



# THALINDUSTRIES

C O R P O R A T I O N



## ANNUAL REPORT 2020



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# COMPANY INFORMATION

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## BOARD OF DIRECTORS

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### CHAIRPERSON

Mrs. Qaiser Shamim Khan

### CHIEF EXECUTIVE

Mr. Muhammad Shamim Khan

### MANAGING DIRECTOR

Mr. Nauman Ahmed Khan

### DIRECTORS

Mr. Muhammad Shamim Khan	(Director)
Mrs. Qaiser Shamim Khan	(Director)
Mr. Adnan Ahmed Khan	(Director)
Mr. Nauman Ahmed Khan	(Director)
Mr. Muhammad Khan	(Director)
Mr. Muhammad Ashraf Khan Durani	
	(Independent Director)
Mr. Abdul Wahid Khan	(Independent Director)

### 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

### BANKERS

Albaraka Bank Pakistan Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Al-Habib Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited  
Soneri Bank Limited  
United Bank Limited

The Bank of Punjab  
NBP Aitemaad Islamic Bank Limited

### AUDIT COMMITTEE

Mr. Muhammad Ashraf Khan Durani	Chairman
Mrs. Qaiser Shamim Khan	Member
Mr. Adnan Ahmed Khan	Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Abdul Wahid Khan	Chairman
Mr. Adnan Ahmed Khan	Member
Mr. Muhammad Khan	Member

### RISK MANAGEMENT COMMITTEE

Mr. Abdul Wahid Khan	Chairman
Mr. Muhammad Ashraf Khan Durani	Member

### NOMINATION COMMITTEE

Mr. Abdul Wahid Khan	Chairman
Mr. Muhammad Ashraf Khan Durani	Member

### 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](http://www.thalindustries.com)



# 01

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## Notice AGM

Tuesday, the 26th January, 2021 at 01:30 p.m.  
at Registered office, 23- Pir Khurshid Colony,  
Gulgasht Multan

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## Directors' Report

The Directors of your Company are pleased to  
present the 67th Annual Report  
Financial Year ended 30th September 2020.

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## Categories of Share Holders

Categories of Share Holders  
As on 30th September 2020

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## Independent Auditor's Report

To the members of The Thal Industries  
Corporation Limited

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## Financial Statements

For the year ended 30 September 2020



## VISION

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.

## CORPORATE STRATEGY

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

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.



## 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.



# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 67th Annual General Meeting of the Shareholders of The Thal Industries Corporation Limited will be held on Tuesday, the 26th January, 2021 at 01:30 p.m. at Registered office, 23- Pir Khurshid Colony, Gulgasht Multan, and through electronically video link/Zoom application, to transact the following business:

## ORDINARY BUSINESS:

1. Confirmation of the minutes of the 66th Annual General Meeting of the Thal Industries Corporation Limited held on 27-01-2020.
2. To receive, consider and adopt Annual Audited Accounts along with Balance Sheet for the year ended 30th September 2020 together with Auditors' and Directors' reports thereon.
3. To consider and approve cash dividend @ of Rs. 3.00 per share i.e., 30% for the year ended 30th September, 2020.
4. To appoint Auditors of the Company for the next financial year 30th September, 2021 and to fix their remuneration. The present Auditors, M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, Lahore, retired and being eligible, have offered themselves for reappointment as Auditors of the Company.

## SPECIAL BUSINESS:

5. To consider and approve the transactions carried out with related parties in normal course of business and if thought fit to pass the following resolutions as special resolutions with or without modification.
- a) **"RESOLVED** that transactions carried out by the Company in the normal course of business with related parties for the period ended September 30, 2020 be and are hereby ratified, approved and confirmed"

Names	Nature of Transactions	Transactions during the period Amount (PKR)
Naubahar Bottling Company (Pvt.) Limited	Sale of goods	3,826,472,303
Baba Farid Sugar Mills Limited	Sale of goods Sale of machinery Purchase of goods	8,896,967 23,000,000 322,042
Almoiz Industries Limited	Sale of goods Purchase of goods	139,715,970 91,198,000

- b) **RESOLVED** approval of the Company be and is hereby to renew of rental agreement of premises:-
- I) Premises situated at 2D/1 (Off M.M. Alam), Gulberg III, Lahore (Head office building of the company) with Mrs. Qaiser Shamim Khan, director of the Thal Industries Corporation Limited for the monthly rent of Rs. 850,000/- per month and subject to other terms and conditions disclosed to the shareholders in the statement under Section 134(3) of the Companies Act 2017 and the chief executive or any other officer of the Company authorized in this regard to execute the agreements and other documents and to take any and all necessary actions necessary for the purpose of giving effect to the above resolution on behalf of the Company.
  - II) premises situated at House No. 43-B1, Street No. 42, Block 6 PECHS, Karachi (Karachi Office) with Mrs. Qaiser Shamim Khan at a monthly rent of Rs. 150,000/- per month and subject to other terms and conditions disclosed to the shareholders in the statement under Section 134(3) of the Companies Act 2017 and the chief executive of the Company or any other officer of the company authorized in this regard to execute the agreements and other documents and to take any and all necessary actions necessary for the purpose of giving effect to the above resolution on behalf of the Company.

- c) **"FURTHER RESOLVED** the Chief Executive Officer of the Company or his nominee be and is hereby authorized to approve all the transactions to be carried out in the normal course of business with related parties till the next Annual General Meeting of the Company and in this connection the Chief Executive Officer of the Company or his nominee be and is hereby authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regards on behalf of the Company"
6. To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD



(WASIF MAHMOOD)  
Company Secretary

Lahore:  
December 24, 2020

## NOTE:

### 1. Closure of Shares Transfer Books:

Share Transfer Books of the Company will remain closed from 19-01-2021 to 26-01-2021 (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, Telephone No. 042-35916714, Email address: corplink786@gmail.com by the close of business hours on 18th January, 2021 will be treated in time for the entitlement of payout of cash dividend (if any).

### 2. Appointment of Proxy:

A member entitled to attend and vote at the AGM is entitled to appoint another member as proxy to attend and vote instead of him/her. The instrument appointing a proxy must be received at the Registered Officer of the Company not less than 48 hours before the time fixed for AGM.

Further the company has placed Notice of AGM along with Form of Proxy for the year ended 30th Sep. 2020 on Company's website. [www.thalindustries.com](http://www.thalindustries.com). These are also available at PUCARS of PSX and shareholders may obtain the same through email as well if any shareholder so desire.

### 3. Participation of AGM:

In view of the Coronavirus Pandemic and instructions / Guidelines of SECP and other Government Dept. / Institutions, the Company is required to avoid large gatherings at one place and consider the provision of online participation facilities while conducting general meetings for the safety and well-being of the shareholders and general public. Accordingly, the Shareholders of the Company are encouraged to participate in the AGM electronically through video link/Zoom Application or in case of physical the members are requested to ensure guidelines to attend AGM in person i.e hand sanitizers, masks and distant seating etc. and also encouraged to consolidate their attendance through proxies.



- (a) Online Participation in AGM vis Zoom application: The shareholders may login and participate in the proceedings of AGM through their own smart phones/computers from their own convenient locations after completing all formalities as required for verification and identification of shareholders to attend the AGM electronically, the Login facility will be opened about half hour before the start of AGM
- (b) The shareholders of TICI, who wish to attend the AGM electronically through video link, are requested to register their following particulars by sending an e-mail at [info@thalindustries.com](mailto:info@thalindustries.com) by or before the close of business hours (05:00 p.m) on 22-01-2021.

Folio /CDC account No.	No. of Shares held	Name of Shareholder	Father's/ Husband's Name	CNIC No.	Cell Phone No. with WhatsApp	Active email address

The video link and/or login credentials will be shared with the shareholders whose e-mail, containing all the requested particulars, are received at the given e-mail address by or before the date/time specified above. For any query regarding procedure/requirements of online participation in AGM, the members may please contact on the above cited e-mail address or at +92 42 35771066-71 during business hours.

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

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

#### 4. Video Conferencing Facility:

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

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

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

#### 5. 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.

## **6. Guidelines for Shareholders to Access CDC's eServices Portal:**

Central Depository Company (CDC) has developed Central Cash Dividend Register (CCDR) as eServices web portal which would incorporate details pertaining to cash dividends paid, unpaid or withheld by listed companies. The CCDR will help to maintain the history of dividends paid to shareholders by listed companies and access to all such information will be provided to the respective shareholders. The web portal will facilitate shareholders of listed companies and access to all such information will be provided to the respective shareholders. The web portal will facilitate shareholders of listed companies in retrieving details of cash dividends from centralized register and using the same for their record purposes.

Further you may access CCDR via <https://eservices.cdcaccess.com.pk> In Addition, the Dividend/Zakat & Tax deduction Report can also be obtained directly from your Participant (Stock broker) which has been provided to them on their CDS terminals, Moreover, you will also receive a copy of this report on your provided/registered email address.

## **7. Submission of Copy of CNIC:**

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

## **8. Deduction of Withholding Tax on the amount of dividend:**

Pursuant to Circular No. 19/2014 dated October 24, 2014, SECP has directed all companies to inform shareholders about changes made in the section 150 of the Income Tax Ordinance 2001 from dividend payment have been revised as: for filers of Income Tax return 15.00% and Non-filers of Income Tax return 30.00% respectively. You are therefore advised to check and ensure your Filer status from Active Tax Payer List (ATL) available to FBR, website [www.fbr.gov.pk](http://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).

## **9. Payment of Dividend Electronically:**

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

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

1. Name of Shareholder's \_\_\_\_\_
2. Father's / Husband's Name; \_\_\_\_\_
3. Folio Number; \_\_\_\_\_
4. Postal Address; \_\_\_\_\_
5. Name of Bank; \_\_\_\_\_
6. Name of Branch; \_\_\_\_\_
7. Address of Branch; \_\_\_\_\_
8. Title of Bank Account; \_\_\_\_\_
9. Bank Account Number (Complete with code); \_\_\_\_\_
10. IBAN Number (Complete with code); \_\_\_\_\_
11. Cell Number; \_\_\_\_\_
12. Telephone Number (if any); \_\_\_\_\_
13. CNIC Number (attach copy); \_\_\_\_\_
14. NTN (in case of corporate entity, attach copy); \_\_\_\_\_

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

To, Share Registrar

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

#### 10. Electronic Transmission of Audited Financial Statements & Notices of AGM:

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 financial report for electronic transmission could be downloaded from Company's website: [www.thalindustries.com](http://www.thalindustries.com). The Company has already dispatched hard copy of the Audited Financial Statement to its shareholders.

#### 11. Postal Ballot/ E-Voting:

In accordance with the Companies (Postal Ballot) Regulations, 2018, for any agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot i.e by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations.

#### 12. Zakat Declarations (CZ-50)

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

## STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT 2017

A statement required under this section relating to Special Business of agenda item No. 5 is appended to the Notice of this meeting being sent to the shareholders of the Company by Post.

### STATEMENT U/S 134(3) OF THE COMPANIES ACT, 2017

All transactions with associated company were carried out during the year, therefore, these transactions have been placed before the shareholders of the Company for their approval.

#### a) Ratification and Approval of Related Party Transactions:

The Company is and shall be conducting transactions of sales and purchase of goods with the Naubahar Bottling Company (Pvt.) Limited, Baba Farid Sugar Mills Limited, and Almoiz Industries Limited for the period commencing from October 1st, 2019 to period ends September 30, 2020 are entered into by the company in the normal course of business. The prices, terms and conditions agreed between the companies are based on Arm Length Basis under Related Party Transactions Policy of the Company. The directors of the company have no interest whatsoever both directly or indirectly except for common directorship. Record consisting of details of all the transactions along with all supporting documents is maintained as per legal requirements and available in the registered office of the company.

Nature and amount of Transactions along with applicable pricing policy are detailed below:

Names	Nature of Transactions	Transactions during the period Amount (PKR)	Pricing Policy
Naubahar Bottling Company (Pvt.) Limited	Sale of goods	3,826,472,303	As per approved contract between TICL & NBC and Related Party Transactions Policy of TICL
Baba Farid Sugar Mills Limited	Sale of goods Sale of machinery Purchase of goods	8,896,967 23,000,000 322,042	As per approved contract between TICL & BFSML and Related Party Transactions Policy of the TICL
Almoiz Industries Limited	Sale of goods Purchase of goods	139,715,970 91,198,000	As per approved contract between TICL & AIL and Related Party Transactions Policy of the TICL

The transactions with NBC, BFSML and AIL could not be approved by the board in financial statements during the fiscal year 2019-20 due to common directorship on the Board and unavailability of the required quorum in the meetings of the Board. The following five directors are interested/concerned in the related party transactions due to common directorship and/or relationships amongst common Directors.

- (i) Mr. Muhammad Shamim Khan      (ii) Mrs. Qaiser Shamim Khan
- (iii) Mr. Adnan Ahmed Khan      (iv) Mr. Nauman Ahmed Khan
- (v) Mr. Muhammad Khan

The Board decided to place all the above related party transactions concluded during the fiscal year 2019-20 before the shareholders in AGM for ratification and approval.

#### (b) Lease/Rent of (Lahore) Office Premises owned by a related party:

The Company intends to renew contract for leasing/rent of premises for its head office use located at 2D-1, Gulberg – III, Lahore from one of the Directors namely Mrs. Qaiser Shamim Khan at a monthly rent of Rs. 850,000 which is the 50% share of the total monthly rent amount of Rs 1,700,000 per month. As the property will be jointly shared therefore rent amount will also be equally shared with other associated undertaking i.e. Almoiz Industries Ltd. The rent rates are in line with prevailing rent rates in the said locality. The other terms and conditions would be:

- (a) Agreement Tenor: 03 (three) years (renewable on mutual terms & conditions)
- (b) 10% Increase after each year
- (c) Utility bills will be the responsibility of the tenants
- (d) Tenants will be responsible for the proper upkeep and maintenance of the building

**(c) Lease/Rent of (Karachi) Office Premises owned by a related party:**

The Company intends to enter into a contract for leasing/rent of premises for its Karachi office use located at House No. 43-B1, Street No. 42, Block 6 PECHS, Karachi from one of the Directors namely Mrs. Qaiser Shamim Khan at a monthly rent of Rs. 150,000 per month which is the 1/3rd share of the total monthly rent amount of Rs 450,000 per month. As the property will be jointly shared therefore rent amount will also be equally shared with other associated undertaking i.e. Almoiz Industries Ltd. & Naubahar Bottling Company (Pvt) Ltd. The rent rates are in line with prevailing rent rates in the said locality. The other terms and conditions would be:

- (a) Agreement Tenor: 03 (three) years (renewable on mutual terms & conditions)
- (b) 10% Increase after each year
- (c) Utility bills will be the responsibility of the tenants
- (d) Tenants will be responsible for the proper upkeep and maintenance of the building

Mrs. Qaiser Shamim Khan, director of the company owns the above premises and is, therefore, interested in the above arrangement. The other directors of the Company are not directly or indirectly interested in the above arrangement.

**(a), (b) & (c) Authorization for the Board of Directors to approval related party transactions during the financial year ended Sep. 30, 2020**

The Company is and shall be conducting transactions of sale and purchase of goods and payment of lease rentals with NBC, BFSML & AIL during the financial year ending Sep. 30, 2020 and subsequently, in the ordinary course of business and at Arm's Length Basis as per the approved policy with respect to transactions with related parties in the normal course of business, and therefore, all the future transactions with NBC, BFSML & AIL shall be approved by the Board of Directors on quarterly basis. Considering the interests/ concerns of five out of seven Directors due to their common directorship and /or relationship with Directors of NBC, BFSML & AIL, the related parties' transactions of the fiscal year 2020 are suggested to be placed before the shareholders.

The Company shall continue to carry out transactions with the related parties in the ordinary course of business till next the Annual General Meeting. The nature and scope of such related party transactions are explained above in the statement of relevant agenda item. Therefore, such transactions with related parties have to be approved by the shareholders. The shareholders may authorize the Chief Executive or his nominee to approve such transactions till the next Annual General Meeting for their formal approval/rectification.

There is no specific interest of the directors in these special resolutions, except that mentioned above.



# DIRECTOR'S REPORT TO THE MEMBERS

The Directors of your Company are pleased to present the 67th Annual Report together with Audited Accounts and Auditor's Report thereon for the Financial Year ended 30th September 2020.

## INDUSTRY OVERVIEW

During the year under review, sugarcane crop size was slightly lesser and yield per acre being reported was also lower as compared to corresponding period of last year. Moreover, sugar recoveries were also less as compared to last crushing season. Cumulatively, the Company's sugar production was less in line with country's sugar production as compared to the last year.

For current crushing season 2019-20, notified support price of sugarcane was Rs. 190/- per 40 kg in Punjab, KPK and Rs 192/- per 40kg in Sindh. During the whole crushing season there was tough price competition over sugar cane purchase among all sugar mills in the region & in the country, owing partially due to expected short sugarcane crop and partially due to better sugar prices in the local market.

## PERFORMANCE OF THE COMPANY

During the year ended 30 September 2020, the Company was able to crush 1,973,755 M. Tons sugarcane and produced 189,843 M. Tons white refined sugar at an average recovery of 9.629%. During the same period last year, the Company crushed 2,006,892 M. Tons sugarcane and produced 204,406 M. Tons white refined sugar at an average recovery of 10.190%. The decline in company's sugar production & sugarcane crushing is in tandem with the overall reduction of sugar production & sugarcane crushing in the country.

## FINANCIAL HIGHLIGHTS

For the year ended 30 September 2020, the Company earned pretax Profit of Rs. 1,597.274 million and after-tax profit of Rs. 1,263.771 million as compared to pretax profit of Rs. 542.575 million and after-tax profit of Rs. 342.299 million over the same period last year. This extraordinary increase in profitability is attributed to number of elements taken place during the period and mainly due to sales of molasses at exceptionally high prices on account of Pak Rupee devaluation, exponentially high demand of ethanol due to COVID-19 in national & international market and as well as less molasses production in the country due to lower sugar cane crop. Earnings per share for the year ended 30 September 2020 are reported at Rs. 84.12 as compared to Rs. 22.78 for the corresponding period of last year.

Net sales were recorded at Rs. 16,220.378 million during the year ended 30 September 2020, as compared to Rs. 14,359.613 million in last year. Given decrease in sales volumes, increase in sales revenue is attributed to increase in average selling prices.

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

	2020 (Rupees in Million)	2019
Pre- Tax Profit	1,597.274	542.575
Provision for Taxation	(271.736)	(199.603)
Prior Year	7.479	(70.232)
Deferred	(69.246)	69.559
Profit after Taxation	1,263.771	342.299
Effect of OCI	7.344	(4.032)
	1,271.115	338.267
Accumulated Profit brought forward	1,979.792	1,641.525
	3,250.907	1,979.792
<b>APPROPRIATIONS</b>		
Final Cash Dividend paid during the year @ 15% (2019: Nil)	(22.535)	-
Accumulated profit carried forward	3,228.372	1,979.792
Earnings per share (Rs.)	84.12	22.78

## EARNING PER SHARE:

The earning per share of the company for the year under review stood at Rs. 84.12 (2019: Rs. 22.78)

## DIVIDEND

Your Board has recommended 30% (2019: 15%) cash dividend for the financial year that ended 30, September 2020.

## 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 sugarcane but also enhances growers earning and creates more enthusiasm for sowing sugarcane compared to competing crops. It also increases the sugarcane supply to the Company and boosts overall sugar recovery, directly improving the bottom line of the company

Like previous years, your management has decided

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

## FUTURE OUT LOOK

Overall the world and the country in particular is passing through tough economic times and uncertain climate due to COVID-19. During the year under review government has taken aggressive steps for closure/ lockdown of the country from March, to August, 2020 to reduce the risk of pandemic. To overcome this situation Government took different steps to support the industry i.e. facilitation in utilities bills, financial support to lower middle class and multiple downward adjustments in KIBOR rates which reduced to 7% for industries. Additionally, State Bank of Pakistan advised all financial institutions to defer repayment of principle loans for one year and introduced refinance scheme for the salaries of staff for a period of 6 months i.e. April to September, 2020 at fixed rate of 3%. However, due to currency devaluation Pakistan's sugar industry





is now globally competitive at large in spite of highly depressed sugar prices in the international markets.

The Federal Government had formed Joint Investigation Team in January 2020 to probe in the Increase in sugar prices in 2018-19 and Export Subsidy approved during last 4-5 years to facilitate the grower's payment and to earn foreign exchange. The Joint Commission submitted its report to fulfill the vague objectives without considering and realizing the facts that Budget 2019-20 increased sales tax from 8% to 17%, the market adjustment in sugar price due to change of Country's status from sugar surplus country to sugar shortage and setting higher sugarcane support prices without considering the sugar prices in local and international markets. The outcome of Commission Report and its effects are being faced by the whole sugar industry in terms of various on-going departmental investigation by FBR, SECP and different agencies.

According to initial the sugarcane crop yield per acre in the year 2020-21 was expected higher by 5-10% as compared to last year (2019-20) but early start of crushing has been detrimental to yield and recovery. In anticipation of the prevailing sugar prices in local market, it is expected that there will be price war over the sugarcane purchase among sugar mills of surrounding area. Carryover sugar stock for season 2020-21 was much less as

compared to last year. Government has allowed import of 300,000 M Tons of sugar which has been completed in the last quarter of the year. It is expected that sugar prices may be under pressure in the coming period. Molasses and bagasse prices are also expected to remain high partially due rupee devaluation and partially due to expectedly reduced molasses production in 2020-21.

The proposed investment in Australian sugar mill approved by the Board jointly with its associated companies M/s Almoiz Industries Limited and M/s Naubahar Bottling Company (Private) Limited, for the acquisition of majority stake in ordinary shares in Isis Central Sugar Mill Company Limited Queensland, Australia ("ICSM"). The investment of AUD 36.10 Mn (Australian Dollars Thirty Six Million One Hundred Thousand) equivalent to USD 26.6 Mn was subject to applicable statutory and regulatory approvals. While the proposal was recommended by State Bank of Pakistan to the Economic Coordination Committee (ECC) of Pakistan at Federal Government level for approval, it remained pending for an extended period with the ECC due to macroeconomic uncertainty around the country's foreign exchange reserves and the covid-19 pandemic. As a result of these delayed approvals, the parties failed to achieve financial close of the transaction despite several extensions. A decision was therefore taken in July to allow the agreement to lapse and to call off the transaction.

## RELATED PARTIES DISCLOSURE

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

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- a) The Financial Statements prepared by the company fairly present its state of affairs, the result of operations, cash flows and changes in equity
- b) Proper books of accounts of the company have been maintained
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement
- d) International Financial Reporting Standards as applicable in Pakistan and the requirements of the Companies Act, 2017 have been followed in preparation of financial statements and there has been no departure there from
- e) The system of internal control has been designed and effectively implemented according to the requirement of the industry and on modern managerial principles which are being continuously reviewed and monitored. The review will continue in future for the improvement in control
- f) The company has adopted the central depository system and the listing regulations of Pakistan Stock Exchange. So far 206,925 shares of the company have been transferred by the shareholders to the Central Depository Company, Pakistan
- g) The company has appointed M/s CORPLINK (Pvt) Ltd., independent share Registrar in terms of section 195 of the Companies Act, 2017
- h) There is no doubt upon the Company's ability to continue as a going concern

- i) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations of Stock Exchanges
- j) The key operating and financial data of the last six (06) years is annexed herewith
- k) There are no statutory payments against the company on account of Taxes, duties, levies and other charges except for those which are being paid in the normal course of business
- l) The Company maintains unfunded gratuity scheme for its permanent employees
- m) Share transactions (if any) have been reported by the Directors, CFO, other Executives, Auditors, Company secretary or their spouses and minor children during the year ended 30 September, 2019 are annexed in pattern of shareholding
- n) All the information as required to be placed on Company's website under SRO-634(1) 2014 is appropriately placed at [www.thalindustries.com](http://www.thalindustries.com).

## BOARD MEETINGS

During the year under review, 4 board meetings were held and attendance of each Director in the board meeting was as under:

S.R. NO.	NAME OF THE DIRECTORS	NO. OF ATTENDED MEETINGS
1	Mrs. Qaiser Shamim Khan	4
2	Mr. Muhammad Shamim Khan	4
3	Mr. Adnan Ahmed Khan	3
4	Mr. Nauman Ahmed Khan	4
5	Mr. Muhammad Khan	4
6	Mr. Abdul Wahid Khan	4
7	Mr. Muhammad Ashraf Khan Durani	4

## CORPORATE GOVERNANCE

### Best Corporate Practices

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of Pakistan Stock Exchange.

The statement of compliance with the CCG is enclosed.

- The total number of directors are seven as per the following:
  - Male: Six
  - Female: One
- The composition of the Board of Directors (the Board") is as follows:

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

- The Board has formed committees comprising of members given below:

#### Audit Committee

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

#### HR and Remuneration Committee

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

#### NOMINATION COMMITTEE

- Mr. Abdul Wahid Khan (Chairman)
- Mr. Muhmmad Ashraf Khan Durani

#### RISK MANAGEMENT COMMITTEE

- Mr. Abdul Wahid Khan (Chairman)
- Mr. Muhmmad Ashraf Khan Durani



4. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations. The detail is given in Note: 36 to the Financial Statement.

## PATTERN OF SHARE HOLDING

The statement of pattern of shareholding along with categories of shareholding of the company as noted on September 30, 2020 required under section 227 of the Companies Act, 2017 and Code of Corporate Governance is annexed with this report.

## AUDITORS

The present Auditors M/S Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have retired and being eligible, offered their services for reappointment. The Audit Committee has recommended M/S Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants for reappointment as Auditors for the year ending 30 September, 2021.

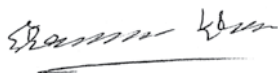
## OTHER STATEMENTS AND REPORTS

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

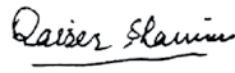
## ACKNOWLEDGEMENT

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

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



**Muhammad Shamim Khan**  
Chief Executive



**Mrs. Qaiser Shamim Khan**  
Chairperson

Lahore: 24th December, 2020

# ڈائریکٹرز کی ممبران کو رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والے مالی سال کے لئے 67 ویں سالانہ رپورٹ معہ نظر ثانی شدہ حسابات اور اس پر آڈیٹرز کی رپورٹ بخوشی پیش کر رہے ہیں۔

## صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران فصل کا سائز معمولی کم تھا اور بیان کی گئی فی ایکڑ پیداوار بھی گزشتہ سال کی اسی مدت کے مقابلے کم تھی۔ مزید برآں، چینی کی ریکوری بھی گزشتہ کرشنک سیزن کے مقابلے کم تھی۔ مجموعی طور پر گزشتہ سال کے مقابلے میں اس سال کمپنی کی چینی کی پیداوار ملکی چینی کی پیداوار کے مطابق کم رہی۔

حالیہ کرشنک سیزن 2019-20 کیلئے گنے کی کم سے کم قیمت خرید پنجاب اور کے پی کے میں -190/ روپے اور سندھ میں -192/ روپے فی من مقرر کی گئی۔ تمام کرشنک سیزن کے دوران گنے کی فصل کی متوقع جزی کی اور لوکل مارکیٹ میں چینی کی جزی بہتر قیمتوں کی وجہ سے مقامی اور ملکی سطح پر تمام شوگر ملوں کے مابین گنے کی خریداری پر قیمت خرید کا سخت مقابلہ پایا گیا۔

## کمپنی کی کارکردگی

30 ستمبر 2020 کو ختم ہونے والے سال کے دوران، کمپنی نے 1,973,755 میٹرک ٹن گنے کی کرشنک کی اور 9.629 فیصد اوسط ریکوری کے ساتھ 189,843 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ جبکہ اس کے مقابلے میں گزشتہ سال کمپنی نے 2,006,892 میٹرک ٹن گنے کی کرشنک کی اور 10.190 فیصد اوسط ریکوری کے ساتھ 204,406 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ کمپنی کی شوگر پیداوار اور گنے کی کرشنک میں ملک میں شوگر پیداوار اور گنے کی کرشنک کی مجموعی کمی کے ساتھ منسوب ہے۔

## مالی جھلکیاں

30 ستمبر 2020 کو ختم ہونے والے سال کے لئے کمپنی نے قبل از ٹیکس منافع 1,597.274 ملین روپے اور بعد از ٹیکس منافع 1,263.771 ملین روپے کمایا جبکہ گزشتہ سال قبل از ٹیکس منافع 542.575 ملین روپے اور بعد از ٹیکس منافع 342.299 ملین روپے حاصل کیا۔ منافع میں یہ غیر معمولی اضافہ مدت کے دوران متعدد عناصر سے منسوب ہے جو بنیادی طور پر پاکستانی روپے کی قدر کے لحاظ سے غیر متوقع زیادہ قیمتوں پر مولاس کی فروخت، مقامی اور بین الاقوامی مارکیٹ میں COVID-19 کی وجہ سے استھانول کی زیادہ طلب کی وجہ سے اور گنے کی کم فصل کے باعث ملک میں مولاس کی کم پیداوار کی وجہ سے ممکن ہوئی۔ 30 ستمبر 2020 کو ختم ہونے والے سال کیلئے فی شیئر آمدنی 84.12 روپے درج کی گئی جبکہ گزشتہ سال کی اسی مدت کے لئے فی شیئر آمدنی 22.78 روپے تھی۔

30 ستمبر 2020 کو ختم ہونے والے سال کے دوران خالص فروخت 16,220.378 ملین روپے درج کی گئی جبکہ گزشتہ سال کی اسی مدت میں 14,359.613 ملین روپے تھے۔ فروخت حجم میں کمی کے باوجود فروخت آمدنی میں اضافے کی وجہ چینی کی اوسط قیمت فروخت میں اضافہ تھا۔

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

## مالیاتی نتائج درج ذیل ہیں

تفصیلات	2020 (روپے بلین میں)	2019 (روپے بلین میں)
قبل از ٹیکس (نقصان) / منافع	1,597.274	542.575
ٹیکس کی ادائیگی		
موجودہ	(271.736)	(199.603)
پچھلے سال کی رد و بدل	7.479	(70.232)
زیر التوا ٹیکس (Deferred)	(69.246)	69.559
بعد از ٹیکس منافع	1,263.771	342.299
دیگر جامع آمدنی (OCI) کا اثر	7.344	(4.032)
	1,271.115	338.267
مجموعی منافع جو آگے آیا	1,979.792	1,641.525
	3,250.907	1,979.792
تصرقات		
سال کے دوران ادا شدہ حتمی نقد منافع منقسمہ بشرح 15% (2019 : Nil)	(22.535)	-
مجموعی منافع جو آگے گیا	3,228.372	1,979.792
فی شیئر آمدنی	84.12	22.78

## فی شیئر آمدنی:

زیر جائزہ سال کے لئے کمپنی کی فی شیئر آمدنی 84.12 روپے (2019: 22.78 روپے)

## منافع منقسمہ (ڈیویڈنڈ)

30 ستمبر 2020 کو ختم ہونے والے مالی سال کے لئے بورڈ نے 30% (2019: 15%) نقد منافع تقسیم کرنے کی سفارش کی ہے۔

## تحقیق و ترقی

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

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

## مستقبل کا نقطہ نظر

COVID-19 کی وجہ سے مجموعی طور پر پوری دنیا اور خاص طور پر ملک ایک سخت معاشی دور اور غیر یقینی ماحول سے گزر رہا ہے۔ وبائی مرض کے خطرے کو کم کرنے کے لئے زیر جائزہ مدت کے دوران حکومت نے مارچ تا اگست 2020 تک ملک کے کلوٹر / لاک ڈاؤن کے انتہائی اقدامات کئے۔ اس صورتحال پر قابو پانے کے لئے حکومت نے مختلف اقدامات اٹھائے جیسا کہ یوٹیلیٹی بلوں میں سہولت، نچلے متوسط طبقے کی مالی اعانت اور KIBOR کی شرحوں میں کمی جو صنعتوں کے لئے کم کر کے 7 فیصد کر دی۔ اس کے علاوہ سٹیٹ بینک آف پاکستان نے تمام مالیاتی اداروں کو اصل قرضوں کی واپس ادائیگی ایک سال تک مؤخر کرنے کی ہدایت کی اور صنعتوں کے تنخواہوں کے لئے ری فنانس اسکیم از اپریل تا ستمبر 2020 بشرح 3% برائے 6 ماہ کر دی ہے۔ تاہم، کرنسی کی قدر میں کمی کی وجہ سے بین الاقوامی منڈیوں میں چینی کی قیمتوں پر انتہائی دباؤ کے باوجود پاکستان کی چینی کی صنعت عالمی سطح پر اب مسابقتی ہے۔



وفاقی حکومت نے جنوری 2020 میں مشنر کہ انویسٹی گیشن ٹیم تشکیل دی جس نے، 2018-19 میں چینی کی قیمتوں میں اضافے اور برآمدی سبسڈی جو گزشتہ 4-5 سالوں میں منظوری کی گئی تھی تاکہ کسانوں کی ادائیگی کو آسان بنایا جاسکے اور زرمبادلہ کمایا جاسکے، پر تحقیقات کرنا تھی۔ مشنر کہ کمیشن نے اس مہم مقصد کی تکمیل کے لئے اپنی رپورٹ پیش کی جس میں ان حقائق کو یکسر نظر انداز کیا گیا کہ بجٹ 2019-20 میں سبز ٹیکس 8 فیصد سے بڑھا کر 17 فیصد کر دیا گیا، پچھلے سال کے مقابلے موجودہ سال کے دوران گئے کی فصل میں قلت کے سبب ملک کی حیثیت بالترتیب چینی کی زائد پیداوار سے چینی کی کم پیداوار میں تبدیلی کی وجہ سے چینی کی قیمت میں ہونے والی ضروری مارکیٹ ایڈجسٹمنٹ اور مقامی اور بین الاقوامی سطح پر چینی کی قیمتوں پر غور کیے بغیر گئے کی امدادی قیمتیں زیادہ مقرر کی گئیں۔ کمیشن رپورٹ کے نتائج اور اس کے اثرات ایف بی آر، ایس ای سی پی اور مختلف ایجنسیوں کی طرف سے متعدد جاری محکمہ انویسٹی گیشن کی صورت میں تمام شوگر انڈسٹری کو درپیش ہیں۔

سال 2020-21 میں ابتدائی فی ایکڑ گنے کی فصل کی پیداوار میں گزشتہ سال (2019-20) کے مقابلے میں 5-10 فیصد اضافے کی توقع کی گئی تھی لیکن کرشنک کا جلد آغاز پیداوار اور ریکوری کے لئے نقصان دہ ثابت ہوا۔ مقامی مارکیٹ میں چینی کی موجودہ قیمتوں کے پیش نظر، یہ توقع کی جارہی ہے کہ آس پاس کے علاقے کی شوگر ملوں کے مابین گنے کی خریداری پر قیمتوں کی جنگ ہوگی۔ گزشتہ سال کے مقابلے میں 2020-21 سیزن میں کیری اور شوگر اسٹاک بہت کم تھا۔ حکومت نے 300,000 میٹرک ٹن چینی کی درآمد کی اجازت دی ہے جو سال کی آخری سہ ماہی میں مکمل ہو چکی ہے۔ امید کی جاتی ہے کہ آنے والا دور میں چینی کی قیمتوں پر دباؤ پڑ سکتا ہے۔ توقع ہے کہ 2020-21 میں روپے کی قدر میں کمی اور جزیروں پر مولاس کی قیمتوں میں کمی پیداوار کی وجہ سے مولاس اور بیگاس کی قیمتیں بھی زیادہ رہیں گی۔

آسٹریلیئن شوگر مل میں مجوزہ سرمایہ کاری کی آنسس سنٹرل شوگر مل کمپنی لمیٹڈ کو نیوز لینڈ آسٹریلیا ("ICSM") میں عام حصص میں اکثریتی اسٹیک کے حصول کے لئے شریک کمپنیوں میسرز المعمر، انڈسٹریز لمیٹڈ اور میسرز نو بہار ٹونلنگ کمپنی (پرائیویٹ) لمیٹڈ کے مشترکہ بورڈ نے منظوری دی۔ 26.6 ملین امریکی ڈالر کے مساوی 36.10 ملین آسٹریلین ڈالر (چھتیس ملین ایک سو ہزار آسٹریلین ڈالر) کی سرمایہ کاری قابل اطلاق قانونی اور ریگولیٹری منظور یوں سے مشروط تھی۔ جبکہ اس تجویز کی منظوری کے لئے وفاقی حکومت کی سطح پر پاکستان کی اقتصاد دی رابطہ کمیٹی (ای سی سی) کو تجویز سٹیٹ بینک آف پاکستان کی طرف سے کی گئی تھی، لیکن یہ ٹیکہ زرمبادلہ کے ذخائر اور Covid-19 وبائی بیماری کی بدولت معاشی غیر یقینی صورتحال کی وجہ سے ای سی سی کے ہاں توسیعی مدت تک زیر التوا رہی۔ منظور یوں میں اس تاخیر کے نتیجے میں، فریقین متعدد بار توسیع کے باوجود رازنیکشن مکمل کرنے میں ناکام رہے۔ لہذا جولائی میں اس معاہدے کو منسوخ اور رازنیکشن کو کالعدم کرنے کا فیصلہ کیا گیا۔

### متعلقہ پارٹیوں سے تعلقات

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

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- کمپنی کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور کمپنیز ایکٹ 2017 کی ضروریات کی پیروی کی گئی ہے، اور کسی قسم کا انحراف نہیں کیا گیا۔
- اندرونی کنٹرول کا نظام صنعت کی ضروریات اور جدید انتظامی اصولوں کے مطابق ڈیزائن ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔ کنٹرول میں بہتری کے لئے مستقبل میں مسلسل جائزہ لیا جائے گا۔
- کمپنی سنٹرل ڈیپازٹری سسٹم اور پاکستان اسٹاک ایکسچینج کے فہرستی قواعد و ضوابط پر عمل کرتی ہے۔ اب تک کمپنی کے 206,925 حصص سنٹرل ڈیپازٹری کمپنی پاکستان کو حصص داران کی طرف سے منتقل کئے گئے ہیں۔
- کمپنی نے کمپنیز ایکٹ 2017 کی دفعہ 195 کی شرائط میں میسرز کارپ لنک (پرائیویٹ) لمیٹڈ کو انڈینڈنٹ شیئر رجسٹرار مقرر کیا ہے۔
- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- پاکستان اسٹاک ایکسچینج کے فہرستی قواعد و ضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عوامل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- گزشتہ چھ سال کا کلیدی آپریشننگ اور مالیاتی ڈیٹا منسلک ہے۔
- ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو بقایا ہوں، سوائے ان کے جن کا معمول کے کاروبار میں انکشاف کیا گیا ہے۔
- کمپنی اپنے مستقل ملازمین کے لئے غیر فنڈ ڈگریجیٹی سکیم برقرار رکھتی ہے۔
- 30 ستمبر 2020 ہفتہ سال کے دوران ڈائریکٹرز، ایف او، دیگر ایگزیکٹوز، آڈیٹرز، کمپنی سیکرٹری یا ان کے زوج اور نابالغ بچوں کی طرف سے حصص کی تجارت (اگر کوئی ہو) نمونہ حصص داری سے منسلک ہیں۔
- (n) 2014 (1) SRO-634 کے ساتھ تمام درکار معلومات کو بطریق احسن کمپنی کی ویب سائٹ [www.thalindustries.com](http://www.thalindustries.com) پر رکھ دیا گیا ہے۔



## بورڈ کے اجلاس

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

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

## کارپوریٹ گورننس

### بہترین کارپوریٹ عوامل

ڈائریکٹرز بہترین کارپوریٹ گورننس پر عملدرآمد اور فہرستی کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج کی رول بک کی ضروریات کو پورا کرتے ہیں۔

CCG کے مطابق تعمیل کا بیان منسلک ہے۔

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

مرد: چھ

خاتون: ایک

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

کیٹگری	نام
آزاد ڈائریکٹرز	جناب محمد اشرف خان درانی جناب عبدالواحد خان
ایگزیکٹو ڈائریکٹرز	جناب محمد شمیم خان (سی ای او) جناب نعمان احمد خان
نان ایگزیکٹو ڈائریکٹرز	محترمہ قیصر شمیم خان جناب عدنان احمد خان جناب محمد خان

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

## آڈٹ کمیٹی

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

## ایچ آر اینڈ ریمزیشن کمیٹی

- جناب عبدالواحد خان (چیئر مین)
- جناب عدنان احمد خان
- جناب محمد خان

## تقرری کمیٹی

- جناب عبدالواحد خان (چیئر مین)
- جناب محمد اشرف خان درانی

## رسک مینجمنٹ کمیٹی

- جناب عبدالواحد خان (چیئر مین)
- جناب محمد اشرف خان درانی

4۔ بورڈ آف ڈائریکٹرز ایکٹ اور ریگولیشنز کے مطابق ڈائریکٹرز کے مشاہدہ کے لئے قابل پالیسی اور شفاف طریقہ کار ترتیب دیا ہے۔ جس کی تفصیل مالی گوشواروں کے نوٹ 36 میں دی گئی ہے۔

## نمونہ حصہ داری

کمپنیز ایکٹ 2017 کی دفعہ 227 اور کارپوریٹ گورننس کے ضابطہء اخلاق کے تحت درکار 30 ستمبر 2020 کو مذکورہ کے مطابق شیئر ہولڈنگ کا نمونہ بمعہ کمپنی کے شیئر ہولڈنگ کی اقسام رپورٹ ہذا کے ہمراہ منسلک ہیں۔

## آڈیٹرز کی تعیناتی

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس سکدوش ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو 30 ستمبر 2021 کو ختم ہونے والے سال کے لئے بطور آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

## دیگر وضاحتیں اور رپورٹس

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

## اظہار تشکر / اعتراف

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

منجانب بورڈ آف ڈائریکٹرز

دی تھل انڈسٹریز کارپوریشن لمیٹڈ

*Raiser Khan*

محترمہ قیصر شمیم خان  
چیئر پرسن

*Shamim Khan*

محمد شمیم خان  
چیف ایگزیکٹو

لاہور: 24 دسمبر 2020

# STATEMENT OF ETHICS & BUSINESS PRACTICES

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

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

## Quality of Product:

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

## Dealing with Employees:

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

## Responsibility to Society / Interested Sectors:

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

We meet all our obligations and ensure timely compliance.

## Financial Reporting & Internal Controls:

Our policies with reference to accounting, finance and corporate matters are governed by relevant corporate regulations, Companies Act, 2017, and the Code of

Corporate Governance. It is our responsibility to comply with International Financial Reporting Standards (IFRSs) as applicable in Pakistan for the preparation of financial statements with any departure therefrom being adequately disclosed.

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

## Purchase of Goods & Timely Payment:

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

## Conflict of Interest:

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

## Observance to Laws of the Country:

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

## Objectives of the Company:

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

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

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

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

# SIX YEARS SUMMARY OF FINANCIAL HIGHLIGHTS

## OPERATING PERFORMANCE:

	2020	2019	2018	2017	2016	2015
<b>Quantitative Data (M. Tons)</b>						
Cane Crushed	1,973,755	2,006,892	2,697,755	2,869,699	1,839,916	1,808,462
Sugar Produced	189,843	204,406	260,788	279,308	178,912	175,910
Refined Sugar Purchased	1,089	750	237	-	749.15	1,296
<b>Profitability (Rs in 000)</b>						
Gross Sales	18,748,618	15,670,122	15,351,153	16,261,713	11,511,115	12,057,447
Sales (Net)	16,220,378	14,359,613	14,104,443	14,918,562	10,673,418	11,244,799
Gross Profit	2,759,754	1,738,295	369,282	1,842,981	1,342,155	923,407
Profit / (Loss) before Taxation	1,597,274	542,575	(153,140)	941,522	666,550	314,724
Profit / (Loss) after Taxation	1,263,771	342,299	(160,451)	708,395	660,182	261,019
<b>Financial Position (Rs in 000)</b>						
Tangible Fixed Assets	4,940,193	4,879,358	4,457,161	3,876,640	3,179,407	2,516,493
Other Non Current Assets	17,622	40,212	54,571	63,745	44,510	465
	4,957,815	4,919,570	4,511,732	3,940,385	3,223,917	2,516,958
<b>Current Assets</b>						
	3,653,803	4,342,856	5,702,867	4,908,411	3,564,768	2,832,311
Current Liabilities	3,398,088	4,970,173	6,106,855	4,369,065	3,155,104	2,596,015
Net Working Capital Employed	255,715	(627,317)	-403,988	539,346	409,664	236,296
Capital Employed	5,213,530	4,292,253	4,107,744	4,479,731	3,633,581	2,753,254
Long Term Loan & Other Liabilities	1,741,126	2,068,429	2,222,187	2,145,997	1,743,659	1,448,545
Shareholder's Equity	3,472,404	2,223,824	1,885,558	2,333,734	1,889,921	1,304,708
<b>Represented By:</b>						
Share Capital	150,232	150,232	150,232	150,232	150,232	150,232
Reserve & Unappropriated Profit/ (Loss) Carried Forward	3,322,172	2,073,592	1,735,325	2,183,501	1,739,689	1,154,476
	3,472,404	2,223,824	1,885,558	2,333,734	1,889,921	1,304,708
<b>Ratios</b>						
Gross Profit Ratio (%age)	17.01	12.11	2.62	12.35	12.57	8.21
Net Profit / (Loss) Before Tax Ratio (%age)	9.85	3.78	(1.09)	6.31	6.24	2.8
Net debt-to-equity (Times)	0.63	2.00	3.08	1.99	2.06	2.48
Current Ratio	1.08	0.87	0.93	1.12	1.13	1.09
Break up Value per Share (Rs.)	231.14	148.03	125.51	155.34	125.8	86.85
Earning / (Loss) per Share (Rs.)	84.12	22.78	(10.68)	47.15	43.94	17.37
Dividend Paid (%age)	15.00%	0.00%	188.86%	175.78%	50	50
Dividend Paid (Rs in 000)	22,535	-	283,358	264,078	75,116	75,116

# FORM-34

## THE COMPANIES ACT, 2017 (SECTION 227(2)(F))

### PATTERN OF HOLDING OF SHARES

1. Incorporation Number 0000619

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

2.1 Pattern of holding of the shares held by the shareholders as at 30/09/2020

2.2 Number of Shareholders	Shareholdings		Total Shares Held
	From	To	
543	1	100	23,309
256	101	500	67,760
106	501	1,000	78,306
81	1,001	5,000	204,831
16	5,001	10,000	113,508
2	10,001	15,000	26,242
2	15,001	20,000	38,570
5	45,001	50,000	248,608
1	50,001	55,000	55,000
1	60,001	65,000	63,000
1	1,340,001	1,345,000	1,343,174
1	1,500,001	1,505,000	1,502,223
1	2,250,001	2,255,000	2,253,698
1	9,005,001	9,010,000	9,005,003
1017			15,023,232

2.3 Categories of shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	14,225,098	94.6873%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	25	0.0002%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	170	0.0011%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
*2.3.7 Shareholders holding 10% or more	11,258,701	74.9419%
2.3.8 General Public		
a. Local	789,382	5.2544%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	8,557	0.0570%
Total	15,023,232	100.0000%

\*Note:

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

# CATEGORIES OF SHARE HOLDERS

As on 30th September 2020

S. No.	NAME	HOLDING	%AGE
<u>DIRECTORS, CEO THEIR SPOUSES &amp; MINOR CHILDREN</u>			
1	MR. MUHAMMAD SHAMIM KHAN	9,005,003	59.9405%
2	MRS. QAISER SHAMIM KHAN	2,253,698	15.0014%
3	MR. ADNAN AHMED KHAN	1,343,174	8.9406%
4	MR. NAUMAN AHMED KHAN	1,502,223	9.9993%
5	MR. MUHAMMAD KHAN	5,000	0.0333%
6	MR. MUHAMMAD ASHRAF KHAN DURANI	5,000	0.0333%
7	MR. ABDUL WAHID KHAN	1,000	0.0067%
8	MRS. AAMRA KHAN W/O ADNAN AHMED KHAN	50,000	0.3328%
9	MRS. ANIQA KHAN W/O NAUMAN AHMED KHAN	50,000	0.3328%
10	RANIA KHAN (MINOR) THROUGH GARDIAN	10,000	0.0666%
		14,225,098	94.6873%
<u>ASSOCIATED COMPANIES</u>			
		0	0.0000%
<u>NIT &amp; ICP</u>			
1	INVESTMENT CORPORATION OF PAKISTAN	25	0.0002%
<u>BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS</u>			
		0	0.0000%
<u>INSURANCE COMPANIES</u>			
1	ADAMJEE INSURANCE COMPANY LTD	170	0.0011%
<u>MODARABA &amp; MUTUAL FUND</u>			
		0	0.0000%
<u>JOINT STOCK COMPANIES</u>			
1	GHULAM RASOOL & SONS	295	0.0020%
2	SH. MOHAMMAD IBRAHIM AND SONS	295	0.0020%
3	MANZOOR AHMAD AND SONS	63	0.0004%
4	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000%
5	NCC-PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	300	0.0020%
6	SALIM SOZER SECURITIES (PRIVATE) LTD. (CDC)	5,000	0.0333%
7	SARFARAZ MAHMOOD (PVT) LTD. (CDC)	3	0.0000%
8	TRUST SECURITIES & BROKERQGE LIMUTED - MF (CDC)	100	0.0007%
9	ZILLION CAPITAL SECURITIES (PVT) LTD. (CDC)	2,500	0.0166%
		8,557	0.0570%
<u>SHARES HELD BY THE GENERAL PUBLIC (Foreign)</u>			
		0	0.0000%
<u>SHARES HELD BY THE GENERAL PUBLIC (Local)</u>			
		789,382	5.2544%
		789,382	5.2544%
TOTAL:		15,023,232	100.0000%

S. No.	NAME	HOLDING	%AGE
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SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

1	MR. MUHAMMAD SHAMIM KHAN	9,005,003	59.9405%
2	MRS. QAISER SHAMIM KHAN	2,253,698	15.0014%
		11,258,701	74.9419%

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

1	MR. MUHAMMAD SHAMIM KHAN	9,005,003	59.9405%
2	MRS. QAISER SHAMIM KHAN	2,253,698	15.0014%
3	MR. NAUMAN AHMED KHAN	1,502,223	9.9993%
4	MR. ADNAN AHMED KHAN	1,343,174	8.9406%
		14,104,098	93.8819%

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

SR. NO.	NAME	SALE	PURCHASE
1	MR. MUHAMMAD SHAMIM KHAN		150,000
2	MR. ADNAN AHMED KHAN		145,500
3	MR. MUHAMMAD ASHRAF KHAN DURANI	295,500	



# STATEMENT OF COMPLIANCE

## WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

**NAME OF THE COMPANY:** THE THAL INDUSTRIES CORPORATION LIMITED  
**YEAR ENDED:** SEPTEMBER 30, 2020

The Thal Industries Corporation Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

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

- a. Male: Six
- b. Female: One

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

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

- There are two Independent directors, however, required fraction is not rounded up as one because the new regulations were issued on September 25, 2019, and the Board was constituted before that date and the Regulation has provided relaxation that for the purpose of electing independent director, the Board shall be reconstituted not later than expiry of its current term;
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
  4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
  5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
  6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board /shareholders as empowered by the relevant provisions of the Act and these regulations;
  7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recordings and circulating minutes of meeting of the board.
  8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
  9. The Board has arranged Directors' Training program in previous years of the following:  
  
Mr. Muhammad Ashraf Khan Durani  
Mr. Abdul Wahid Khan

Remaining five directors are exempted from such training as they have fourteen years of education and fifteen years of experience on the board of the listed company

10. The Board has approved appointment of chief financial officer, company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. No new appointment was made during the year.
11. Chief financial officer and chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

#### A. AUDIT COMMITTEE

Names	Designation held
Mr. Muhammad Ashraf Khan Durani	Chairman
Mrs. Qaiser Shamim Khan	Member
Mr. Adnan Ahmed Khan	Member

#### B. HR AND REMUNERATION COMMITTEE

Names	Designation held
Mr. Abdul Wahid Khan	Chairman
Mr. Adnan Ahmed Khan	Member
Mr. Muhammad Khan	Member

#### C. RISK MANAGEMENT COMMITTEE

Names	Designation held
Mr. Abdul Wahid Khan	Chairman
Mr. Muhammad Ashraf Khan Durani	Member

#### D. NOMINATION COMMITTEE

Names	Designation held
Mr. Abdul Wahid Khan	Chairman
Mr. Muhammad Ashraf Khan Durani	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/ half yearly/ yearly) of the committees were as per following:

##### a) Audit Committee

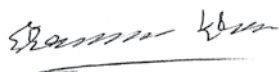
Six meetings of Audit Committee were held during the financial year ended 30th September 2020.

##### b) HR and Remuneration Committee

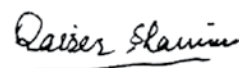
One meeting of HR and Remuneration Committee was held during the financial year ended 30th September 2020.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with international federation of accountant (IFAC) guidelines on code of ethics as adopted by Institute of chartered accountants of Pakistan and that they and partners of the firm involved in the audit are not a close relative ( spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 have been complied with

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



Muhammad Shamim Khan  
Chief Executive



Mrs. Qaiser Shamim Khan  
Chairperson

Lahore: 24, December 2020

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Thal Industries Corporation Limited

## Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of The Thal Industries Corporation Limited for the year ended 30 September 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of

Directors for their review and approval, its related party transactions. 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.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 September 2020.



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

LAHORE: 24TH DECEMBER 2020

# INDEPENDENT AUDITOR'S REPORT

To the members of The Thal Industries Corporation Limited  
Report on the Audit of the Financial Statements

## Opinion

We have audited the annexed financial statements of **The Thal Industries Corporation Limited (the Company)**, which comprise the statement of financial position as at 30 September 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

## Basis for Opinion

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

## Key Audit Matters

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

Following are the Key audit matters:

Sr.No	Key audit matters	How the matter was addressed in our audit
1.	<p><u>Capitalization of property, plant and equipment</u></p> <p>Refer notes 2.9 and 16 to the financial Statements.</p> <p>The Company has incurred significant capital expenditure of Rs. 1,121.38 million during the year on expansion of Manufacturing facilities. We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on capitalization of borrowing costs and Depreciation charge for the year.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and ensured accuracy of its recording in the system;</li> <li>• testing, on sample basis, the costs incurred on capital assets with supporting documentation and contracts;</li> <li>• assessing the nature of costs incurred for the capital assets through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards;</li> <li>• Conducted visit to the sites to which significant capital expenditure relates to verify existence of manufacturing facilities.</li> </ul>
2.	<p><u>Valuation of stock in trade</u></p> <p>Refer notes 2.15 and 20 to the financial statements.</p> <p>The stock-in trade at 30 September 2020 amounted to Rs. 983.87 million. Given the relative size of the stock in trade with respect to the total assets, it was identified as key audit matter as it involves significant management judgment in determining the carrying value of stock in trade.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• assessing the appropriateness of Company's accounting policy for valuation of stock in trade and compliance of the policy with applicable standards;</li> <li>• obtaining an understanding of internal controls over valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness;</li> <li>• obtaining an understanding and assessing reasonableness of the management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, and costs necessary to make the sales and their basis;</li> <li>• testing on sample basis the net realizable value of finished goods to recent selling prices and comparing the NRV, to the cost of stock in trade to assess whether any adjustments are required to the value of stock in trade in accordance with the accounting policy.</li> </ul>

3	<p><u>COVID-19 – Impact</u></p> <p>Refer note 47 to the financial statements.</p> <p>A novel strain of corona virus (COVID-19) that was classified as a pandemic by the World Health Organization in March 2020, impacting countries globally. This pandemic has significantly affected all segments of economy. The fair value determination at the measurement date has become more challenging due to the uncertainty of the economic impact of COVID-19.</p> <p>Due to COVID-19 lockdowns and partial operations generally all business are adversely affected. The management while preparing financial statements is responsible to assess the possible impact of COVID -19 crisis on the company's liquidity, realisability of inventories /trade debts, continuity of operations and appropriate disclosures in this regard in the financial statements.</p> <p>Examined the following key areas to assess the COVID- 19 impact on the Financial statements:</p> <ul style="list-style-type: none"> <li>• going concern assumption used for the preparation of the financial statements;</li> <li>• expected credit losses (ECL) under IFRS 9;</li> <li>• the net realisable value (NRV) of inventory; and</li> <li>• the debt covenants of the loans obtained from the banks</li> </ul> <p>The assessment of COVID -19 impact involves significant management judgement in preparation of the financial statements, hence it has been considered as key audit matter.</p>	<p>In planning and performing audit, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy;</li> <li>• Evaluated management's going concern assessment by considering going concern factors at planning and finalization stage. whether going concern assumption is appropriate;</li> <li>• Assessed the reasonableness of forward-looking factors under the COVID-19 situation used by management in preparing ECL model;</li> <li>• Reviewed the computation of NRV of inventory and its reasonableness;</li> <li>• Reviewed the key debt covenants of the loan agreements and compliance with these covenants; and</li> <li>• Reviewed the adequacy of the disclosures made by the Company under the applicable financial reporting framework.</li> </ul>
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### Information Other than the Financial Statements and Auditors' Report Thereon

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



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

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

### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

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

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

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in Central Zakat Fund established under section 7 of that Ordinance.

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



**Rahman Sarfaraz Rahim Iqbal Rafiq**  
CHARTERED ACCOUNTANTS

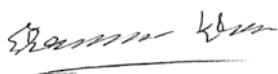
LAHORE: DECEMBER 24, 2020

# STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Note	2020 Rupees	2019 Rupees
<b>EQUITY &amp; LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital	3	150,232,320	150,232,320
Revenue reserves	4	93,800,000	93,800,000
Accumulated profit		3,228,371,604	1,979,791,613
		3,472,403,924	2,223,823,933
<b>Non Current Liabilities</b>			
Long term finance	5	790,725,680	1,250,031,565
Lease Liabilities	6	76,983,903	21,839,579
Loans from directors	7	574,800,000	574,800,000
Government Grant	8	1,302,673	-
Deferred liabilities	9	297,313,927	221,757,770
		1,741,126,183	2,068,428,914
<b>Current Liabilities</b>			
Trade and other payables	10	1,843,671,429	1,740,022,303
Finance cost payable	11	31,534,455	184,700,507
Short term borrowings-secured	12	465,524,759	1,967,664,631
Advances from directors	13	265,300,000	355,300,000
Current portion of long term liabilities	14	470,660,854	438,630,825
Uncashed dividend warrants		22,968,904	57,560,349
Provision for taxation		298,427,455	226,294,702
		3,398,087,856	4,970,173,317
<b>Contingencies and Commitments</b>			
	15		
		8,611,617,963	9,262,426,164

The annexed notes 1 to 48 form an integral part of these financial statements.



CHIEF EXECUTIVE

	Note	2020 Rupees	2019 Rupees
<b>PROPERTY AND ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant & equipment	16	4,940,192,856	4,879,358,204
Intangible assets	17	3,744,996	9,362,489
Long term deposits		464,500	464,500
Long term advances	18	13,412,458	30,384,413
		4,957,814,810	4,919,569,606
<b>Current Assets</b>			
Stores, spare parts and loose tools	19	683,656,187	641,148,747
Stock-in-trade	20	983,869,301	1,542,450,249
Trade debts	21	679,686,515	903,639,619
Loans and advances	22	370,595,631	502,442,119
Trade deposits, prepayments and other receivables	23	70,690,212	97,482,966
Current portion of long term advances	18	38,360,843	20,569,308
Taxes recoverable / adjustable	24	358,288,798	469,570,929
Cash and bank balances	25	468,655,666	165,552,621
		3,653,803,153	4,342,856,558
		8,611,617,963	9,262,426,164

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2020

	Note	2020 Rupees	2019 Rupees
Sales - net	26	16,220,377,603	14,359,613,210
Cost of sales	27	(13,460,623,936)	(12,621,318,250)
Gross profit		2,759,753,667	1,738,294,960
Operating expenses			
Distribution and selling expenses	28	(144,328,487)	(266,667,864)
Administrative expenses	29	(622,055,856)	(483,198,580)
		(766,384,343)	(749,866,444)
Operating profit / (loss)		1,993,369,324	988,428,516
Other income	30	516,137,755	310,785,649
		2,509,507,079	1,299,214,165
Finance cost	31	(775,924,705)	(728,082,480)
Other expenses	32	(136,308,655)	(28,556,584)
		(912,233,360)	(756,639,064)
<b>Profit / (Loss) before taxation</b>		1,597,273,719	542,575,101
Taxation	33	(333,502,866)	(200,276,284)
<b>Profit / (Loss) after taxation</b>		1,263,770,853	342,298,817
<b>Other Comprehensive Income-Net of Tax</b>			
Items that will be reclassified to profit or loss		-	-
Items that will never be reclassified to profit or loss:			
Remeasurement of staff gratuity (loss)/gain		10,343,642	(5,679,421)
Related impact on deferred tax		(2,999,656)	1,647,032
		7,343,986	(4,032,389)
Total comprehensive income / (loss) for the year		1,271,114,839	338,266,428
<b>Earnings / (Loss) per share - basic and diluted</b>	34	84.12	22.78

The annexed notes 1 to 48 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2020

PARTICULARS	SHARE CAPITAL	GENERAL RESERVES	ACCUMULATED PROFIT	TOTAL
	RUPEES			
Balance as on 01 October 2018	150,232,320	93,800,000	1,641,525,185	1,885,557,505
Total comprehensive income for the year	-	-	338,266,428	338,266,428
Balance as on 30 September 2019	150,232,320	93,800,000	1,979,791,613	2,223,823,933
Total comprehensive income for the year	-	-	1,271,114,839	1,271,114,839
Final Cash dividend @ 15.00 % i.e. Rs. 1.5 per share			(22,534,848)	(22,534,848)
Balance as on 30 September 2020	150,232,320	93,800,000	3,228,371,604	3,472,403,924

The annexed notes 1 to 48 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF CASH FLOWS

For the year ended 30 September 2020

	Note	2020 Rupees	2019 Rupees
<b>Cash flow from operating activities</b>			
Cash Flow From Operating Activities			
Profit before taxation		1,597,273,719	542,575,101
Adjustment for:			
- Depreciation		507,282,336	433,147,590
- Amortization		5,617,493	5,617,493
- Provision for gratuity		40,449,182	33,553,775
- Gain on disposal of fixed assets		(15,387,388)	(782,692)
- Finance cost		775,924,705	728,082,480
- Workers' profit participation fund		86,679,119	28,556,584
- Workers welfare fund		49,629,536	-
		1,450,194,983	1,228,175,230
Operating cash flows before changes in working capital		3,047,468,702	1,770,750,331
Changes in working capital	35	989,226,481	1,239,191,485
Cash generated from operations		4,036,695,183	3,009,941,816
Gratuity paid		(26,794,786)	(18,472,092)
Finance cost paid		(926,262,145)	(634,256,319)
Workers' profit participation fund paid		(31,385,196)	-
Workers Welfare fund paid		(1,172,977)	-
Income tax paid		(192,124,366)	(103,251,441)
<b>Net cash flow from operating activities</b>		2,858,955,713	2,253,961,964
<b>Cash Flow From Investing Activities</b>			
Fixed capital expenditure		(480,018,608)	(829,137,565)
Long term advances		16,971,955	8,742,043
Proceeds from disposal of fixed assets		22,203,650	5,201,195
<b>Net cash used in investing activities</b>		(440,843,003)	(815,194,327)
<b>Cash flow from financing activities</b>			
Long term finance		(440,719,292)	(152,522,147)
Government Grant		4,317,430	-
Lease liability paid		(29,341,638)	(20,772,456)
Short term borrowings - net		(1,502,139,872)	(1,009,369,445)
Advances from directors		(90,000,000)	(220,000,000)
Dividend paid		(57,126,293)	(43,447,029)
<b>Net cash flow from/ (used in) financing activities</b>		(2,115,009,665)	(1,446,111,077)
<b>Net increase / (decrease) in cash and cash equivalents</b>		303,103,045	(7,343,440)
<b>Cash and cash equivalents at the beginning of the year</b>		165,552,621	172,896,061
<b>Cash and cash equivalents at the end of the year</b>	25	468,655,666	165,552,621

The annexed notes 1 to 48 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

## 1. CORPORATE AND GENERAL INFORMATION

### Reporting entity

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

Geographical location and address of business units/plants

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

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

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

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

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

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

##### IFRS 16 - Leases

IFRS 16 introduce a single, on-balance sheet accounting model for lessees as a result, the company, a lessee has recognized right of use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The company has applied IFRS 16 using the modified retrospective approach under which the commulative effect of initial application is recognized in retained earning at 1 October 2019.



Accordingly, the comparative information presented for 2019 has not been restated-i.e. it is presented, as previously reported, under IFRS 17 and related interpretations.

On transition to IFRS 16, the Company recognised right-of-use assets and lease liabilities on the date of initial application as follows;

	September 30, 2019	Impact of I FRS 16	October 01, 2019
<b>Property, plant &amp; equipment</b>			
Right-of-use assets	-	2,058,690	2,058,690
<b>Lease liabilities</b>			
Non-current	-		
Current	-	2,058,690	2,058,690

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

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

- IFRS 3 - Business Combinations - (Amendments resulting from Annual Improvements 2015–2017 Cycle)
- IFRS 11 - Joint Arrangements (Amended by Annual Improvements to IFRS Standards 2015–2017 Cycle)
- IAS 12- Income Taxes - (Amended by Annual Improvements to IFRS Standards 2015–2017 Cycle)
- IAS 19 - Employee Benefits-(Plan amendment,curtailment or settlement)
- IAS 23 - Borrowing Costs-(Amendments resulting from annual improvements 2015-2017 cycle)
- IAS 28 - Investments in Associates-(Amended by Long-term Interests in Associates and Joint Ventures)
- IFRIC 23 - Uncertainty Over Income Tax Treatments

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

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

- IFRS 3 - Business Combinations - (Amended-definition of business)-(applicable for annual periods beginning on or after 1 January 2020)
- IFRS 3 - Business Combinations - (Amendments updating a reference to the Conceptual Framework)-(applicable for annual periods beginning on or after 1 January 2022)
- IFRS 7 - Financial Instruments: Disclosures - (Amendments regarding pre-replacement issues in the context of the IBOR reform)-(applicable for annual periods beginning on or after 1 January 2020)
- IFRS 7 - Financial Instruments: Disclosures - (Amendments regarding replacement issues in the context of the IBOR reform)-(applicable for annual periods beginning on or after 1 January 2021)
- IFRS 9 - Financial Instruments - (Amendments regarding pre-replacement issues in the context of the IBOR reform)-(applicable for annual periods beginning on or after 1 January 2020)

- IFRS 9 - Financial Instruments - (Amendments resulting from Annual Improvements to IFRS Standards 2018–2020)-(applicable for annual periods beginning on or after 1 January 2022)
- IFRS 9 - Financial Instruments - (Amendments regarding replacement issues in the context of the IBOR reform)-(applicable for annual periods beginning on or after 1 January 2021)
- IFRS 16- Lessees -(Amendments to provide lessees with an exemption from assessing whether a covid-19 related rent concession is a lease modification for annual periods beginning on or after 1st June 2020)
- IFRS 16- Leases -(Amendments regarding replacement issues in the context of the IBOR reform for annual periods beginning on or after 1 January 2021)
- IAS 1- Presentation of Financial Statements - (Amended-definition of material)-(effective for annual periods beginning on or after 1 January 2020).
- IAS 1- Presentation of Financial Statements - (Amended Amendments regarding the classification of liabilities)-(effective for annual periods beginning on or after 1 January 2023).
- IAS 8- Accounting Policies , Changes in Accounting Estimates and Errors - (Amended-definition of material)-(effective for annual periods beginning on or after 1 January 2020).
- IAS 16- Plant property and equipment - (Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use)-(effective for annual periods beginning on or after 1 January 2022).
- IAS 39 - Financial Instruments: Recognition and Measurement - (Amendments regarding pre-replacement issues in the context of the IBOR reform)-(applicable for annual periods beginning on or after 1 January 2020)
- IAS 39 - Financial Instruments: Recognition and Measurement - (Amendments regarding replacement issues in the context of the IBOR reform)-(applicable for annual periods beginning on or after 1 January 2021)
- IAS 41- Agriculture - (Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements))-(effective for annual periods beginning on or after 1 January 2020).

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts
- IFRS 14 – Regulatory Deferral Accounts

## 2.3 Accounting convention

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

## 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Staff retirement benefits	(note 2.5 & 9.1)
- Provisions	(note 2.6)
- Deferred taxation	(note 2.7 & 9.2)
- Contingencies	(note 15)
- Useful life of depreciable assets	(note 2.9 & 16.1)

## 2.5 Staff retirement benefits

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

## 2.6 Provisions

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

## 2.7 Taxation

### Current

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

### Deferred

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

## **2.8 Foreign currency transactions**

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

## **2.9 Property, plant & equipment and depreciation**

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

Depreciation is charged by applying the reducing balance method over its estimated useful life at the rates specified in note 16.1

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

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

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

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

## **2.10 Capital work in progress**

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

## **2.11 Intangible Assets**

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

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

## **2.12 Borrowing Costs**

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

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

## 2.13 Accounting for leases

### Right of use asset

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability.

The right to use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful life of right of use asset is determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined i.e. the Company's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payment made. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement.

The Company applies judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

### Short term leases

The Company has elected not to recognise the right of use asset and lease liability for short term leases of properties that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense.

## 2.14 Stores, spares and loose tools

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

## 2.15 Stock-in-trade

These are valued applying the following basis:

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

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

## 2.16 Revenue recognition

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

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

## 2.17 Dividend

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

## 2.18 Financial Instruments

### i) Financial assets

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

#### Amortized Cost

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

- a) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Impairment

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

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

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

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

**ii) Financial liabilities**

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

**Recognition and measurement**

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

**Derecognition**

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

**iii) Trade and other payables**

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

**iv) Trade debts, advances & deposits**

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

**v) Off setting**

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

**2.19 Cash and cash equivalents**

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

**2.20 Related parties transactions**

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

**2.21 Impairment**

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

**2.22 Presentation**

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



### 3. SHARE CAPITAL

2020 (Number of shares)	2019	Note	2020 Rupees	2019 Rupees
<b>Authorized Capital:</b>				
100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	1,000,000,000	1,000,000,000
<b>Issued, subscribed and paid up capital:</b>				
8,368,846	8,368,846	Ordinary shares of Rs. 10/- each fully paid in cash	83,688,460	83,688,460
142,770	142,770	Ordinary shares of Rs. 10/- each issued as fully paid for consideration otherwise than cash	1,427,700	1,427,700
6,511,616	6,511,616	Ordinary shares of Rs. 10/- each issued as bonus shares	65,116,160	65,116,160
15,023,232	15,023,232		150,232,320	150,232,320

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

### 4. REVENUE RESERVES

General reserve	93,800,000	93,800,000
-----------------	------------	------------

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

### 5. LONG TERM FINANCE - SECURED

#### From banking companies:

Opening balance	1,668,380,554	1,820,902,701
<b>Obtained during the year</b>		
Term/Demand Finance	-	310,171,744
Loan under refinance scheme for payment of wages & salaries	79,301,731	-
Adjustment pertaining to fair value of loan at below market interest rate	(4,317,430)	-
	1,743,364,855	2,131,074,445
Paid during the year	(515,703,593)	(462,693,891)
	1,227,661,262	1,668,380,554
Less: current portion	(436,935,582)	(418,348,989)
	790,725,680	1,250,031,565

**5.1** Demand finance / Diminishing musharaka facilities of Rs. 673 million (2019: Rs. 835 million) and term finance facilities of Rs. 1,400 million (2019: Rs. 1,400 million) have been obtained from various banking companies. These loans are secured against first pari passu / hypothecation charge over all present and future fixed assets of the Company, personal guarantees of directors of the Company and subordination of directors' loan. The facilities are being repaid in quarterly instalments beginning from 21 January 2015 and ending on 05 December 2023. These carry mark up @ 3 to 6 month KIBOR + 0.50 % to 0.75 % (2019: 3 to 6 month KIBOR + 0.50 % to 0.75 %) p.a.

- 5.2** This represents long term loan under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by State Bank of Pakistan. According to conditions of the Scheme, the Company after availing this loan will not lay off their workers / employees at least during three months from the date of first disbursement (June 04, 2020) except in case of any disciplinary action. The facility carries markup @ SBP + 3% P.a. and is secured against first exclusive charge over fixed assets. The principal is repayable in eight quarterly instalments starting from January 2021.

The aforesaid loan has been obtained from Bank Alfalah and ending on Oct 01, 2022.

	Note	2020 Rupees	2019 Rupees
<b>6. LEASE LIABILITIES</b>			
Opening balance		49,885,385	37,763,160
Obtained during the year		32,085,000	30,625,561
Impact on the date of initial application of IFRS 16		2,058,690	-
Addition under IFRS 16		60,770,951	-
Payments / adjustments during the year		(26,315,838)	(18,503,336)
		118,484,188	49,885,385
Less: security deposits adjustable on expiry of lease term		(10,789,770)	(7,763,970)
		107,694,418	42,121,415
Less: Current maturity of lease liabilities	14	(30,710,515)	(20,281,836)
Long-term lease liabilities		76,983,903	21,839,579

**6.1** Maturity analysis-contractual undiscounted cash flow:

	30 September 2020		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	41,052,380	(10,341,865)	30,710,515
Later than one year but not later than five years	90,782,627	(13,798,724)	76,983,903
	131,835,007	(24,140,589)	107,694,418
	30 September 2019		
	Rupees		
	Minimum Lease Payments	Less: Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	25,526,173	(5,244,337)	20,281,836
Later than one year but not later than five years	25,013,580	(3,174,001)	21,839,579
	50,539,753	(8,418,338)	42,121,415

- 6.2** The Company has a finance lease agreement of Rs. 67 million (2019 : Rs. 116 Million) for vehicles with Bank Al Habib Limited. Rentals are payable in 12 quarterly instalments ending on August 2023. The mark up rate implicit in the lease is 3 months KIBOR + 1.00% to 1.25% p.a.(2019: 3 months KIBOR + 1.00% to 1.25% p.a). The lease is secured by way vehicle registered in the name of Bank Al Habib Limited with 10% of vehicle value held as security.
- 6.3** The company intends to exercise its option to purchase the leased assets upon the maturity of lease term. Taxes, repairs and insurance cost is to be borne by the company. In case of termination of the agreement, the company has to pay the entire rentals for the unexpired period for the lease agreement.
- 6.4** The Company also has lease contracts for offices used in its operations. These leases generally have lease terms between 3 to 6 years. In general, the Company is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options subject to the mutual consent of the Company and the Lessors. The Company is bound by certain covenants which includes but are not limited to payment of certain taxes and to exercise reasonable care.

	Note	2020 Rupees	2019 Rupees
<b>7. LOANS FROM DIRECTORS - UNSECURED</b>	7.1	574,800,000	574,800,000

- 7.1** These loans are unsecured, mark up free and payable at the convenience of the company and 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. The management considers these loans as temporary equity and this view is supported by State Bank of Pakistan's Prudential Regulations and TR 32 of the Institute of Chartered Accountants of Pakistan. The amount has been disclosed as non-current liability in view of requirements of 4th Schedule of the Companies Act, 2017. These loans are subordinated to bank loans. Prior to 30 September 2019 the loans carried markup @ 3 months Kibor + 1.00%.

## 8. DEFERRED INCOME - GOVERNMENT GRANT

Grant recognized on loan at below market interest rate	4,317,430	-
Less: Charged to Statement of profit or loss	-	-
	4,317,430	-
Less: Current Portion	(3,014,757)	-
Government Grant- Non Current Liabilities	1,302,673	-

The Company recognised government grant on below market interest loan received - (note 5.2) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance.

## 9. DEFERRED LIABILITIES

Staff gratuity (as determined in Actuarial valuation)	9.1	159,258,175	155,947,421
Deferred taxation	9.2	138,055,752	65,810,349
		297,313,927	221,757,770

### 9.1 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 2020, using the "Projected Unit Credit Method". The relevant information in the actuarial report

is given in the following sub notes. The amount recognized in statement of financial position represents the present value of the defined benefit obligation as on 30 September 2020 according to the amended IAS-19 "Employees Benefits".

	Note	2020 Rupees	2019 Rupees
Present value of defined benefit liability as at beginning of the year		155,947,421	135,186,317
Cost chargeable to profit or loss account during the year		40,449,182	33,553,775
Cost chargeable to other comprehensive income		(10,343,642)	5,679,421
Benefit paid during the year		(26,794,786)	(18,472,092)
Net defined benefit liability as at end of the year		159,258,175	155,947,421
Present value of defined benefit obligations		159,258,175	155,947,421
Benefits due but not paid		-	-
Defined benefit liability as at 30 September		159,258,175	155,947,421
<b>Reconciliation of defined benefit obligation is as follows:</b>			
Present value of defined benefit obligations (PVDBO) at the beginning of the year		155,947,421	134,830,757
- Benefits due but not paid as at beginning of the year		-	355,560
- Current service cost for the year		21,917,679	22,234,251
- Interest cost for the year		18,531,503	11,319,524
- Benefits paid during the year		(26,794,786)	(18,472,092)
- Benefits due but not paid as at end of the year		-	-
- Actuarial (gains) / losses due to experience adjustments		(10,343,642)	5,679,421
Present value of defined benefit obligations (PVDBO) at the end of the year		159,258,175	155,947,421
<b>Amount charged to profit or loss account during the year:</b>			
- Current service cost for the year		21,917,679	22,234,251
- Interest cost for the year		18,531,503	11,319,524
Expense charged to profit or loss account		40,449,182	33,553,775
Expense is recognized as below:			
Cost of sales	27	29,388,898	24,799,519
Administrative expenses	29	11,060,284	8,754,256
		40,449,182	33,553,775
Amount charged to other comprehensive income during the year:			
Re-measurement of plan obligation:			
- Experience adjustments		(10,343,642)	5,679,421
Total re-measurements charged to other comprehensive income		(10,343,642)	5,679,421

	2020	2019
	Gratuity per annum	Gratuity per annum
<b>Assumptions used for valuation of the defined benefit obligation are as under:</b>		
Discount rate	9.75%	13.00%
Expected rate of increase in salary in future years	8.75%	12.00%
Mortality rates	SLIC (2001-05)	SLIC (2001-05)
Average expected remaining working life time of employees	10 Years	10 Years
	2020 Rupees	2019 Rupees
<b>Year end Sensitivity Analysis on defined benefit obligation:</b>		
Discount rate + 100 bps	144,732,218	142,118,741
Discount rate - 100 bps	176,359,846	171,832,076
Future salary increase + 100 bps	176,359,846	171,832,076
Future salary decrease - 100 bps	144,483,791	141,877,690
<b>9.2 Deferred taxation</b>		
Deferred tax liability arising in respect of depreciation of owned assets	510,798,981	458,744,032
Deferred tax liability arising in respect of assets subject to finance lease	8,734,809	6,617,643
	519,533,790	465,361,675
<u>Deductible temporary differences:</u>		
Deferred tax assets arising in respect of employees benefits	(46,184,871)	(45,224,752)
Deferred tax assets arising in respect of loans and advances	(838,074)	-
Deferred tax assets arising in respect of taxable losses	-	(196,095,743)
Deferred tax assets arising in respect of allowance for ECL	(5,010,617)	-
Deferred tax asset on Minimum tax u/s 113 adjustable against future tax liability	(329,444,476)	(158,230,831)
	(381,478,038)	(399,551,326)
Deferred tax liability as on 30 September	138,055,752	65,810,349

	Note	2020 Rupees	2019 Rupees
<b>10. TRADE AND OTHER PAYABLES</b>			
Creditors		269,151,284	234,644,040
Accrued liabilities		155,727,192	46,974,307
Contract liability	10.1	1,168,125,179	1,394,017,655
Income tax deducted at source		2,309,512	2,337,676
Sales tax payable		113,222,584	33,492,041
Workers' profit participation fund	10.2	86,679,119	28,556,584
Workers welfare fund payable		48,456,559	-
		<u>1,843,671,429</u>	<u>1,740,022,303</u>
<b>10.1</b>	This includes following amount due to associated undertaking for sale of refined sugar :		
Naubahar Bottling Co. (Pvt) Ltd		8,200,000	14,549,000
<b>10.2 Workers' profit participation fund</b>			
Opening balance		28,556,584	-
Interest for the year		2,828,612	-
		<u>31,385,196</u>	<u>-</u>
Less payments made:			
To workers		31,364,412	-
To govt.		20,784	-
		<u>31,385,196</u>	<u>-</u>
Share of the Company's profit for the year		86,679,119	28,556,584
		<u>86,679,119</u>	<u>28,556,584</u>
<b>10.2.1</b>	The Company retains the workers' profit participation fund for the business operations till the date of allocation to the workers. Interest is being paid at the rate of Kibor +2.5% (2019: Kibor +2.5%) p.a. as prescribed under the Act on fund utilized by the Company till the date of allocation to the workers.		
<b>11. FINANCE COST PAYABLE</b>			
Short term borrowings - secured		14,335,138	79,540,457
Long term borrowings - secured		17,199,317	79,940,701
Loans from directors - unsecured		-	25,219,349
		<u>31,534,455</u>	<u>184,700,507</u>

				Note	2020 Rupees	2019 Rupees		
12.	SHORT TERM BORROWINGS - SECURED							
FROM BANKING COMPANIES								
				<u>Sanctioned</u>				
				<u>Limits (Rs. in millions)</u>				
				2020	2019			
Running finance				915	1,165	12.1	197,690,366	712,044,188
Cash finance				8,970	9,860	12.2	267,279,939	1,255,620,443
Bank Overdrawn							554,454	-
							465,524,759	1,967,664,631

**12.1** These loans have been obtained from various banks to meet the working capital requirements and are secured against first pari passu hypothecation / registered ranking charge over current assets of the Company and personal guarantees of directors. These are subject to mark up at the rate of 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 1.00% (2019: 1 year KIBOR minus 1.00% & 1 to 3 month KIBOR + 0.50 to 1.00%) p.a. The limits will expire on various dates by 30 March 2022 but are renewable.

**12.2** These loans have been obtained from various banks to meet the working capital requirements and are secured against pledge over sugar bags of equivalent value with 7.9% to 25% margin and personal guarantees of directors. These are subject to mark up at the rate of 1 to 6 months KIBOR plus 0.30% to 1.00% (2019: 1 to 3 months KIBOR plus 0.30% to 1.00%) p.a. The limits will expire on various dates by 30 March 2022 but are renewable.

	Note	2020 Rupees	2019 Rupees
<b>13. ADVANCES FROM DIRECTORS</b>		265,300,000	355,300,000

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

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

#### 14. CURRENT PORTION OF LONG TERM LIABILITIES

Long term finance	5	436,935,582	418,348,989
Liabilities against assets subject to finance lease	6	30,710,515	20,281,836
Government Grant	8	3,014,757	-
		470,660,854	438,630,825

	Note	2020 Rupees	2019 Rupees
<b>15. CONTINGENCIES AND COMMITMENTS</b>			
<u>Contingencies</u>			
Sales tax on molasses	15.1	1,217,508	1,217,508
Income tax cases	15.2	11,955,520	11,955,520
Additional tax u/s 87 of Income Tax Ordinance, 1979	15.3	4,500,353	4,500,353
Bank guarantees	15.4	1,040,161,653	747,631,653
Various claims against the Company not acknowledged as debt which are pending in the Court for decision		1,568,000	1,568,000
		<b>1,059,403,034</b>	<b>766,873,034</b>
<u>Commitments</u>			
Contracts for capital expenditure		19,233,432	27,733,706
Letters of credit for capital expenditure		14,368,284	142,231,518
Letters of credit for other than capital expenditure		5,265,483	31,908,909
		<b>38,867,199</b>	<b>201,874,133</b>

**15.1** 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.

**15.2** 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.

**15.3** 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.

**15.4** 'Bank guarantees of Rs. 1,024 million was issued by banks for advance against sales of Sugar. One bank guarantee of Rs. 1.57 million were issued to Alternative Energy Development Borad against power generation licensing. One bank guarantee of Rs. 4 million issued to Ghani Gases Limited against supply of commercial gas. These guarantees will expire on various dates upto November 2021. 'Bank guarantee of Rs. 10 million/- was issued by Bank Al-Habib Ltd New Graden Town Branch Awami Complex, New Garden Town Lahore in favour of Lahore High Court, in light of order dated 16/06/2020 passed in writ petition No 26578 of 2020 titled The Thal Ind Corp Ltd Vs Fedration of Pakistan & others. '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.

## 16. PROPERTY, PLANT AND EQUIPMENT

Operating tangible assets	16.1	4,913,463,653	4,201,220,854
Capital work-in-progress - at cost	16.4	26,729,203	678,137,350
		<b>4,940,192,856</b>	<b>4,879,358,204</b>

\*The amount of borrowing cost capitalized to capital work in progress amounted to Rs. 88,443,645 /- (2019: Rs. 51,843,904/-).



## 16.1 Operating tangible assets

Freehold land	Buildings on freehold land	Plant and machinery	Tools, implements and other factory equipments	Computer and other office equipments	Electric installation	Vehicles	Total
RUPEES							

### OWNED ASSETS

#### COST

Balance as at 01 October 2018	345,547,993	715,605,926	5,522,164,820	132,576,837	56,090,656	77,468,838	203,308,674	7,052,763,744
Additions during the year	-	22,602,522	141,196,246	35,543,826	4,198,513	7,095,039	39,473,006	250,109,152
Disposals	-	-	(1,158,500)	-	(104,800)	(4,700,000)	(10,086,233)	(16,049,533)
Transferred from leased assets	-	-	-	-	-	-	7,927,000	7,927,000
Balance as at 30 September 2019	345,547,993	738,208,448	5,662,202,566	168,120,663	60,184,369	79,863,877	240,622,447	7,294,750,363
Additions during the year	-	1,979,142	1,074,954,086	31,691,871	2,024,021	794,995	9,937,943	1,121,382,058
Disposals	-	-	(48,327,471)	-	(76,500)	-	(5,382,737)	(53,786,708)
Transferred from Leased Assets	-	-	-	-	-	-	1,887,000	1,887,000
Balance as at 30 September 2020	345,547,993	740,187,590	6,688,829,181	199,812,534	62,131,890	80,658,872	247,064,653	8,364,232,713

#### DEPRECIATION

Balance as at 01 October 2018	-	387,094,004	2,115,402,982	71,796,538	31,159,374	33,586,772	105,212,393	2,744,252,063
Charge for the year	-	33,640,694	348,572,595	8,145,692	4,405,107	4,676,648	22,272,971	421,713,707
Depreciation on disposals	-	-	(784,852)	-	(59,317)	(2,254,264)	(8,532,597)	(11,631,030)
Transferred from leased assets	-	-	-	-	-	-	4,135,642	4,135,642
Balance as at 30 September 2019	-	420,734,698	2,463,190,725	79,942,230	35,505,164	36,009,156	123,088,409	3,158,470,382
Charge for the year	-	31,917,389	399,943,715	10,673,266	4,038,468	4,448,718	25,030,053	476,051,609
Depreciation on disposals	-	-	(41,957,143)	-	(10,487)	-	(5,002,816)	(46,970,446)
Transferred from Leased Assets	-	-	-	-	-	-	1,031,963	1,031,963
Balance as at 30 September 2020	-	452,652,087	2,821,177,297	90,615,496	39,533,145	40,457,874	144,147,609	3,588,583,508

### LEASED ASSETS

#### COST

Balance as at 01 October 2018	-	-	-	-	-	-	49,766,000	49,766,000
Additions during the year	-	-	-	-	-	-	36,457,221	36,457,221
Transfer to Owned Asset	-	-	-	-	-	-	(7,927,000)	(7,927,000)
Balance as at 30 September 2019	-	-	-	-	-	-	78,296,221	78,296,221
Additions during the year	-	75,639,358	-	-	-	-	29,319,980	104,959,338
Transfer to Owned Asset	-	-	-	-	-	-	(1,887,000)	(1,887,000)
Balance as at 30 September 2020	-	75,639,358	-	-	-	-	105,729,201	181,368,559

#### DEPRECIATION

Balance as at 01 October 2018	-	-	-	-	-	-	6,057,107	6,057,107
Charge for the year	-	-	-	-	-	-	11,433,883	11,433,883
Transfer to owned assets	-	-	-	-	-	-	(4,135,642)	(4,135,642)
Balance as at 30 September 2019	-	-	-	-	-	-	13,355,348	13,355,348
Charge for the year	-	13,233,726	-	-	-	-	17,997,000	31,230,726
Transfer to owned assets	-	-	-	-	-	-	(1,031,963)	(1,031,963)
Balance as at 30 September 2020	-	13,233,726	-	-	-	-	30,320,385	43,554,111

Written down value as at 30 September 2019

345,547,993	317,473,750	3,199,011,841	88,178,433	24,679,205	43,854,721	182,474,911	4,201,220,854
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Written down value as at 30 September 2020

345,547,993	349,941,135	3,867,651,884	109,197,038	22,598,745	40,200,998	178,325,860	4,913,463,653
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Rate of depreciation (%)

-	10	10	10-15	10-30	10	20
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Depreciation charged has been allocated as follows:

	Note	2020			2019		
		Owned Assets	Leased Assets	Total	Owned Assets	Leased Assets	Total
		---Rupees---			---Rupees---		
Cost of goods manufactured	27.1	461,499,080	-	461,499,080	406,655,130	-	406,655,130
Administrative expenses	29	14,552,530	31,230,726	45,783,256	15,058,577	11,433,883	26,492,460
Total		476,051,610	31,230,726	507,282,336	421,713,707	11,433,883	433,147,590

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

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

**16.3** The details of operating fixed assets disposed off during the year have not been provided because aggregate book value of these assets don't exceed Rs. 50,000,000.

#### 16.4 Capital Work in Progress - Tangible Assets

	2020 Rupees	2019 Rupees
Plant and machinery	22,342,524	639,543,187
Factory buildings	4,386,679	38,594,163
	26,729,203	678,137,350

Particulars	Plant & Machinery	Buildings	Computer and other office equipments	Tools, implements and other factory equipments	Total
-----Rupees-----					
Balance as at 01 October, 2018	104,846,307	94,290	-	-	104,940,597
Capital Expenditure Incurred During the Year	633,241,089	48,234,229	469,150	-	681,944,468
Transferred to Operating Tangible Assets	(98,544,209)	(9,734,356)	(469,150)	-	(108,747,715)
Balance as at 30 September 2019	639,543,187	38,594,163	-	-	678,137,350
Capital Expenditure Incurred During the Year	458,103,833	6,224,931	-	-	464,328,764
Transferred to Operating Tangible Assets	(1,075,304,496)	(40,432,415)	-	-	(1,115,736,911)
<b>Balance as at 30 September 2020</b>	22,342,524	4,386,679	-	-	26,729,203

	Note	2020 Rupees	2019 Rupees
<b>17. INTANGIBLE ASSETS-COMPUTER SOFTWARES</b>			
<b>Cost</b>			
Balance as at 1 October		22,469,973	22,469,973
Transfer from CWIP		-	-
Balance as at 30 September		22,469,973	22,469,973
<b>Amortization</b>			
Balance as at 1 October		(13,107,484)	(7,489,991)
Amortization Expense	17.1	(5,617,493)	(5,617,493)
Balance as at 30 September		(18,724,977)	(13,107,484)
<b>Net Book Value as at 30 September</b>		<b>3,744,996</b>	<b>9,362,489</b>

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

## 18. LONG TERM ADVANCES

Long Term Advances face Value	55,000,000	55,000,000
Unamortized notional interest	(1,698,921)	(4,046,279)
Payment received	(1,527,778)	-
	51,773,301	50,953,721
Less: current portion	(38,360,843)	(20,569,308)
Non Current Asset	13,412,458	30,384,413

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

## 19. STORES, SPARE PARTS AND LOOSE TOOLS

Stores	345,150,143	285,792,552
Spare parts	328,750,235	342,383,573
Loose tools	9,755,809	12,972,622
	683,656,187	641,148,747

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

## 20. STOCK IN TRADE

Work in process	12,394,709	4,723,041
Finished goods:		
- Sugar	911,537,968	1,537,727,208
- Molasses	59,936,624	-
	971,474,592	1,537,727,208
	983,869,301	1,542,450,249

- 20.1** It includes pledged stocks of Rs. 295,620,911/- (2019: Rs. 1,379,966,991/-) against borrowings from various financial institutions.

	Note	2020 Rupees	2019 Rupees
<b>21. TRADE DEBTS</b>			
Unsecured and considered good by the management		696,964,505	910,884,682
Impairment allowance for expected credit loss	21.3	(17,277,990)	(7,245,063)
		<u>679,686,515</u>	<u>903,639,619</u>
<b>21.1</b> This includes amount due from associated undertaking as follows:			
Almoiz Industries Limited	21.1.1	2,160,364	-
Naubahar Bottling Co. (Pvt) Ltd	21.1.2	-	-
Baba Farid Sugar Mills Limited	21.1.3	9,265,018	690,094
		<u>11,425,382</u>	<u>690,094</u>

**21.1.1** The maximum aggregate balance due from /(due to) Almoiz Industries at the end of any month during the year was Rs. 12,681,692 /- (2019: 39,033,661/-).

**21.1.2** The maximum aggregate balance due from /(due to) Naubahar Bottling Co. (Pvt) Ltd. at the end of any month during the year was Rs. 424,002,146/- (2019: Rs. 372,246,775/-).

**21.1.3** The maximum aggregate balance due from /(due to) Baba Farid Sugar Mills Limited at the end of any month during the year was Rs. 10,594,499/- (2019: 690,094/-).

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

	Associated Companies	
	2020	2019
Not past due	-	690,094
Past due 1-30 days	-	-
Past due 30-150 days	11,057,331	-
Past due 150 days	368,051	-
	<u>11,425,382</u>	<u>690,094</u>

	2020 Rupees	2019 Rupees
<b>21.3 Impairment allowance for expected credit loss</b>		
As at beginning of the year	7,245,063	-
Recognized during the year	10,032,927	7,245,063
Reversed during the year	-	-
As at end of the year	<u>17,277,990</u>	<u>7,245,063</u>

	Note	2020 Rupees	2019 Rupees
<b>22. LOANS AND ADVANCES - unsecured, interest free and considered good</b>			
- Growers	22.1	237,251,010	228,457,431
- Suppliers	22.2	130,673,038	271,211,665
- Employees	22.3	2,671,583	2,773,023
		<u>370,595,631</u>	<u>502,442,119</u>
<b>22.1</b>	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.		
<b>22.2</b>	Advances to suppliers	133,562,949	274,101,576
	Provision against doubtful advances	(2,889,911)	(2,889,911)
		<u>130,673,038</u>	<u>271,211,665</u>
<b>22.2.1</b>	Opening balance of provision	(2,889,911)	(2,889,911)
	Add: provided during the year	-	-
	Less: reversal during the year	-	-
	Closing balance of provision	<u>(2,889,911)</u>	<u>(2,889,911)</u>
<b>22.3</b>	These advances are given to employees against their salaries and do not include any advance to Chief Executive or Directors. Amount due from executives is Nil (2019: 139,025) at the year end.		
<b>23. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Margin against bank guarantees		84,216	84,216
Letters of credit		48,104,497	91,928,107
Prepayments		5,165,845	2,067,726
Other receivables		17,335,654	3,402,917
		<u>70,690,212</u>	<u>97,482,966</u>
<b>24. TAXES RECOVERABLE / ADJUSTABLE</b>			
Advance income tax		351,987,445	459,928,174
Sales tax - input		6,301,353	9,642,755
		<u>358,288,798</u>	<u>469,570,929</u>

## 25. CASH AND BANK BALANCES

Cash and cheques in hand

Cash with banks:

- Current accounts

- Saving accounts

2020  
Rupees

2019  
Rupees

768,026

873,863

200,297,201

105,364,386

267,590,439

59,314,372

467,887,640

164,678,758

468,655,666

165,552,621

## 26. SALES - NET

Local sales:

Sugar

By Products:

Molasses

Press mud

Bagasse

Electricity

16,176,664,922

11,931,613,972

1,729,522,705

1,087,680,249

5,872,648

4,038,001

208,859,677

40,845,402

627,697,817

726,600,312

18,748,617,769

13,790,777,936

Export sales:

Sugar

Less: Export Handling Charges

-

1,886,018,798

-

(6,674,499)

-

1,879,344,299

18,748,617,769

15,670,122,235

Less: Sales Tax / Special Excise Duty

Sugar

Molasses

Press mud

Bagasse

Electricity

(2,326,884,808)

(1,210,838,816)

(126,661,093)

(33,175,161)

(853,291)

(673,001)

(30,347,133)

(5,934,802)

(43,493,841)

(59,887,245)

(2,528,240,166)

(1,310,509,025)

16,220,377,603

14,359,613,210

	Note	2020 Rupees	2019 Rupees
<b>27. COST OF SALES</b>			
Finished goods - opening		1,537,727,208	2,930,758,478
Add: cost of goods manufactured	27.1	12,894,371,320	11,228,286,980
		<hr/>	<hr/>
Finished goods - closing		14,432,098,528 (971,474,592)	14,159,045,458 (1,537,727,208)
		<hr/>	<hr/>
		13,460,623,936	12,621,318,250
		<hr/>	<hr/>
<b>27.1 Cost of goods manufactured:</b>			
Work in process - opening		4,723,041	6,778,912
Raw material consumed	27.1.1	11,016,853,809	9,355,160,485
Cost of Refined Sugar Purchased		74,228,679	53,926,123
Salaries, wages and other benefits	27.1.2	502,742,299	450,355,783
Fuel and power		101,346,649	228,510,562
Stores, spare parts and loose tools		218,992,349	217,757,097
Repairs and maintenance		458,157,536	451,976,599
Insurance		5,137,750	4,941,947
Depreciation	16.1	461,499,080	406,655,130
Vehicles running		59,203,578	53,260,014
Miscellaneous		3,881,259	3,687,369
		<hr/>	<hr/>
Work in process - closing		12,906,766,029 (12,394,709)	11,233,010,021 (4,723,041)
		<hr/>	<hr/>
		12,894,371,320	11,228,286,980
		<hr/>	<hr/>
<b>27.1.1 Raw material consumed</b>			
Sugar cane purchases		10,884,395,463	9,221,736,204
Cane procurement and other expenses		132,458,346	133,424,281
		<hr/>	<hr/>
		11,016,853,809	9,355,160,485
		<hr/>	<hr/>
<b>27.1.2</b> Salaries, wages and other benefits include Rs. 29,388,898 /- (2019: Rs. 24,799,519/-) in respect of gratuity (Refer note 9.1).			
<b>28. DISTRIBUTION AND SELLING EXPENSES</b>			
Salaries, wages and other benefits		10,983,400	10,544,119
Freight outward		79,599,040	163,640,149
Godown expenses		39,458,497	75,834,526
Insurance		4,828,490	4,490,346
Commission on sale of sugar		9,459,060	12,158,724
		<hr/>	<hr/>
		144,328,487	266,667,864
		<hr/>	<hr/>

	Note	2020 Rupees	2019 Rupees
<b>29. ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration		4,080,000	4,080,000
Salaries and other benefits	29.1	319,470,673	277,045,440
Rent, rates and taxes		5,653,719	13,568,399
Travelling and conveyance		4,202,382	2,434,988
Foreign travelling		1,635,770	2,635,965
Fees and subscriptions		8,625,224	18,808,308
Repair and maintenance		7,867,022	13,080,532
Vehicles running		27,792,972	23,397,810
Postage and telephone		6,985,878	6,994,724
Printing and stationery		4,155,974	3,965,186
Legal and professional		87,389,203	40,351,941
Auditors' remuneration	29.2	1,880,530	1,888,660
Depreciation	16.1	45,783,255	26,492,460
Ammortization cost		5,617,494	5,617,493
Donations	29.3	50,369,564	3,760,545
Impairment allowance for expected credit losses	21.3	10,032,927	7,245,063
Miscellaneous		30,513,269	31,831,066
		<b>622,055,856</b>	<b>483,198,580</b>

**29.1** Salaries and other benefits include Rs. 11,060,284/- (2019: Rs. 8,754,256/-) in respect of gratuity. (Refer note 9.1).

**29.2 Auditors' remuneration:**

Fee for statutory audit	1,464,100	1,470,440
Income Tax consultation services	416,430	418,220
	<b>1,880,530</b>	<b>1,888,660</b>

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

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

Agha Khan Hospital & Medical College Foundation	2,000,000	2,000,000
Prime Minister's COVID-19 Relief fund	25,000,000	-



	Note	2020 Rupees	2019 Rupees
<b>30. OTHER INCOME</b>			
<b>Financial Assets</b>			
Profit on deposit accounts		1,906,248	1,510,051
Income on unwinding of long term advances		2,347,359	8,270,315
<b>Other assets</b>			
Gain on disposal of stores		(298,365)	1,667,096
Gain on disposal of fixed asset		15,387,388	782,692
Gain/(Loss) on foreign exchange rates		-	66,798,821
Sale of scrap		30,182,299	41,507,986
Gain on agriculture inputs to growers		7,264,852	17,676,458
Rental income		694,927	331,500
Subsidy on export of sugar		-	165,240,100
Refunds from FBR		432,778,603	-
Miscellaneous		25,874,444	7,000,630
		516,137,755	310,785,649
<b>31. FINANCE COST</b>			
Interest / mark-up on:			
- Short term borrowings		587,315,106	468,399,224
- Lease finance		13,037,892	3,798,727
- Loans from directors		-	85,357,800
- Long term finance		153,165,291	156,862,898
		753,518,289	714,418,649
Interest on workers' profit participation fund	10.2	2,828,612	-
Bank charges and commission		19,577,804	13,663,831
		775,924,705	728,082,480
<b>32. OTHER EXPENSES</b>			
Workers' profit participation fund	10.2	86,679,119	28,556,584
Workers' welfare fund - current	10	48,456,559	-
- prior		1,172,977	-
		136,308,655	28,556,584
<b>33. TAXATION</b>			
Current	33.1	271,735,938	199,603,185
Prior year	33.2	(7,478,819)	70,232,370
Deferred	33.3	69,245,747	(69,559,271)
		333,502,866	200,276,284

	Note	2020 Rupees	2019 Rupees
<b>33.1</b> Income Tax Liability		271,735,938	207,082,004
Less: Tax Credits u/s (65B)	33.1.1	-	(7,478,819)
		<u>271,735,938</u>	<u>199,603,185</u>

**33.1.1** During the year the company has invested Rs. Nil/- (2019 : Rs 149,576,379/-) in the purchase of plant and machinery, for the purpose of balancing, modernization and replacement (BMR) in terms of section 65B of the Income Tax Ordinance, 2001. The provision for the taxation was reduced by taking tax credit under the said section till June 2019.

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 2020 except for assessment year 1992-93, 1993-94, 2001-02, 2002-03 and 2003-04 which are under appeal (Refer note 15 for detail).

Tax expense reconciliation has not been prepared as the company is charged to alternate corporate tax (ACT) (2019: minimum tax) and the relation between income tax expense and accounting profit is not meaningful.

**33.2** The prior year figures consists of Rs. 7,478,819/- pertains to tax year 2020 on account of change in rate of BMR tax credit.

### **33.3 Deferred**

Closing deferred tax liability	9.2	138,055,752	65,810,349
Opening deferred tax liability	9.2	(65,810,349)	(137,016,652)
Deferred tax (income) / expense		<u>72,245,403</u>	<u>(71,206,303)</u>
Deferred tax attributable to other comprehensive income		(2,999,656)	1,647,032
Deferred tax attributable to profit and loss		<u>69,245,747</u>	<u>(69,559,271)</u>

### 34. EARNINGS PER SHARE - BASIC AND DILUTED

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

	2020 Rupees	2019 Rupees
Profit/ (Loss) after tax	1,263,770,853	342,298,817
Weighted average number of ordinary shares in issue during the period	15,023,232	15,023,232
Earnings/ (Loss) per share	84.12	22.78

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.

### 35. CHANGES IN WORKING CAPITAL

#### (Increase) / decrease in current assets:

Stores, spare parts and loose tools	(42,507,440)	(109,570,242)
Stock-in-trade	558,580,948	1,395,087,141
Trade debts	223,953,104	367,043,523
Loans and advances	131,846,488	(186,340,354)
Trade deposits, prepayments and other receivables	26,792,754	(2,103,357)
Current portion of long term advances	(17,791,535)	(17,012,358)
Taxes recoverable / adjustable	111,282,131	(94,437,573)

#### Increase / (decrease) in current liabilities:

Trade and other payables	(2,929,968)	(113,475,295)
	989,226,482	1,239,191,485

### 36. 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:

	2020				2019			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	R U P E E S							
Managerial Remuneration	2,040,000	2,040,000	97,896,050	101,976,050	2,040,000	2,040,000	77,702,611	81,782,611
Utilities	-	-	3,362,384	3,362,384	-	-	2,679,400	2,679,400
Bonus	-	-	21,884,282	21,884,282	-	-	9,578,637	9,578,637
Gratuity expense	-	-	7,298,585	7,298,585	-	-	8,309,365	8,309,365
Total	2,040,000	2,040,000	130,441,301	134,521,301	2,040,000	2,040,000	98,270,013	102,350,013
Number of Persons"	1	1	38	40	1	1	26	28

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

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

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

### 37. TRANSACTIONS WITH RELATED PARTIES

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

Amounts due from and due to related parties are shown in note 7, 10, 13, 21 and 22 . Remuneration of the key management personnel is disclosed in note 36 respectively.

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

Sr No	Name	Postion	Direct Shareholding
1	Naubahar Bottling Co. (Pvt) Limited	Common Directorship	Associated undertaking
2	Almoiz Industries Limited	Common Directorship	Associated undertaking
3	Baba Farid Sugar Mills	Common Directorship	Associated undertaking
4	Mr. Muhammad Shamim Khan	Dirctor	59.941%
5	Mrs. Qaiser Shamim Khan	Dirctor	15.001%
6	Mr. Adnan Ahmed Khan	Dirctor	8.941%
7	Mr. Nauman Ahmed Khan	Dirctor	9.999%
8	Mr. Muhammad Khan	Dirctor	0.033%
9	Mr. Muhammad Ashraf Khan Durani	Dirctor	0.033%
10	Mr. Abdul Wahid Khan	Dirctor	0.0067%

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

Name of Related Party	Relationship	Basis of Relationship	2020 Rupees	2019 Rupees
<b>Naubahar Bottling Co Pvt Limited</b> - Sale of goods	Associated undertaking	Common Directorship	3,826,472,303	2,535,120,675
<b>Almoiz Industries Limited</b> - Sale of goods - Purchase of goods	Associated undertaking	Common Directorship	139,715,970 91,198,000	82,890,424 254,428,152
<b>Baba Farid Sugar Mills Limited</b> - Sale of goods - Sale of Machinery - Purchase of goods	Associated undertaking	Common Directorship	8,896,967 23,000,000 322,042	690,094 - -

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

#### Key management personnel:

Advances received from / (returned to) directors during the year	(90,000,000)	(220,000,000)
Markup on loans from directors	-	85,357,800
Advances to executives-net	-	13,214
Dividend paid	21,165,147	3,119,882
Lease Commitments	8,400,000	8,400,000

## 38. FINANCIAL INSTRUMENTS

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

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

- Credit risk
- Liquidity risk
- Market risk

### Risk Management Framework

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

#### 38.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade receivables. Out of the total financial assets of Rs. 1,220,671,435/- (2019: Rs. 1,126,870,617/-), the financial assets which are subject to credit risk amounted to Rs. 1,219,903,409/- (2019: Rs. 1,125,996,754/-).

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.

##### 38.1.1 Concentration of credit risk

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

Some of the major customer accounts for Rs. 580,177,343/- of the trade receivables carrying amount at 30 September 2020 (2019 : Rs. 825,832,197/-) 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:

	2020 Rupees	2019 Rupees
Long term deposits	464,500	464,500
Long term advances	51,773,301	50,953,721
Trade debts	679,686,515	903,639,619
Loan & advances	2,671,583	2,773,023
Trade deposits and other receivables	17,419,870	3,487,133
Bank balances	467,887,640	164,678,758
	<u>1,219,903,409</u>	<u>1,125,996,754</u>

All the trade debtors at the statement of financial position date represent domestic parties.

The aging of trade receivable at the reporting date is:

	2020		
	Gross amount	Remeasurement of ECL	Net amount
Not past due	347,917,301	-	347,917,301
Past due 1-30 days	34,110,540	28,987	34,081,553
Past due 30-365 days	231,720,102	8,877,675	222,842,427
Over 1 year	83,216,562	8,371,328	74,845,234
	<u>696,964,505</u>	<u>17,277,990</u>	<u>679,686,515</u>

	2019		
	Gross amount	Remeasurement of ECL	Net amount
Not past due	694,780,655	-	694,780,655
Past due 1-30 days	78,881,121	147,345	78,733,775
Past due 30-365 days	106,692,036	1,841,080	104,850,956
Over 1 year	30,530,870	5,256,638	25,274,232
	<u>910,884,682</u>	<u>7,245,064</u>	<u>903,639,619</u>

## 38.2 Liquidity risk

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

### Exposure to liquidity risk

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

	2020					
	Carrying amount	Contractual Cash flows	Six Months or less	Six to twelve months	One to two years	Two to five years
	Rupees					
<b>Financial Liabilities:</b>						
Long term finance	1,227,661,262	1,428,767,013	284,367,154	259,477,663	488,999,786	395,922,411
Liabilities against assets subject to finance lease	107,694,418	131,835,007	21,280,684	19,771,696	37,906,631	52,875,996
Trade and other payables	424,878,476	424,878,476	-	424,878,476	-	-
Uncashed dividend warrants	22,968,904	22,968,904	-	22,968,904	-	-
Finance cost payable	31,534,455	31,534,455	31,534,455	-	-	-
Short term borrowings	465,524,759	465,524,759	-	465,524,759	-	-
Advances from directors	265,300,000	265,300,000	-	265,300,000	-	-
	2,545,562,274	2,770,808,614	337,182,293	1,457,921,498	526,906,417	448,798,407

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

	2019					
	Carrying amount	Contractual Cash flows	Six Months or less	Six to twelve months	One to two years	Two to five years
	Rupees					
<b>Financial Liabilities:</b>						
Long term finance	1,668,380,554	1,821,388,342	266,658,738	222,425,827	322,987,372	1,009,316,405
Liabilities against assets subject to finance lease	42,121,415	50,539,753	13,590,130	11,936,045	16,910,070	8,103,508
Trade and other payables	281,618,347	281,618,347	-	281,618,347	-	-
Uncashed dividend warrants	57,560,349	57,560,349	-	57,560,349	-	-
Finance cost payable	184,700,507	184,700,507	184,700,507	-	-	-
Short term borrowings	1,967,664,631	1,967,664,631	-	1,967,664,631	-	-
Advances from directors	355,300,000	355,300,000	-	355,300,000	-	-
	4,557,345,803	4,718,771,929	464,949,375	2,896,505,199	339,897,442	1,017,419,913

### 38.3 Market risk

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

#### 38.3.1 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.

### 38.3.2 Interest rate risk

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

	2020	2019	2020	2019
	Effective rate		Carrying amount	
	(in Percent)		(Rupees)	
<u>Financial liabilities</u>				
<u>Variable rate instruments</u>				
Long term finances	7.42% to 14.30%	7.54% to 14.66%	1,227,661,262	1,668,380,554
Liabilities against assets subject to finance lease	8.25% to 14.8%	9.88% to 15.1%	107,694,418	42,121,415
Short term borrowings	7.42% to 15.14%	8.03% to 15.31%	465,524,759	1,967,664,631
			<u>1,800,880,439</u>	<u>3,678,166,600</u>

#### Fair value sensitivity analysis for fixed rate instruments

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

#### Cash flow sensitivity analysis for variable rate instruments

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

This analysis assumes that all other variables remain constant. The analysis is performed on same basis for 2019.

	Increase/ decrease in %	Effect on profit before tax (Rupees)
<b>As at 30 September 2020</b>		
Cash flow sensitivity-Variable rate financial liabilities	1%	18,008,804
<b>As at 30 September 2019</b>		
Cash flow sensitivity-Variable rate financial liabilities	1%	36,781,666

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

### 38.3.3 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.



### 38.4 Fair value of financial instruments

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

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

As at 30 September 2020 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.

### 38.5 Financial instrument by categories

#### Financial Assets

	At amortised cost	
	2020	2019
	Rupees	
Long term deposits	464,500	464,500
Long term advances	51,773,301	50,953,721
Trade debts	679,686,515	903,639,619
Loan & advances	2,671,583	2,773,023
Trade deposits and other receivables	17,419,870	3,487,133
Cash and Bank balances	468,655,666	165,552,621
	1,220,671,435	1,126,870,617

## Financial Liabilities

	At amortised cost	
	2020	2019
	Rupees	
Long term finance	1,227,661,262	1,668,380,554
Liabilities against assets subject to finance lease	107,694,418	42,121,415
Trade and other payables	424,878,476	281,618,347
Unpresented dividend warrants	22,968,904	57,560,349
Finance cost payable	31,534,455	184,700,507
Short term borrowings	465,524,759	1,967,664,631
Advances from directors	265,300,000	355,300,000
	2,545,562,274	4,557,345,803

## 39. CAPITAL RISK MANAGEMENT

The company's objectives for managing capital are:

- to safeguard the entity's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

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

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

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

During 2020, the company's strategy, which was unchanged from 2019, was to maintain the net debt-to-equity ratio upto 3.50 times, in order to secure access to finance at a reasonable cost.

The net debt-to-equity ratios at 30 September 2020 and at 30 September 2019 are as follows:

	2020 Rupees	2019 Rupees
Total debts	2,066,180,439	4,608,266,600
Less: cash and cash equivalents	(468,655,666)	(165,552,621)
Net debt	1,597,524,773	4,442,713,979
Total equity	4,047,203,924	2,223,823,933
Net debt-to-equity (Times)	0.39	2.00

The decrease in debt-to-equity ratio during 2020 resulted from decrease in dependance on borrowings and increase in equity due to profits during the year.

#### 40. PLANT CAPACITY AND ACTUAL PRODUCTION

		2020	2019
Designed crushing capacity:			
- Layyah Sugar Mills	Metric Tons/day	15,000	15,000
- Safina Sugar Mills	Metric Tons/day	8,000	8,000
Capacity on the basis of operating days	Metric Tons	2,518,500	2,208,000
Actual crushing	Metric Tons	1,973,755	2,006,892
Percentage of capacity attained	%	78.37	90.89
Sugar production from cane	Metric Tons	189,843	204,406
Recovery of sugar cane	%	9.62	10.19

**40.1** The under utilization of the capacity is mainly due to non availability of better quality sugarcane and non functionality of out dated plant and machinery.

#### 41. ACQUISITION OF SUGAR MILL OUTSIDE PAKISTAN

The Company together with Almoiz Industries Limited and Naubahar Bottling Company (Private) Limited (Associated undertakings) planned to acquire 55% of the overall stake in ISIS Central Sugar Mill Limited (ICSM), Bundaberg region of Queensland, Australia at a price of 35 Million Australian Dollars, however required permissions could not be obtained from government therefore the acquisition plan has been dropped.

#### 42. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

##### Dividend

The board of directors have proposed final cash dividend for the year ended 30 September 2020 of Rs. 3.00 (2019: Rs.1.50) per share i.e. 30% (2019: 15%) amounting to Rs. 45,069,696 (2019: Rs. 22,534,848/-) at their meeting held on 24 December 2020 for approval of the members.

#### 43. NUMBER OF EMPLOYEES

The total and average number of employees during the year as at 30 September 2020 and 2019 respectively are as follows:

	2020	2019
Number of employees as at 30 September	592	618
Average number of employees during the year	604	614

#### 44. NON-CASH FINANCING ACTIVITIES

During the year, the Company acquired property, plant and equipment amounting to Rs. 32,085,000/- (2019: Rs. 30,625,561/-) by means of finance lease.

#### 45. 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.

#### 46. 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% (2019: 100%) of the sale of the company.
- b) 100% (2019: 87%) of the sale for the year of the company is made to customers located in Pakistan and 0% (2019: 13%) 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 2020 are located in Pakistan.
- d) Sale to the following customers accounts for more than 10 % of the sales of the company:

	2020		2019	
	Rs.	Percentage	Rs.	Percentage
Naubahar Bottling Co. (Pvt) Ltd	3,826,472,303	24%	2,535,120,675	18%

#### 47. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

A novel strain of corona virus (COVID-19) that was classified as a pandemic by the World Health Organization in March 2020, impacting countries globally. This pandemic has significantly affected all segments of economy. The fair value determination at the measurement date has become more challenging due to the uncertainty of the economic impact of COVID-19. The Company expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and management have evaluated and concluded that there is no going concern uncertainty and there are no material implications of COVID-19 impacts that requires disclosures/ adjustments in these financial statements.

#### 48. DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on 24 December 2020 by the Board of Directors of the company.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# Proxy Form

No. of Shares

Folio No./CDC Participant ID

I/We \_\_\_\_\_  
of \_\_\_\_\_

Being member of THE THAL INDUSTRIES CORPORATION LIMITED hereby appoint

Mr./Miss/Mrs. \_\_\_\_\_

of failing him/her \_\_\_\_\_

being a member of the company a my/our proxy to attend, act and vote for me/us and on my/us and on my/or behalf, at the 67th Annual General Meeting of the company to be held at Registered office 23-Pir Khurshid Colony, Multan on Tuesday, the 26th January, 2021 at 1.30 p.m. and every adjournment thereof:

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signed by the said \_\_\_\_\_ of \_\_\_\_\_

1. Witness's Signature

Name: \_\_\_\_\_

CNIC No. \_\_\_\_\_

Address: \_\_\_\_\_

Member's Signature

\_\_\_\_\_

2. Witness's Signature

Name: \_\_\_\_\_

CNIC No. \_\_\_\_\_

Address: \_\_\_\_\_

Revenue Stamp  
Rs. 50/-

Date \_\_\_\_\_

Place \_\_\_\_\_

Notes: \_\_\_\_\_

1. This form of proxy, in order to be effected must be deposited duly completed at the Head 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 company.
4. CDC shareholder's entitled to attend and vote at this meeting must bring with them their Computerized National Identity Card / passport in original to provide his/her identity.



# دی تھل انڈسٹریز کارپوریشن لمیٹڈ

## مختارنامہ

میں / ہم ----- کا / کے -----  
بحیثیت رکن دی تھل انڈسٹریز کارپوریشن لمیٹڈ اور حامل حصص، بمطابق شیئر رجسٹر فو لیو نمبر -----  
اور ایسی ڈی سی پارٹیسپنٹ (شرکت آئی ڈی نمبر) -----  
اور سب اکاؤنٹ ذیلی کھاتہ نمبر -----  
محترم / محترمہ -----  
کو اپنے / ہمارے ایماء پر ----- مورخہ 26 جنوری 2021ء بروز منگل بوقت 1:30 بجے -----  
کو منعقد ہونے کمپنی کے سالانہ اجلاس عام میں حق رائے وہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔  
آج بروز ----- بتاریخ ----- 2021ء کو دستخط کیے گئے۔

گواہان

1-

پچاس روپے  
کے رسید ٹکٹ پر دستخط

دستخط: -----  
نام: -----  
پتہ: -----  
کمپیوٹرائزڈ شناختی کارڈ نمبر: -----

2-

دستخط کمپنی کے نمونہ دستخط سے  
مماثل ہونے چاہئیں

دستخط: -----  
نام: -----  
پتہ: -----  
کمپیوٹرائزڈ شناختی کارڈ نمبر: -----

نوٹ:

- 1- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل ہیڈ آفس کے پتے پر ارسال کرے۔
- 2- سی ڈی سی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا۔
- الف۔ فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ جس کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایت کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔
- ب۔ مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔
- ج۔ پینفٹل اونرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختار نامہ کے ہمراہ پیش کرے گا۔
- د۔ اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- و۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن) بورڈ آف ڈائریکٹرز قرار داد / مع نامزد کردہ شخص / انارنی کے نمونہ دستخط پاور آف انارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختارنامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

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# THALINDUSTRIES

C O R P O R A T I O N

If undelivered, please return to:

**THE THAL INDUSTRIES CORPORATION LIMITED**

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