


Sugar

Power



2015 ANNUAL REPORT

THALINDUSTRIES

CORPORATION

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Company Information

BOARD OF DIRECTORS	**CHAIRMAN/CHIEF EXECUTIVE** Mr. Muhammad Shamim Khan	
	MANAGING DIRECTOR Mr. Nauman Ahmed Khan	
	DIRECTORS Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Ms. Farrah Khan Mr. Muhammad Khan Mr. Muhammad Ashraf Khan Durani	 (Independent Director)
AUDIT COMMITTEE	Mr. Muhammad Ashraf Khan Durani Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan	(Chairman) (Member) (Member)
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Muhammad Ashraf Khan Durani Mr. Muhammad Shamim Khan Mr. Adnan Ahmed Khan	(Chairman) (Member) (Member)
CHIEF FINANCIAL OFFICER	Mr. Hafiz Muhammad Arif	
COMPANY SECRETARY	Mr. Wasif Mahmood	
AUDITORS	M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants, Lahore	
LEGAL ADVISOR	Mr. Shehzad Ata Elahi, Advocate Ch. Altaf Hussain Advocate	
BANKERS	Albaraka Bank Pakistan Limited Allied Bank Limited Askari Bank Limited Bank Al-Habib Limited Bank Alfalah Limited DubaiIslamic Bank (Pakistan) Limited Faysal Bank Limited Habib Bank Limited MCB Bank Limited Meezan Bank Limited NIB Bank Limited Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited United Bank Limited	
SHARE REGISTRAR	M/s. CORPLINK (Pvt) Ltd Wings Arcade, 1-K- Commercial Model Town, Lahore Tel: 042-35839182, 35887262 Fax: 042-35869037	
REGISTERED OFFICE	23- Pir Khurshid Colony Gulgasht, Multan Tel: 061-6524621, 6524675 Fax: 061-6524675	
LAHORE OFFICE	2-D-1 Gulberg-III, Lahore – 54600 Tel: 042-35771066-71 Fax: 042-35771175	
FACTORY ADDRESSES	**Unit 1:** Layyah Sugar Mills, Layyah Tel: 0606-411981-4, 0606-410014 Fax: 0606-411284 **Unit 2:** Safina Sugar Mills, Lalian District Chinniot. Tel: 047-6610011-6 Fax: 047-6610010	
WEBSITE	www.thalindustries.com	

Notice of Annual General Meeting

Notice is hereby given that the 62nd Annual General Meeting of the Shareholders of The Thal Industries Corporation Limited will be held on Saturday, the 30th January, 2016 at 3:00 p.m. at 2 D-1, Gulberg-III, Lahore to transact the following business:-

ORDINARY BUSINESS:

1. Confirmation of the minutes of the 61st Annual General Meeting of the Thal Industries Corporation Limited held on 27-01-2015.

2. To receive, consider and adopt Annual Audited Accounts alongwith Balance Sheet for the year ended 30th September 2015 together with Auditors' and Directors' reports thereon.

3. To consider and approve cash dividend @ of Rs. 5.00 per share i.e. 50% for the year ended 30th September, 2015.

4. To appoint Auditors for the year ending 30th September, 2016 and to fix their remuneration. M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants retire. They have offered their services for re-appointment for the year ending 30-09-2016.

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

BY ORDER OF THE BOARD

WASIF MAHMOOD
Company Secretary

Lahore: 26th December 2015

Note:

1. **Closure of Shares Transfer Books:**
   Share Transfer Books of the Company will remain closed from 23rd January, 2016 to 30th January, 2016 (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 22nd January, 2016 will be treated in time for the entitlement of payout of cash dividend.

2. **Participation in the Annual General Meeting:**
   Members are requested to attend in person alongwith 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 Ordinance 1984 and other relevant laws/record may be inspected during the business hours on any working day at 2D-1, Gulberg III, Lahore from the date of the publication of the notice till the conclusion of the general meeting. A Corporate member of the Company may by a resolution of its Board of Directors authorize a person to act as its representative at the meeting.

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

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

5. **Submission of Copy of CNIC (Mandatory):**
As directed by the SECP through its Notification No. SRO 831 (1) 2012 dated July 5, 2012 r/w SRO 19(1)/2014 dated January 10, 2014, dividend warrants cannot be issued without valid CNICs, through advertisement in newspapers dated 16-06-2015 and through Registered Post dated 13-06-2015, all 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, 2015 effective from July 1, 2015 a new criteria for withholding of tax on dividend income has been introduced by Federal Board of Revenue (FBR) as per this criteria, Filer and Non Filer shareholders will pay tax on dividend income @ 12.50% and 17.50% 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 (Optional)**

In order to enable a more efficient method of cash dividend through its Circular No. 8(4) SM/CDC 2008 of April 05, 2013, the SECP has announced an e-dividend mechanism where shareholders can get their dividend credited directly into their respective bank accounts electronically by authorizing the Company to electronically credit their dividend to their accounts. Accordingly, all non CDC shareholders are requested to send their bank account details to the Company's Registrar, Shareholders who hold shares with CDC or Participants/Stock Brokers are advised to provide the mandate to CDC or their Participants/ Stock Brokers.

8. **Audited Financial Statements through e-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.

Director's Report to the Members

The Directors of your Company are pleased to present the 62nd Annual Report together with Audited Accounts and Auditor's Report thereon for the Financial Year ended 30th September 2015.

INDUSTRY OVERVIEW

Sugarcane crop acreage was lower as compared to last year, chiefly due to hot weather and drought, followed by floods. The growth of sugarcane crop was badly affected and resulted in reduced per acre yield. Subsequently, the levels of cane crushing and sugar production in the province of Punjab were slightly lower as compared to the last crushing season. However, there were surplus stocks in the country like the previous year.

Despite depressed sugar prices for the last four years in local as well as international markets, the sugarcane minimum price was increased by the Punjab Government from Rs. 170/- per mound to Rs. 180/- per mound for the crushing season 2014-15. In Sindh, the sugarcane minimum price remained under dispute and sugar mills paid Rs. 155/- per mound- as compared to Rs 180/-per mound in Punjab. Due to this difference in price the sugar mills in Punjab remained at a disadvantage as compared to those in Sindh.

We witnessed price competition over cane purchase during the last 4 to 5 weeks of the crushing season when the sugar prices showed some positive gains for a short period of time during the year under review. The timely approval of the export package for the sugar by the Government of Pakistan provided some economic relief to the overall sugar industry.

PERFORMANCE OF THE COMPANY

During the year under review the Company was able to crush 1,808,462 m. tons sugar cane and produced 175,909.50 m. tons white refined sugar with an average recovery of 9.73% as compared to last year's crushing of 1,814,123 m. tons and production of 178,630 m. tons white refined sugar at an average recovery of 9.85%. This decrease in the cane crushing and sugar production was due to the unfavorable crop conditions, hot weather and drought followed by floods. This contributed towards the decrease in per acre yield of sugarcane crop in the area. Sugar price in the local market stabilized to some extent after the actual export of sugar and the company tried its best to achieve maximum benefit from the sugar export package in order to relieve some of the pressure felt through the depressed local sugar market.

FINANCIAL HIGHLIGHTS

During the financial year under review your Company was able to earn pretax profit of Rs. 314.724 million and after tax Rs. 261.019 million as compared to last year's pretax profit of Rs. 83.513 million and after tax of Rs. 62.473 million.

Increase in profitability was mainly due to the sugar export package approved for the survival of the sugar industry and the improved sugar prices in the last quarter of the financial year and partially due to the decrease in financial charges as a result of reduction in KIBOR rate from double digits to single. Your company adopted the right approach to get maximum benefit from such opportunities. All these factors cumulatively contributed to the improvement of the profitability of the company.

FINANCIAL RESULTS

	2015	2014
	(Rupees in Million)	
Pre- Tax Profit	314.724	83.513
Provision for Taxation:		
- Current	(87.404)	32.074
- Deferred	33.699	(53.114)
Profit after Taxation	261.019	62.473
Effect of OCI	(1.796)	(0.257)
	259.223	62.216
Accumulated profit brought forward	826.541	786.860
	1,085.764	849.076
APPROPRIATIONS		
Dividend paid during the year @ 7.50% (2014-15%)	(11.267)	(22.535)
Interim Cash Dividend paid during the year@ 9.20%	(13.821)	-
Accumulated profit carried forward	1,060.676	826.541
Earnings per share (Rs.)	17.37	4.16

EARNING PER SHARE:

The earning per share of the company for the year under review stood at Rs. 17.37 (2014: Rs. 4.16).

DIVIDEND

Your management has recommended 50% (2014: 16.70%) cash dividend for the financial year that ended 30, September 2015.

RESEARCH AND DEVELOPMENT

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

Like previous years, your management has decided to provide new improved varieties of sugarcane seed with high yield/recovery and disease/frost resistance along with fertilizers and pesticides to cane growers on mark up free credit basis for Autumn sowing 2015, as well as free of cost timely services of biological laboratory at their door step so that sugarcane procurement for the next crushing season may not suffer.

FUTURE OUT LOOK

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

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

Your company is making die hard efforts on timely completion of its on-going power project and will focus with its increased energies on power sale to MEPCO, which will strengthen your ability to better compete in the forthcoming tough competitive environment.

RELATED PARTIES DISCLOSURE

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

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

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

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

f) The company has adopted the central depository system and the listing regulations of Karachi Stock Exchange. So far 141,043 shares of the company have been transferred by the shareholders to the Central Depository Company of Pakistan Karachi.

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

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

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

j) The key operating and financial data of 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) There have been five board meetings during the year and attendance of each Director in the board meeting is stated under.

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

o) No Share transactions have been reported by the Directors, CFO, other Executives, Auditors, Company secretary or their spouses and minor childern during the year ended 30 September, 2015.

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	Mr. Muhammad Shamim Khan	5
2	Mrs. Qaiser Shamim Khan	5
3	Mr. Adnan Ahmed Khan	5
4	Mr. Nauman Ahmed Khan	5
5	Ms. Farrah Khan	5
6	Mrs. Sarah H Khan	2
7	Mr. Muhammad Khan	5
8	Mr. Muhammad Ashraf Khan Durani	3

PATTERN OF SHARE HOLDING

The statement of pattern of shareholding alongwith categories of shareholding of the company as noted on September 30, 2015 required under section 236 of the Companies Ordinance, 1984 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, 2016.

OTHER STATEMENTS AND REPORTS

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

ACKNOWLEDGEMENT

The directors would like to record their appreciation for the efforts and devotion of all the company's employees and hope that they will continue their contributions towards the enhancement of productivity and well being of the company in the future as well.

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

Muhammad Shamim Khan
Chairman/Chief Executive

Lahore: 26th December 2015

Vision Statement

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

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

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

MISSION STATEMENT

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

CORPORATE STRATEGY

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

CORE VALUES

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

Statement of Ethics & Business Practices

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

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

Quality of Product:

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

Dealing with Employees:

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

Responsibility to Society / Interested Sectors:

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

We meet all our obligations and ensure timely compliance.

Financial Reporting & Internal Controls:

Our policies with reference to accounting, finance and corporate matters are governed by relevant corporate regulations, Companies Ordinance, 1984, and the Code of Corporate Governance. It is our responsibility to comply with International Financial Reporting Standards (IFRSs) as applicable in Pakistan for the preparation of financial statements with any departure therefrom being adequately disclosed.

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

Purchase of Goods & Timely Payment:

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

Conflict of Interest:

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

Observance to Laws of the Country:

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

Objectives of the Company:

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

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

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

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

THALINDUSTRIES CORPORATION

Six Years Summary of Financial Highlights

OPERATING PERFORMANCE:

	2015	2014	2013	2012	2011	2010
Quantitative Data (M. Tons)						
Cane Crushed	1,808,462	1,814,123	1,661,939	1,668,548	1,380,805	1,154,967
Sugar Produced	175,910	178,630	161,733	159,530	121,024	99,829
Raw Sugar Processed	1,296	-	-	-	2,096	-
Sugar Produced from Raw Sugar	1,296	-	-	-	1,986	-
Profitability (Rs in 000)						
Gross Sales	12,057,447	9,250,729	10,319,973	7,948,675	8,019,513	6,791,240
Sales (Net)	11,244,799	8,595,814	9,543,137	7,374,484	7,378,520	6,535,895
Gross Profit	923,407	901,403	986,981	674,490	950,816	686,998
Profit before Taxation	314,724	83,513	314,921	164,323	290,741	229,991
Profit after Taxation	261,019	62,473	204,873	106,609	183,697	119,191
Financial Position (Rs in 000)						
Tangible Fixed Assets	2,516,493	2,347,980	2,454,555	1,812,174	1,653,701	1,698,563
Other Non Current Assets	465	440	1,617	3,153	3,325	7,987
	2,516,958	2,348,420	2,456,173	1,815,327	1,657,026	1,706,550
Current Assets	2,832,311	3,969,012	2,319,988	3,081,126	2,368,028	1,305,885
Current Liabilities	2,596,015	3,754,353	2,308,188	2,700,540	2,120,560	1,207,049
Net Working Capital Employed	236,296	214,659.00	11,800	380,586	247,468	98,836
Capital Employed	2,753,254	2,563,079	2,467,973	2,195,913	1,904,494	1,805,386
Long Term Loan & Other Liabilities	1,448,545	1,492,505	1,437,081	1,348,006	1,133,150	1,195,204
Shareholder's Equity	1,304,708	1,070,574	1,030,892	847,907	771,344	610,182
Represented By:						
Share Capital	150,232.32	150,232	150,232	150,232	150,232	150,232
Reserve & Unappropriated						
Profit/ (Loss) Carried Forward	1,154,476	920,341	880,660	697,675	621,112	459,950
	1,304,708	1,070,574	1,030,892	847,907	771,344	610,182
Ratios						
Gross Profit Ratio (%age)	8.21	10.49	10.34	9.15	12.89	10.51
Net Profit Before Tax Ratio (%age)	2.80	0.97	3.30	2.23	3.94	3.52
Debt to Equity Ratio (Excluding Directors Loan)	67:33	76:24	90:10	89:11	32.68	41.59
Current Ratio	1.09	1.06	1.01	1.14	1.12	1.08
Break up Value per Share (Rs.)	86.85	71.26	68.62	56.44	51.34	40.62
Earning per Share (Rs.)	17.37	4.16	13.64	7.10	12.23	7.93
Dividend (%age)	50.00	7.5	15	10	15	20
Dividend Paid (Rs in 000)	75,116	11,267	22,535	15,023	22,535	30,046

FORM-34
THE COMPANIES ORDINANCE 1984

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

1. Incorporation Number **0000619**

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

3. Pattern of holding of the shares held by the shareholders as at 30/09/2015

4. Number of Shareholders	Shareholdings		Total Shares Held
	From	To	
501	1	100	21,901
232	101	500	61,819
111	501	1,000	82,311
85	1,001	5,000	207,098
17	5,001	10,000	119,484
3	10,001	15,000	30,320
2	15,001	20,000	38,570
1	20,001	25,000	22,500
2	25,001	30,000	56,644
1	30,001	35,000	31,000
7	45,001	50,000	345,608
2	50,001	55,000	106,000
2	55,001	60,000	115,500
2	60,001	65,000	124,000
1	65,001	70,000	68,000
3	75,001	80,000	236,000
3	80,001	85,000	244,700
3	90,001	95,000	283,753
5	95,001	100,000	498,550
3	100,001	105,000	306,500
6	105,001	110,000	655,800
2	115,001	120,000	239,000
1	120,001	125,000	125,000
1	130,001	135,000	135,000
1	145,001	150,000	150,000
1	150,001	155,000	150,013
1	175,001	180,000	180,000
1	180,001	185,000	182,500
1	190,001	195,000	191,807
2	195,001	200,000	398,500
2	200,001	205,000	403,069
1	205,001	210,000	209,878
2	225,001	230,000	455,500
1	240,001	245,000	242,000
1	250,001	255,000	254,000
1	255,001	260,000	256,694
1	265,001	270,000	267,960
1	305,001	310,000	308,000
1	355,001	360,000	359,863
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
1017			**15,023,232**

5.	Categories of shareholders	Shares Held	Percentage
5.1	Directors, Chief Executive Officers, and their spouse and minor childern	7,396,850	49.2361%
5.2	Associated Companies, undertakings and related parties.	0	0.0000%
5.3	NIT and ICP	25	0.0002%
5.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	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%	4,855,850	32.3223%
5.8	General Public		
	a. Local	7,613,021	50.6750%
	b. Foreign	0	0.0000%
5.9	Others (to be specified) Joint Stock Companies	13,166	0.0876%
	Total	**15,023,232**	**100.0000%**

* Note:

This being a part of item No. 5.1 therefore, it is not counted again in doing grand total.

Categories of Share Holders as Required Under C.C.G.
As on 30th September 2015

S. No.	NAME	HOLDING	%AGE
	DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN		
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	MRS. FARRAH KHAN	55,000	0.3661%
6	MR. MUHAMMAD KHAN	5,000	0.0333%
7	MR. MUHAMMAD ASHRAF KHAN DURANI	100,500	0.6690%
8	MRS. AAMRA KHAN W/O ADNAN AHMED KHAN	50,000	0.3328%
9	MRS. ANIQA KHAN W/O NAUMAN AHMED KHAN	50,000	0.3328%
10	RANIA KHAN (MINOR) THROUGH GARDIAN MR. ADNAN AHMED KHAN	10,000	0.0666%
		7,396,850	49.2361%
	ASSOCIATED COMPANIES	0	0.0000%
	NIT & ICP		
1	INVESTMENT CORPORATION OF PAKISTAN	25	0.0002%
	BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS	0	0.0000%
	INSURANCE COMPANIES		
1	ADAMJEE INSURANCE COMPANY LIMITED	170	0.0011%
	MODARABA & MUTUAL FUND	0	0.0000%
	JOINT STOCK COMPANIES		
1	GHULAM RASOOL & SONS	295	0.0020%
2	SH. MOHAMMAD IBRAHIM AND SONS	295	0.0020%
3	MANZOOR AHMAD AND SONS	63	0.0004%
4	M/S RAJPUT METAL WORKS LTD.	7,509	0.0500%
5	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000%
6	SALIM SOZER SECURITIES (PRIVATE) LTD. (CDC)	5,000	0.0333%
7	SARFARAZ MAHMOOD (PVT) LTD. (CDC)	3	0.0000%
		13,166	0.0876%
	SHARES HELD BY THE GENERAL PUBLIC	7,613,021	50.6750%
	TOTAL:	**15,023,232**	**100.0000%**

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

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

S. No.	NAME	SALE	PURCHASE
1	MR. MUHAMMAD ASHRAF KHAN DURANI	0	100,500

Statement of Compliance with the Code of
Corporate Governance for the Year Ended 30 September 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulations of Karachi Stock Exchange and of Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

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

   The independent director meets the criteria of independence under clause 1(b) of the CCG.

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

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

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

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

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

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

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

9. All the directors on the board are well conversant with their duties and responsibilities and the company had arranged one training program for one of its directors namely Mr. Muhammad Ashraf Khan Durani during the year, which was organized by the Institute of Chartered Accountants of Pakistan (ICAP) duly approved training institution by Securities and Exchange Commission of Pakistan. Remaining six directors are exempt from directors training program in view of their fourteen years of education and fifteen years of experience on the board of a listed company.

10. Head of internal audit was appointed last year who is a member of “The Institute of Internal Auditors” and possess more than five years experience in the field of internal audit.

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

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

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

14. The company has complied with all the corporate and financial reporting requirements of the CCG. The company's management has been developing evaluation criteria for carrying out performance evaluation of its members & chairman. The criteria will be placed before board of directors for consideration, comments and adoption in forthcoming meeting.

15. The board has formed an Audit Committee. It comprises of three members of whom two are non-executive directors and one independent director as the chairman of the audit committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration (HR&R) Committee as required under CCG. It comprises three members, of whom one member is executive director, one member is non executive director and chairman of the committee is an independent director.

18. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

19. All related party transactions entered during the year were at arm's length basis and these have been placed before the audit committee and board of directors. These transactions are already reviewed and approved by the audit committee and board of directors alongwith pricing method.

20. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

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

24. We confirm that all other material principles enshrined in the CCG have been complied with except for the matter stated in paragraph 14 towards which reasonable progress is being made by the company to seek compliance by the end of next accounting year.

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

Muhammad Shamim Khan
Chairman/Chief Executive

Lahore: 26 December 2015

Review Report to the Members

On Statement of Compliance With Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the code) prepared by the Board of Directors of The Thal Industries Corporation Limited for the year ended 30 September 2015 to comply with the Listing Regulations of Karachi Stock Exchange and Lahore Stock Exchange, where the company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 September 2015.

Further, we highlight instance of non-compliance with the requirement of the Code as reflected in statement of compliance in relevant paragraph referred below:

	Paragraph Reference	Description
i.	14	Performance evaluation of board of directors.

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

LAHORE: DECEMBER 26, 2015

Auditor's Report to the Members

We have audited the annexed balance sheet of **THE THAL INDUSTRIES CORPORATION LIMITED** as at 30 September 2015 and the related profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

b) in our opinion –

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

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 September 2015 and of the profit, total comprehensive income, its cash flows & changes in equity for the year then ended; and

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

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

LAHORE: DECEMBER 26, 2015

Balance Sheet
As At 30 September 2015

	Note	2015 Rupees	2014 Rupees
EQUITY & LIABILITIES			
Share Capital and Reserves			
Share capital	3	150,232,320	150,232,320
Revenue reserves	4	93,800,000	93,800,000
Accumulated profit		1,060,676,077	826,541,441
		1,304,708,397	1,070,573,761
Non Current Liabilities			
Long term finance	5	561,970,786	594,666,667
Liabilities against assets subject to finance lease	6	10,366,443	6,472,723
Loans from directors	7	574,800,000	574,800,000
Deferred liabilities	8	301,408,059	316,565,480
		1,448,545,288	1,492,504,870
Current Liabilities			
Trade and other payables	9	283,229,563	492,916,626
Finance cost payable	10	77,458,455	135,364,301
Short term borrowings-secured	11	1,508,479,052	2,804,112,277
Advances from directors	12	383,300,000	26,000,000
Current portion of long term liabilities	13	229,453,007	214,660,959
Provision for taxation		114,095,088	81,299,091
		2,596,015,165	3,754,353,254
Contingencies and Commitments	14		
		5,349,268,850	6,317,431,885

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

CHIEF EXECUTIVE

	Note	2015 Rupees	2014 Rupees
PROPERTY AND ASSETS			
Non Current Assets			
Property, plant & equipment	15	2,516,493,361	2,347,980,269
Long term deposits		464,500	439,500
		2,516,957,861	2,348,419,769
Current Assets			
Stores, spare parts and loose tools	16	371,107,200	324,476,622
Stock-in-trade	17	1,253,863,481	2,335,294,833
Trade debts	18	302,753,242	368,759,302
Loans and advances	19	299,168,017	251,021,576
Trade deposits, prepayments and other receivables	20	100,046,316	49,330,750
Taxes recoverable / adjustable	21	472,496,044	409,220,788
Cash and bank balances	22	32,876,689	230,908,245
		2,832,310,989	3,969,012,116
		5,349,268,850	6,317,431,885

DIRECTOR

Profit and Loss Account
For the year ended 30 September 2015

	Note	2015 Rupees	2014 Rupees
Sales - net	23	11,244,798,613	8,595,813,943
Cost of sales	24	(10,321,391,296)	(7,694,410,756)
Gross profit		923,407,317	901,403,187
Operating expenses			
Distribution and selling expenses	25	(110,097,187)	(107,744,521)
Administrative expenses	26	(240,515,398)	(241,150,929)
		(350,612,585)	(348,895,450)
Operating profit		572,794,732	552,507,737
Other income	27	185,844,011	48,885,392
		758,638,743	601,393,129
Finance cost	28	(425,142,131)	(512,808,266)
Other expenses	29	(18,772,728)	(5,071,604)
		(443,914,859)	(517,879,870)
Profit before taxation		314,723,884	83,513,259
Taxation	30	(53,704,502)	(21,040,621)
Profit after taxation		261,019,382	62,472,638
Earnings Per Share - Basic and diluted	31	17.37	4.16

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

CHIEF EXECUTIVE

DIRECTOR

Statement of Other Comprehensive Income

For the year ended 30 September 2015

	2015 Rupees	2014 Rupees
Profit after tax	261,019,382	62,472,638
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	(2,762,999)	(394,480)
Related impact on deferred tax	967,050	138,068
	(1,795,949)	(256,412)
Total comprehensive income for the year	259,223,433	62,216,226

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

CHIEF EXECUTIVE

DIRECTOR

Cash Flow Statement

For the year ended 30 September 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		314,723,884	83,513,259
Adjustment for:-			
- Depreciation		220,896,318	216,708,677
- Provision for gratuity		21,713,968	13,302,273
- Provision against doubtful advances		2,889,911	-
- Gain on disposal of fixed assets		(230,516)	(8,872,579)
- Finance cost		425,142,131	512,808,266
- Workers' Profit participation fund		16,674,831	4,429,243
- Workers Welfare fund		2,097,897	642,361
		689,184,540	739,018,241
Operating cash flows before changes in working capital		1,003,908,424	822,531,500
Changes in working capital	32	703,299,107	(1,447,778,894)
Cash (used in)/generated from operations		1,707,207,531	(625,247,394)
Gratuity paid		(4,968,269)	(5,281,174)
Finance cost paid		(482,738,591)	(418,247,093)
Workers' profit participation fund paid		(4,738,629)	(17,363,415)
Workers Welfare fund paid		(664,703)	(3,398,955)
Income tax paid		(54,607,574)	(8,965,598)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		1,159,489,765	(1,078,503,629)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(367,129,531)	(111,568,612)
Long term deposits		(25,000)	1,177,900
Proceeds from disposal of fixed assets		697,137	17,139,043
NET CASH USED IN INVESTING ACTIVITIES		(366,457,394)	(93,251,669)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finance		(24,537,082)	(120,385,000)
Lease and security deposit payments		(12,219,531)	(5,656,196)
Short term borrowings - net		(1,295,633,225)	1,639,555,001
Advances from directors		357,300,000	(100,000,000)
Dividend paid		(15,974,089)	(28,472,951)
NET CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		(991,063,927)	1,385,040,854
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(198,031,556)	213,285,556
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		230,908,245	17,622,689
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	32,876,689	230,908,245

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

CHIEF EXECUTIVE **DIRECTOR**

Statement of Changes in Equity

For the year ended 30 September 2015

PARTICULARS	SHARE CAPITAL	GENERAL RESERVES	ACCUMULATED PROFIT	TOTAL
	RUPEES			
Balance as on 01 October 2013	150,232,320	93,800,000	786,860,063	1,030,892,383
Cash dividend @ 15 % i.e. Re. 1.50 per share for the year ended 30 September 2013	-	-	(22,534,848)	(22,534,848)
Total Comprehensive Income for the Year	-	-	62,216,226	62,216,226
Balance as on 30 September 2014	150,232,320	93,800,000	826,541,441	1,070,573,761
Cash dividend @ 7.50 % i.e. Re. 0.75 per share for the year ended 30 September 2014	-	-	(11,267,424)	(11,267,424)
Interim cash dividend @ 9.20 % i.e. Re. 0.92 per share declared during the year	-	-	(13,821,373)	(13,821,373)
Total Comprehensive Income for the year	-	-	259,223,433	259,223,433
Balance as on 30 September 2015	150,232,320	93,800,000	1,060,676,077	1,304,708,397

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

CHIEF EXECUTIVE

DIRECTOR

Notes to the Financial Statements
For the year ended 30 September 2015

1. STATUS AND ACTIVITIES

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

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

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

- IFRS 2 - “Share Based Payment” (amendments)
- IFRS 3 - “Business Combinations” (amendments)
- IFRS 8 - “Operating Segments” (amendments)
- IAS 16 - “Property, Plant and Equipment” (amendments)
- IAS 19 - “Employee Benefits” (amendments)
- IAS 24 - “Related Party Transactions” (amendments)
- IAS 27 - “Separate financial statements” (amendments)
- IAS 32 - “Financial Instruments: Presentation”(amendments)
- IAS 36 - “Impairment of Assets” (amendments)
- IAS 38 - “Intangible Assets” (amendments)
- IAS 39 - “Financial Instruments: Recognition and Measurement” (amendments)
- IAS 40 - “Investment Property” (amendments)
- IFRIC 21- “Levies”

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

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

- IFRS 1 - “First time adoption of International Financial Reporting Standards” (amendments applicable for annual periods beginning on or after January 01, 2013) - Not notified by SECP.
- IFRS 5 - “Non-Current Assets held for sale and Discontinued Operations” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IFRS 7 - “Financial Instruments: Disclosures” (amendments applicable for annual periods beginning on or after January 01, 2015 and January 01, 2016).
- IFRS 9 - “Financial Instruments: Classification and Measurement” (applicable for annual periods beginning on or after January 01, 2018) - Not notified by SECP
- IFRS 10 - “Consolidated Financial Statements” - (amendments applicable for annual periods beginning on or after January 01, 2015 & January 01, 2016).
- IFRS 11 - “Joint Arrangements” - (amendments applicable for annual periods beginning on or after January 01, 2015 & January 01, 2016).
- IFRS 12 - “Disclosure of Interests in Other Entities” - (amendments applicable for annual periods beginning on or after January 01, 2015 & January 01,2016).
- IFRS 13 - “Fair Value Measurement” - (amendments applicable for annual periods beginning on or after January 01, 2015).
- IFRS 14 - “Regulatory Deferral Accounts” - (applicable for annual periods beginning on or after January 01, 2016)-Not notified by SECP.
- IFRS 15 - “Revenue from Contracts with Customers” - (applicable for annual periods beginning on or after January 01, 2017)-Not notified by SECP.
- IAS 16 - “Property, Plant and Equipment” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 19 “Employee Benefits” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 27 - “Separate financial statements” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 28 - “Investments in Associates and Joint Ventures” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 34 - “Interim Financial Reporting” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 38 - “Intangible Assets” (amendments applicable for annual periods beginning on or after January 01, 2016).
- IAS 39 - “Financial Instruments: Recognition and Measurement” (amendments applicable for annual periods beginning on or after January 01, 2018).
- IAS 41 - “Agriculture” (amendments applicable for annual periods beginning on or after January 01, 2016).

2.3 Accounting convention

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

2.4 Use of estimates and judgments

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

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

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

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

2.5 Staff retirement benefits

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

2.6 Provisions

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

2.7 Taxation

Current

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

Deferred

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

2.8 Foreign currency transactions

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

2.9 Property, plant & equipment and depreciation

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

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

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

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

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

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

2.10 Capital work in progress

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

2.11 Borrowing Costs

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

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

2.12 Accounting for finance lease

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

2.13 Ijarah

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

2.14 Stores, spares and loose tools

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

2.15 Stock-in-trade

These are valued applying the following basis:

Work in process	At lower of cost and net realizable value
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 on dispatch of goods to the customers.
Income from bank deposits and loans and advances is recognized on accrual basis.

2.17 Dividend

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

2.18 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, trade deposits & other receivables and cash and bank balances.

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

Financial assets at FVTPL are subcategorized as:

- Financial assets held for trading.
- Financial assets designated as at FVTPL on initial recognition.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

Held-to-maturity investments

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 ability to hold to maturity.

At each balance sheet date subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses.

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. In addition to equity investments, the Company has also designated certain debt securities 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 asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

Financial liabilities

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 liability and an equity instrument.

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's 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 losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

Off setting

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

2.19 Cash and cash equivalents

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

2.20 Related parties transactions

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

2.21 Impairment

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

2.22 Figures

The corresponding figures are rearranged wherever necessary for the purpose of comparison and are rounded off to nearest rupee. Appropriate disclosure is given in relevant note in case of material rearrangements.

3. SHARE CAPITAL

2015 (Number of shares)	2014 (Number of shares)		Note	2015 Rupees	2014 Rupees
Authorized Capital:					
20,000,000	20,000,000	Ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid up capital:					
8,368,846	8,368,846	Ordinary shares of Rs. 10/- each fully paid in cash		83,688,460	83,688,460
142,770	142,770	Ordinary shares of Rs. 10/- each issued as fully paid for consideration otherwise than cash		1,427,700	1,427,700
6,511,616	6,511,616	Ordinary shares of Rs. 10/- each issued as bonus shares		65,116,160	65,116,160
15,023,232	15,023,232			150,232,320	150,232,320

4. REVENUE RESERVES

		2015 Rupees	2014 Rupees
General reserves		93,800,000	93,800,000

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

5. LONG TERM FINANCE

	Note	2015 Rupees	2014 Rupees
Opening balance		803,692,500	924,077,500
Obtained during the year		184,488,751	200,000,000
		988,181,251	1,124,077,500
Paid during the year		(209,025,833)	(320,385,000)
	5.1	779,155,418	803,692,500
Less: Current portion		(217,184,632)	(209,025,833)
		561,970,786	594,666,667

5.1 Demand finance / Diminishing musharaka facilities of Rs. 1,000 million (2014: Rs. 700 million) and term finance facilities of Rs. 700 million (2014: 400 million) have been obtained from various banking companies. These loans are secured against first pari passu / hypothecation charge of Rs. 2,069 million over all present and future fixed assets of the company, hypothecation charge over fixed assets of the company and personal guarantees of directors of the company. The facilities are being repaid in quarterly/biannually instalments beginning from November 2011 and ending on 31 March 2022. These carry mark up @ 3 to 6 month KIBOR + 0.75 % to 1.25% (2014: 3 to 6 month KIBOR + 0.90% to 2%) p.a.

6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Note	2015 Rupees	2014 Rupees
Opening balance		14,002,049	12,200,095
Obtained during the year		22,746,500	6,266,500
Payments during the year		(9,944,881)	(4,464,546)
		26,803,668	14,002,049
Less: Security deposits adjustable on expiry of lease term		(4,168,850)	(1,894,200)
		22,634,818	12,107,849
Less: Current portion grouped under current liabilities		(12,268,375)	(5,635,126)
		10,366,443	6,472,723

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

	2015 Rupees	2014 Rupees
Not later than one year	13,739,407	6,781,104
Later than one year but not later than five years	11,110,908	7,105,852
Gross Minimum lease payments	24,850,315	13,886,956
Less: Finance cost allocable to future periods	(2,215,497)	(1,779,107)
Present value of minimum lease payments	22,634,818	12,107,849
Less: Current Portion of liabilities against assets subject to finance lease	(12,268,375)	(5,635,126)
	10,366,443	6,472,723

6.2 The company has a finance lease agreement of Rs. 65 million for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly installments commencing from September 2013 ending on March 2018. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2014: 3 months KIBOR + 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.

7. LOANS FROM DIRECTORS - UNSECURED

	Note	2015 Rupees	2014 Rupees
	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 months KIBOR+ 1 % p.a. prevailing at the year end (2014: 3 months 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.

	Note	2015 Rupees	2014 Rupees
8. DEFERRED LIABILITIES			
Staff gratuity (As determined in Actuarial valuation)	8.1	67,271,867	47,763,169
Deferred taxation	8.2	234,136,192	268,802,311
		301,408,059	316,565,480

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 2015, using the "Projected Unit Credit Method". The relevant information in the actuarial report is given in the following sub notes. The amount recognized in balance sheet represents the present value of the defined benefit obligation as on 30 September 2015 according to the amended IAS-19 "Employees Benefits".

	2015 Rupees	2014 Rupees
Present value of defined benefit liability as at beginning of the year	47,763,169	39,347,590
Cost chargeable to Profit and loss account during the year	21,713,968	13,302,273
Cost chargeable to Other Comprehensive Income	2,762,999	394,480
Benefit paid during the year	(4,968,269)	(5,281,174)
Net defined benefit liability as at end of the year	67,271,867	47,763,169
Present value of defined benefit obligations	66,514,713	46,108,038
Plus Benefits Due but not paid	757,154	1,655,131
Defined benefit Liability as at 30 September	67,271,867	47,763,169

Reconciliation of Defined Benefit Obligation is as follows:

	2015 Rupees	2014 Rupees
Present value of defined benefit obligations (PVDBO) at the beginning of the year	46,108,038	38,852,914
- Benefits due but not paid as at beginning of the year	1,655,131	494,676
- Current Service Cost for the year	15,874,310	9,137,856
- Interest cost for the year	5,839,658	4,164,417
- Benefits paid during the year	(4,968,269)	(5,281,174)
- Benefits due but not paid as at end of the year	(757,154)	(1,655,131)
- Actuarial (gains)/ losses from changes in demographic assumptions	-	(53,075)
- Actuarial (gains)/ losses due to experience adjustments	2,762,999	447,555
Present value of defined benefit obligations at the end of the year	66,514,713	46,108,038

Amount charged to profit and loss account during the year:

	2015 Rupees	2014 Rupees
- Current Service Cost for the year	15,874,310	9,137,856
- Interest cost for the year	5,839,658	4,164,417
Expense charged to profit and loss account	21,713,968	13,302,273

	Note	2015 Rupees	2014 Rupees
Expense is recognized as below:			
Cost of Sales	24	15,387,599	9,326,798
Administrative Expenses	26	6,326,369	3,975,475
		21,713,968	13,302,273

Amount charged to other comprehensive income during the year:

		2015 Rupees	2014 Rupees
Re-measurement of plan obligation:			
- Actuarial (gains)/ losses from changes in demographic assumptions		-	(53,075)
- Experience adjustments		2,762,999	447,555
Total re-measurements charged to other comprehensive income		2,762,999	394,480

	2015 Gratuity per annum	2014 Gratuity per annum
Assumptions used for valuation of the defined benefit obligatioaren as under:		
Discount rate	9.25%	13.25%
Expected rate of increase in salary in future years	8.25%	12.25%
Mortality rates	SLIC (2001-05)	SLIC (2001-05)
Average expected remaining working life time of employees	12 Years	12 Years

	2015 Rupees	2014 Rupees
Year end Sensitivity Analysis on defined benefit obligation:		
Discount Rate + 100 bps	60,038,905	41,600,638
Discount Rate - 100 bps	74,014,057	51,320,676
Future Salary Increase + 100 bps	74,014,057	51,320,676
Future Salary Decrease - 100 bps	59,926,789	41,525,352

	2015 Rupees	2014 Rupees
8.2 Deferred Taxation		
Deferred tax liability arising in respect of depreciation of owned assets	315,363,452	293,684,118
Deferred tax liability arising in respect of assets subject to finance lease	3,178,237	1,347,357
	318,541,689	295,031,475
Deductible temporary differences:		
Deferred tax assets arising in respect of employees benefits	(23,545,153)	(16,717,109)
Deferred tax asset on Minimum tax u/s 113 adjustable against future tax liability	(60,860,344)	(9,512,055)
	(84,405,497)	(26,229,164)
Deferred Tax liability as on 30 September	234,136,192	268,802,311

Deferred tax is calculated at the rate of 35% as applied in the past, the rate of 32% is applicable only for tax year 2016.

9. TRADE AND OTHER PAYABLES

	Note	2015 Rupees	2014 Rupees
Creditors		105,305,890	120,348,719
Accrued liabilities		35,011,883	44,830,465
Advances from customers	9.1	98,874,437	247,745,720
Income tax deducted at source		697,096	2,318,244
Sales tax payable		7,118,977	64,245,688
Unpresented dividend warrants		16,882,303	7,767,595
Workers' profit participation fund	9.2	17,263,422	5,017,834
Workers welfare fund payable		2,075,555	642,361
		283,229,563	492,916,626

9.1 This includes amount due to associated undertaking for sale of refined sugar is as follows:

	2015 Rupees	2014 Rupees
Naubahar Bottling Co. (Pvt) Ltd	73,907,878	-

The maximum aggregate balance due to above company at the end of any month during the year was Rs. 102,336,000/- (refer note 18.1).

	Note	2015 Rupees	2014 Rupees
9.2 Workers' profit participation fund			
Opening balance		5,017,834	17,332,302
Interest for the year		309,386	619,704
		5,327,220	17,952,006
Less : Payments Made:			
To Workers		4,738,629	17,360,175
To Government		-	3,240
		4,738,629	17,363,415
		588,591	588,591
Share of the Company's profit for the year		16,674,831	4,429,243
		17,263,422	5,017,834

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 12.00% (2014: 13.52%) 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

	2015 Rupees	2014 Rupees
- Short term borrowings - Secured	10,711,523	47,220,657
- Long term borrowings- Secured	23,062,132	23,881,004
- Loans from directors	43,684,800	64,262,640
	77,458,455	135,364,301

11. SHORT TERM BORROWINGS - SECURED

FROM BANKING COMPANIES

	Sanctioned Limits (Rs. in millions) 2015	2014	Note	2015 Rupees	2014 Rupees
Running Finance	775	730	11.1	486,479,011	742,584,113
Cash Finance	5,860	8,050	11.2	1,022,000,041	2,061,084,722
Overdrawn bank balance				-	443,442
				1,508,479,052	2,804,112,277

11.1 These loans have been obtained from various banks to meet the working capital requirements and are secured against first pari passu hypothecation/registered ranking charge over current assets of the company and personal guarantees of directors. These are subject to mark up @ 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.75 to 1.50% (2014: 1 year KIBOR minus 1.00% to 3 month KIBOR + 1.75%) p.a. The limits will expire on various dates by 31 January 2016 but are renewable.

11.2 These loans have been obtained from various banks and are secured against pledge over sugar bags of equivalent value with 10% to 25% margin and personal guarantees of directors. These are subject to mark up @ 1 to 3 months KIBOR plus 0.75% to 1.00% (2014: 1 to 3 months KIBOR plus 0.75% to 1.50%) p.a. The limits will expire on various dates by 31 March 2016 but are renewable.

	Note	2015 Rupees	2014 Rupees
12. ADVANCES FROM DIRECTORS		383,300,000	26,000,000

Advances from directors are unsecured and are interest free.

13. CURRENT PORTION OF LONG TERM LIABILITIES

	Note	2015 Rupees	2014 Rupees
Long term finance	5	217,184,632	209,025,833
Liabilities against assets subject to finance lease	6	12,268,375	5,635,126
		229,453,007	214,660,959

14. CONTINGENCIES AND COMMITMENTS

	Note	2015 Rupees	2014 Rupees
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	344,155,053	382,323,453
		363,396,434	401,564,834
Commitments			
Contracts for capital expenditure		71,950,885	41,213,728
Letters of credit for capital expenditure		327,403,134	137,248,585
Letters of credit for other than capital expenditure		35,321,702	57,271,261
Ijarah rentals	14.5	-	199,837
		434,675,721	235,933,411

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

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

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

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

14.4 One bank guarantee of Rs. 331.808 million was issued by bank for advance against sales of Sugar. Two bank guarantees of Rs. 11.505 million were issued by Bank Al Habib Ltd to Alternative Energy Development Borad against power generation licensing. These guarantees will expire on various dates upto 20 February 2017.

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

	Note	2015 Rupees	2014 Rupees
14.5 Ijarah rentals to be paid in future:			
Not later than one year		-	199,837
Later than one year and not later than five year		-	-
		-	199,837

The company has entered into Ijarah agreements with Al Baraka Islamic Bank to acquire plant & machinery and vehicle. The Ujrah payments are payable on quarterly basis and carry profit @ 1 year KIBOR plus 1.50% to 2.00% (2014: 1 year KIBOR plus 1.50% to 2.00%) p.a.

15. PROPERTY, PLANT AND EQUIPMENT

	Note	2015 Rupees	2014 Rupees
Operating fixed assets	15.1	2,482,514,983	2,333,589,216
Capital work in progress	15.2	33,978,378	14,391,053
		2,516,493,361	2,347,980,269

15.1 Operating fixed assets

	Freehold land	Buildings on freehold land	Plant and machinery	Tools, implements and other factory equipments	Computer and other office equipments	Electric installation	Vehicles	Total
	RUPEES							
OWNED ASSETS								
COST								
Balance as at 01 October 2013	299,545,283	569,289,070	2,523,077,304	85,163,681	31,591,658	48,145,940	59,735,142	3,616,548,078
Additions during the year	-	5,230,746	317,394,075	10,996,883	2,352,075	1,106,865	2,922,163	340,002,807
Disposals	-	-	(49,089,366)	-	-	-	-	(49,089,366)
Balance as at 30 September 2014	299,545,283	574,519,816	2,791,382,013	96,160,564	33,943,733	49,252,805	62,657,305	3,907,461,519
Additions during the year	11,158,800	59,856,600	252,975,679	16,856,476	2,353,765	1,200,000	3,140,886	347,542,206
Disposals	-	-	-	-	(547,137)	(300,000)	-	(847,137)
Balance as at 30 September 2015	310,704,083	634,376,416	3,044,357,692	113,017,040	35,750,361	50,152,805	65,798,191	4,254,156,588
DEPRECIATION								
Balance as at 01 October 2013	-	205,244,290	1,110,946,356	37,672,710	14,514,744	14,953,677	34,181,084	1,417,512,861
Charge for the year	-	36,507,637	158,847,754	5,919,492	2,986,552	3,402,241	5,476,109	213,139,785
Depreciation on disposals	-	-	(40,822,902)	-	-	-	-	(40,822,902)
Balance as at 30 September 2014	-	241,751,927	1,228,971,208	43,592,202	17,501,296	18,355,918	39,657,193	1,589,829,744
Charge for the year	-	34,721,749	161,271,740	7,167,141	2,597,606	3,086,846	5,062,790	213,907,872
Depreciation on disposals	-	-	-	-	(232,065)	(148,451)	-	(380,516)
Balance as at 30 September 2015	-	276,473,676	1,390,242,948	50,759,343	19,866,837	21,294,313	44,719,983	1,803,357,100
LEASED ASSETS								
COST								
Balance as at 01 October 2013	-	-	-	-	-	-	12,910,000	12,910,000
Additions during the year	-	-	-	-	-	-	6,831,500	6,831,500
Disposals	-	-	-	-	-	-	-	-
Balance as at 30 September 2014	-	-	-	-	-	-	19,741,500	19,741,500
Additions during the year	-	-	-	-	-	-	22,746,500	22,746,500
Disposals	-	-	-	-	-	-	-	-
Balance as at 30 September 2015	-	-	-	-	-	-	42,488,000	42,488,000
DEPRECIATION								
Balance as at 01 October 2013	-	-	-	-	-	-	215,167	215,167
Charge for the year	-	-	-	-	-	-	3,568,892	3,568,892
Depreciation on disposals	-	-	-	-	-	-	-	-
Balance as at 30 September 2014	-	-	-	-	-	-	3,784,059	3,784,059
Charge for the year	-	-	-	-	-	-	6,988,446	6,988,446
Depreciation on disposals	-	-	-	-	-	-	-	-
Balance as at 30 September 2015	-	-	-	-	-	-	10,772,505	10,772,505
Written down value as at 30 September 2014	299,545,283	332,767,889	1,562,410,805	52,568,362	16,442,437	30,896,887	38,957,553	2,333,589,216
Written down value as at 30 September 2015	310,704,083	357,902,740	1,654,114,744	62,257,697	15,883,524	28,858,492	52,793,703	2,482,514,983
Rate of depreciation in %	-	10	10	10-15	10-30	10	20	

Depreciation charged has been allocated as follows:

	Note	2015			2014		
		Owned Assets	Leased Assets	Total	Owned Assets	Leased Assets	Total
		----Rupees---			----Rupees---		
Cost of goods manufactured	24.1	207,914,326	-	207,914,326	206,081,677	-	206,081,677
Administrative expenses	26	5,993,546	6,988,446	12,981,992	7,058,108	3,568,892	10,627,000
Total		213,907,872	6,988,446	220,896,318	213,139,785	3,568,892	216,708,677

15.1.1 Detail of disposal of operating fixed assets

Disposals made during the year are summarised as below:

2015						
Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Sold to	Mode of Disposal
	-----------------Rupees------------------					
Computer and other office equipments						
Dell Server 320	215,000	93,190	121,810	215,000	M/s Almoiz Industries Limited	Negotiation
Dell Server 720	332,137	138,875	193,262	332,137	M/s Almoiz Industries Limited	Negotiation
Electric installation						
Transformer	300,000	148,451	151,549	150,000	M/s Almoiz Industries Limited	Negotiation
	847,137	380,516	466,621	697,137		

* Proceeds on disposal are taken net of sales tax.

	Note	2015 Rupees	2014 Rupees
15.2 Capital work in progress			
Plant and machinery		25,047,172	3,642,974
Factory buildings		547,465	8,309,892
Other buildings		8,383,741	2,438,187
		33,978,378	14,391,053

16. STORES, SPARE PARTS AND LOOSE TOOLS

	2015 Rupees	2014 Rupees
Stores	234,162,206	204,523,114
Spare parts	132,554,122	115,777,723
Loose tools	4,390,872	4,175,785
	371,107,200	324,476,622

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

	Note	2015 Rupees	2014 Rupees
17. STOCK IN TRADE			
Work in process		5,683,095	6,042,876
Finished goods:			
- Sugar	17.1	1,245,052,503	2,318,750,277
- molasses		3,127,883	10,501,680
		1,248,180,386	2,329,251,957
		1,253,863,481	2,335,294,833

17.1 It includes pledged stocks of Rs. 1,155,482,628/- (2014: 2,318,166,834/-) against borrowings from various financial institutions.

18. TRADE DEBTS

	Note	2015 Rupees	2014 Rupees
Unsecured and considered good by the management	18.1	302,753,242	368,759,302

18.1 This includes amount due from associated undertaking as follows:

	2015 Rupees	2014 Rupees
Naubahar Bottling Co. (Pvt) Ltd	-	36,415,999
The aging of receivable balance is as follows:		
Not Past due	-	36,415,999

The maximum aggregate balance due from above company at the end of any month during the last year was Rs. 60,348,895/- (Refer Note 9.1).

19. LOANS AND ADVANCES - unsecured, interest free and considered good

	Note	2015 Rupees	2014 Rupees
- Growers	19.1	126,284,732	155,117,687
- Suppliers	19.2	159,667,319	93,235,775
- Employees	19.3	1,289,353	1,076,372
- Others	19.4	11,926,613	1,591,742
		299,168,017	251,021,576

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

	Note	2015 Rupees	2014 Rupees
19.2 Advances to suppliers		162,557,230	93,235,775
Provision against doubtful advances	19.2.1	(2,889,911)	-
		159,667,319	93,235,775

		Note	2015 Rupees	2014 Rupees
19.2.1	Opening balance of provision		-	-
	Add: Provided during the year		2,889,911	-
	Less: Reversal during the year		-	-
	Closing balance of provision		2,889,911	-

19.3 These advances are given to employees against their salaries and do not include any advance to Chief Executive and Directors. Amount due from executives is Rs. 39,897/- (2014: 83,721/-) at the year end.

19.4 This includes deposited with Multan Electric Power Company (MEPCO) under an arrangement to construct 132KV inter connection line at Layyah Sugar Mills for power transmission.

20 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2015 Rupees	2014 Rupees
Margin against bank guarantees		84,216	84,216
Letters of credit		76,423,068	43,213,930
Prepayments		4,001,061	2,529,102
Current portion of ijarah key money		396,500	1,177,900
Other receivables	20.1	19,141,471	2,325,602
		100,046,316	49,330,750

20.1 This includes an amount of Rs. 15,944,934/- (2014: Rs. 153,170/-) receivable from Almoiz Industries Limited, an associated company.

The maximum aggregate balance due from above company at the end of any month during the year was Rs. 18,513,174/- and in the last year maximum aggregate balance due to above company at the end of any month was Rs. (29,746,062/-).

21. TAXES RECOVERABLE / ADJUSTABLE

	2015 Rupees	2014 Rupees
Advance income tax	459,585,396	395,628,169
Sales tax - input	7,013,258	7,686,500
Sales tax adjustable	-	-
Sales Tax Withheld	-	8,729
Flood surcharge	5,897,390	5,897,390
	472,496,044	409,220,788

	Note	2015 Rupees	2014 Rupees
22. CASH AND BANK BALANCES			
Cash and cheques in hand		393,182	13,758,452
Cash with banks:			
- current accounts		22,919,026	121,966,946
- deposit accounts		9,564,481	95,182,847
		32,483,507	217,149,793
		32,876,689	230,908,245
23. SALES - NET			
Local Sales:			
Sugar		10,367,320,493	7,963,695,053
By Products:			
Molasses		639,518,521	875,197,272
Press Mud		2,794,002	3,016,099
Bagasse		18,978,290	20,513,236
Electricity		67,669,110	62,378,882
		11,096,280,416	8,924,800,542
Export Sales:			
Sugar		961,166,149	325,928,538
		12,057,446,565	9,250,729,080
Less: Sales Tax/Special Excise Duty			
Sugar		(768,062,250)	(581,175,057)
Molasses		(31,562,029)	(61,132,590)
Press Mud		(433,880)	(460,080)
Bagasse		(2,757,530)	(3,083,811)
Electricity		(9,832,263)	(9,063,599)
		(812,647,952)	(654,915,137)
		11,244,798,613	8,595,813,943
24. COST OF SALES			
Finished goods - opening		2,329,251,957	1,255,059,492
Add: Cost of goods manufactured	24.1	9,240,319,725	8,768,603,221
		11,569,571,682	10,023,662,713
Finished goods - closing		(1,248,180,386)	(2,329,251,957)
		10,321,391,296	7,694,410,756

	Note	2015 Rupees	2014 Rupees
24.1 Cost of goods manufactured:			
Work in process - opening		6,042,876	4,840,446
Raw material consumed	24.1.1	8,232,439,588	7,796,508,519
Cost of Refined Sugar Purchased		49,368,641	-
Salaries, wages and other benefits	24.1.2	255,324,094	218,216,017
Fuel and power		44,039,254	47,567,536
Stores, spares and loose tools		178,557,297	185,710,506
Repairs and maintenance		256,029,057	301,992,654
Insurance		2,189,478	2,138,037
Depreciation	15.1	207,914,326	206,081,677
Vehicles running		9,535,435	8,065,433
Miscellaneous		4,562,774	3,525,272
		9,246,002,820	8,774,646,097
Work in process - closing		(5,683,095)	(6,042,876)
		9,240,319,725	8,768,603,221

24.1.1 Raw material consumed

	2015 Rupees	2014 Rupees
Sugar cane purchases	8,132,237,534	7,708,377,131
Cane procurement and other expenses	100,202,054	88,131,388
	8,232,439,588	7,796,508,519

24.1.2 Salaries, wages and other benefits include Rs. 15,387,599/- (2014: Rs. 9,326,798/-) in respect of gratuity (Refer note 8.1).

25. DISTRIBUTION AND SELLING EXPENSES

	2015 Rupees	2014 Rupees
Salaries, wages and other benefits	6,893,660	6,483,534
Freight Outward	68,289,861	70,422,109
Godown expenses	24,656,853	23,556,391
Insurance	4,205,954	3,089,012
Commission on sale of sugar	6,050,859	4,193,475
	110,097,187	107,744,521

26. ADMINISTRATIVE EXPENSES

	Note	2015 Rupees	2014 Rupees
Directors' remuneration		4,080,000	4,250,000
Salaries and other benefits	26.1	162,814,191	136,212,935
Rent, rates and taxes	26.2	6,123,313	5,175,654
Travelling and conveyance	26.3	3,057,965	1,128,828
Foreign travelling		1,555,107	1,054,033
Fees and subscriptions		5,144,992	3,667,112
Repair and maintenance		4,295,905	5,180,112
Vehicles running		13,856,032	12,247,378
Postage and telephone		2,419,231	2,769,655
Printing and stationery		1,845,766	2,072,512
Legal and professional		2,596,368	2,202,182
Auditors' remuneration	26.4	1,289,979	1,010,955
Ijarah rentals		199,654	5,510,800
Depreciation	15.1	12,981,992	10,627,000
Donations	26.5	1,950,416	33,024,611
Provision against doubtful advances	19.2.1	2,889,911	-
Miscellaneous		13,414,576	15,017,162
		240,515,398	241,150,929

26.1 Salaries and other benefits include Rs. 6,326,369/- (2014: Rs. 3,975,475/-) in respect of gratuity. (Refer note 8.1)

26.2 This includes penalty of Rs. 25,487/-paid to Federal Board of Revenue.

26.3 Auditors' travelling expenses amounting to Rs. 25,000/- (2014: Rs. 25,000/-) included in travelling expenses.

26.4 Auditors' Remuneration:

	2015	2014
Audit fees	1,000,000	787,000
Income Tax consultation services	289,979	223,955
	1,289,979	1,010,955

26.5 This include Rs. NIL/- (2014: Rs. 32,500,000) paid to Chief Minister Relief Fund for and IDP's. None of the directors is interested in donees.

	Note	2015 Rupees	2014 Rupees
27. OTHER INCOME			
Financial Assets			
Profit on deposit accounts		613,261	875,872
Others			
(Loss)/Gain on sale of stores		675,753	(2,323)
Gain on Disposal of Fixed Assets		230,516	8,872,579
Sale of scrap		12,881,296	27,708,204
Gain on agriculture inputs to growers		8,115,352	4,815,483
Rental Income		255,000	255,000
Subsidy on Export of Sugar		159,430,000	-
Miscellaneous		3,642,833	6,360,577
		185,844,011	48,885,392

	Note	2015 Rupees	2014 Rupees
28. FINANCE COST			
Interest / mark-up on:			
- short term borrowings		302,408,201	343,676,835
- lease finance		2,236,759	1,323,226
- loans from directors		43,684,800	64,262,640
- long term finance		71,001,854	96,450,465
		419,331,614	505,713,166
Interest on workers' profit participation fund	9.2	309,386	619,704
Bank charges and commission		5,501,131	6,475,396
		425,142,131	512,808,266

	Note	2015 Rupees	2014 Rupees
29. OTHER EXPENSES			
Workers' profit participation fund	9.2	16,674,831	4,429,243
Workers' welfare fund - current	9	2,075,555	642,361
- prior		22,342	-
		18,772,728	5,071,604

	Note	2015 Rupees	2014 Rupees
30. TAXATION			
Current	30.1	87,403,571	54,607,574
Prior year		-	(86,681,130)
Deferred	30.2	(33,699,069)	53,114,177
		53,704,502	21,040,621

30.1 Provision for the current year has been made at the current tax rate after taking into account tax rebates and tax credits available. The income tax assessments of the Company have been finalized up to tax year 2015 except for assessment year 1992-93, 1993-94, 2001-02, 2002-03 and 2003-04 which are under appeal (Refer note 14 for detail).

30.2 Deferred

Deferred tax is accounted for according to Company's policy as given in Note No. 2.7

	Note	2015 Rupees	2014 Rupees
Closing deferred tax liability	8.2	234,136,192	268,802,311
Opening deferred tax liability	8.2	(268,802,311)	(215,826,202)
Deferred tax (income)/expense		(34,666,119)	52,976,109
Deferred tax attributable to Other Comprehensive Income		967,050	138,068
Deferred tax attributable to Profit and loss		(33,699,069)	53,114,177

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

31. EARNINGS PER SHARE - BASIC AND DILUTED

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

	2015	2014
Profit after tax	261,019,382	62,472,638
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings per share	17.37	4.16

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.

	2015 Rupees	2014 Rupees

32. CHANGES IN WORKING CAPITAL

	2015 Rupees	2014 Rupees
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(46,630,578)	(24,220,809)
Stock-in-trade	1,081,431,352	(1,075,394,895)
Trade debts	66,006,060	(173,971,754)
Loans and advances	(51,036,352)	5,110,876
Trade deposits, prepayments and other receivables	(50,715,566)	(24,175,591)
Taxes recoverable/adjustable	(63,275,256)	(143,086,318)
Increase / (decrease) in current liabilities:		
Trade and other payables	(232,480,553)	(12,040,403)
	703,299,107	(1,447,778,894)

33. 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:

	2015				2014			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	R U P E E S							
Managerial remuneration	2,040,000	2,040,000	54,303,931	58,383,931	2,040,000	2,210,000	34,872,385	39,122,385
Utilities	-	-	1,120,228	1,120,228	-	-	575,107	575,107
Bonus	-	-	2,654,276	2,654,276	-	-	3,526,099	3,526,099
Total	2,040,000	2,040,000	58,078,435	62,158,435	2,040,000	2,210,000	38,973,591	43,223,591
Number of Persons	1	1	41	43	1	2	26	29

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

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

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

34. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Amounts due from and due to related parties are shown in note 7, 9, 10, 12, 19 and 20. Finance cost paid to directors and remuneration of the key management personnel is disclosed in note 28 & 33 respectively. Other significant transactions with related parties is as follows:

Relationship	Transaction	2015 Rupees	2014 Rupees
Associated undertakings	- Sale of goods	2,092,595,273	1,625,667,959
	- Expenses paid of associate	192,268	171,276
	- Purchase of goods	2,200,445	9,138,049

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	357,300,000	(100,000,000)
Markup on loans from directors	43,684,800	64,262,640
Advances to executives	552,075	487,568

35. FINANCIAL INSTRUMENTS

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

- Credit risk
- Liquidity risk
- Market risk

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

35.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade receivables. Out of the total financial assets of Rs. 493,467,753/- (2014: Rs. 759,888,824/-), the financial assets which are subject to credit risk amounted to Rs.493,074,571/- (2014: Rs. 746,130,372/-).

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

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

Some of the major customer accounts for Rs. 236,621,350/- of the trade receivables carrying amount at 30 September 2015 (2014 : Rs.302,582,440/-) that have a good track record with the Company.

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

	2015 Rupees	2014 Rupees
Long term deposits	464,500	439,500
Trade debts	302,753,242	368,759,302
Loans & advances	137,751,135	156,194,059
Trade deposits and other receivables	19,622,187	3,587,718
Bank balances	32,483,507	217,149,793
	493,074,571	746,130,372

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

The aging of trade receivable at the reporting date is:		
Not past due	193,762,074	236,005,952
Past due 1-30 days	60,550,646	73,751,857
Past due 30-150 days	48,440,523	59,001,493
Past due 150 days	-	-
	302,753,243	368,759,302

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

35.2 Liquidity risk

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

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

	2015					
	Carrying amount	Contractual Cash flows	Six Months or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial Liabilities:						
Loans from directors	574,800,000	574,800,000	-	-	-	574,800,000
Long term finance	779,155,418	928,626,493	142,819,258	149,709,406	259,829,939	376,267,890
Liabilities against assets subject to finance lease	22,634,818	24,850,315	6,869,704	6,869,704	8,694,149	2,416,759
Trade and other payables	176,539,053	176,539,053	-	176,539,053	-	-
Finance cost payable	77,458,455	77,458,455	77,458,455	-	-	-
Short term borrowings	1,508,479,052	1,508,479,052	-	1,508,479,052	-	-
Advances from directors	383,300,000	383,300,000	-	383,300,000	-	-
	3,522,366,796	**3,674,053,368**	**227,147,416**	**2,224,897,214**	**268,524,088**	**953,484,649**

	2014					
	Carrying amount	Contractual Cash flows	Six Months or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial Liabilities:						
Loans from directors	574,800,000	574,800,000	-	-	-	574,800,000
Long term finance	803,692,500	1,000,872,590	150,286,409	140,101,246	261,072,378	449,412,557
Liabilities against assets subject to finance lease	12,107,849	13,886,956	3,390,552	3,390,552	6,137,895	967,957
Trade and other payables	178,606,974	178,606,974	-	178,606,974	-	-
Finance cost payable	135,364,301	135,364,301	135,364,301	-	-	-
Short term borrowings	2,804,112,277	2,804,112,277	-	2,804,112,277	-	-
Advances from directors	26,000,000	26,000,000	-	26,000,000	-	-
	4,534,683,901	**4,733,643,098**	**289,041,262**	**3,152,211,049**	**267,210,273**	**1,025,180,514**

35.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

35.3.1 Currency risk

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

35.3.2 Interest rate risk

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

	2015	2014	2015	2014
	Effective rate (in Percent)		Carrying amount (Rupees)	
Financial liabilities				
Fixed rate instruments	-	-	-	-
Variable rate instruments				
Long term finances	7.31 to 12.17	10.95 to 17.69	779,155,418	803,692,500
Liabilities against assets subject to finance lease	7.00 to 9.60	11.43 to 10.86	22,634,818	12,107,849
Loans from directors	7.60%	11.18%	574,800,000	574,800,000
Short term borrowings	7.36 to11.93	10.14 to 16.93	1,508,479,052	2,804,112,277

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

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on same basis for 2014.

	Increase/ decrease in %	Effect on profit before tax (Rupees)
As at 30 September 2015		
Cash flow sensitivity-Variable rate financial liabilities	1%	28,850,693
As at 30 September 2014		
Cash flow sensitivity-Variable rate financial liabilities	1%	41,947,126

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

35.3.3 Other price risk

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

35.4 Fair value of financial instruments

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

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

As at 30 September 2015 the net fair value of all financial instruments has been based on the valuation methodology outlined below:

Long term deposits

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

Non current liabilities

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

Other financial instruments

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

35.5 Financial instrument by categories

Financial Assets	Loans & receivables	
	2015	2014
	Rupees	
Long term deposits	464,500	439,500
Trade debts	302,753,242	368,759,302
Loan & advances	137,751,135	156,194,059
Trade deposits and other receivables	19,622,187	3,587,718
Cash and Bank balances	32,876,689	230,908,245
	493,467,753	759,888,824

Financial Liabilities	At amortised cost	
	2015	2014
	Rupees	
Loans from directors	574,800,000	574,800,000
Long term finance	779,155,418	803,692,500
Liabilities against assets subject to finance lease	22,634,818	12,107,849
Trade and other payables	176,539,053	178,606,974
Finance cost payable	77,458,455	135,364,301
Short term borrowings	1,508,479,052	2,804,112,277
Advances from directors	383,300,000	26,000,000
	3,522,366,796	4,534,683,901

36. Operating segments

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

a) Revenue from sale of sugar and its by-products represents 100% (2014: 100%) of the sale of the company.

b) 91.50% (2014: 96%) of the sale for the year of the company is made to customers located in Pakistan and 8.50% (2014: 4%) 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 2015 are located in Pakistan.

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

	2015		2014	
	Rs.	Percentage	Rs.	Percentage
Naubahar Bottling Co. (Pvt) Ltd	2,055,034,200	18%	1,542,186,400	18%

37. CAPITAL RISK MANAGEMENT

The company's objectives for managing capital are:

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

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

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

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

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

During 2015, the company's strategy, which was unchanged from 2014, was to maintain the net debt-to-equity ratio in the range 2.50 to 4.00 times, in order to secure access to finance at a reasonable cost.

	2015 Rupees	2014 Rupees
The net debt-to-equity ratios at 30 September 2015 and at 30 September 2014 are as follows:		
Total debts	3,268,369,288	4,220,712,626
Less: cash and cash equivalents	(32,876,689)	(230,908,245)
Net debt	3,235,492,599	3,989,804,381
Total equity	1,304,708,397	1,070,573,761
Net debt-to-equity (Times)	2.48	3.73

The decrease in debt-to-equity ratio during 2015 resulted from decreased borrowings level.

38. PLANT CAPACITY AND ACTUAL PRODUCTION

			2015	2014
Designed crushing capacity:				
- Layyah Sugar Mills	Old Plant	Metric Tons/day	3,300	3,300
- Layyah Sugar Mills	New Plant	Metric Tons/day	7,500	7,500
- Safina Sugar Mills	Old Plant	Metric Tons/day	7,000	7,000
Capacity on the basis of operating days		Metric Tons	1,966,900	2,073,700
Actual crushing		Metric Tons	1,808,462	1,814,123
Percentage of capacity attained		%	91.94	87.48
Sugar production from cane		Metric Tons	175,910	178,630
Recovery of sugar cane		%	9.73	9.85

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

39. NUMBER OF EMPLOYEES

Number of employees as at 30 September 2015 were 635 (2014: 544).

Average number of employees during the year were 740 (2014: 553).

40. NON-CASH FINANCING ACTIVITIES

During the year, the Company acquired property, plant and equipment amounting to Rs. 22,746,500/- (2014: Rs. 6,831,500/-) by means of finance lease.

41. RECOVERABLE AMOUNTS AND IMPAIRMENT

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

42. DIVIDEND

The board of directors have proposed cash dividend for the year ended 30 September 2015 of Rs. 5.00/- (2014: Rs.0.75) per share i.e. 50% (2014: 7.50%) amounting to Rs. 75,116,160/- (2014: Rs. 11,267,424/-) at their meeting held on 26 December 2015 for approval of the members at Annual General Meeting to be held on 30 January 2016.

43. DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on 26 December 2015 by the Board of Directors of the company.

CHIEF EXECUTIVE **DIRECTOR**

Proxy Form

No. of Shares

Folio No.

I/We ____

of____

Being member of THE THAL INDUSTRIES CORPORATION LIMITED hereby appoint

Mr./Miss/Mrs.______________________________________

of failing him/her ___________________________________

being a member of the company a my/our proxy to attend, act and vote for me/us and on my/us and on my/or behalf, at the 62nd Annual General Meeting of the company to be held at 2-D-1, Gulberg-III, Lahore on 30 January 2016 at 3:00 p.m. and every adjournment thereof:

As witness my hand this ____________________ day of ________________________ 2016

Signed by the said ___________________________ of ____________________________

Witness's Signature

Member's Signature

Revenue Stamp
of Rs. 5/-

Date ________________

Place ________________

Notes: ________________

1. This form of proxy, in order to be effected must be deposited duly completed in the Lahore office 2-D-1, Gulberg III, Lahore, not less than 48 hours before the time for holding the meeting.
2. A Proxy must be a member of the company.
3. Signature should agree with the specimen registered with the specimen registered with the company.

THALINDUSTRIES
CORPORATION

If undelivered, please return to:

THE THAL INDUSTRIES CORPORATION LIMITED

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

Lahore Office: 2-D-1 Gulberg-III, Lahore – 54600
Tel: 042-35771066-71
Fax: 042-35771175

MAKHDOOMS 35965469