxation		(160,451,022)	708,395,340
Earnings / (Loss) per share - basic and diluted	33	(10.68)	47.15

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

CHIEFEXECUTIVE CHIEFFINANCIALOFFICER DIRECTOR

Statement of Comprehensive Income
For the year ended 30 September 2018

	2018 Rupees	2017 Rupees
(Loss) / Profit after tax	(160,451,022)	708,395,340
Other Comprehensive Income - Net of Tax		
Items that will be reclassified to profit or loss	-	-
Items that will never be reclassified to profit or loss:		
Remeasurement of staff gratuity (loss)/gain	(6,150,709)	(721,023)
Related impact on deferred tax	1,783,706	216,307
	(4,367,003)	(504,716)
Total comprehensive (loss)/income for the year	(164,818,025)	707,890,624

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

Statement of Changes in Equity

For the year ended 30 September 2018

PARTICULARS	SHARE CAPITAL	GENERAL RESERVES	ACCUMULATED PROFIT	TOTAL
	RUPEES			
Balance as on 01 October 2016	150,232,320	93,800,000	1,645,889,094	1,889,921,414
Final Cash dividend @ 50.00 % i.e. Rs.5.00 per share	-	-	(75,116,160)	(75,116,160)
Interim Cash Dividend @ 125.78% i.e. Rs.12.578 per share	-	-	(188,962,212)	(188,962,212)
Total comprehensive income for the year	-	-	707,890,624	707,890,624
Balance as on 30 September 2017	150,232,320	93,800,000	2,089,701,346	2,333,733,666
Final Cash dividend @ 100.00 % i.e. Rs.10.00 per share	-	-	(150,232,320)	(150,232,320)
Interim Cash Dividend @ 88.86% i.e. Rs.8.8 per share	-	-	(133,125,816)	(133,125,816)
Total comprehensive (loss) for the year	-	-	(164,818,025)	(164,818,025)
Balance as on 30 September 2018	150,232,320	93,800,000	1,641,525,185	1,885,557,505

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

Statement of Cash Flows
For the year ended 30 September 2018

	Note	2018 Rupees	2017 Rupees
CASHFLOWFROMOPERATINGACTIVITIES			
(Loss)/Profit before taxation		(153,140,179)	941,522,007
Adjustmentfor:			
Depreciation		393,181,701	298,190,870
Amortization		5,617,493	1,872,498
Provisionforgratuity		30,202,944	40,504,411
Gain on disposal of fixed assets		(700,224)	(326,386)
Financecost		486,448,454	345,608,340
Notionalinterestexpenseonlongtermadvances		-	1,361,706
Workers' profit participation fund		-	50,527,228
Workerswelfarefund		(860)	17,133,627
		914,749,508	754,872,294
Operating cash flows before changes in working capital		761,609,329	1,696,394,301
Changesinworkingcapital	34	174,013,646	(781,750,254)
Cashgeneratedfromoperations		935,622,975	914,644,047
Gratuitypaid		(12,512,482)	(6,900,651)
Financecostpaid		(445,979,494)	(413,380,698)
Workers' profit participation fund paid		(66,204,512)	(42,311,232)
WorkersWelfarefundpaid		(17,176,073)	(8,688,548)
Incometaxpaid		(268,081,678)	(42,708,851)
NetCashFlowFrom/(UsedIn)OperatingActivities		125,668,736	400,654,067
CashFlowFromInvestingActivities			
Fixedcapitalexpenditure		(942,676,272)	(1,002,561,199)
Proceeds from disposal of fixed assets		804,201	1,699,999
NetCashUsedInInvestingActivities		(941,872,071)	(1,000,861,200)
CashFlowFromFinancingActivities			
Long term finance		255,808,672	358,192,901
Lease liability paid		(18,999,531)	(15,389,676)
Shorttermborrowings-net		770,484,721	438,628,309
Advancesfromdirectors		226,000,000	(26,000,000)
Dividendpaid		(320,837,707)	(137,155,021)
NetCashFlowFrom/(UsedIn)FinancingActivities		912,456,155	618,276,513
NetIncrease/(Decrease)inCashandCashEquivalents		96,252,820	18,069,380
CashandCashEquivalentsattheBeginningoftheYear		76,643,241	58,573,861
CashandCashEquivalentsattheEndoftheYear	24	172,896,061	76,643,241

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

CHIEFEXECUTIVE **CHIEFFINANCIALOFFICER** **DIRECTOR**

Notes to the Financial Statements
For the year ended 30 September 2018

1. CORPORATE AND GENERAL INFORMATION

Reporting entity

The Thal Industries Corporation Limited (Company) is a public limited company incorporated in Pakistan on 07th September 1953 under the Companies Act, 1913 (now Companies Act 2017) and is listed on Pakistan Stock Exchange. The Company is principally engaged in production and sale of refined sugar and its by-products.

Geographical location and address of business units/plants

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

a) Amendments in the statutory financial reporting framework applicable to the Company:

The third and fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to:

Note	Particular
1	Geographicallocationandaddressofbusinessunits/plants
3	Significant transactions & events effecting the company's financial position and performance
15.2	ParticularsofimmovableassetsoftheCompany
32.4	Management assessment of sufficiency of tax provision in the financial statements
35	Change in threshold for identification of executives
36	Additionaldisclosurerequirementsforrelatedparties
40	Additionaldisclosurerequirementsforproductioncapacity
41	Additionaldisclosurerequirementsfornumberofemployees

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

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

- IFRS-12 Disclosure of Interests in Other Entities (Amended)
- IAS-7 Statements of Cashflows (Amended)
- IAS-12 Income Taxes (Amended)

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

Thefollowingstandards(revisedoramended)andinterpretationsofapprovedaccounting 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 increaseddisclosuresincertaincases:

- IFRS 1 - First-time Adoption of International Financial Reporting Standards - (Amended)-(effective for annual periods beginning on or after 1 January 2018) - Not notified by SECP.
- IFRS 2 - Share Based Payments - (Amended)-(applicable for annual periods beginning on or after 1 January 2018).
- IFRS 3 - Business Combinations - (Amended)-(applicable for annual periods beginning on or after 1 January 2019) (IFRS 17 will replace IFRS 4 as of 1 January 2021).
- IFRS 4 - Insurance contracts - (Amended)-(applicable for annual periods beginning on or after 1 January 2018)- Not notified by SECP.
- IFRS 9 - Financial Instruments: Classification and Measurements - (applicable for annual periods beginning on or after 1 July 2018).
- IFRS 12 - Disclosure of Interests in Other Entities (Amended) - (applicable for annual periods beginning on or after 1 January 2017).
- IFRS 11 - Joint Arrangements (Amended by Annual Improvements to IFRS Standards 2015–2017 Cycle)- (applicable for annual periods beginning on or after 1 January 2019).
- IFRS 14 - Regulatory Deferral Accounts - (applicable for annual periods beginning on or after 1 January 2016) - Not notified by SECP.
- IFRS 15 - Revenue from Contracts with Customers - (applicable for annual periods beginning on or after 1 July 2018)

- IFRS 16 - Leases - (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 17 - Insurance Contracts - (applicable for annual periods beginning on or after 1 January 2021) - not notified by SECP.
- IAS 7- Statement of Cash Flows - (Amended)-(effective for annual periods beginning on or after 1 January 2017).
- IAS 12- Income Taxes - (Amended)-(effective for annual periods beginning on or after 1 January 2019).
- IAS 19 - Employee Benefits-(Amended)- (effective for annual periods beginning on or after 1 January 2019).
- IAS 28 - Investments in Associates -(amendments resulting from annual improvement 2014-2016 cycle)-(effective for annual periods beginning on or after 1 January 2018).
- IAS 28 - Investments in Associates -(amendments by long term interests in associates and joint ventures) -(effective for annual periods beginning on or after 1 January 2018).
- IAS 39 - Financial Instruments: Recognition and Measurement -(Amended)- (effective for annual periods beginning on or after 1 January 2018).
- IAS 40 - Investment Property - (Amended)-(applicable for annual periods beginning on or after 1 January 2018).
- IFRIC 22 - Foreign Currency Transaction and Advance Consideration - (applicable for annual periods beginning on or after 1 January 2018).
- IFRIC 23 - Uncertainty Over Income Tax Treatments - (applicable for annual periods beginning on or after 1 January 2019).

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 applicableinPakistan,requiresmanagementtomakejudgments,estimatesandassumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. Theestimatesandassociatedassumptionsarebasedonhistoricalexperience andvariousotherfactorsthatarebelievedtobereasonableunderthecircumstances,the resultsofwhichformthebasisofmakingthejudgmentsaboutthecarryingvaluesofassets and liabilities that are not readily apparent from other sources. Actual results may differ from theseestimates.

Theestimatesandunderlyingassumptionsarereviewedonanongoingbasis.Revisionsto accountingestimatesarerecognizedintheperiodinwhichtheestimatesarerevisedifthe 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 2.4 & 8.1)
- Provisions (note 2.5)
- Deferred taxation (note 2.6 & 8.2)
- Contingencies (note 14)
- Useful life of depreciable assets (note 2.8 & 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&equipmentanddepreciation

Operating fixed assets except freehold land are stated at cost less accumulated depreciation andimpairmentlosses,ifany.Freeholdlandisstatedatcost.

Depreciationischargedbyapplyingthereducingbalancemethodoveritsestimateduseful life at the rates specified in note 15.1

Depreciationischargedonadditionsduringtheyearfromthemonthinwhichproperty,plant andequipmentbecomeavailableforusewhilenodepreciationischargedfromthemonth ofdeletion/disposal.

The useful life and depreciation method are reviewed to ensure that the methods and periodofdepreciationchargedduringtheyeararereconsistentwiththeexpectedpatternof 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 improvementsarecapitalizedandassetssoreplaced,ifany,areretired.

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

2.10 Capitalworkinprogress

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 asstatedinaccountingpolicyforborrowingcosts.Transfersaremadetorelevantproperty, plantandequipmentcategoryasandwhenassetsareavailableforuse.

2.11 IntangibleAssets

IntangibleassetsacquiredbytheCompanyarestatedatcostlessaccumulatedamortization andimpairmentlosses,ifany.Subsequentexpenditureoncapitalizedintangibleassetsis capitalized only when it increases the future economic benefits embodied in the specific assetstowhichitrelates.Allotherexpenditureisexpensedasincurred.

Amortization is charged to profit and loss account on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangibleassetsischargedfrommonthinwhichanitemisacquiredorcapitalizedwhileno amortization is charged for the month in which the item is disposed off.

2.12 BorrowingCosts

Borrowing costs directly attributable to the acquisition, construction or production of qualifyingassets,whichareassetsthatnecessarilytakeasubstantialperiodoftimetoget readyfortheirintendeduseorsale,areaddedtothecostofthoseassetsuntilsuchtimeas theassetsaresubstantiallyreadyfortheirintendeduseorsale.

Allotherborrowingcostsarerecognizedasanexpenseintheperiodinwhichthesearеincurred.

2.13 Accounting for finance lease

Assets subject to finance lease are initially recorded at lower of the present value of minimum leasepaymentsundertheleaseagreementandthefairvalueofleasedassets.Therelated obligation under the finance lease less finance cost allocable to future period are shown asliability. Financecostisallocatedtoaccountingperiodinamannersoastoprovidea constantperiodicrateofchargeontheoutstandingliability.Depreciationischargedatthe rates as charged to owned assets to write off the assets over the estimated useful life in view ofthecertaintyoftheownershipoftheassetsattheendoftheleaseperiod.

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

These are valued applying the following basis:

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

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

2.16 Revenue recognition

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

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

2.17 Dividend

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

2.18 Financial Instruments

Initial Recognition

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.

Initial Measurement

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, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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-maturity investments.
- 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.

Loansandreceivables

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

Ateachbalancesheetdatesubsequenttoinitialrecognition,loansandreceivablesarecarried 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 assets are measured at fair value. Changes in fair value are recognised in equity, until the financial assetisdisposedoforisdeterminedtobeimpaired,atwhichtime,thecumulativegainorloss previously recognised in equity is removed from equity and recognised in profit or loss.

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 a collateralised borrowing for the proceeds received.

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 asset and of allocating interest income over the relevant period.

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, a shorter period.

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 to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, observable changes in national or local economic conditions that correlate with default on receivables.

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

2.19 Cash and cash equivalents

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

2.20 Related parties transactions

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

2.21 Impairment

The carrying amounts of the assets are reviewed at each 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. SUMMARY OF SIGNIFICANT EVENTS IN THE CURRENT REPORTING PERIOD

The Company's financial position and performance was particularly affected by the following events during the reporting period:

- Due to the first time application of financial reporting requirements under the Companies Act, 2017, including disclosure and presentation requirements of the fourth schedule of the Companies Act, 2017, some of the amounts reported for the previous period have been reclassified along with relevant disclosures refer note 2.2 (a).

- During the year Capital Work In Progress have been transferred to operating assets mainly to Plant and Machinery. It also results in increase in depreciation expense for the year refer to note 15.

3. SHARECAPITAL

2018 (Numberofshares)	2017		Note	2018 Rupees	2017 Rupees
AuthorizedCapital:					
20,000,000	20,000,000	Ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued,subscribedandpaidupcapital:					
8,368,846	8,368,846	Ordinary shares of Rs. 10/- each fullypaidincash		83,688,460	83,688,460
142,770	142,770	Ordinary shares of Rs. 10/- each issuedasfullypaidforconsideration otherwisethancash		1,427,700	1,427,700
6,511,616	6,511,616	Ordinary shares of Rs. 10/- each issuedasbonusshares		65,116,160	65,116,160
15,023,232	15,023,232			150,232,320	150,232,320

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

4. REVENUERESERVES

Generalreserve		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:			
Opening balance		1,565,094,029	1,206,901,128
Obtained during the year		676,601,276	680,452,895
		2,241,695,305	1,887,354,023
Paidduringtheyear		(420,792,604)	(322,259,994)
	5.1	1,820,902,701	1,565,094,029
Less: current portion	13	(462,693,893)	(445,792,604)
		1,358,208,808	1,119,301,425

5.1 Demand finance / Diminishing musharaka facilities of Rs. 1,367 million (2017: Rs. 1,273 million) and term finance facilities of Rs. 1,400 million (2017: RS. 1,100 million) have been obtained from various banking companies. These loans are secured against first pari passu / hypothecation charge over all present and future fixed assets of the Company, personal guaranteesofdirectorsoftheCompanyandsubordinationofdirectors'loan.Thefacilities arebeingrepaidinquarterlyinstalmentsbeginningfrom13September2012andendingon 05 December 2023. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 1.25 % (2017: 3 to 6 month KIBOR + 0.50 % to 1.25 %) p.a.

	Note	2018 Rupees	2017 Rupees
6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED			
Opening balance		25,159,141	24,092,817
Obtained during the year		31,131,000	16,705,500
Payments/adjustments during the year		(18,526,981)	(15,639,176)
		37,763,160	25,159,141
Less: security deposits adjustable on expiry of lease term		(5,494,850)	(5,022,300)
		32,268,310	20,136,841
Less: current portion grouped under current liabilities	13	(15,293,411)	(9,992,739)
		16,974,899	10,144,102

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

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

	30 September 2017		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	11,161,476	(1,168,737)	9,992,739
Later than one year but not later than five years	10,956,951	(812,849)	10,144,102
	22,118,427	(1,981,586)	20,136,841

6.2 The Company has a finance lease agreement of Rs. 90 million (2017 : Rs. 90 Million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly installments ending on August 2021. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2017: 3 months KIBOR + 1.00% to 1.25%) p.a. The lease is secured by way vehicle registered in the name of Bank Al Habib Limited with 10% of vehicle value held as security.

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

	Note	2018 Rupees	2017 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 (2017: 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	135,186,317	111,345,146
Deferred taxation	8.2	137,016,652	330,406,637
		272,202,969	441,751,783

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 2018, using the "Projected Unit Credit Method". The relevant information in the actuarial report is given in the following subnotes. The amount recognized in balance sheet represents the present value of the defined benefit obligation as on 30 September 2018 according to the amended IAS-19 "Employees Benefits".

Present value of defined benefit liability as at beginning of the year	111,345,146	77,020,363
Cost chargeable to profit and loss account during the year	30,202,944	40,504,411
Cost chargeable to other comprehensive income	6,150,709	721,023
Benefit paid during the year	(12,512,482)	(6,900,651)
Net defined benefit liability as at end of the year	135,186,317	111,345,146
Present value of defined benefit obligations	134,830,757	110,840,124
Benefits due but not paid	355,560	505,022
Defined benefit liability as at 30 September	135,186,317	111,345,146

	Note	2018 Rupees	2017 Rupees
Reconciliation of defined benefit obligation isasfollows:			
Present value of defined benefit obligations (PVDBO) at the beginning of the year		110,840,124	76,117,409
- Benefits due but not paid as at beginning oftheyear		505,022	902,954
-Currentservicecostfortheyear		22,091,901	33,946,466
-Interestcostfortheyear		8,111,043	6,557,945
- Benefits paid during the year		(12,512,482)	(6,900,651)
- Benefits due but not paid as at end oftheyear		(355,560)	(505,022)
-Actuarial(gains)/lossesdueto experienceadjustments		6,150,709	721,023
Present value of defined benefit obligations (PVDBO) at the end of the year		134,830,757	110,840,124
Amount charged to profit and loss account duringtheyear:			
-Currentservicecostfortheyear		22,091,901	33,946,466
-Interestcostfortheyear		8,111,043	6,557,945
Expense charged to profit and loss account		30,202,944	40,504,411
Expenseisrecognizedasbelow:			
Costofsales	26	21,681,082	26,215,142
Administrativeexpenses	28	8,521,862	14,289,269
		30,202,944	40,504,411
Amountchargedtoothercomprehensive incomeduringtheyear:			
Re-measurementofplanobligation: -Experienceadjustments		6,150,709	721,023
Totalre-measurementschargedtoother comprehensiveincome		6,150,709	721,023

	2018	2017
	Gratuity perannum	Gratuity perannum
Assumptions used for valuation of the defined benefit obligatioaren as under:		
Discount rate	9.00%	7.75%
Expected rate of increase in salary in future years	8.00%	6.75%
Mortality rates	SLIC (2001-05)	SLIC (2001-05)
Averageexpectedremainingworkinglifetimeofemployees	10Years	11Years

	Note	2018 Rupees	2017 Rupees
Year end Sensitivity Analysis on defined benefit obligation:			
Discount rate + 100 bps		122,928,137	100,568,464
Discountrate-100bps		148,524,744	122,715,472
Future salary increase + 100 bps		148,524,744	122,715,472
Futuresalarydecrease-100bps		122,720,817	100,387,894
8.2 Deferredtaxation			
Deferredtaxliabilityarisinginrespectof depreciationofownedassets		458,448,422	360,654,467
Deferredtaxliabilityarisinginrespectof assets subject to finance lease		3,317,769	3,155,714
		461,766,191	363,810,181
Deductible temporary differences:			
Deferredtaxassetsarisinginrespectof employees benefits		(39,204,032)	(33,403,544)
Defferred tax assets arising in respect of taxable losses		(248,822,840)	-
DeferredtaxassetonMinimumtaxu/s113 adjustableagainstfuturetaxliability		(36,722,667)	-
		(324,749,539)	(33,403,544)
Deferredtaxliabilityason30September		137,016,652	330,406,637

	Note	2018 Rupees	2017 Rupees
9. TRADE AND OTHER PAYABLES			
Creditors		252,879,123	337,507,929
Accrued liabilities		52,109,434	38,767,863
Advances from customers	9.1	1,478,102,057	547,746,021
Income tax deducted at source		2,077,828	1,645,237
Sales tax payable		39,772,572	30,613,962
Workers' profit participation fund	9.2	-	50,527,228
Workers welfare fund payable		-	17,176,933
		1,824,941,014	1,023,985,173
9.1 This includes following amount due to associated undertaking for sale of refined sugar:			
Naubahar Bottling Co. (Pvt) Ltd		-	28,012,932
9.2 Workers' profit participation fund			
Opening balance		50,527,228	36,707,172
Interest for the year		15,677,284	5,604,060
		66,204,512	42,311,232
Less payments made:			
To workers		66,204,512	42,311,232
To Government		-	-
		66,204,512	42,311,232
		-	-
Share of the Company's profit for the year		-	50,527,228
		-	50,527,228

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 75% (2017: 37.50%) 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		22,244,740	23,216,317
Long term borrowings - secured		49,201,366	32,548,694
Loans from directors - unsecured		19,428,240	10,317,659
		90,874,346	66,082,670

11. SHORTTERMBORROWINGS-SECURED

	Sanctioned Limits(Rs.inmillions) 2018	2017	Note	2018 Rupees	2017 Rupees
FROM BANKING COMPANIES					
Running finance	915	1,105	11.1	708,799,196	439,571,095
Cash finance	8,420	9,715	11.2	2,268,234,880	1,766,978,260
				2,977,034,076	2,206,549,355

11.1 Theseloanshavebeenobtainedfromvariousbankstomeettheworkingcapitalrequirements and are secured against first pari passu hypothecation / registered ranking charge over currentassetsoftheCompanyandpersonalguaranteesofdirectors.Thesearesubjectto mark up at the rate of 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 0.75% (2017: 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 0.75%) p.a. The limits willexpireonvariousdatesby31March2019butarerenewable.

11.2 Theseloanshavebeenobtainedfromvariousbankstomeettheworkingcapitalrequirements and are secured against pledge over sugar bags of equivalent value with 10% to 20% marginandpersonalguaranteesofdirectors.Thesearesubjecttomarkupattherateof1 to 3 months KIBOR plus 0.15% to 0.75% (2017: 1 to 3 months KIBOR plus 0.50% to 0.75%) p.a.Thelimitswillexpireonvariousdatesby31March2019butarerenewable.

	Note	2018 Rupees	2017 Rupees
12. ADVANCESFROMDIRECTORS		575,300,000	349,300,000

12.1 These Loans are taken from directors to meet the working capital requirements of the companyandutilizedforthesame.

12.2 AdvancesfromDirectorsareunsecuredandareinterestfree.Thesearepayableondemand.

13. CURRENTPORTIONOFLONGTERMLIABILITIES

	Note		
Long term finance	5	462,693,893	445,792,604
Liabilities against assets subject to finance lease	6	15,293,411	9,992,739
		477,987,304	455,785,343

	Note	2018 Rupees	2017 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	797,102,453	879,349,653
		816,343,834	898,591,034
Commitments			
Contracts for capital expenditure		68,694,895	120,190,695
Letters of credit for capital expenditure		187,543,724	135,207,647
Letters of credit for other than capital expenditure		29,097,600	33,285,229
		285,336,219	288,683,571

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

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

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

14.4 Bank guarantees of Rs.718 million was issued by various banks for advance against sales of Sugar. One bank guarantee of Rs. 1.05 million were issued to Alternative Energy Development Borad against power generation licensing. One bank guarantee of Rs. 73.458 million issued to Central Power Purchasing Agency (Guarantee) Ltd. agaisnt Energy Purchase Agreement. These guarantees will expire on various dates upto August 2019. 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 Guranteewhich is still pending for decision with the Appellate Tribunal at Lahore.

15. PROPERTY, PLANT AND EQUIPMENT			
Operating tangible assets	15.1	4,352,220,574	3,281,101,666
Capital work-in-progress-at cost	15.4	104,940,597	595,537,911
		4,457,161,171	3,876,639,577

*The amount of borrowing cost capitalized to operating tangible assets (Plant & Machinery) during the year amounted to Rs. 13,244,020/- (2017: Nil) and capital work in progress amounted to Rs. 1,406,343/- (2017: Rs.9,597,784/-).

15.1 Operatingtangibleassets

	Freehold land	Buildingson freehold land	Plantand machinery	Tools, implements and other factory equipments	Computer andother office equipments	Electric installation	Vehicles	Total
	RUPEES							
OWNEDASSETS								
COST								
Balance as at 01 October 2016	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
Additionsduringtheyear	-	51,277,030	449,870,500	4,912,480	7,417,449	23,956,177	63,348,703	600,782,339
Disposals	-	-	-	-	-	-	-	-
Transferredfromleasedassets	-	-	-	-	-	-	10,802,500	10,802,500
Balanceasat30September2017	345,547,993	715,408,981	4,130,360,295	122,777,392	49,974,372	74,425,405	158,668,146	5,597,162,584
Additionsduringtheyear	-	196,945	1,391,804,525	9,799,445	6,116,284	3,043,433	25,311,954	1,436,272,586
Disposals	-	-	-	-	-	-	(4,929,926)	(4,929,926)
Transferred from Leased Assets	-	-	-	-	-	-	24,258,500	24,258,500
Balanceasat30September2018	345,547,993	715,605,926	5,522,164,820	132,576,837	56,090,656	77,468,838	203,308,674	7,052,763,744
DEPRECIATION								
Balance as at 01 October 2016	-	312,718,841	1,577,956,092	57,949,330	23,091,344	24,203,803	53,745,966	2,049,665,376
Chargefortheyear	-	37,837,407	226,002,547	6,900,750	3,876,026	4,546,699	11,528,877	290,692,306
Depreciationondisposals	-	-	-	-	-	-	-	-
Transferredfromleasedassets	-	-	-	-	-	-	6,359,123	6,359,123
Balanceasat30September2017	-	350,556,248	1,803,958,639	64,850,080	26,967,370	28,750,502	71,633,966	2,346,716,805
Chargefortheyear	-	36,537,756	311,444,343	6,946,458	4,192,004	4,836,270	20,825,941	384,782,772
Depreciationondisposals	-	-	-	-	-	-	(4,825,949)	(4,825,949)
Transferred from Leased Assets	-	-	-	-	-	-	17,578,435	17,578,435
Balanceasat30September2018	-	387,094,004	2,115,402,982	71,796,538	31,159,374	33,586,772	105,212,393	2,744,252,063
LEASEDASSETS								
COST								
Balance as at 01 October 2016	-	-	-	-	-	-	46,165,500	46,165,500
Additionsduringtheyear	-	-	-	-	-	-	12,300,000	12,300,000
Trasfer to Owned Asset	-	-	-	-	-	-	(10,802,500)	(10,802,500)
DeletionofAssets	-	-	-	-	-	-	(1,770,500)	(1,770,500)
Balanceasat30September2017	-	-	-	-	-	-	45,892,500	45,892,500
Additionsduringtheyear	-	-	-	-	-	-	28,132,000	28,132,000
Trasfer to Owned Asset							(24,258,500)	(24,258,500)
DeletionofAssets	-	-	-	-	-	-	-	-
Balanceasat30September2018	-	-	-	-	-	-	49,766,000	49,766,000
DEPRECIATION								
Balance as at 01 October 2016	-	-	-	-	-	-	14,494,059	14,494,059
Chargefortheyear	-	-	-	-	-	-	7,498,564	7,498,564
Transfertoownedassets	-	-	-	-	-	-	(6,359,123)	(6,359,123)
Depreciationondeletion	-	-	-	-	-	-	(396,887)	(396,887)
Balanceasat30September2017	-	-	-	-	-	-	15,236,613	15,236,613
Chargefortheyear	-	-	-	-	-	-	8,398,929	8,398,929
Transfertoownedassets	-	-	-	-	-	-	(17,578,435)	(17,578,435)
Depreciationondeletion	-	-	-	-	-	-	-	-
Balanceasat30September2018	-	-	-	-	-	-	6,057,107	6,057,107
Writtendownvalueasat 30September2017	345,547,993	364,852,733	2,326,401,656	57,927,312	23,007,002	45,674,903	117,690,067	3,281,101,666
Writtendownvalueasat 30September2018	345,547,993	328,511,922	3,406,761,838	60,780,299	24,931,282	43,882,066	141,805,174	4,352,220,574
Rate of depreciation (%)	-	10	10	10-15	10-30	10	20	

Depreciationchargedhasbeenallocatedasfollows:

	Note	2018			2017		
		Owned Assets	Leased Assets	Total	Owned Assets	Leased Assets	Total
		----Rupees---			----Rupees---		
Costofgoodsmanufactured	26.1	370,051,907	-	370,051,907	280,584,687	-	280,584,687
Administrativeexpenses	28	14,730,865	8,398,929	23,129,794	10,107,619	7,498,564	17,606,183
Total		384,782,772	8,398,929	393,181,701	290,692,306	7,498,564	298,190,870

15.2 Particularsofimmovableproperty(i.e.landandbuilding)inthenameoftheCompanyareas follows:

Location	Usageofimmovableproperty	TotalArea (InAcres)	CoveredArea (InSqMeter)
a) Layyah Sugar Mills,Layyah	Factory & Residential Colony	109.562	582,822
b) Safina Sugar Mills,Lalian District Chinniot	Factory & Residential Colony	102.237	307,654

15.3 The details of operating fixed assets disposed-off during the year have not been provided becausebooksvalueoftheseassetsdon'texceedRs.500,000.

15.4 CapitalWorkinProgress-TangibleAssets

Particulars	Plant& Machinery	Buildings	Computer andother office	Tools, implements and other factory equipments	Total
	----------Rupees----------				
Balance as at 01 October, 2016	180,505,780	10,024,771	-	-	190,530,551
CapitalExpenditureIncurredDuringtheYear	859,540,351	41,252,259	-	-	900,792,610
Transferred to Operating Tangible Assets	(444,508,220)	(51,277,030)	-	-	(495,785,250)
Balanceasat30September2017	595,537,911	-	-	-	595,537,911
CapitalExpenditureIncurredDuringtheYear	899,172,921	291,235	1,586,222	4,647,386	905,697,764
Transferred to Operating Tangible Assets	(1,389,864,525)	(196,945)	(1,586,222)	(4,647,386)	(1,396,295,078)
Balanceasat30September2018	104,846,307	94,290	-	-	104,940,597

	Note	2018 Rupees	2017 Rupees
16. INTANGIBLEASSETS-COMPUTERSOFTWARES			
Cost			
Balance as at 1 October		22,469,973	-
TransferfromCWIP		-	22,469,973
Balanceasat30September		22,469,973	22,469,973
Amortization			
Balance as at 1 October		(1,872,498)	-
AmmortizationExpense	16.1	(5,617,493)	(1,872,498)
Balanceasat30September		(7,489,991)	(1,872,498)
NetBookValueasat30September		14,979,982	20,597,475

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

	Note	2018 Rupees	2017 Rupees
17. LONGTERMADVANCES			
Long term Advances - face value		55,000,000	55,000,000
Unamortisednotionalinterest		(12,316,594)	(12,316,594)
		42,683,406	42,683,406
Less: current portion		(3,556,950)	-
		39,126,456	42,683,406

17.1 This represent interest free loan given to Multan Electric Power Company (MEPCO) under an arrangement to construct 132 KVA 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 power plant commenced the operation from December 2017. The loan has been carried at amortized cost which has been determined using a discount rate of 6% per annum being the expected rate of return on such loans.

	Note		
18. STORES,SPAREPARTSANDLOOSETOOLS			
Stores		258,347,480	260,908,626
Spareparts	18.1	265,866,668	211,093,341
Loose tools		7,364,357	4,912,118
		531,578,505	476,914,085

18.1 Therearenosparepartsheldexclusivelyforcapitalizationasatthereportingdate.

	Note		
19. STOCKINTRADE			
Workinprocess		6,778,912	4,215,669
Finishedgoods:			
-Sugar	19.1	2,726,570,700	2,713,528,120
-Molasses		204,187,778	79,382,295
		2,930,758,478	2,792,910,415
		2,937,537,390	2,797,126,084

19.1 It includes pledged stocks of Rs. 2,713,205,950/- (2017: Rs. 2,094,484,522/-) against borrowings from various financial institutions.

19.2 The amount charged to profit and loss account of write down of finished good to net realizablevalueamountedtoRs.23,924,247attheyearended30September2018.

		Note	2018 Rupees	2017 Rupees
20.	**TRADEDEBTS**			
	Unsecuredandconsideredgoodbythemanagement		1,270,683,142	404,821,758
20.1	Thisincludesamountduefromassociated undertakingasfollows:			
	Naubahar Bottling Co. (Pvt) Ltd	20.1.2	13,376,000	-
	Almoiz Industries Limited	20.1.1	-	16,871,930
			13,376,000	16,871,930

20.1.1 ThemaximumaggregatebalanceduefromAlmoizIndustiresattheendofanymonthduring theyearwasRs.52,966,558/-(2017:60,134,053/-).

20.1.2 The maximum aggregate balance due from /(due to) Naubahar Bottling Co. (Pvt) Ltd. at the endofanymonthduringtheyearwasRs.98,235,368/-(2017:Rs.130,634,057/-).

20.2 Thereisnooutstandingbalanceintradedebtsagainstexportsales.

20.3 Theagingoftradereceivable(associatedcompanies)atthereportingdateis:

	AssociatedCompanies	
	2018	2017
Notpastdue	13,376,000	16,871,930
Pastdue1-30days	-	-
Pastdue30-150days	-	-
Pastdue150days	-	-
	13,376,000	16,871,930

20.4 In the opinion of the management no provision is necessary for past due trade debts as theseareconsideredgoodbasedonpaymenthistory.

		Note	2018 Rupees	2017 Rupees
21.	**LOANSANDADVANCES-unsecured,interest freeandconsideredgood**			
	-Growers	21.1	163,146,672	175,929,715
	-Suppliers	21.2	150,019,448	244,562,439
	-Employees	21.3	2,935,645	2,044,051
			316,101,765	422,536,205

21.1 Advancestosugarcanegrowersforagriculturalinputsagainstcommitmenttosupplysugar caneinthefollowingseasonandisadjustedagainstpriceofcanesupplied.

		Note	2018 Rupees	2017 Rupees
21.2	Advancestosuppliers		152,909,359	247,452,350
	Provisionagainstdoubtfuladvances	21.2.1	(2,889,911)	(2,889,911)
			150,019,448	244,562,439
21.2.1	Opening balance of provision		(2,889,911)	(2,889,911)
	Add:providedduringtheyear		-	-
	Less: reversal during the year		-	-
	Closingbalanceofprovision		(2,889,911)	(2,889,911)

21.3 These advances are given to employees against their salaries and do not include any advance to Chief Executive or Directors. Amount due from executives is Nil (2017: Rs. 124,888/-)attheyearend.

22. TRADEDEPOSITS,PREPAYMENTS ANDOTHERRECEIVABLES

Marginagainstbankguarantees	84,216	84,216
Letters of credit	86,251,954	239,562,669
Prepayments	4,268,604	3,308,049
Other receivables	4,774,835	4,248,804
	95,379,609	247,203,738

23. TAXESRECOVERABLE/ADJUSTABLE

Advanceincometax	371,417,097	470,544,030
Salestax-input	3,716,259	6,724,121
Floodsurcharge	-	5,897,390
	375,133,356	483,165,541

24. CASHANDBANKBALANCES

Cashandchequesinhand	946,972	1,305,154
Cashwithbanks:		
-Currentaccounts	115,754,158	36,916,289
-Savingaccounts	56,194,931	38,421,798
	171,949,089	75,338,087
	172,896,061	76,643,241

		2018 Rupees	2017 Rupees
25.	**SALES-NET**		
	Local sales:		
	Sugar	11,737,600,556	14,902,766,111
	ByProducts:		
	Molasses	865,225,624	1,032,403,018
	Pressmud	3,434,003	3,442,000
	Bagasse	63,610,720	-
	Electricity	1,162,204,258	205,081,532
		13,832,075,161	16,143,692,661
	Exportsales:		
	Sugar	1,525,297,971	118,681,200
	Less: Export Handling Charges	(6,220,333)	(660,569)
		1,519,077,638	118,020,631
		15,351,152,799	16,261,713,292
	Less: Sales Tax / Special Excise Duty		
	Sugar	(1,108,894,469)	(1,220,152,938)
	Molasses	(21,427,276)	(92,650,591)
	Pressmud	(560,431)	(549,563)
	Bagasse	(10,025,659)	-
	Electricity	(105,802,195)	(29,798,171)
		(1,246,710,030)	(1,343,151,263)
		14,104,442,769	14,918,562,029

	Note	2018 Rupees	2017 Rupees
26. COSTOFSALES			
Finishedgoods-opening		2,792,910,415	1,503,090,759
Add:costofgoodsmanufactured	26.1	13,873,008,690	14,365,400,269
		16,665,919,105	15,868,491,028
Finishedgoods-closing		(2,930,758,478)	(2,792,910,415)
		13,735,160,627	13,075,580,613
26.1 Costofgoodsmanufactured:			
Workinprocess-opening		4,215,669	5,620,905
Rawmaterialconsumed	26.1.1	12,271,552,351	13,053,169,791
Cost of Refined Sugar Purchased		13,556,400	-
Salaries, wages and other benefits	26.1.2	435,971,400	389,164,390
Fuelandpower		78,031,576	50,159,630
Stores,sparepartsandloosetools		244,245,820	227,018,886
Repairsandmaintenance		424,389,479	335,106,318
Insurance		4,232,256	3,271,603
Depreciation	15.1	370,051,907	280,584,687
Vehiclesrunning		25,205,232	14,641,632
Miscellaneous		8,335,512	10,878,096
		13,879,787,602	14,369,615,938
Workinprocess-closing		(6,778,912)	(4,215,669)
		13,873,008,690	14,365,400,269
26.1.1 Rawmaterialconsumed			
Sugarcanepurchases		12,089,568,313	12,889,844,901
Caneprocurementandotherexpenses		181,984,038	163,324,890
		12,271,552,351	13,053,169,791

26.1.2 Salaries, wages and other benefits include Rs. 21,681,082/- (2017: Rs. 26,215,142/-) in respectofgratuity(Refernote8.1).

27. DISTRIBUTIONANDSELLINGEXPENSES			
Salaries, wages and other benefits		9,374,031	8,870,225
Freightoutward		68,637,089	97,054,699
Godownexpenses		56,861,010	38,990,005
Insurance		3,780,307	4,091,355
Commissiononsaleofsugar		9,213,521	12,746,360
		147,865,958	161,752,644

	Note	2018 Rupees	2017 Rupees
28. ADMINISTRATIVEEXPENSES			
Directors'remuneration		4,080,000	4,080,000
Salaries and other benefits	28.1	246,697,065	245,257,388
Rent,ratesandtaxes		22,731,676	27,831,035
Travellingandconveyance		1,694,935	2,122,455
Foreigntravelling		4,071,548	3,542,047
Feesandsubscriptions		12,775,862	9,839,980
Repairandmaintenance		17,175,170	8,352,840
Vehiclesrunning		20,175,360	18,024,169
Postageandtelephone		6,670,915	5,861,803
Printingandstationery		4,008,786	2,517,486
Legal and professional		3,859,665	2,488,012
Auditors'remuneration	28.2	1,554,150	1,412,860
Depreciation	15.1	23,129,794	17,606,183
Ammortizationcost		5,617,493	1,872,498
Donations	28.3	256,513	1,685,466
Write off (input tax)		6,100,455	-
Miscellaneous		28,530,169	20,368,977
		409,129,556	372,863,199

28.1 Salaries and other benefits include Rs. 8,521,862 /- (2017: Rs. 14,289,269/-) in respect of gratuity.(Refernote8.1).

28.2 Auditors'remuneration:

	2018 Rupees	2017 Rupees
Feeforstatutoryaudit	1,210,000	1,100,000
IncomeTaxconsultationservices	344,150	312,860
	1,554,150	1,412,860

28.3 Noneofthedirectorsortheirspouseshaveanyinterestinthedonees.

29. OTHERINCOME

	2018 Rupees	2017 Rupees
FinancialAssets		
Profit on deposit accounts	1,229,757	754,781
Otherassets		
Gain/(Loss) on sale of stores	121,123	(78,193)
Gain on disposal of fixed asset	700,224	326,386
Gain/(Loss) on foreign exchange rates	2,856,465	-
Saleofscrap	43,777,839	31,437,417
Gainonagricultureinputstogrowers	17,252,457	4,497,012
Rentalincome	331,500	331,500
Subsidyonexportofsugar	442,680,400	-
Miscellaneous	12,071,022	10,518,432
	521,020,787	47,787,335

	Note	2018 Rupees	2017 Rupees
30. FINANCECOST			
Interest/mark-upon:			
-Shortterm borrowings		281,596,584	192,018,551
- Lease finance		2,078,022	1,436,585
- Loans from directors		53,571,360	41,098,200
- Long term finance		127,911,330	93,187,732
		465,157,296	327,741,068
Interest on workers' profit participation fund	9.2	15,677,284	5,604,060
Bankchargesandcommission		5,613,874	12,263,212
		486,448,454	345,608,340
31. OTHEREXPENSES			
Workers' profit participation fund	9.2	-	50,527,228
Workers'welfarefund-current	9	-	17,176,933
-prior		(860)	(43,306)
		(860)	67,660,855
32. TAXATION			
Current	32.1	33,019,071	102,183,627
Prioryear	32.2	165,898,051	-
Deferred	32.3	(191,606,279)	130,943,040
		7,310,843	233,126,667
32.1 Income Tax Liability		173,483,811	150,057,543
Less: Tax Credits u/s (65B)	32.1.1	(140,464,740)	(47,873,916)
		33,019,071	102,183,627

32.1.1 Duringtheyearthecompanyhasinvested Rs. 1,404,647,402/-(2017:Rs478,739,157/-) inthepurchaseofplantandmachinery,forthepurposeofbalancing,modernizationand replacement (BMR) in terms of section 65B of the Income Tax Ordinance, 2001. The provision forthetaxationhasbeenreducedbytakingtaxcreditunderthesaidsection.

Provisionforthecurrentyearhasbeenmadeatthecurrenttaxrateaftertakingintoaccount taxrebatesandtaxcreditsavailable.Theincometaxassessmentsof theCompanyhave been finalized up to tax year 2018 except for assessment year 1992-93, 1993-94, 2001-02, 2002-03and2003-04whichareunderappeal(Refernote14fordetail).

	Note	2018 Rupees	2017 Rupees
Relationship between tax expense & accounting profit			
(Loss) / Profit for the year before taxation		(153,140,179)	941,522,007
Tax at the applicable rate 29% (2017 : 30%)		-	282,456,602
Tax effect of expenses that are admissibe / inadmissible in determining taxable profit		-	(27,980,699)
Tax effect of tax credit/minimun tax adjustment		-	(151,497,489)
Deferred tax effect		-	130,943,040
Prior year adjustment		-	-
Impact of income subject to final tax		-	(794,787)
Tax expense/(income) for the current year		-	233,126,667

Tax charge reconcilition for the current year is not prepared as the company is charged to minimum tax and the relation between income tax expense and accounting profit is not meaningfull.

32.2 The prior year figures consists of Rs. 62,076,940/- pertains to tax year 2018 & Rs. 103,821,111/- pertians to tax year 2014 (Return for tax year 2014 revised due to final assesment order).

32.3 Deferred

Closing deferred tax liability	8.2	137,016,652	330,406,637
Opening deferred tax liability	8.2	(330,406,637)	(199,679,904)
Deferred tax (income)/expense		(193,389,985)	130,726,733
Deferred tax attributable to other comprehensive income		1,783,706	216,307
Deferred tax attributable to profit and loss		(191,606,279)	130,943,040

32.4 Tax returns filed for Tax Years till 2018 stand assessed in terms of section 120 of the Income Tax Ordinance, 2001. However, tax authorities are empowered to open or amend the assessments within five years of the date of assessment. As per management's assessment, the provision for tax made in the financial statements is sufficient.

	Tax provision as per financial statements ---------Rupees---------	Tax as per assessment
2015	87,403,571	85,597,922
2016	42,708,851	42,708,851
2017	102,183,627	164,260,567

33. EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED

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

	2018 Rupees	2017 Rupees
(Loss)/Profit after tax	(160,451,022)	708,395,340
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings/(Loss) per share	(10.68)	47.15

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

34. CHANGES IN WORKING CAPITAL

(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(54,664,420)	(53,487,145)
Stock-in-trade	(140,411,306)	(1,288,414,420)
Trade debts	(865,861,384)	220,305,353
Loans and advances	106,434,440	30,002,972
Trade deposits, prepayments and other receivables	151,824,129	(206,981,888)
Taxes recoverable/adjustable	108,032,185	(26,998,157)
Increase/(decrease) in current liabilities:		
Trade and other payables	868,660,002	543,823,031
	174,013,646	(781,750,254)

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2018				2017			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	RUPEES							
Managerial Remuneration	2,040,000	2,040,000	76,612,015	80,692,015	2,040,000	2,040,000	73,674,896	77,754,896
Utilities	-	-	1,531,682	1,531,682	-	-	1,463,376	1,463,376
Bonus	-	-	6,763,609	6,763,609	-	-	10,101,347	10,101,347
Gratuity expense	-	-	6,303,840	6,303,840	-	-	5,051,453	5,051,453
Total	2,040,000	2,040,000	91,211,146	95,291,146	2,040,000	2,040,000	90,291,072	94,371,072
Number of Persons	1	1	34	36	1	1	31	33

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

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

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

36. TRANSACTIONS WITH RELATED PARTIES

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

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

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

Sr No	Name	Postion	Direct Shareholding
1	Naubahar Bottling Co. (Pvt) Limited	Common Directorship	Associated undertaking
2	Almoiz Industries Limited	Common Directorship	Associated undertaking
3	Mr. Muhammad Shamim Khan	Director	32.32%
4	Mrs. Qaiser Shamim Khan	Director	5.24%
5	Mr. Adnan Ahmed Khan	Director	1.78%
6	Mr. Nauman Ahmed Khan	Director	8.09%
7	Mr. Muhmmad Khan	Director	0.03%
8	Mr. Muhmmad Ashraf Khan Durani	Director	2.00%
9	Mr. Rab Nawaz	Director	2.44%

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

Name of Related Party	Relationship	Basis of Relationship	2018 Rupees	2017 Rupees
Naubahar Bottling Co Pvt Limited	Associated undertaking	Common Directorship		
-Sale of goods			2,574,973,294	2,325,098,700
Almoiz Industries Limited	Associated undertaking	Common Directorship		
-Sale of goods			93,644,740	67,691,565
-Purchase of goods			42,215,884	25,083,075

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	226,000,000	(26,000,000)
Markup on loans from directors	53,571,360	41,098,200
Advances to executives	-	244,234
Dividend paid	107,403,477	161,606,855

37. FINANCIALINSTRUMENTS

The objective of the Company's overall financial risk management is to minimize earnings volatility andprovidemaximumreturntoshareholders.

TheCompany'sactivitiesexposeittoavarietyofrisks:

-Creditrisk
- Liquidity risk
-Marketrisk

RiskManagementFramework

TheBoardofDirectorshasoverallresponsibilityfortheestablishmentandoversightofCompany's risk management framework. The Board is also responsible for developing and monitoring the company'sriskmanagementpolicies.

37.1 Creditrisk

Creditriskrepresentstheaccountinglossthatwouldberecognizedatthereportingdate ifcounterpartiesfailcompletelytoperformascontractedandarisesprincipallyfromtrade receivables. Out of the total financial assets of Rs. 1,494,521,805/- (2017: Rs. 530,989,976/-), the financial assets which are subject to credit risk amounted to Rs.1,493,574,833/- (2017: Rs.529,684,822/-).

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 otherfactors. Whereconsiderednecessary, advancepaymentsareobtainedfromcertain parties. Themanagementhassetamaximumcreditperiodof30daysinrespectofsales tocertaininstitutionstoreducethecreditrisk.

37.1.1 Concentrationofcreditrisk

Concentrationofcreditriskariseswhenanumberofcounterpartiesareengagedinsimilar businessactivitiesorhavesimilareconomicfeaturesthatwouldcausetheirabilitiestomeet contractual obligation to be similarly effected by the changes in economic, political or other conditions. TheCompanybelievesthatitisnotexposedtomajorconcentrationofcredit risk.

SomeofthemajorcustomeraccountsforRs.794,985,662/-ofthetradereceivablescarrying amountat30September2018(2017:Rs.356,870,028/-)thathaveagoodtrackrecordwith theCompany.

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

	2018 Rupees	2017 Rupees
Long term deposits	464,500	464,500
Long term advances	42,683,406	42,683,406
Tradedebts	1,270,683,142	404,821,758
Loan & advances	2,935,645	2,044,051
Tradedepositsandotherreceivables	4,859,051	4,333,020
Bankbalances	171,949,089	75,338,087
	1,493,574,833	529,684,822

Allthetradedebtorsatthebalancesheetdaterepresentdomesticparties.

Theagingoftradereceivableatthereportingdateis:

Notpastdue	415,667,219	259,085,924
Pastdue1-30days	102,302,676	80,964,348
Pastdue30-150days	750,401,650	64,771,486
Pastdue150days	2,311,597	-
	1,270,683,142	404,821,758

Intheopinionofthemanagementnoprovisionisnecessaryforpastduetradedebtsastheseare consideredgoodbasedonpaymenthistory.

37.2 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.

Exposuretoliquidityrisk

The table below analyses the Company's financial liabilities into relevant maturity groupings based ontheremainingperiodatthereportingdatetothematuritydate.

	2018					
	Carrying amount	Contractual Cash flows	SixMonths or less	Sixtotwelve months	Oneto two years	Twoto five years
	Rupees					
FinancialLiabilities:						
Loans from directors	574,800,000	574,800,000	-	-	-	574,800,000
Long term finance	1,820,902,701	2,102,438,120	305,238,124	285,983,390	489,084,555	1,022,132,051
Liabilities against assets subject to finance lease	32,268,310	36,038,554	9,077,434	8,558,694	13,382,945	5,019,481
Tradeandotherpayables	304,988,557	304,988,557	-	304,988,557	-	-
Uncasheddividendwarrants	101,007,378	101,007,378	-	101,007,378	-	-
Financecostpayable	90,874,346	90,874,346	90,874,346	-	-	-
Shorttermborrowings	2,977,034,076	2,977,034,076	-	2,977,034,076	-	-
Advancesfromdirectors	575,300,000	575,300,000	-	575,300,000	-	-
	6,477,175,368	6,762,481,031	405,189,904	4,252,872,095	502,467,500	1,601,951,532

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

	2017					
	Carrying amount	Contractual Cash flows	SixMonths or less	Sixtotwelve months	Oneto two years	Twoto five years
	Rupees					
FinancialLiabilities:						
Loans from directors	574,800,000	574,800,000	-	-	-	574,800,000
Long term finance	1,565,094,029	1,782,301,815	245,023,920	258,206,333	349,983,449	929,088,113
Liabilities against assets subject to finance lease	20,136,841	22,118,427	6,782,541	4,378,935	7,581,212	3,375,739
Tradeandotherpayables	376,275,792	376,275,792	-	376,275,792	-	-
Uncasheddividendwarrants	138,486,949	138,486,949	-	138,486,949	-	-
Financecostpayable	66,082,670	66,082,670	66,082,670	-	-	-
Shorttermborrowings	2,206,549,355	2,206,549,355	-	2,206,549,355	-	-
Advancesfromdirectors	349,300,000	349,300,000	-	349,300,000	-	-
	5,296,725,636	5,515,915,008	317,889,131	3,333,197,364	357,564,661	1,507,263,852

37.3 Marketrisk

Marketriskistheriskthatchangesinmarketprices,suchasforeignexchangerates,interestrates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Theobjectiveofmarketriskmanagementistomanageandcontrolmarketriskexposureswithin acceptableparameters,whileoptimizingreturn.

37.3.1Currencyrisk

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.

37.3.2 Interestraterisk

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

	2018	2017	2018	2017
	Effective rate		Carryingamount	
	(inPercent)		(Rupees)	
Financialliabilities				
Variablerateinstruments				
Long term finances	6.65% to 8.68%	6.65% to 7.39%	1,820,902,701	1,565,094,029
Liabilities against assets subject to finance lease	7.15% to 9.57%	7.04% to 7.40%	32,268,310	20,136,841
Loans from directors	9.32%	7.15%	574,800,000	574,800,000
Short term borrowings	5.47% to 8.97%	6.26% to 7.25%	2,977,034,076	2,206,549,355
			5,405,005,087	4,366,580,225

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit beforetaxfortheyearwouldhavebeenstatedbelow.

Thisanalysisassumesthatallothervariablesremainconstant.Theanalysisisperformedonsame basisfor2017.

	Increase/ decreasein %	Effect on profit beforetax (Rupees)
Asat30September2018		
Cash flow sensitivity-Variable rate financial liabilities	1%	54,050,051
Asat30September2017		
Cash flow sensitivity-Variable rate financial liabilities	1%	43,665,802

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

37.3.3 Otherpricerisk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate becauseofchangesinmarketprices(otherthanthosearisingfrominterestrateriskorcurrencyrisk).The companyisnotexposedtootherpricerisks.

37.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is theamountforwhichanassetcouldbeexchanged,oraliabilitysettled,betweenknowledgeable,willing partiesinanarm'slengthtransaction.Thecompanymeasuresfairvaluesusingthefollowingfairvalue hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assetorliability,eitherdirectly(i.e.,asprices)orindirectly(i.e.,derivedfromprices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservableinputs).

As at 30 September 2018 the net fair value of all financial instruments has been based on the valuationmethodologyoutlinedbelow:

Longtermdeposits

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.

Noncurrentliabilities

Forallnon-currentliabilitiesthefairvalueshavebeentakenatbookvaluesasthesearenotconsidered 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 shortterminnature.

37.5 Financialinstrumentbycategories

FinancialAssets	Loans&receivables	
	2018	2017
	Rupees	
Long term deposits	464,500	464,500
Long term advances	42,683,406	42,683,406
Tradedebts	1,270,683,142	404,821,758
Loan & advances	2,935,645	2,044,051
Tradedepositsandotherreceivables	4,859,051	4,333,020
CashandBankbalances	172,896,061	76,643,241
	1,494,521,805	530,989,976

Financial Liabilities	Atamortisedcost	
	2018	2017
	Rupees	
Loans from directors	574,800,000	574,800,000
Long term finance	1,820,902,701	1,565,094,029
Liabilities against assets subject to finance lease	32,268,310	20,136,841
Tradeandotherpayables	304,988,557	376,275,792
Unpresenteddividendwarrants	101,007,378	138,486,949
Financecostpayable	90,874,346	66,082,670
Shorttermborrowings	2,977,034,076	2,206,549,355
Advancesfromdirectors	575,300,000	349,300,000
	6,477,175,368	5,296,725,636

38. DIVIDEND

The board of directors have proposed final cash dividend for the year ended 30 September 2018 of Rs. Nil (2017: Rs.10.00) per share i.e. Nil (2017: 100%) amounting to Rs.Nil (2017: Rs. 150,232,320/) attheirmeetingheldon26December2018forapprovalofthemembers.

39. CAPITALRISKMANAGEMENT

Thecompany'sobjectivesformanagingcapitalare:

i) tosafeguardtheentity'sabilitytocontinueasagoingconcern;and

ii) toprovideanadequatereturntoshareholdersbypricingproductscommensuratelywiththe levelofrisk.

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.

Thecompanysetstheamountofcapitalinproportiontorisk.Thecompanymanagesthe capitalstructureandmakesadjustmentstoitinthelightofchangesineconomicconditions andtheriskcharacteristicsoftheunderlyingassets.Inordertomaintainoradjustthecapital structure,thecompanymayissuenewshares,orsellassetstoreducedebts.

Consistentlywithothersintheindustry,thecompanymonitorscapitalonthebasisofthenet debt-to-equityratio.Thisratioiscalculatedasnetdebt÷equity.Netdebtiscalculatedas totaldebt(asshowninthebalancesheet)lesscashandcashequivalents.Equitycomprises ofsharecapital,reservesandretainedearnings.

During2018,thecompany'sstrategy,whichwasunchangedfrom2017,wastomaintainthe net debt-to-equity ratio in the range 1.50 to 3.50 times, in order to secure access to finance atareasonablecost.

	2018 Rupees	2017 Rupees
Thenetdebt-to-equityratiosat30September2018 andat30September2017areasfollows:		
Totaldebts	5,980,305,087	4,715,880,225
Less: cash and cash equivalents	(172,896,061)	(76,643,241)
Netdebt	5,807,409,026	4,639,236,984
Totalequity	1,885,557,505	2,333,733,666
Netdebt-to-equity(Times)	3.08	1.99

The increase in debt-to-equity ratio during 2018 resulted from proportionate increase in dependanceonborrowingswithrespecttodecreaseinequity.

40. PLANTCAPACITYANDACTUALPRODUCTION

			2018	2017
Designedcrushingcapacity:				
- Layyah Sugar Mills	Old Plant	Metric Tons/day	4,000	4,000
- Layyah Sugar Mills	New Plant	Metric Tons/day	9,000	9,000
- Safina Sugar Mills	Old Plant	Metric Tons/day	8,000	8,000
Capacityonthebasisofoperatingdays		MetricTons	3,003,000	3,167,000
Actualcrushing		MetricTons	2,697,755	2,869,699
Percentage of capacity attained		%	89.84	90.61
Sugarproductionfromcane		MetricTons	260,788	279,308
Recovery of sugar cane		%	9.67	9.73

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

41. NUMBEROFEMPLOYEES

The total and average number of employees during the year as at 30 September 2018 and 2017 respectively are as follows:

	2018	2017
Number of factory employees as at 30 September	535	524
Number of other employees as at 30 September	72	69
	607	593
Average number of factory employees during the year	540	535
Average number of other employees during the year	68	70
	608	605

42. NON-CASHFINANCINGACTIVITIES

During the year, the Company acquired property, plant and equipment amounting to Rs. 31,131,000/- (2017: Rs. 16,705,500/-) by means of finance lease.

43. RECOVERABLEAMOUNTSANDIMPAIRMENT

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

44. OPERATINGSEGMENTS

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

a) Revenue from sale of sugar and its by-products represents 100% (2017: 100%) of the sale of the company.

b) 89% (2017: 99%) of the sale for the year of the company is made to customers located in Pakistan and 11% (2017: 1.00%) of the sale for the year is made to customers located outside Pakistan.

c) All non-current assets of the company as at 30 September 2018 are located in Pakistan.

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

	2018		2017	
	Rs.	Percentage	Rs.	Percentage
Naubahar Bottling Co. (Pvt) Ltd	2,574,973,294	18%	2,135,528,594	14%

45. DATEOFAUTHORIZATIONOFISSUE

These financial statements were authorized for issue on 26 December 2018 by the Board of Directors of the company.

CHIEFEXECUTIVE CHIEFFINANCIALOFFICER 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, at the 65th Annual General Meeting of the company to be held Head Office 2-D/1, Gulberg III, Lahore on Saturday, the 26th January, 2019 at 4.00 p.m. and every adjournment thereof:

Aswitnessmyhandthis_____dayof_____2019

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. CDCshareholder'sentitledtoattendandvoteatthismeetingmustbringwiththemtheirComputerized NationalIdentityCard/passportinoriginaltoprovidehis/heridentity.

دی تھل انڈسٹریز کارپوریشن لمیٹڈ

مختارنامہ

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----------

مختارم/مختارمہ----------

کو اپنے/ہمارے ایماء پر----------مورخہ 26 جنوری 2019ء بروز ہفتہ بوقت 4:00 بجے----------

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

آج بروز----------بتاریخ ----------2019ء 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۔ مختارنامے 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 مختارنامہ 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 (مختارنامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

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THALINDUSTRIES

CORPORATION

Ifundelivered,pleasereturnto:

THE THALINDUSTRIESCORPORA TIONLIMITED

Registered Office: 23-Pir
Ph:
Fax:

Lahore Office: 2-D-1
Tel:
Fax: