2020

ANNUAL REPORT

32nd Annual Report

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COMPANY INFORMATION

Board of Directors Mr. Ghazi Khan (Chairman) Mr. Akbar Khan (Chief Executive)

Mr. Haroon Khan

Mr. Humayun Akhtar Khan Mrs. Rasheeda Begum Mrs. Mobina Akbar Khan Mr. Tahir Farooq Malik

Company Secretary and

Chief Financial Officer Mr. Ahmad Jehanzeb Khan

Bankers Conventional Conventional

National Bank of Pakistan Samba Bank Limited MCB Bank Limited The Bank of Khyber

United Bank Limited Pair Investment Company Ltd.
Allied Bank Limited Pak Oman Investment Co Ltd.
Habib Bank Limited Pak Libya Holding Co (Pvt) Ltd

The Bank of Punjab Islamic

Soneri Bank limited Dubai Islamic Bank

Sindh Bank Limited Al-Baraka Bank (Pakistan) Ltd.

Legal Advisors 1- Bandial & Associates

35-A, Luqman Street, Zahur Afridi Road, Lahore Cantt.

2- Ali Sibtain Fazli & Associates

Mall Mansion 30 The Mall, Lahore.

Audit Committee Mr. Humayun Akhtar Khan

Mr. Ghazi Khan Mr. Tahir Farooq Malik Mr. Khalid Siddique Member Member Secretary

Chairman

Auditors UHY Hassan Naeem & Co.

Chartered Accountants

Share Registrars Corplink (Private) Limited.

Wings Arcade, 1-K, Commercial, Model Town, Lahore

Mills:

Unit 1 Kanjwani, Tehsil Tandlianwala

District, Faisalabad

Unit 2 Taunsa Road, Indus Highway District, Dera Ismail Khan

Unit 3 Shah Jamal Road, District, Muzaffargarh

Distillery:

Unit 1 Kanjwani, Tehsil Tandlianwala District, Faisalabad

Unit 2 Shah Jamal Road, District, Muzaffargarh

Top Gas: Kanjwani, Tehsil Tandlianwala District, Faisalabad

Registered & 66-L, Gulberg-II, Lahore-54000, Pakistan

Corporate Office: PABX: 042-35712901, 35763115, 35754701, 35761124

Fax: 042-35710929, 35710605 Email: tsmlho@tsmlgroup.com Website: www.tsmlgroup.com

CORPORATE VISION, MISSION & STRATEGY

Vision

- To be a Company that continuously enhances its superior technological competence amongst the most efficient and lowest cost procedures in the industry;
- Through enhancing quality of life and contributing to have a healthier future, We aim to deliver sustainable, industry – leading financial performance and earn trust;
- The company aims to produce high quality diversified finished goods at competitive price and to ensure a safe, melodic and challenging working environment for the employees.

Mission

- The Company should ensure a secure & rewarding investment to the shareholders and investors, quality products to its customers, a secure, harmonious and friendly environment to its employees and be a ethical partner with its stakeholders;
- To be a leader in the market, a world class organization by providing competitive quality products and superior services to our customers, while learning from their high standard oriented feedback for our products;
- Improve on contemporary measures including cost, quality, service, speed of delivery and mobilization by optimizing the long term returns and growth of the business.

Strategy

- To be a Company that attracts and retains outstanding people by creating a fosters openness and cultural innovations that promotes individual growth and reward oriented performances;
- To produce a high quality white crystalline sugar by using of highest international standards;
- To grow our base business in sugar and build those related activities where there is opportunity to smooth the impact of sugar price cycles;
- To offer an equal and fair growth opportunities to all employees;
- Ensure to make investments on sugarcane growers in order to have regular supply of profitable sugarcane, in addition to establish a high standard corporate sugarcane farming;
- We provide care through empathy, fairness, trust and support for community in which
 we exist. We always are conscious for the impact of our activities on our surrounded
 environment.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that thirty two Annual General Meeting of the Shareholders of the Company will be held on Saturday February 27, 2021 at 10:00 A.M. at Chandni Banquet Halls 43-N, Gulberg-III, Lahore to transact the following business:

- To confirm the minutes of Annual General Meeting of the Company held on February 18, 2020.
- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2020 together with Directors' and Auditors' Reports thereon.
- To appoint Auditors for the year 2020-2021 and fix their remuneration. The present Auditors M/s UHY Hassan Naeem & Co. Chartered Accountants, retire and being eligible have offered themselves for reappointment.
- To transact any other ordinary business with the permission of the Chair.

Lahore: February 04, 2021. By order of the Board

Ahmad Jehanzeb Khan Company Secretary

NOTES:

- The Share Transfer Books of the Company will remain closed from 18-02-2021 to 27-02-2021 (both days inclusive) for entitlement, attending and voting at Annual General Meeting. Physical Transfers/CDS Transactions IDS received in order in all respects at the close of the Business on 17-02-2021 at the Company's Share Registrar M/s Corplink (Pvt) Ltd, Wing Arcade, 1-K Commercial Area Model Town Lahore attending of the meeting.
- A member entitled to attend and vote at this meeting may appoint another member
 as proxy to attend and vote on his/her behalf, Forms of Proxy to be valid must be
 properly fitted in/executed and received at the Registered Office of the Company at
 66-L, Gulberg-II, Lahore, at least 48 hours before the time of this meeting.
- 3. The Corporate shareholders shall nominate someone to represent them at the meeting. The nomination in order to be effective must be received by the Company not later than forty eight (48) hours before the meeting. Representative of corporate members should be bringing the usual documents required for such purpose.

- 4. Any individual beneficial owner of Central Depository Company (CDC) entitled to attend and vote at this meeting must bring his / her original National Identity card (CNIC) or Passport. Account and Participant ID number to prove him / her identity, and in case of proxy must enclose and attested copy of his / her CNIC or passport.
- Members are advised to promptly notify change in their postal address, if any, to the Company's Share Registrar.

نونش برائے سالا ندا جلاس عام

مطلع کیاجاتا ہے کہ درج ذیل اُمورکی انجام دہی کیلئے کمپنی کے شیئر ہولڈرز کا32وال سالانہ اجلاس عام بروز ہفتہ موری 27 فروری، 2021 بوقت سے 10:00 بجے جاندنی بینکوئٹ ہالز N-43، گلبرگ-III، لا ہور میں منعقد ہوگا:

- 1۔ مورجہ 18 فروری 2020 کومنعقد کیے گئے کمپنی کے سالاندا جلاس عام کے مندرجات کی توثیق
- 2۔ مدے مختنہ 30 ستبر 2020 کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع ڈائر بکٹرزاور آڈیٹرزر پورٹس کی وصولی بخوروخوض اورمنظوری
- 3۔ سال 2021-2020 کیلئے آؤیٹرز کی منظوری اوراُ تکے معاوضے کاتعین موجودہ آؤیٹرزمیسرزیوانی وائے حسن تعیم اینڈ کمپنی چارٹرؤ اکاوئٹنٹس ریٹائز ہورہے ہیں اوراُنہوں نے اہل ہونے کے ناطے اپنی دوبارہ تعیناتی کی پیشکش کی ہے
 - 4۔ چیئر مین کی اجازت ہے کسی بھی دیگر عمومی کاروبار کی انجام دیں

جگم بورڈ احمد جہانزیب خان کمپنی سیکرٹری

لا يور: 04 فروري، 2021

نوٹس

- 1۔ سیمینی کی شیئر ٹرانسفر بگس مورعہ 2021-02-18 تا 2021-02-20-27 (بشمول دونوں ایام) سالا ندا جلاس عام کے استحقاق بشمولیت اور ووٹنگ کیلئے بندر میں گی۔مورعہ 2021-17- 17 کوکاروبار کی بندش تک کمپنی کے شیئر رجسٹر ارمیسرز کارپ لنگ (پرائیویٹ) لمیٹٹر، وٹگ آرکیڈ، ۱-۲ کمرشل امریا ماؤل ٹاؤن، لا ہور میں وصول ہونے والے فزیکل ٹرانسفرز/سی ڈی ایس ٹرانز یکشنز آئی ڈی ایس اجلاس میں شامل تصور کی جائیں گی۔
- 2۔ اجلاس میں شمولیت اورووٹ کا انتحقاق رکھنے والاممبرا پی جگہ شمولیت اورووٹ کیلئے کسی دیگرممبر کو بطور پراکسی متعین کرسکتا ہے۔ متند۔ پراکسی فارم جو ہر لحاظ سے کلمل ہوں، کمپنی کے رجٹر ڈ آفس بمقام L-66، گلبرگ-۱۱، لاہور میں اجلاس سے کم از کم 48 تھنے پہلے پینی گائے جانے چاہمیں۔
- 3۔ کارپوریٹ شیئر ہولڈرزکوا جلاس میں حاضری کیلئے کوئی نمائندہ نامزد کر سکتے ہیں۔نمائندگی کے مؤثر ہونے کیلئے یہ کاغذات نامزدگی اجلاس سے 48 گھٹے قبل کمپنی کے پاس پہنچ جانی چاہیے۔کارپوریٹ ممبران کے نمائندہ کواس مقصد کیلئے درکارعمومی دستاویزات ساتھ لاناہوں گے۔
- 4۔ سنٹرل ڈیپازٹری کمپنی(س ڈیس) کا کوئی انفرادی مالی مالک اجلاس بندا میں شمولیت اورووٹ کیلئے اپنا قومی شاختی کارڈیا پاسپورٹ ہمراہ لائے۔اس کےعلاوہ اُسے اپنی شناخت کیلئے اکاؤنٹ اورشمولیتی آئی ڈی نمبر بھی فراہم کرناہوگااور پراکسی کی صورت میں اپنے قومی شاختی کارڈیا یاسپورٹ کی تصدیق شدرفقل ارسال کرناہوگی۔
 - 5۔ ممبران اپنے ڈاک پت میں کسی بھی تبدیلی کی اطلاع فوری کمپنی کے شیئر رجسٹر ارکودیں۔

REVIEW REPORT BY THE CHAIRMAN

I am pleased to present this annual report and audited financial statements of Tandlianwala Sugar Mills ("the Company") for the year ended September 30, 2020 to our valued shareholder. The Company complies with all the requirements set out in the Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under the Regulations, an annual evaluation of the Board of the Directors ("the Board") of the Company is carried out.

This year set out to be a challenging years in both financial and operational aspects. The management of the Company is optimistic about the future prospects and expects to continue the satisfactory performance through collective efforts and strategic changes under the guidance of the Board.

Each year, the Board measures its effectiveness as per the already established polices which are in accordance with core values of the Company. Comprehensive criteria have been developed for the purposes of Board evaluation. The Board has set out high standards of corporate governance, which reflects in the Company's overall performance. The Board has recently completed its annual self-evaluation for the year ended September 30, 2020; the overall performance of the Board measured on the basis of approved criteria for the year was satisfactory.

The Board has duly formulated a vision and mission statement, is actively involved in formulation of appropriate policies and procedures and ensures the due compliances with all the regulatory requirements. The Board closely monitors the performance of its sub-committees and is committed to uphold and stable operations. The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.

I believe that the strategic direction of the organization for the long term is clear and appropriate. Further, the processes adopted in developing and reviewing the overall corporate strategy and achievement of organization's objectives are commendable which are truly reflected by the current financial results and performance of the organization.

I would like to take this opportunity to thank the Members of the Board of the Company, shareholders, bankers, financial institutions, our valued customers and supplier for their support & assistance and the Workforce for their hard work, enthusiasm and contributions made to the Company in this challenging year of change. We look forward to the executives and other employees of the Company for their continued support and dedication to getting the same operations in future.

Ghazi Khan Chairman

February 04, 2021

چیئر مین جائز ه رپورث:

بھے 30 ستبر 2020 کو افتقام پذیر ہونے والے سال کیلئے تا ندلیا نوالد شور طز (کمپنی) کی بیسالا ندر پورٹ اور آؤٹ شدہ مالی گوشوار ے معززشیئر ہولڈرز کے سامنے پیش کرتے ہوئے خوشی محسون ہورہی ہے۔ کمپنی بورڈ آف ڈائر بیٹرزاوراس کی کمیٹیوں کی ساخت، طریقہ کا راور اجلاس کے حوالے سے کمپنیزا یک 2017 (ایکٹ) اور اسڈ کمپنیز (کوڈ آف کارپوریٹ گورنس) ریگولیشنز 2019 (ریگولیشنز) میں متذکرہ ضروریات کا قبیل کرتی ہے۔ ریگولیشنز کے تحت درکار، کمپنی کے بورڈ آف ڈائر بیٹرز (بورڈ) کی سالانہ شخص سرانجام دی گئی ہے۔ میسال مالی اور عملی دونوں پہلوؤں سے ایک چیلبنگ سال رہا۔ کمپنی کی انتظامیہ ستقتبل کے امکانات کے بارے میں انتہائی پُر اُمید ہواور بورڈ کی راہنمائی میں مشتر کہ کا وشوں اور سٹر بیٹل تبدیلیوں کے ذریعے اطمینان بخش کارکردگی جاری رکھنے کی توقع کرتی ہے۔ ہرسال بورڈ کمپنی کے ضابطہ اخلاق کے مین مطابق پہلے سے قائم شدہ پالیسیوں کے تحت اپنی افادیت کی جائے کرتا ہے۔ بورڈ کی شخص کیلئے ہورڈ کی سال بورڈ کمپنی کے ضابطہ اخلاق کے مین مطابق پہلے سے قائم شدہ پالیسیوں کے تحت اپنی افادیت کی جائے کرتا ہے۔ بورڈ کی شخص کیلئے میں سال بورڈ کمپنی کے ضابطہ اخلاق کے مین مطابق پہلے سے قائم شدہ پالیسیوں کے تحت اپنی افادیت کی جائے کرتا ہے۔ بورڈ کی شخص کیلئے میں سال ہورڈ کمپنی کے ضابطہ اخلاق کے مین مطابق پہلے سے قائم شدہ پالیسیوں کے تحت اپنی افادیت کی جائے کرتا ہے۔ بورڈ کی شخص کیلئے کی میں سے میں سال میں سے سال میں سال میں سے سال میں سے سیسی سے سال میں سیسٹر کی سیسٹر کی میں سیسٹر کی سیسٹر کی میں سیسٹر کی میں سیسٹر کیا گورٹر کی میں سیسٹر کیلیسٹر کی میں سیسٹر کینٹر کی سیسٹر کی میں سیسٹر کی میں سیسٹر کی سیسٹر کی میں سیسٹر کیلیسٹر کی میں سیسٹر کی میں سیسٹر کی میں سیسٹر کیوں کی سیسٹر کی میں سیسٹر کی کی سیسٹر کی میں سیسٹر کیلیسٹر کی میں سیسٹر کی کی سیسٹر کی کی میں سیسٹر کی میں سیسٹر کی کی کی کو کی کی کوئر کی کی کی کوئر کی کی کوئر کی کی کی کوئر کی کی کی کی کی کوئر کی کوئر کی کی کی کی کی کی کی کی کوئر کی کی کی کوئر کی کی کی کی کی کوئ

ہرسال بورڈ مپنی کے ضابط اخلاق کے عین مطابق پہلے سے قائم شدہ پالیسیوں کے تحت اپنی افادیت کی جانچ کرتا ہے۔ بورڈ کی سخیص کیلئے ایک جامع معیار مرتب کیا گیا ہے۔ بورڈ نے کار پوریٹ گورنس کے اعلیٰ معیارات کا مظاہرہ کیا ہے جوکہ کمپنی کی مجموعی کارکردگی کو واضح کرتے ہیں۔ حالیہ دنوں میں بورڈ نے سال مختمتہ 30 سمبر 2020 کیلئے اپنی سالانہ خود شخیصی کاعمل کیا ہے؛ زیر جائزہ سال کے دوران بورڈ منظور شدہ معیار کے مطابق بورڈ کی مجموعی کارکردگی قابل تسلی رہی۔

بورڈ نظریاورمقصد کیلئے ایک کھمل جامع بیانیہ مرتب کرنے کے ساتھ ساتھ موزوں پالیسیوں وطریقہ کارک تیاری میں مستعدی کا مظاہرہ کیا ہے اور ضابطہ کی تمام ضرور بات کے مطابق زیرالتواء پرعملدرآ مریقتی بنایا ہے۔ بیا پی ذیلی کمیٹیوں کی کارکردگی کا باریک بینی سے جائزہ لیتا ہے اوراُ مورکی برقراری اوراستحکام کیلئے پرعزم ہے۔ بورڈ انتظامیہ اندرونی و بیرونی آڈ بیٹرزاورد بگرخود مخارمت کاروں سے با قاعدگی سے پریز بیٹیشن کے ذریعے کمپنی کے مقاصد ،اہداف ، تھمت عملیوں اور مالی کارکردگی کے حوالے سے لیحہ بہلحہ آگاہ رہا ہے۔ بورڈ نے وقافی قامنا سب بدایات اور گرانی فراہم کی۔

مجھے یقین ہے کہ ادارہ کی سڑی جگ حکمت عملی طویل مدت کیلئے واضح اور موزوں ہے۔ مزید برال ،مجموعی کار پوریٹ سٹریٹی کی تیاری اور جائزہ کیلئے اختیار کیے گئے طریقہ کا راور کمپنی کے مقاصد میں کا میابی قابل تعریف ہیں اور کمپنی کے موجودہ مالی نتائج اورا دارہ کی ترتی اس بات ک گواہی دے رہی ہے۔

میں آپ سب کامفکور ہوں اوراس موقع سے فائدہ اٹھاتے ہوئے کمپنی کے بورڈ آف ڈائر یکٹرز بٹیئر ہولڈرز ، بینکرز ، مالیاتی اداروں ، تمام معزز کشمرز اور سپلائرز کا اُکے تعاون اور معاونت پرشکر میہ اداکر تا ہوں۔اس کے ساتھ ساتھ میں اپنی مختی اور متحرک افرادی قوت کو بھی انڈسٹری کیلئے اُکے بے مثال کردار پرخراج مخسین پیش کرتا ہوں۔ہم اپنے افسران اور دیگر ملاز مین سے توقع کرتے ہیں کداُ نکامی تعاون اور سرشاری مستقبل میں جاری وساری رہے گی۔

> غازی خان چیئر مین 04 فروری 2021

Directors' Report

Dear Shareholders,

The Board of Directors of the TSML Group is pleased to present the Company's 32nd Annual Report together with the Audited Financial Statements for the year ended 30th September 2020.

Operating and Financial Highlights:

This year the company faced exceptional circumstances from the beginning of the crushing season. The crushing season started after the mid of November 2019. The revised sugarcane support price provincially notified for this 2019-2020 crushing season was Rs 190 per 40 kg, but due to diminutive sugarcane crop & cane purchase war amongst sugar mills, the company was forced to purchase the sugarcane at much higher prices. This stance was necessitated in order to maintain reasonable production figures of sugar & molasses. The Company has put in extra effort to maximize the crushing of sugarcane. These efforts were achieved as our cane department & mills management since decades enjoy very cordial & trust worthy relationship with our growers.

It is worth mentioning that even under most adverse & challenging situations, coupled with an increase in sales tax rates by the Federal Government, the Company was able to have good financial results and managed to earn a gross profit of Rs 1.841 Billion and an operational profit figure of Rs 1.093 Billion.

However despite these massive increase in the sugarcane prices & sales tax rates, the sugar selling prices did not increase in commensurate thereof, during the first three quarters of the year under review. In the last quarter, the prices began to increase and provided a saving grace for the sugar division of the company.

Most of the operating profit of the Company, however, got flattened by the high Finance Cost, which is a major component in the financials. Though decrease in interest rates along with low rate loan schemes that were introduced by the State Bank of Pakistan, for the payment of salaries etc, which to an extent eased our cash flows but the long due receivables from the Government against inland & export subsidies on sugar export since last many years remain unpaid.

ALLIED DIVISION:

Over the past couple of years, both our distilleries (Ethanol Division) have proven to be the most profitable division in the Company due to huge exports in the well acclaimed international circuit of buyers. This year, however, firstly the pandemic situation forced many of our long term buyers to request us to postpone the contracts to next year due to force majeure situations at many international ports of the world, which in turn forced us to curtail our production of ethanol to less than half of our rated capacities. Secondly, since there were bureaucratic hiccups to obtain permissions / quotas for ISO exports from Punjab, hence we could not avail opportunity to export huge quantities for sanitizer buyers in the world, who urgently required our ethanol in small packs (ISO) instead of in bulk. The Company, therefore, opted not to buy molasses from outside sources, which were being traded at exorbitantly high prices.

The CO2 division is an ancillary to our ethanol division and it also suffered inevitably due to nonoperational state of ethanol division for many months, coupled with less demand of beverage companies & other buyers of the CO2 gas.

The material variance in the net revenues of our company in comparison to the previous year is majorly because of the plunge in both ethanol and CO2 sales due to factors mentioned above.

Future Outlook:

The current financial year 2020-2021 also seems to be very challenging. As for the sugarcane prices, the things are not favorable, where growers are not willing to supply sugarcane at prices less than Rs 300 per 40 kg, as against Governments notified support price of Rs 200 per 40 kg.

The management of the company is very hopeful that with the improved sugar prices and by further procurement of outside molasses to maximize the operational period of the ethanol division, the company would regain its production & revenue targets and will perform much better than the year under review.

Due to the low yield per acre and reduction in sucrose recoveries, the sugar production this year (2020-21) will either be the same as of the under review year (2019-20) or slightly more, which will increase the prices of sugar naturally, due to demand & supply gap. The country may again face shortfall and the Government will have to import refined sugar.

Corporate and Financial Reporting Framework:

Tandlianwala Sugar Mills Ltd is committed to maintain high standards of Corporate Governance without any exception. The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP) and formed as part of stock exchange listing regulations "PSX".

Following is the Statement of Compliance with Code of Corporate Governance and Financial Reporting Framework;

The Board of Directors is here by confirming that:

- The financial statements presents fairly its state of affairs, the results of its operations, cash flows and changes in equity, as prepared by the management of the Company;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of Companies Act, 2017 have been followed in preparation of the financial statements:
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts about the Company's ability to continue as going concern;

- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations;
- Information about taxes and levies is properly given in the relevant notes to the financial statements:

Six Years Review at a Glance

A statement regarding key financial data for the last six years is annexed on page # 17 as "Six years review at a Glance" to this report.

Pattern of Shareholdings

The pattern of shareholdings as on September 30, 2020 which is required to be disclosed under the reporting framework is annexed on page # 18 as FORM 34, herewith in this report.

Trading in shares of the Company by the Directors, CEO, CFO and Company Secretary, their spouses and minor children, during the year, is enclosed on page # 20 to this report.

Audit Committee

The Board has constituted an Audit Committee consisting of three members including Chairman of the Committee. The Committee regularly meets as per requirement of the Code of Corporate Governance, the terms of reference of the Committee have always been presented and approved by the Board of Directors, accordingly. The Committee assists the Board in reviewing internal audit manual and internal audit system.

Human Resource Committee

The Board has constituted a Human Resource and Remuneration Committee in compliance with the Code of Corporate Governance. The Human Resource Committee is performing its duties in line with its terms of reference as determined by the Board of Directors.

Board Meetings

There have been 11 meetings in total as held during the year and the minutes of the meetings were appropriately recorded and circulated. These meetings were attended by the directors as under:

Name of Directors	No of Meetings		
Name of Directors	Held	Attended	
Mr. Ghazi Khan	11	11	
Mr. Akbar Khan	11	11	
Mr. Humayun Akhtar Khan	11	11	
Mr. Haroon Khan	11	10	
Mrs. Rasheeda Begum	11	5	
Mr. Tahir Farooq Malik	11	11	
Mrs. Mobina Akbar Khan	11	4	

Outstanding Statutory Dues

Details of outstanding dues towards minimum tax and those relating to other statutory obligations are set out in note 15 and 31 respectively.

Dividend

No dividend is being recommended by the Board of Directors for the year ended September 30, 2020.

Auditors

The retiring Auditors, Messrs. UHY Hassan Naeem & Co, Chartered Accountants have completed their assignment for the year 2020 and being eligible, offer themselves for reappointment for the year ending September 30, 2021, at the conclusion of the 32nd Annual General Meeting. The Board also recommend their re appointment.

Appreciation

The Directors would like to express their appreciation for the dedication, hard work of the workers, staff and members of the management team for achieving better financial results in the current year.

We would like to thank our shareholders for their continued support and confidence in the Company. We also acknowledge the contribution of our growers as they hold key element of our industry and we thank them for their continued cooperation.

On behalf of Board of Directors

AKBAR KHAN (Chief Executive Officer) February 04, 2021

معززشيئر ہولڈرز،

تا ندلیانوالہ گروپ کا بورڈ آف ڈائز یکٹرز 20 ستمبر 2020 کوانفتام پذیر ہونے والے سال کیلئے کمپنی کی بتیسویں (32) سالاندر پورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے انتہائی خوشی محسوس کررہاہے۔

عملی اور مالی جھلکیاں:

اس سال کرشک سیزن کے آغاز ہے ہی کمپنی کوغیر معمولی حالات کا سامنار ہا۔ کرشنگ سیزن کا آغاز وسط نومبر 2019 کے بعد ہوا۔
سال 20-2019 کیلئے صوبائی سطح پر جاری کردہ گئے کی نظر ثانی شدہ امدادی قیمت 190رہ ہے فی 40 کلوگرام تھی ، لیکن گئے کی فصل میں کی
اور شوگر ملوں کے مامین خربیداری کیلئے سخت مقابلہ کی وجہ ہے کمپنی زیادہ قیمت پر گناخرید نے پرمجبور ہوئی۔ چینی اور گرکی مناسب پیداوار
برقر ارد کھنے کیلئے یہ قدم اٹھانالازی تھا۔ کمپنی کی جانب سے گئے کی کرشنگ میں ہرمکن حدتک بردھوتری کیلئے اضافی کاوشیں عمل میں لائی
گئیں۔ان کوششوں کی کامیا بی جارے کیون ڈیپارٹمنٹ اور ملز انتظامیہ کے کاشتکاروں کے ساتھ دہائیوں پرمنی خوشگواراور قابل اعتاد تعلقات
کے مربون منت ممکن ہوئی۔

یہ بات قابل ذکرہے کہ انتہائی نامساعدا ورمشکل حالات ، وفاقی حکومت کی جانب سے سیلز ٹیکس میں اضافیہ کے باوجود کمپنی بہترین مالی نتائج حاصل کرنے میں کامیاب رہی اور کمپنی نے 1.841 بلین روپے مجموعی منافع اور 1.093 بلین روپے آپریشنل منافع کمایا۔

تاہم زیر جائزہ سال کی پہلی تین سہ ماہی کے دوران گنے کی قیمت اور سیاز ٹیکس میں اضافہ کے باوجود چینی کی قیمت فروخت میں اُس حساب سے اضافہ نہیں ہوا۔ آخری سہ ماہی میں قیمتوں میں اضافہ شروع ہوا اور کمپنی کے شوگرؤ ویژن کی ساکھ بحالی کا باعث بنا۔

تا ہم کمپنی کا زیادہ تر آپریٹنگ منافع اضافی مالی لاگت کی مدیم گیا جو کہ مالیاتی گوشواروں کا ایک اہم جزو ہے۔اگر چیشیٹ بینک آف پاکستان کی جانب سے کم شرح سوداور تخواہوں کی ادائیگل کیلئے کم شرح کے ساتھ متعارف کروائی گئی قرضہ تکیم کی بدولت ہمارا کیش فلو پچھ حد تک آسانی سے ممکن ہوالیکن گزشتہ کئی سالوں سے چینی کی برآ مدیر ان لینڈاورا کیسپورٹ سیسڈیز کی مدیم حکومت کی جانب لمبے عرصہ سے زیرالتواء وصولیاں تا حال واجب الاوا ہیں۔

اتحادى ڈويژن:

گزشته کی سالوں سے ہماری دونوں ڈسٹیلر پر (ایتھا نول ڈوپڑن)صف اول کے خریداروں کواچھی برآ مدات کی وجہ سے کمپنی میں سب سے زیاد و منافع بخش ثابت ہوئیں۔گراس سال بنیادی طور پر و بائی حالات کے دوران ہمارے کی پرانے خرید کنندگان کی جانب سے معاہدوں میں التواء کی درخواست کرتے ہوئے انہیں انگلے سال بنتھ کرنے کا کہا گیااوراس کی بنیادی وجہ دُنیا کی کئی بین الاقوامی بندرگا ہوں پر معاہدوں کی منسوخی تھی ، یوں ہم اپنی ایتھا نول کی کمل استعداد کی بجائے نصف ہے بھی کم پیداوار پر مجبور ہوئے۔دوسری جانب پنجاب سے اجازت ناموں اللہ ایس اوبرآ مدات کیلئے کوئہ کے حصول میں بیوروکر بیک رکاوٹوں کی وجہ سے ہم دُنیا میں سینا تزرخر ید کنندگان کو بڑی مقدار میں ہرآ مدک موقع سے فائدہ اٹھانے میں قاصر رہے کیونکہ ان خرید کندگان کو بڑی مقدار (Bulk) کی بجائے چھوٹے پیکس (ISO) میں ہمارے موقع سے فائدہ اٹھانے میں قاصر رہے کیونکہ ان خرید کندگان کو بڑی مقدار (Bulk) کی بجائے چھوٹے پیکس (ISO) میں ہمارے اسے اس کے کمپنی نے بیرونی ذرائع سے Molasses نے کا فیصلہ کیا جو کہ بیحدزیادہ قیست پرتجارت

كياجار بانتفابه

002 ڈویژن ہمارے استھانول ڈویژن کاذیلی شعبہ ہے اور استھانول ڈویژن کے تئی مہینوں تک نان آپریشنل ہونے کی وجہ سے میہ بھی متاثر ہوا۔ اس کے علاوہ مشروبات تیار کرنے والی کمپنیوں اور CO2 کے دیگر خرید کنندگان کی جانب سے بھی طلب میں کی واقع ہوئی۔ سمپنی کی مجموعی آمدنی میں گزشتہ سال کی نسبت مادی تبدیلی بنیادی طور پر ندکورہ بالاعوامل کی وجہ سے استھانول اور CO2 کی فروخت میں کی کی وجہ سے دیکھنے میں آئی۔

مستقبل كانقطه إنظر:

فی الحال موجودہ مالی سال 21-2020 بھی تضن معلوم ہور ہاہے۔اگر گئے کی قیمت پرنظردوڑ ائی جائے تو وہ ساز گارنہیں ہے کیونکہ کا شتکار 300روپے فی 40 کلوگرام ہے کم قیمت پر گناسپلائی کرنے پر آمادہ نہیں ہیں جبکہ حکومت کی جانب سے جاری کردہ امدادی قیمت 200روپے فی 40 کلوگرام ہے۔

کمپنی پُراُمید ہے کہ چینی کی قیت میں بہتری اور بیرونی ذرائع سے Molasses کے مزید حصول سے استھانول ڈویژن کے آپیشنل دورانیہ میں ہر حدتک اضافہ کے ساتھ کمپنی اپنی پیداواراورآمدنی کے اہداف دوبارہ حاصل کرلے گی اورزیر جائزہ مدت کی نسبتاً کئی گنا بہتر کارکردگی کامظاہرہ کرےگی۔

فی ایکڑ پیداواراورشکر کی وصولیوں میں کمی کی وجہ ہے رواں سال چینی کی پیداواریا تو زیر جائز وسال (20-2019) کے برابررہے گی یا پھراس میں انتہائی معمولی اضافیہ دیکھتے میں آئے گا۔رسداور طلب کے اس فرق کی وجہ ہے چینی کی قیت میں قدرتی طور پراضافیہ وگا۔ ملک میں ایک بار پھرچینی کی قلت کا سامنا ہوسکتا ہے اور حکومت کوریفا سُنڈشوگر درآ مدکر نا پڑے گی۔

اداره جاتی اور مالیاتی رپورٹنگ فریم ورک:

تا ندلیا نوالہ شوگر طزلمیٹڈکسی تفریق کے بغیرکار پوریٹ گورنش کے اعلی معیارات پڑملدرآ مدکیلئے پرعزم ہے۔بورڈ آف ڈائر یکٹرز کی جانب سے انتہائی خوثی سے یہ بیان کیا جاتا ہے کہ کمپنی سکیو رشیز اینڈ ایمپیٹن کمیشن آف پاکستان (SECP)اور سٹاک ایمپیٹن کسٹنگ ریگولیشنز "پی ایس ایکس" کا حصہ بنائے گئے مطلوبہ کوڈ آف کار پوریٹ گورنش پرکلمل عمل بیرا ہے۔

ذيل مين كود آف كار پوريث كورنش اورفنانشل ر پورنتك فريم ورك پر مملدرآ مد كى كابيان ويا كيا ب:

بورؤآف ڈائر یکٹرزاس بات کی تصدیق کرتے ہیں کہ:

ﷺ مینی انظامید کی جانب سے تیار کرد و مالیاتی حسابات شفاف انداز میں کاروباری امور و معاملات ،اس کے آپریشن کے نتائج ،کیش فلوز اورا یکویٹی میں تبدیلیوں کو فلام کرتے ہیں۔

💤 کمپنی کے کھاتوں کی ہا قاعدہ کتب مرتب کی گئی ہیں۔

الله الياتى حسابات كى تيارى مين تسلسل سے درست اكاؤ نتنگ پاليسياں لاگوكى كئى بين اورا كاؤ نتنگ كے تخيينہ جات موزوں اور مختاط فيصلے ير مخصر بين -

الیاتی حسابات کمپنیزا یک 2017 اورانٹر پیشنل فنافشل رپورٹنگ اشینڈرڈ زجیسا کہ پاکستان میں نافذالعمل ہیں، کے مطابق تیار کئے گئے ہیں۔

ﷺ اندرونی کنٹرول کا نظام ڈیزائن کے حساب ہے مشحکم ہے اور بیموٹر انداز میں نافذ العمل اورز برنگرانی رہتا ہے۔

🖈 کاروبارکوآ سے بڑھانے کے بارے میں کمپنی کی صلاحیت پر کسی قتم کے شکوک وشبہات نہیں ہیں۔

🛠 کار پوریٹ گورننس کے بہترین طریقہ کارے کوئی ظاہری روگر دانی نہیں کی جاتی جیسا کہ اسٹنگ ریگولیشنز میں تفصیلی درج ہے۔

المنظميسز اور ليويز كے بارے ميں معلومات مالياتي كوشواروں كے متعلقد بيانيد ميں مناسب انداز ميں وي كئي جيں۔

چەسال كاجائز دايك نظرميں:

گزشتہ چھسال کیلئے بنیادی مالی ڈیٹا کا بیانیاس رپورٹ کے صفحہ نمبر Six years review at a Glance "17 "کے حصد میں درج کیا گیا ہے۔

شيئر ہولڈنگ کا پیٹرن:

30 ستمبر 2020 تک شیئر ہولڈنگ کا پیٹیرن جو کہ رپورٹنگ فریم ورک کے تحت واضح کرنالازی ہے، فارم 34 کے طور پراس رپورٹ کے صفحہ نمبر 18 میں مسلک کیا گیا ہے۔

سال کے دوران کمپنی کے بورڈ آف ڈائر بکٹرز ہی ای او ہی ایف او اور کمپنی سیکرٹری ،اُنگے شریک حیات اور چھوٹے بچوں کے شیئر ہولڈنگ کی تفصیل اس رپورٹ کے صفحہ نمبر 20 میں درج ہے۔

آۋە ئىيىنى:

بورڈ نے تین ممبران بشمول چیئر مین آف سمیٹی پرمشمل ایک آؤٹ سمیٹی تفکیل دی ہے۔ کار پوریٹ گورننس کے ضابطہ کے مطابق سمیٹی ہا قاعد گ سے میٹنگ کرتی ہے۔ اور سمیٹی کے شرائط وضوابط ہمیشہ بورڈ آف ڈائز بکٹرز کی جانب سے چیش اور پاس کئے جاتے ہیں۔ کمپنی انٹرش آڈٹ مینؤک اور انٹرش آڈٹ سٹم کے جائزہ کیلئے بورڈ کی معاونت کرتی ہے۔

ميومن ريسور*س تمي*ثى:

نامىنىشن ئىمىتى:

بورڈنے کوڈ آف کارپوریٹ گورننس پڑمل پیرارہتے ہوئے ایک نامینیشن کمیٹی تشکیل دی ہے۔

رسك مينجنث تمييثي:

بورڈ نے کوڈ آف کار پوریٹ گورنس پڑمل کرتے ہوئے ایک رسک مینجمنٹ کمیٹی قائم کی ہے۔

بورڈ کے اجلاس:

سال کے دوران 11 اجلاس منعقد ہوئے اوران کے مندر جات مناسب انداز میں درج اورارسال کیے گئے۔ان اجلاسوں میں ڈائر یکٹرز کی

حاضری حب ذیل ربی:

نام ڈائر یکٹرز	تعدادا جلاس	
	منعقده	شموليت
محترم غازي خان	11	11
محتزم اكبرخان	11	11
محترم بهايول اختر خان	11	11
محترم بإرون خان	11	10
محتر مدرشيده بيتم	11	5
محترم طاهرفاروق ملك	11	11
محتزمه مبيندا كبرخان	11	4

قابل ادائيگي قانوني واجبات:

كم يم فيكس كى مداورد يكرقانونى ادائيكيول كزيرالتواواجبات كى تضيلات بالترتيب نوث 15 او 31 من دى كئى بير-

ۋ يويدند:

سال مختتمہ 30 ستبر 2020 کیلئے بورؤ آف ڈائز بکٹرز کی جانب ہے کسی ڈیونڈنڈ کی سفارش نیس کی گئی۔

آۋيٹرز:

سال2020 کیلئے ریٹائر ہونے والے آڈیٹرزمیسرزیوائ وائے حسن تعیم اینڈ کمپنی، چارٹرڈا کاؤنٹنٹس نے اپنی ذمہ داری پوری کرلی ہے اور اہل ہونے کے ناطے وہ سال مختنمہ 30 ستبر 2021 کیلئے 32 ویں سالانہ اجلاس عام میں اپنی ووبارہ تعیناتی کیلئے خود کو پیش کررہے میں۔ بورڈ نے بھی اُکی دوبارہ تعیناتی کی سفارش کی ہے۔

خراج مخسين:

ڈائر کیٹرزز ریبائز وسال میں بہتر مالی نٹائج حاصل کرنے پرورکرز ،عملہ اورانظامی ٹیم کےممبران کواکھ گلن وانظک محنت کیلئے خراج تحسین پیش کرتے ہیں۔

ہم مسلسل تعاون اوراعتاد پرا ہے شیئر ہولڈرز کے بھی شکر گزار ہیں۔ہم اپنے کا شنگاروں کے کلیدی کردار کو بھی سرا ہے ہیں کیونکہ وہ اس انڈسٹری کا ہم جزو ہیں اور ہم بےلوث تعاون پر ایکے مفکور ہیں۔

بحكم بورد آف دُائر يكثرز

اكبرخان

(چيف الكِزيكوآفيسر) 04 فروري، 2021

SIX YEARS REVIEW AT A GLANCE

						F	igures in '000
		2020 (Rupees)	2019 (Rupees)	2018 (Rupees)	2017 (Rupees)	2016 (Rupees)	2015 (Rupees)
FINANCIAL RESULTS							
Sales (Net)		21,271,885	27,295,875	17,522,464	13,903,985	18,675,054	16,520,294
Cost of Sales		19,430,945	23,142,769	14,665,516	11,769,616	16,258,134	14,301,181
Gross profit		1,840,940	4,153,106	2,856,948	2,134,369	2,416,920	2,219,113
Operating, financial and							
other expenses		1,927,728	2,437,413	2,031,870	1,680,412	1,542,640	1,674,897
		(86,788)	1,715,693	825,078	453,957	874,280	544,216
Other income		97,730	65,485	79,729	36,246	108,495	70,303
Net profit before wppf		10,942	1,781,178	904,807	490,203	982,775	614,519
Workers' profit participation fund		0.547	100,979	55,596	29,077	49,139	30,726
Net profit before Taxation		10,941	1,680,199	849,211	461,126	933,636	583,793
Provision for taxation		(292,666)	(234,276)	(41,566)	9,634	(35,669)	7,833
Net (Loss) / profit after taxation		(281,725)	1,445,923	807,645	470,760	<u>897,967</u>	591,626
Cash dividend							
(Loss) / Earning per share (Rs.)		(2.39)	12.28	6.86	4.00	7.63	5.03
Authorized capital		1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Paid-up capital		1,177,063	1,177,063	1,177,063	1,177,063	1,177,063	1,177,063
Fixed capital expenditures (Net)		_16,114,373	16,100,857	_15,683,153	13,082,041	10,686,598	10,941,621
OPERATING RESULTS							
Sugar production - Unit - 1	M. Tons	77,182	69,115	57,826	64,441	50,392	45,488
Sugar production - Unit - 2	M. Tons	68,811	105,529	93,139	102,417	76,474	95,011
Sugar production - Unit - 3	M. Tons	119,427	80,731	94,617	136,284	120.512	124,611

FORM 34

THE COMPANIES ACT, 2017 (Section 227(2)(f)) PATTERN OF SHAREHOLDING

1.1 Name of the Company

TANDLIANWALA SUGAR MILLS LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-09-2020

Shareholdings			
2.2 No. of Shareholders	From	То	Total Shares Held
129	1	100	3,266
409	101	500	193,461
58	501	1,000	48,984
56	1,001	5,000	122,932
7	5,001	10,000	47,017
6	10,001	15,000	78,261
3	15,001	20,000	53,607
1	20,001	25,000	21,500
2	25,001	30,000	56,720
1	45,001	50,000	45,500
1	140,001	145,000	144,300
1	550,001	555,000	552,500
2	1,390,001	1,395,000	2,789,689
1	1,395,001	1,400,000	1,395,343
1	1,400,001	1,405,000	1,401,747
1	1,890,001	1,895,000	1,894,064
1	3,290,001	3,295,000	3,294,155
1	5,455,001	5,460,000	5,459,419
1	5,745,001	5,750,000	5,745,514
1	10,610,001	10,615,000	10,610,937
1	20,195,001	20,200,000	20,197,535
1	20,250,001	20,255,000	20,253,274
1	21,560,001	21,565,000	21,562,457
1	21,730,001	21,735,000	21,734,118
687	VII	7	117,706,300

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	89,376,885	75.9321%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)		

2.3.3 Banks Development	183,689	0.1560%
Financial Institutions, Non		
Banking Financial Institutions.		
2.3.4 Shareholders holding 10%	89,374,863	75.9304%
or more		
2.3.5 General Public		
a. Local	28,145,726	23.9118%
2.3.6 Others (to be specified)		

TANDLIANWALA SUGAR MILLS LIMITED

Categories of Shareholding required under Code of Corporate Governance (CCG)
As on September 30, 2020

Sr. No.	Name	No. of Shares Held	Percentage
Associate	ed Companies, Undertakings and Related Parties (Name Wise Detail):	T/	
Mutual F	unds (Name Wise Detail)	28	¥
Director	s and their Spouse and Minor Children (Name Wise Detail):		
1	MR. AKBAR KHAN	21,592,481	18.3444%
2	MR. HAROON KHAN	23,163,165	19.6788%
3	MR. GHAZI KHAN	22,971,200	19.5157%
4	MRS. RASHEEDA BEGUM	21,648,017	18.3916%
5	MRS. MOBINA AKBAR KHAN	1,000	0.0008%
6	MR. HUMAYUN AKHTAR KHAN	522	0.0004%
7	MR. TAHIR FAROOQ MALIK	500	0.0004%
Executiv	es:	18	23
Public S	ector Companies & Corporations:	\$3	9
	Development Finance Institutions, Non Banking Finance ies, Insurance Companies, Takaful, Modarabas and Pension Funds:	177,640	0.1509%
Shareho	Iders holding five percent or more voting intrest in the listed compar	ny (Name Wise	Detail)
S. No.	Name		Percentage
1	MR. AKBAR KHAN	21,592,481	18.3444%
2	MR. HAROON KHAN	23,163,165	19.6788%
3	MR. GHAZI KHAN	22,971,200	
4	MRS. RASHEEDA BEGUM	21,648,017	
5	MR. HAMEED ULLAH KHAN PARACHA	7,639,578	6.4904%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
1	MR. HAROON KHAN (CDC)	•	22,000
2	MR. GHAZI KHAN (CDC)	<u> </u>	6.000

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Tandlianwala Sugar Mills Limited

Year Ended: 30 September 2020

The statement is presented in compliance of Listed Companies (Code of Corporate Governance) Regulations, 2019 (herein referred as "The Regulations") providing a framework for corporate governance.

The Company has complied with the requirements of the Regulations in the following manner:

The total number of Directors are seven (07) as per the following:

a) Male: 05b) Female: 02

The composition of the Board is as under:

Name	es
Mr.	Akbar Khan
Mr.	Haroon Khan
Mr.	Humayun Akhtar Khan
Mr.	Ghazi Khan
Mr.	Tahir Farooq Malik
Mr.	Humayun Akhtar Khan
Mrs.	Rasheeda Begum
Mrs.	Mobina Akbar Khan
	Mr. Mr. Mr. Mr. Mr. Mr.

- 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.
- 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 the significant policies along with their date of approval or updating is maintained by the company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;

- The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
- 9. All the Directors on the Board are well conversant with their responsibilities as Directors of corporate bodies as the Company had arranged briefing for its Directors to apprise them of their duties and responsibilities. All the Directors of the Company are exempt from obtaining certification under Directors' training programs (DTP) per criteria i-e 14 years of education and 15 years of experience on the board of a 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. However no new appointment was made during the year.
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- The Board has formed an audit committee. It comprises of following 03 (Three) Directors:

Hain		Designation
Mr.	Humayun Akhtar Khan	Chairman / Member
Mr.	Ghazi Khan	Member
Mr.	Tahir Farooq Malik	Member

The Board has formed a Human Resource and Remuneration committee. It comprises of following 03 (Three) Directors:

Decimation

Name		Designation
Mr.	Humayun Akhtar Khan	Chairperson / Member
Mrs.	Rasheeda Begum	Member
Mr.	Tahir Farooq Malik	Member

The Board has not constituted a separate "Nomination committee" and "Risk Management Committee" as the responsibilities of these committees is being taken care of at the Board level as when required. Therefore, a need for the separate formation of these committees does not exist.

- The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as per following:
 - Audit Committee: 05 meetings held during the year ended on September 30, 2020; and

Mama

- b) HR and Remuneration Committee: 01 meeting held during the year ended on September 30, 2020.
- 15. The Board has set up an effective internal audit function or has outsourced the internal audit function to who are considered suitably qualified and experienced professional for the purpose and are conversant with the 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 Accountant of Pakistan ("ICAP") and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the 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 of the regulations have been complied with; except the following:
 - a) The Company did not have any Independent Director during the year ended 30 September 2020 as per the requirement of clause (1) of Section 6 of Listed Companies (Code of Corporate Governance) Regulations, 2019.
 - b) None of the members (including Chairman) of the Audit Committee is an Independent Director as per sub-clause (i)&(ii) of clause 1 of Section 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
 - c) None of the members of the Human Resource & remuneration Committee is an Independent Director as per Section 28(1) & (2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
 - The CFO of the Company also holds the position of Company Secretary.

On Behalf of the Board

CHAIRMAN

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tandlianwala Sugar Mills 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 **Tandlianwala Sugar Mills Limited** ("the Company") for the year ended 30 September 2020 to comply 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 and also ensure compliance with the requirements of section 208 of the Companies Act,2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 30September 2020.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Paragraph reference

Description

i) Paragraph 18 (a)

At present there is no independent director on the Company's Board of Directors as required under the clause (1) of Section 6 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

ii) Paragraph 18 (b)

Under the sub-clause (i & ii) of clause 1 of Section 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Audit Committee shall have at least one independent director who shall preferably be the chairman of the committee. Since, there is no Independent Director on the Board, this requirement is not complied with.

iii) Paragraph 18 (c)

Under the clause 1 of Section 28 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Human Resource and Remuneration Committee shall have at least one independent director. Since, there is no Independent Director on the Board, this requirement is not complied with.

iv) Paragraph 18 (d)

The Chief Financial Officer of the Company also holds the position of Company Secretary.

Lahore Date: February 04, 2021 UHY Hassan Naeem & Co Chartered Accountant (Mr. Ibne Hassan)

INDEPENDENT AUDITOR'S REPORT

To the members of Tandlianwala Sugar Mills Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Tandlianwala Sugar Mills Limited** (the Company), which comprise the statement of financial position as at September 30, 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, 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 September 30, 2020 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	Revenue Refer to the statement of profit or loss and	Our audit procedures to assess recognition of sales, amongst others, included the following:
	note 4.12 and 24 to the financial statements.	 obtained an understanding of the process relating to recording of revenue and testing

Sr. No.	Key audit matters	How the matter was addressed in our audit
	The Company generates revenue from sale of sugar and its by-products to both local and export customers. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk of misstatement to meet expectations or targets.	the design, implementation and operating effectiveness of key internal controls over recording of revenue; assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; compared, on a sample basis, specific revenue transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; performed scanning analytics to identify any manual journal entries relating to sales during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation; performed test of details over a sample of revenue transactions recorded during the year with sale orders, sales invoices, delivery Challan and other relevant undertaking documents; reconciled the sales recorded and sale tax paid thereto with the amounts reported in sale tax returns; and assessed the adequacy of disclosure in financial statements with respect to the revenue.
2	Borrowings and finance cost Refer notes 4.16, 8, 9, 11, and 29 to the financial statements. The Company has obtained a range of financing facilities from various financial institutions with varying terms and tenure against collaterals of stocks and plant & machinery. Further, compliance with debt covenants is a key requirement of these financing	Our audit procedures, amongst others, included the following: • assessed the design and operating effectiveness of the Company's internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as other current or non-current and associated cost; • obtained confirmations of borrowings as at September 30, 2020 directly form the

Sr. No.	Key audit matters	How the matter was addressed in our audit
	arrangements.	 financial institutions; re-calculated the mark-up recognized as expense during the year to assess whether these were accounted for in accordance with approved accounting standard as applicable in Pakistan; assessed whether installments of loans/leases due or loans/leases maturing within twelve months were classified as current liabilities; and performed substantive procedures to verify the mark-up and principal repayment during the year; and assessed the adequacy of Company's compliance with loan covenants and disclosures in financial statements.
3	Valuation of stock-in-trade Refer notes 4.7 and 20 to the financial statements. The stock-in-trade balances constitutes 10.19% of total assets of the Company. The cost of finished goods is determined at cost including of proportions of production overheads; The Company's policy is to value stock-intrade at lower of cost and net realizable value. The stock-in-trade valuation involves management judgement in determining the appropriate costing basis. Additionally, entity holds its stock-in-trade as a collateral against the financing on account of which there is persistent inherent risk. Thus, on account of the significance of stock-in-trade, complexity in re-calculation and involvement of significant management judgement/estimation in application of the costing methodology; we	operating effectiveness; • performed substantive procedure over purchases and consumptions; • re-calculated the value of stock-in-trade by allocating the fixed and variable overheads and reviewed the adequacy of costing methodology; • performed cut-off procedures and subsequent stock count to validate the

Sr. No.	Key audit matters	How the matter was addressed in our audit
	consider this to be a key audit matter.	trade with their respective net realizable value (NRV); • assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting standards.
4	Deferred Tax Refer to note 10 to the Financial Statements. A deferred tax asset shall be recognized on the amount of tax losses, if any, along with the requirements of IAS 12. However, such recognition involves management judgement regarding estimation of future profits of the Company. As at 30 September 2020, the Company estimated that the unused tax losses should not be recognized as sufficient taxable profits are not expected against which the Company can use benefits therefrom. Management is of the view that recognition of deferred tax asset shall be re-assessed on 30 September, 2021.	Our audit procedures, amongst others, included the following: • obtained computation of current tax and reconciled the amounts with relevant tax correspondence and underlying accounting records; • re-calculated the deferred tax and evaluated the same in accordance the Income Tax Ordinance, 2001 and International Financial Reporting Standards (IFRS); • obtained the financial projections from management as approved by the Board of Directors and reviewed management's estimates and assumptions in support of the projections for rationality and achievability; and • assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting standards.

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended September 30, 2020, but does not include the financial statements and our auditor's 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.

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

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

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

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ibne Hassan.

Place: Lahore

Date: February 04, 2021

UHY Hassan Naeem & Co. Chartered Accountants

Statement of Financial Position

EQUITY AND LIABILITIES	Note	2020 Rupees	2019 Rupees	
SHARE CAPITAL AND RESERVES				
Authorised share capital				
120,000,000 (September 2019: 120,000,000) ordinary shares of Rs. 10 each	_	1,200,000,000	1,200,000,000	
Issued, subscribed and paid-up share capital	5	1,177,063,000	1,177,063,000	
Share premium	6	290,741,640	290,741,640	
Un-appropriated profits		4,743,215,795	4,988,223,577	
Loan from sponsors - unsecured	7	3,635,214,057	3,541,050,170	
TOTAL EQUITY	-	9,846,234,492	9,997,078,387	
LIABILITIES NON-CURRENT LIABILITIES Long term finances - secured	8 T	1,981,759,137	1,926,794,717	
Lease liability	9	435,691,325	385,913,905	
Deferred liabilities	10	564,706,862	508,436,982	
Deterior mannings	L	2,982,157,324	2,821,145,604	
CURRENT LIABILITIES				
Short term borrowings - secured	11	6,160,656,056	5,513,273,317	
Current portion of non-current liabilities	12	985,679,431	1,366,249,595	
Trade and other payables	13	2,708,079,894	3,374,669,386	
Mark-up accrued	14	138,423,497	246,377,102	
Provision for taxation	15	576,625,525	273,819,231	
		10,569,464,403	10,774,388,631	
CONTINGENCIES AND COMMITMENTS	16			
TOTAL EQUITY AND LIABILITIES	-	23,397,856,219	23,592,612,622	

The annexed notes 1 to 43 form an integral part of these financial statements

Lahore February 04, 2021

Chief Financial Officer

As at September 30, 2020

ASSETS	Non	2020	2019
ASSE15	Note	Rupees	Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	17	16,168,944,779	16,155,428,659
Long term deposits	18	224,370,919	82,429,286
	_	16,393,315,698	16,237,857,945

CURRENT ASSETS

19	1,099,256,719	1,042,085,028
20	2,384,437,294	3,022,242,477
21	5,808,788	314,759,460
22	2,371,757,797	2,016,746,177
	10) 88 38	
	859,595,298	782,707,494
23	283,684,625	176,214,041
_	7,004,540,521	7,354,754,677
	20 21 22	20 2,384,437,294 21 5,808,788 22 2,371,757,797 859,595,298 23 283,684,625

TOTAL ASSETS	23,397,856,219	23,592,612,622

Chief Executive Director

Statement of Profit or Loss

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
Sales - net	24	21,271,884,733	27,295,874,630
Cost of sales	25	(19,430,945,446)	(23,142,769,339)
Gross profit		1,840,939,287	4,153,105,291
Administrative expenses	26	(532,383,857)	(531,118,199)
Distribution expenses	27	(313,627,765)	(406,648,748)
Other income	28	97,729,521	65,485,087
Profit from operations		1,092,657,186	3,280,823,431
Finance cost	29	(1,064,327,349)	(1,499,645,736)
Other expenses	30	(17,388,612)	(100,979,053)
Profit before taxation	· ·	10,941,225	1,680,198,642
Taxation	31	(292,666,471)	(234,275,988)
(Loss) / profit after taxation		(281,725,246)	1,445,922,654
Earnings per share - basic and diluted	32	(2.39)	12.28

The annexed notes 1 to 43 form an integral part of these financial statements

Lahore February 04, 2021

Chief Financial Officer

Chief Executive

Director

Statement of Other Comprehensive Income

For the year ended September 30, 2020

2020 2019
Note Rupees Rupees
(281,725,246) 1,445,922,654

(Loss) / profit after taxation Other comprehensive income

Items that will not be reclassified to profit or loss:

Gain / (loss) on remeasurement of defined benefit liability Related tax impact

Total comprehensive (loss) / income for the year

10.1.2 46,857,287 (10,136,138) (10,139,823) 2,037,354 36,717,464 (8,098,784)

(245,007,782) 1,437,823,870

The annexed notes 1 to 43 form an integral part of these financial statements

Lahore February 04, 2021

Chief Financial Officer

Chief Executive

Director

Statement of Cash Flows

For the year ended September 30, 2020

February 04, 2021	Chief Financial Officer	Chief Ex	ecutive	Director
Lahore				
The annexed notes 1 to 43 form	n an integral part of these financial statements			
Cash and cash equivalents at	the end of the year	33	184,182,470	76,711,886
Cash and cash equivalents at		9-3-2-2-1	76,711,886	(16,930,819)
Net increase in cash and cas	h equivalents		107,470,584	93,642,705
Net cash generated from / (used in) financing activities	_	211,175,303	(2,272,089,917)
Short term borrowings-net		L	647,382,739	(3,009,619,647)
Lease liabilities - w/			(278,576,748)	(342,288,535)
Loan from sponsors			94,163,887	1,606,000,000
Long term finances obtained			541,137,523	88,447,993
Long term finances repaid		- [(792,932,098)	(614,629,728)
Cash flows from financing as	ctivities	_		
(하기 : 1 2일 4 기급 이 경기 (1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2			(002,704,414)	(1,137,040,303)
Net cash used in investing a		L	(662,904,414)	(1,137,648,369)
Long term deposits Income received from bank dep	words.		(141,941,633) 62,164,784	99,968,419 16,999,663
Proceeds from disposal of prop	serty, piant and equipment	17.1.2	62,788	1,210,000
Capital expenditure		02433	(583,190,353)	(1,255,826,451)
Cash flows from investing ac	William	-		
	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)		00231279070	Spesipariet
Net cash generated from ope	rrating activities	10.7	559,199,695	(1,661,311,640)
Workers' Profit Participation F	and paid	13.2	(88,431,507)	(45,461,299)
Faxes paid	1-0	22.2	(76,887,804)	(91,578,529)
Staff retirement benefits paid		10.7.1	(4,426,502)	(2,052,324)
Finance cost paid		200	(1,172,280,957)	(1,522,219,488)
	75528		000000000000000000000000000000000000000	54 Chatasa 500s
Cash generated from operati	ons	-	1,901,226,465	5,164,692,651
Frade and other payables	THE STATE OF THE S		(578,704,785)	(5,150,404,111)
Increase / (decrease) in current liabis	bier		School Strain	0,100,413,313
Trade debts - connecti good		L	534,572,544	6,160,473,513
Advances, deposits, prepaymen Frade debts - considered good	is and other receivables		(355,011,620)	(248,494,612) (289,430,997)
Stock-in-trade	to and other receivables		637,805,183	6,640,422,234
stores, spare parts and loose to	08		(57,171,691)	57,976,888
(Increase) / decrease in corrent assets.		-	(FE 181 COL)	ER DR4 000
Operating profit before work	0.000		1,545,350,700	4,154,623,249
Operation profession and	ing control changes	-	1,934,417,481	2,474,424,607
Workers' Profit Participation F	and	13.2	546,800	88,431,507
Return on bank deposits		28	(62,164,784)	(16,999,663)
Provision for staff retirement b	enefits	10.1.3	107,553,669	85,659,287
inance cost		29	1,064,327,349	1,499,645,736
.oss/ (gain) on disposal of pro	perty, plant and equipment	17.1.2	906,498	(928,173)
Depreciation on property, plans	t and equipment	17.1.1	823,247,949	818,615,913
Adjustments for new-cash and other	items:			
Profit before taxation			10,941,225	1,680,198,642
Cash flows from operating a	ctivities			
		5,800	Rupees	Rupees
		Note	Dumana	Domeser

9,846,234,492

3,635,214,057

5,033,957,435

4,743,215,795

290,741,640

1,177,063,000

Statement of Changes in Equity

For the year ended September 30, 2020

		Rest	Reserves			
	Chase conded	Capital	Revenue			
	Service culture	Share premium	Un-appropriated profits	Total reserves	Sponsors	Total
			R	-Rupecs		
Balance as at October 01, 2018	1,177,063,000	290,741,640	5,550,399,707	3,841,141,347	071,080,889,1	6,953,254,517
Transactions with owners of the Company						
Loan received during the period	OF	1	108		000'000'989'1	1,606,000,000
Total comprehensive income / (loss) for the year:						
Profit for the year ended September 30, 2019 Other comprehensive loss for the year ended	4 4	* 4	1,445,922,654 (8,098,784)	1,445,922,654	F4	1,445,922,654 (8,098,784)
opplement 30, 2012 - 382 on tax			4 43% 000 000	000 000 000 0		080 000 801 1
	1	*	1,45/26,154,1	0.65,628,759,1	40	0/8(028,704,1
Balance as at September 30, 2019	1,177,063,000	290,741,640	4,988,223,577	5,278,965,217	3,541,050,170	9,997,078,387
Transactions with owners of the Company						
Loan received during the period				1	94,163,887	94,163,887
Total comprehensive income / (loss) for the year.						
Loss for the year ended September 30, 2020	*		(281,725,246)	(281,725,246)		(281,725,246)
Other comprehensive income for the year ended September 30, 2020 - net of tax			36,717,464	36,717,464	ST.	36,717,464
			(245,007,782)	(245,007,782)		(245,007,782)

The annexed notes 1 to 43 form an integral part of these financial statements

Lahore

February 04, 2021

Chief F

Chief Exe

Chief Financial Officer

Chief Executive

Director

Balance as at September 30, 2020

Notes to the Financial Statements

For the year ended September 30, 2020

1 Corporate and general information

1.1 Reporting entity

Tandlianwala Sugar Mills Limited ("the Company") was incorporated in Pakistan on 01 November 1988 as a Public Limited Company. The shares of the Company are quoted on Pakistan Stock Exchange. The principal activity of the Company is production and sale of white crystalline sugar, ethanol and other related allied by-products.

The geographical locations and addresses of the Company's business units, including production facilities are as under:

- Head office and registered office: 66-L, Gulberg-II, Lahore
- Unit-I: Kanjwani, Tehsil Tandlianwala, District Faisalabad
- Unit-II: Zamand, Miran, Indus Highway, District Dera Ismail Khan
- Unit-III: Rehman Hajra, Shah Jamal Road, District Muzaffargarh

1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance were particularly impacted by the following events and transactions during the reporting period:

Impact of COVID-19 on the financial statements

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. The potential impacts from COVID-19 remain uncertain including among other things on economic conditions businesses and consumers, the impact varies from industry to industry in different jurisdictions. Based on management assessment, COVID-19 has not significantly impacted the business of sugar due to seasonal (November to March) nature of the business activities of this sector. However, pursuant to relaxation announced by the State Bank of Pakistan in view of this pandemic, the Company has availed deferments of principal amount of certain long term financing and new financing facilities for payment of Wages & Salaries, which is fully explained in note 8 to these financial statements.

Moreover Government of Pakistan announced ban on commercial flights due to COVID-19 which affected company' Ethanol business, whereby the Company' Ethanol exports decreased by 46%.

2 Basis of preparation

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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Compunies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017

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

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees (PKR), which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest of Rupee, unless otherwise stated.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise stated.

2.4 Use of judgements and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts 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 circumstances, and the results of which form the basis for making judgment about carrying value 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 estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

2.4.1 Employees' retirement benefits and other obligations

The Company operates approved unfunded gratuity scheme covering all its full time permanent workers who have completed the minimum qualifying period of service as defined under the respective scheme. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

2.4.2 Taxation

The Company takes into account the current Income Tax Law and the decisions taken by Appellate Authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature are in accordance with law and the outcome is expected in favour of the Company, are shown as contingent liabilities.

2.4.3 Provisions and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

2.4.4 Estimated useful lives, residual values and method of depreciation of property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

2.4.5 Inventories

The Company reviews the inventories for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of inventories with a corresponding effect on the provision.

2.4.6 Expected Credit Loss (ECL) / loss allowances against trade debts, deposits, advances and other

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for trade debts other than due from 'Government of Pakistan' using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The financial assets due from Government of Pakistan continues to be measured under IAS-39 due to the exemption given by the Securities and Exchange Commission of Pakistan vide S.R.O. 985 (I)/2019 dated 02 September 2019. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The Company reviews the recoverability of its trade debts, deposits, advances and other receivables to assess amount of loss allowances required there against on an annual basis.

3 Application of new and revised International Financial Reporting Standards (IFRS)

The accounting policies and the methods of computation adopted in the preparation of these financial statements are same as those applied in the preparation of the financial statements for the year ended September 30, 2019 except for the adoption of new standards effective as of October 01, 2019 as stated below in 3.1:

3.1 Change in significant accounting policy

IFRS 16 replaces the previous lease standard IAS 17 Leases. It resulted in almost all leases being recognized in the statement of financial position, as the distinction between operating and finance leases has now been eliminated. Under the new standard, an asset and a lease liability to pay rentals are required to be recognized. The only exceptions are short term and low value leases.

Impact of Adoption

The company has adopted IFRS 16 and it has no material impact on the Company's financial position as previously recognized leases were already classified under finance lease arrangements.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2020:

or Interpretation	Effective date
- Business Combination- (Amendments)	January 1, 2020
- Interest rate benchmark reforms - (Amendments)	January 1, 2020
- COVID-19- related rent concession -(Amendments)	June 1, 2020
- Presentation of financial statements- (Amendments)	January 1, 2020
- Definition of business - (Amendments)	January 1, 2020
- Definition of material - (Amendments)	January 1, 2020
	- Business Combination- (Amendments) - Interest rate benchmark reforms - (Amendments) - COVID-19- related rent concession -(Amendments) - Presentation of financial statements- (Amendments) - Definition of business - (Amendments) - Definition of material - (Amendments)

4 Significant accounting policies

The significant accounting policies set out below have been consistently applied to all the years presented, unless otherwise stated.

4.1 Staff retirement benefits

The Company operates an un-funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits respective of the qualifying period. The projected unit credit method used for the valuation of the scheme is based on assumptions stated in note 10.1.

Past-service costs are recognized immediately in profit and loss account, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

The Company's obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the defined benefit liability, which comprise actuarial gains and losses, is recognized immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined benefit plan are recognized in profit and loss account.

4.2 Taxation

Income tax expense comprises current and deferred tax. It is recognized in profit or loss account except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in equity.

Corrent tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Under / over paid amounts of current tax are recorded as tax refundable / payable due from / to the Government.

Deferred tax

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts 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 enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit shall be available against which the deductible temporary differences, utused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in other comprehensive income or equity.

4.3 Ijarah contracts

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to profit or loss account on a straight-line basis over the lease / Ijarah term unless another systematic basis is representative of the time pattern of the Company's benefit.

4.4 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.5 Property, plant and equipment

Owned

Property, plant and equipment, except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land and capital work in progress are stated at cost less any identified impairment loss. Cost includes direct cost and related overheads, interest and borrowing cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and other costs directly attributable to the acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of operating fixed assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Major renewals and improvements are capitalized, All other repair and maintenance costs are charged to profit or loss account during the period in which they are incurred.

Depreciation is charged on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the economic benefits are consumed by the Company, at the rates specified in note 17.1.

Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off. Depreciation methods, residual values and useful lives of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in profit or loss account.

Right-of-use assets

Assets held under lease arrangements are initially recorded at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets. Depreciation on leased assets is charged by applying reducing balance method at the rates used for similar owned assets, so as to depreciate the assets over their estimated useful lives in view of certainty of ownership of assets at end of the lease term.

Capital work-in-progress

Capital work in progress is stated at cost less identified impairment loss, if any. Cost includes the expenditures on material, labour, appropriate directly attributable overheads and includes borrowing cost in respect of qualifying assets as stated in note 4.16. These costs are transferred to operating fixed assets as and when assets are available for their intended use.

4.6 Stores, spare parts and loose tools

Usable stores and spare parts are valued at lower of weighted average cost and net realizable value, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon up-to the balance sheet date. Provision is made in the financial statements for obsolete and slow moving stores, spare and loose tools based on management's estimate as a result of changes in usage pattern and physical form.

4.7 Stock-in-trade

These are valued at the lower of weighted average cost and net realizable value except for stock in transit, which is valued at cost comprising invoice value and related expenses incurred thereon up to the balance sheet date.

Cost is determined as follows:

Raw material at lower of weighted average cost and net realizable value
Finished goods at lower of weighted average cost and net realizable value

By products net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to be incurred in order to make a sale.

4.8 Financial instruments

4.8.1 Recognition and initial measurement

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade debt without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade debt without a significant financing component is initially measured at the transaction price.

4.8.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at Amortized cost, Fair Value Through Other Comprehensive Income (FVOCI), Fair Value Through Profit or Loss (FVTPL) and in case of an equity instrument it is classified as FVOCI or FVTPL.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at PVTPL:

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

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains / losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, long term deposits, trade debts, advance, deposits, prepayments and other receivables.

Debt instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

Equity instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and these investments are never reclassified to profit or loss. However, the Company has no such instrument at the reporting date.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI, as described above, are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss. However, the Company has no such instrument at the reporting date.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, while the interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

The Company's financial liabilities comprise trade and other payables, long term finances, liabilities against assets subject to finance lease, short term borrowings and accrued mark-up.

4.8.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognizion of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

4.8.4 Trade debts, deposits and other receivables

Trade debts are stated initially at the fair value, subsequent to initial recognition. These are stated at their amortized cost as reduced by appropriate provision for impairment, known impaired receivables are written off, while receivables considered doubtful are fully provided for.

The impairment for doubtful accounts is based on the Company's assessment the collectability of counterparty accounts. The Company regularly reviews its trade debts that remain outstanding past their applicable payment terms and establishes allowance and potential write-offs by considering facts such as historical experience, credit quality, age of the accounts receivable balances and current economic conditions that may affect customer's ability to pay.

4.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

4.10 Impairment

Non-Financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss, Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, not of depreciation and amortization, if no impairment loss had been recognized.

4.11 Cash

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand, running finance and cash at banks.

4.12 Revenue recognition

According to the core principle of IFRS 15, the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those good and services. The Company recognizes revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when the entity satisfies a performance obligation.

Revenue is measured at the fair value of consideration received or receivable, and represents amount receivable for goods supplied. Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are invoiced and delivered to customers. This criteria of revenue recognition for its timing and amount is consistent with the previously adopted accounting standard therefore, the management concludes that the adoption of IFRS 15 does not have impact on the timing and amount of revenue recognition of the Company.

4.13 Interest income

Interest income is recognized as it accrues under the effective interest rate.

4.14 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements. The Company's contract liabilities comprise advances from customers.

4.15 Foreign currency translations

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions, Monetary assets and liabilities denominated in foreign currencies are re-translated into Pak Rupees at exchange rates prevailing on the statement of financial position date. All exchange differences are charged to statement of profit or loss,

4.16 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

4.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.18 Related party transactions

The Company enters into transactions with related parties on an arm's length basis except in circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so.

4.19 Dividend

Dividend to Ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company's financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

4.20 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.21 Loan from sponsors

Loan from sponsors is accounted for as per Technical Release 32 "Accounting Directors' Loan" ("TR 32") issued by Institute of Chartered Accountants of Pakistan ("ICAP"), on 25 January 2016 which provides specific guidance on Director's loans that are interest free and repayable at the discretion of the entity. Loans are accounted for as per clause 3.3.1 of TR 32 which states that "A loan to an entity by the director which is agreed to be paid at the discretion of the entity does not pass the test of liability and is to be recorded as equity at face value. This is not subsequently remeasured".

4.22 Government grants

Government grants relating to export support are recognized when there is reasonable assurance that entity will comply with the conditions attached to it and grant will be received.

4.23 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income related to operating activities. Operating profit excludes finance costs, other expenses and income taxes.

4.24 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that are allocated on a reasonable basis.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are sugar, distillery and top gas.

		2020	2019
5	Share capital	Rupees	Rupees
5.1	Authorized share capital		
	120,000,000 (September 2019: 120,000,000) ordinary shares of Rs. 10 each	1,200,000,000	1,200,000,000
5.2	Issued, subscribed and paid-up share capital		
	117,706,300 (2019: 117,706,300) voting ordinary shares of Rs. 10 each fully paid in eash	1,177,063,000	1,177,063,000

6 Share premium

This reserve can be utilized by the Company only for the purposes specified in Section 81 (2) and 81 (3) of the Companies Act,

7 Loan from sponsors - unsecured

This represents interest free loans amounting to Rs. 3,635 million (2019; Rs. 3,541 million) obtained from the sponsors of the Company and is repayable at the discretion of the Company.

8	Long term finar	nces - secured	on or the company	Note	2020 Rupees	2019 Rupees
	Mark-up bearing	g finances from conven	tional bank;			00107000000
	MCB Bank Limit	ed - Led Syndicated from		8.1		272,760,754
	National Bank of	Pakistan - Syndicated term j	биаже	8.2	1,925,624,997	2,221,875,000
	Allied Bank Limit	ted		8.5	321,137,523	200
	The Bank of Pan	jab - Term finance		8.4		13,750,000
	Pak Oman Invest	tment Company Limited -	Term finance	8.5	295,000,006	175,000,000
	Samba Bank Lim	ited - Tirro fourer		8.6	142,850,290	214,275,430
					2,684,612,816	2,897,661,184
	Islamic mode o	f financing: imited - Diminishing Moda	and a	8.7	22,466,545	41.754.304
		사람이 하면 얼마나 있다. 현대 전에 가장해 있다고요?	natura -	50000	300000000000000000000000000000000000000	41,754,304
		- Diminishing Modaraha		8.8 8.9	57,491,200	75,180,796
	First Punjab Mod	laraba - Diminishing Modon	Moz	8.9	79,957,745	1,768,852
					2,764,570,561	118,703,952 3,016,365,136
	Less: Current p	ortion of non-current lia	bilities		2,104,579,501	3,010,303,130
	Conventional bar				(742,655,283)	(1,050,435,898
	Islamic banks				(40,156,141)	(39,134,521
				19	1,981,759,137	1,926,794,717
	Sanctioned Limit	Tenure and basis of principal repayment	Mark-up as per Agreement	Security		
K.I	1,250,000,000	18 equal instalments payable at the end of each quarter beginning from 31 March 2016	3MK plus 275 bps	This loan is secured by way all the present and future Kanjwani and exclusive of Muzaffargarh respectively favour of security agent. This loan is also secured account in favour of a arrangement entered into l and personal guarantees of	fixed assets of sugar hange of distillery at U ; with the sum of R by way of lien and o security agent in ter- between the Company	Unit - I located a fait - II located a s. 1,667 million is over the collection rms of collection and security agen
3.2	2,400,000,000	16 equal Instalments payable at the end of each quarter beginning from 27 September 2019. Installments were deferred from 01	3MK plus 200 bps	This loan is secured by war over all present and future land and building and a Company (Unit I, II & III 25% margin over the facility	moveable fixed assets my other immovable) for an amount of Rs	and mortgage over property of the 3,200 million with

	Sanctioned Limit	Tenure and basis of principal repayment	Mark-up as per Agreement	Security
		January 2020 to 31 December 2020.		The loan is also secured by ways of assignment of all insurances as co-loss payee or assignee, lien on project accounts and personal guarantees of all Sponsors / Directors along with all ner worth statements. The lenders have subordinated the repayment of any debts or finance facilities availed from the Sponsors and Directors till the entire liabilities of the Company towards the syndicate are repaid.
8.3	400,000,000	8 equal quarterly instalments payable at the start of each quarter beginning from 11 February 2021	3.00%	The Company has obtained borrowing under Refinance Scheme for payment of Wages & Salaries by the State Bank of Pakistan (SBP) at subsidized rate in five tranches on various dates The loan is secured by way of 1st pari passu change over fixed assets including land, building, plant and machinery located at Unit III, with 25% margin over the facility amount and personal guarantee of all Directors of the Company.
8.4	110,000,000	16 equal instalments payable at the end of each quarter beginning from 31 March 2016	3MK plus 350 bps	This loan is secured by way of token registered Mortgage of Rs. 0.1 million along with equitable mortgage of marked-up amount over Head Office land and building measuring 2 Canals 16 Marlas 111 Sqft situated at 66-L, Gulberg II, Lahore and personal guarantees of all Directors of the Company.
8.5	This presents for	llowing loans obtained fro	m Pak Oman Investr	nent Company Limited.
8.5.1	300,000,000	12 equal instalments payable at the end of each quarter beginning from 27 July 2018	6MK plus 250 bps	This loan is secured by way of 1st pari passu charge over fixed assets including land, building, plant and machinery located at Unit III, with 25% margin over the facility amount and personal guarantee of all Directors of the Company.
8.5.2	220,000,000	14 equal instalments payable at the end of each quarter beginning on 08 April 2021	5.00%	This subsidized loan is obtained under the long term financing facility scheme provided by SBP to finance import of brand new machinery. This loan is secured by way of pari passus charge over fixed assets located at Unit-III in Muzaffargarh including land building, plant and machinery of the company with a 25% margin (amounting to Rs. 294 million) and personal guarantees of all Directors of the Company.
8.6	250,000,000	14 equal instalments payable at the end of each quarter beginning on 11 April 2019	1MK plus 250 bps	This loan is secured by way of pari passus charge over fixed assets located at Unit-III in Muzaffargarh amounting to Rs. 400 million. and personal guarantees of all Directors of the Company.
8.7	63,995,140	12 equal instalments payable at the end of each quarter beginning from December 2018	6MK plus 350 bps	This loan is secured by way of registered first pari-passu charge for Rs. 100 million over all fixed assets including land, building & machinery of Unit - III located in Muzaffargath. Exclusive charge for Rs. 86.67 million over imported machinery through LC's at Unit-L, Kanjwani, Faisalabad with Bank's share at Rs. 65 million. This loan is also secured by personal guarantee of all Directors of the Company.
8.8	88,447,993	60 equal instalments payable at the end of each month beginning from 01 January 2019	6MK plus 350 bps	Title documents of the assets are exclusively in the name of Sindh Modaraba for the entire tenor of the facility.
8.9	17,688,500	36 equal instalments payable at the end of each month beginning from January 2015	6MK plus 400 bps	Asset is registered in the name of First Punjab Modaraba as security. This is also secured by personal guarantee of all the Directors of the Company.

				2020	2019
9	Leas	e liability	New	Rupees	Rupees
	Lease	liability	9.1	638,559,332	662,593,081
	Less	Current portion		(202,868,007)	(276,679,176)
	Closi	ng balance		435,691,325	385,913,905
	9.1	Opening balance		662,593,081	1,004,881,616
		Add: Assets acquired during the year		254,543,009	
				917,136,090	1,004,881,616
		Less: Payments / adjustments		(278,576,758)	(342,288,535)
				638,559,332	662,593,081
		Less: Current portion		(202,868,007)	(276,679,176)
		Closing balance		435,691,325	385,913,905

9.1.1 The principal payment due under the lease agreements aggregate to Rs. 638.5 million (2019: Rs. 662.6 million) and are payable in monthly instalments under various agreements, latest by August 2023. The present values of minimum lease payments have been discounted at interest rate implicit in the lease, which ranges from 9.49 % to 18.40 % per annum (2019: 9.29% to 17.59% per annum). The liability is purtly secured by a deposit of Rs. 156.34 million (2019: Rs. 141.62 million). The estimated residual value of assets acquired on lease rental is Rs.156.34 million (2019: Rs. 141.62 million). All lease agreements carry renewal option at the end of lease petiod, however, the Company intends to exercise its option to purchase the leased assets upon completion of the respective lease terms. There are no financial restrictions imposed by lessors and the taxes, repairs, replacements and insurance costs are borne by the lessee.

9.2 2020 2019

	9.2		2020 Amount in Rupees			2019 Amount in Rupees	
		Minimum lease payments	Present value of minimum lease payments	Financial charges	Minimum lease payments	Present value of minimum lease payments	Financial charges
	Due within one year	245,979,770	202,868,007	43,111,763	346,720,443	276,679,176	70,041,267
	Due after one year but not later than five years	466,252,096	435,691,325	30,560,771	453,651,924	385,913,905	67,738,019
	Due after five years		¥6	100			
		712,231,866	638,559,332	73,672,534	800,372,367	662,593,081	137,779,286
10	Deferred liabilities			Not	,	2020 Rupees	2019 Rupees
	Staff retirement benefits - Grataity			10.1		564,706,862	508,436,982
	Deferred taxation			10.2	6 - 22 -		- N 22
						564,706,862	508,436,982
						771/17	

10.1 Staff retirement benefits - Gratuity

The latest actuarial valuation of the Company's defined benefit plan was conducted at September 30, 2020 using Projected Unit Credit Method. Detail of obligation for defined benefit plan is as follows:

Mate	2020	2019
1,400	Rupees	Rupees
10,1.1	564,706,862	508,436,982
	564,706,862	508,436,982
	2020	2019
Note	Rupees	Rupees
	508,436,982	414,693,881
10.1.3	55,150,654	50,938,892
10.1.3	52,403,015	34,720,395
	(4,426,502)	(2,052,324)
10.1.2	(46,857,287)	10,136,138
r	564,706,862	508,436,982
	Note 10.1.3 10.1.3	Note Rupees 10.1.1 564,706,862 564,706,862 2020 Note Rupees 508,436,982 10.1.3 55,150,654 10.1.3 52,403,015 (4,426,502) 10.1.2 (46,857,287)

				2020	2019
10.1.2 Changes in actuaria	l gains		Note	Rupees	Rupees
Opening actuarial gain	1			823	87.0
Actuarial gain / (loss)	during the year			46,857,287	(10,136,138
Charge to other comp			10.1.3	(46,857,287)	10,136,138
Unrecognized actua	rial gains				(4)
10.1.3 Charge for the year					
Statement of Profit	or Loss				
Current service cost				55,150,654	50,938,892
Interest cost for the y	car			52,403,015	34,720,395
Net amount chargeab	le to profit and loss acc	ount		107,553,669	85,659,287
Statement of Other	Comprehensive Inco	me			
Actuarial (gain) / loss	on defined benefit obli	gation		(46,857,287)	10,136,138
				60,696,382	95,795,425
Historical Information	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees
SALINITE VILLEDVINIEN -	Rupees	Rupees	Rupees	Rupees	Rupees
Present value of defined	564 706 963	E00 416 003	414 XM1 991	710.560.550	245 104 213
benefit obligations Experience adjustment	564,706,862	508,436,982	414,693,881	310,560,559	245,194,213
arising on plan liability					
(gain) / loss	(46,857,287)	10,136,138	42,824,778	26,243,582	9,711,211
0.1.4 Assumptions used for va	luation of defined be	nefit schemes	8	2020	2019
Discount rate used for inte	rest cost		65	12.50%	10.00%
Discount rate used for year	end obligation			9.75%	12.50%
Expected rates of salary in				8.75%	N/A
Expected mortality rate				SLIC 2001-2005	SLIC 2001-2005
				Setback 1 Year	Setback 1 Year
Withdrawal Rates				Age-Based	Age-Based
Retirement age				60 years	60 years

10.1.5 Expected expense for next year

The expected gratuity expense the year ending 30 September 2021 is estimated at Rs. 95.2 million,

10.1.6 The Plan exposes the Company to actuarial risks such as:

Salary risks

The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Mortality / withdrawal risks

There is also a potential risk that the actual mortality / withdrawal rates are different.

- 10.1.7 Gratuity scheme entitles the members to gratuity upon resignation, termination, early retirement, retrenchment, death and dismissal. Gratuity is based on the last month's basic salary for each year of service.
- 10.1.8 The average duration of the defined benefit obligation is 6 years.

10.1.9 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on present value of the defined benefit obligation as at 30 September 2020 would have been as follows:

	Grad	ruity
		nt value of defined bligation
	Increase 100 bps	Decrease 100 bps
	Rup	sees
Discount rate movement	447,720,581	503,233,129
Salary growth rate	503,711,554	446,847,821

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

	approximation of the sensitivity of the assumptions shown.			
10.2	Deferred taxation	Note	2020 Rupees	2019 Rupees
	Deferred tax liability as at September 30, 2020 on taxable temporary differences arising in respect of: - Accelerated tax depreciation on operating focus assets: - Leaned assets - net		1,858,191,557 169,453,176	1,670,044,129 115,530,786
	Deferred tax asset as at September 2020 on deductible temporary differences arising in respect of:			
	- Unused two losses and two credits - Staff retirement benefits - Presision for Worker's Profit Participation Foud.	10.2.2	(1,915,464,795) (112,061,612) (118,326)	(1,665,604,945) (102,195,325) (17,774,645)
	10.2.1 Movement in deferred tax balances is as follows:			
	As at 01 October Recognized in statement of profit and loss:			41,580,597
	- Accelerated tax depreciation on operating fixed assets		188,147,428	145,150,631
	- Leased assets - w/		53,922,390	54,252,952
	Unused tax losses and tax credits Staff retirement benefits		(249,859,850) (20,006,110)	(211,583,333) (18,536,677)
	- Provision for Worker's Profit Participation Fund		17,656,319	(8,826,816)
	- Francisco de recina de recina de acuações de acuações de la compansa de la comp		(10,139,823)	(39,543,243)
	Recognized in Statement of other comprehensive income:		CATTER STREET	140000000000000000000000000000000000000
	- Staff retirement benefits		10,139,823	(2,037,354)

10.2.2 As at 30 September 2020 deferred tax asset amounting to Rs. 483.82 million (2019; Rs. 457.94 million) on unused tax losses has not been recognized in these financial statements as sufficient taxable profits are not expected to be probable against which the Company can use benefits therefrom. Management is of the view that recognition of deferred tax asset shall be re-assessed on 30 September 2021. Tax losses amounting to Rs. 588.88 million will expire in tax year 2022 respectively.

11 Short term borrowings - secured

NASO 4	Interest rate	2020	2019
Banking & Financial Institutions	%	Rupees	Rupces
Mark-up based barrowings from conventional banks-secured			
Cash finance	9.28 - 17.85	1,538,953,899	2,149,412,162
Running finance	10.56 - 17.06	99,502,155	99,502,155
Export-refinance	3.00	4,522,200,002	3,204,359,000
		6,160,656,056	5,453,273,317
Islamic made of financing: Secured			
Bai-Salam	16.34-16.50	· · · · · · · · · · · · · · · · · · ·	60,000,000
		6,160,656,056	5,513,273,317

11.1 The Company has availed short term borrowing facilities from various commercial banks under mark-up arrangements having aggregate sanctioned limits of Rs. 11,400 million (2019; Rs. 11,200 million). These facilities are secured against different securities including pledge of stock-in-trade, lien on debtors, charge over the present and future current and fixed assets, lien on export documents and personal guarantees of the sponsoring Directors as well as subordination of loan from Directors. The pledge based outstanding borrowings out of the above outstanding borrowings are secured against pledge of stock-in-trade amounting to Rs. 1,675 million (2019; Rs 2,536 million). Higher rate were charged due to upward movement in KIBOR before March 2020.

12	Current portion of non-current liabilities	Note	2020 Rupees	2019 Rupees
	Long term finances - Commissional loan	8	742,655,283	1,050,435,898
	Long term finances - Islamic loan	8	40,156,141	39,134,521
	Lense liability	9	202,868,007	276,679,176
	355734557 (10750)	_	985,679,431	1,366,249,595
		Note	2020	2019
13	Trade and other payables	3 100	Rupees	Rupees
	Trade and other creditors		632,315,546	854,154,215
	Creditors for capital expenditure		1,443,909,533	1,258,066,173
	Advances from customers - Local	13.1	221,320,387	707,274,683
	Retention money payable		10,596,676	24,445,297
	Federal Excise Duty and Sales Tax payable		282,148	63,186,938
	Income Tax deducted at source		68,606,613	26,285,963
	Withholding Sales Tax payable		5,978,179	6,014,864
	Workers' Profit Participation Fund	13.2	546,800	88,431,507
	Accrued liabilities		67,753,039	69,046,413
	Other liabilities		256,770,973	277,763,333
		_	2,708,079,894	3,374,669,386

13.1 This includes Rs. 158.13 million received from Trading Corporation of Pakistan ("TCP") against sale of sugar. In the year 2009 the Food Directorate of the Government, in conjunction with the law enforcement agencies lifted and sold TCP sugar stocks, despite protest from the Company.

This lifting of the sugar stocks by Government constituted an event of force majeure under clause 12 of terms of tenders and the tenders would, therefore, be discharged due to frustration of the contract. Accordingly, the management, based on the legal opinion, is of the view that the Company after the event of force majeure is not required to make delivery of sugar to TCP and no penalties or incidental charges will arise on non-performance of the contract. Further, the Company agreed to settle the remaining amount to TCP subject to reconciliation of quantity forcibly lifted by TCP which to-date is pending.

		2020	2019
13.2	Workers' Profit Participation Fund	Rupees	Rupees
	Balance as at 01 October	88,431,507	45,461,299
	Provision for the year	546,800	88,431,507
	Payments made during the year	(88,431,507)	(45,461,299)
		546,800	88,431,507
		2020	2019
14	Mark-up accrued	Rupees	Rupees
	Mark-up on borrowings from concentional banks:	11	
	Long term loans - seared	51,778,337	111,665,285
	Short term borrowings - mound	86,645,160	130,085,896
		138,423,497	241,751,181
	Rental on Islamic mode of financing:		
	Short term borrowings - normal		4,625,921
		138,423,497	246,377,102

15 Provision for taxation

Balance at beginning of the year Add: Provision for the year

Less: Adjustments Balance at end of the year

Nate	2020	2019
Lyane	Rupees	Rupees
	273,819,231	
31	302,806,294	273,819,231
_	576,625,525	273,819,231
	- 2	
-	576,625,525	273,819,231

16 Contingencies and commitments

16.1 Contingencies

16.1.1 The Government of Punjab under the powers conferred through the Punjab Excise Act, 1914 levied a charge of Rs. 2 per liter on manufacturing of spirit (Ethanol) on 03 July 2012. The management filed Writ Petitions no. 18347/2012 and 33334/2014 against the above levy in the Honorable Lahore High Court ("the Court"). The Court, vide order dated 15 July 2016, dismissed the aforementioned Writ Petitions.

Thereafter, the Company filed an Intra Court Appeal No. 1219/2016, of the same title, against the aforementioned order of the Court. This Intra Court Appeal was dismissed vide order dated 10 October 2017 on the technical ground of maintainability. The Court stated in the aforementioned order that the remedy of Intra Court Appeal did not lie against the Order dated 15 July 2016, and, therefore, dismissed the appeal. However, an Honorable Division Bench of the Court vide Order dated 10 August 2016, directed the Company along with other petitioners to deposit the excise duty payable under the impugned notification with the Deputy Registrar (Judicial), Lahore High Court, and restrained the respondents from collecting the same from the Company. The same interim order holds the field till date. Till date the Company has deposited Rs. 291 million with the Deputed Registrar (Judicial), Lahore High Court which is disclosed in note 22 to the financial statements.

The Company then filed CPLA No. 4330/2017 against the Order dated 10 October 2017. The Honorable Supreme Court of Pakistan has set aside the Order dated 10 October 2017, and remanded the matter back to the Court for decision on merits vide order dated 20 November 2017. However, no date for hearing has been fixed till date against the above mentioned order.

Based on the opinion of the Company's legal counsel, the management is confident of favorable outcome regarding this case, hence, no provision has been recognized in these financial statements.

- 16.1.2 The Deputy Commission Inland Revenue has passed an order under section 161/205 of the Income Tax Ordinance, 2001 dated 30-06-2019 creating tax demand amounting to Rs. 584,898,382/-. The Company, being aggrieved, filed an appeal before Commissioner Inland Revenue (Appeals) which was beard on 20/11/2019 & 4/12/2019. The matter has been decided in the favor of the Company vide order no 07 dated 23/01/2020.
- 16.1.3 The additional Commissioner Inland revenue, Zone-III, LTU has passed amended assessment order on 15/07/2020 and has made addition on account of export rebates and disallowed a tax credit u/s 65B. The Company being aggreed filed an appeal before CIR (A) which was heard on 22.12.2020. The CIR (A) vide its order no. 10-A/V dated 05/01.2021 deleted both the additions.

16.2 Commitments

- 16.2.1 Commitments in respect of imports contracted but not incurred at year end amounted to approximately Rs. Nil (2019; Rs.3.5 million).
- 16.2.2 The Company has given a bank guarantee with 100% cash margin of Rs. 2 million (2019: Rs. 2 million) to the Excise and Taxation Department for the export of Ethanol in relation to contingency as discussed in note 16.1.1.
- 16.2.3 The Company has certain Ijarah facilities which have been classified as operating lease in the financial statements as required by the Islamic Financial Accounting Standard 2 (IFAS 2) issued by the Institute of Chartered Accountants of Pakistan. The amount of Ijarah rentals paid during the year has been charged as an expense during the year.

The commitments of future payments under operating leases/Ijarah financing and finance lease contracts and the period in which these payments will become due are as follows:

2020

2019

	arrang .	2009.5
	Rupees	Rupees
Not later than one year	31,309,188	36,845,725
Later than one year and not later than five years	43,630,203	100,351,393
	74,939,391	137,197,118

							2020	2019			
17 Prope	Property, plant and equipment					Neo	Rupces	Rupers			
Open	Operating fixed assets					17.8	16,114,573,406	16,100,857,286			
Capita	Capital work in progress					17.2	54,571,373	54,571,373			
							16,168,944,779	16,155,428,659			
17.1	17.1 Operating fixed assets						3030				
			0 0	S T				DEPRECIATION	NOLLYI		
		As at 01 October 2019	Additions / (disposals) during the year	Transfer	As at 30 September 2020	Rate	As at 01 October 2019	Expense/ (disposal) for the year	Transfer	As 2d 30 September 2020	Net book value as at 30 September 2020
						2			Rupees		
	Owned										
	Land	277,638,444	484,999		278,123,443						278,123,443
	Building and reads on land	3,148,707,327	26,355,284		3,175,062,611	in	887,863,743	113,717,382	٠	1,001,581,125	2,173,481,486
	Plant and machinary	16,078,404,970	515,500,501		16,593,905,471	10	4,016,866,854	609,453,514		4,626,320,368	11,967,585,103
	Furniture and firtings	22,305,460	379,500	i e	22,484,960	91	11,956,231	1,026,713	9	12,982,944	9,502,016
	Telephone installations	6,695,325	312,913		7,008,238	10	3,634,786	330,978	÷	3,965,684	3,042,554
	Vehicles	214,952,246	1,361,523	6,513,500	219,532,859	R	173,017,103	8,417,175	3,765,986	182,875,140	96,753,219
			(3,294,410)	·	(3,294,410)			(2,325,124)	÷	(2,325,124)	(969,286)
	Office equipment	91,543,676	1,116,776		92,660,452	30	48,721,452	4,299,228	ï	53,020,680	39,639,772
	Electrical equipment	209,459,694	37,594,056	1	247,053,750	10	86,640,939	14,180,505	·	100,821,444	146,232,306
	Workshop and agricultural										
	implements	45,266,175	•	7	45,266,175	10	28,163,568	1,710,261	Š.	29,873,829	15,392,346
	Tube wells	14,022,468	70,000	ħ	14,092,468	10	8,846,102	522,887	Ê	9,368,989	4,723,479
	Arms and ammunitions	2,183,939	*	*	2,183,939	10	1,221,285	96,265		1,317,550	866,389
	Laboratory equipment	35,362,187	14,801		35,376,988	30	15,928,615	1,943,481		17,872,096	17,504,892
		20,146,941,911	583,190,353	6,513,500	20,729,456,944		5,282,860,598	755,698,389	3,765,986	6,037,674,725	14,692,751,505
	Right-of-use Assets										
	Vehicles	65,827,461	9,543,600	(6,513,500)	196'998'89	R	35,821,611	6,360,230	(3,765,986)	38,215,845	30,641,117
	Plant and machinery	1,459,261,487	245,000,000		1,704,261,487	in.	251,891,364	61,389,339	*	313,280,703	1,390,980,784
		1,525,088,948	254,543,000	(6,513,500)	1,773,118,448		287,712,975	67,549,559	(3,765,986)	351,496,548	1,421,621,901
		21,671,430,859	837,733,363		22,502,575,392		5,570,573,573	823,247,948		6,389,171,273	16,114,373,406
			(3)*53*(400)					(477525,124)			

17.1 Operating fixed assets						2019				
		COST	S.T.				DEPRECIATION	IATION		2002
	As at 01 October 2018	Additions / (disposals) during the year	Transfer	As at 30 September 2019	Rate	As at 01 October 2018	Espense/ (disposal) for the year	Transfer	As at 30 September 2019	Net book value as at 30 September 2019
		Rupco	900		*			Rupers		
Oksod										
Land	277,638,444	100 March 100 Ma		277,638,444		The second second	Construction of the Constr		2000	277,638,444
Building and reads on land	2,901,621,144	247,086,183	10	3,148,707,327	in	773,672,886	114,190,857	7	887,863,743	2,250,843,584
Plant and machinery	15,104,813,784	973,591,186		16,078,404,970	iri	3,417,418,791	599,448,063	*	4,016,866,854	12,061,538,116
Furniture and fettings	21,589,355	516,105	1	22,105,460	2	10,860,759	1,095,472	-	11,956,231	10,149,229
Telephone installations	6,676,675	18,650	5	6,695,325	2	3,296,1711	338,536	7	3,634,716	3,060,619
Vehicles	214,841,873	167,578	1,524,000	214,952,246	30	162,509,939	10,554,007	1,252,335	173,017,103	41,935,143
		(1,581,005)		(1,581,005)			(1,299,178)	Y	(1,299,178)	(281,827)
Office equipment	89,502,334	2,041,342	Š	91,543,676	22	44,066,673	4,654,979	2	48,721,452	42,822,224
Electrical equipment Workshop and serioulment	196,984,751	12,474,943		209,459,694	01	74,066,280	12,574,659		86,640,939	122,818,755
molements	45,266,175	1	1	45 266 175	21	26.263,278	1,900,290	,	28.163.568	17.102.607
Tube wells	14,003,468	19,000		14,022,468	2	8,271,830	574.272		8,846,102	5,176,366
Arms and ammanitions	2,183,939			2,183,939	01	1,114,323	106,962	,	1,221,285	962,654
Laboratory equipment	34,674,812	647,575	365	35,362,187	2	13,839,340	2,089,275	7.)	15,928,615	19,433,572
	18,909,736,754	1,236,602,162 (1,581,005)	1,524,000	20,146,341,911		4,535,380,069	747,527,572	1,252,335	5,282,860,598	14,863,481,313
Bight above Amir										
Vehicles	1981981		(1,524,000)	65,827,461	97	29,531,201	7,542,745	(1,252,335)	35,821,611	30,005,850
real and mediteral	1,526,612,948		(1,524,000)	1,525,088,948	e.	217,876,769	T1,088,541	(1,252,335)	287,712,975	1,237,375,973
	20,436,409,702	1,236,602,162		21,671,430,859		4,753,256,838	818,615,913		\$55,572,573	16,100,857,286
						2020	2019			
17.1.1 The depreciation charge for the year has been allocated	or the year has be	en allocated as follows:	DWS:		Nee	Rupecs	Rupees			
Cost of sales					52	803,013,634	794,430,174			
Administrative expenses					36	20,234,315	24,185,739			
						823,247,949	818,615,913			

17.1.2 Disposal of property, plant and equipment

Doseitoniano	Coos	Accumulated	Net book	Sales	Coln / Good	Mode of dismost	Particulars of the
ramediars	Š	depreciation	value	proceeds	Cam, (loss)	Mode of disposal	buyer
			Rupecs				
Toyota Corolla	2,318,710	1,412,212	906,498	٠	(906,498)	Transferred to Employee	Muhammad Sadiq
Flat Tractor	487,850	456,456	31,394	31,394	ï	Transferred to Third party	Allah Buksh
Fiat Tractor	487,850	456,456	31,394	31,394		Transferred to Third party	Allah Buksh
2020	3,294,410	2,325,124	969,286	62,788	(906,498)		
Toyota Corolla	1,581,005	1,299,178	281,827	1,210,000	928,173	Auction	Aman ul Haq
2019	1,581,005	1,299,178	281,827	1,210,000	928,173		

			2020	2019
17.2	Capital work in progress		Rupees	Rupees
	Owned			
	Civil works		49,681,649	49,681,649
	Plant and machinery		3,106,740	3,106,740
	Others	66	1,782,984	1,782,984
		-	54,571,373	54,571,373
	17.2.1 Movement in the accounts is as follows:	9.7	4.5	7.
	Opening balance as at 01 October		54,571,373	34,580,836
	Additions made during the year:			
	Civil works	Г		225,759,790
	Plant and machinery		2	40,122,857
	Electric equipment		100	254,507
	Others		12	3,282,984
				269,420,138
	Capitalized during the year:	674		
	Advances	1		82
	Civil works		- 2	(207,552,237)
	Plant and machinery			(40,122,857)
	Electric equipment		72	(254,507)
	Others	L	96	(1,500,000)
				(249,429,601)
	Closing balance as at 30 September	=	54,571,373	54,571,373
			2020	2019
18	Long term deposits	Nate	Rupees	Rupees
	Deposits against leased assets		156,341,511	63,456,111
	Others	18.1	68,029,408	18,973,175
		A1005-	224,370,919	82,429,286
18.1	These mainly comprise of security margins of Rs. 50 million (2019: Nil) dep	osäted against ne	w long term financing	facilities.
			2020	2019
19	Stores, spare parts and loose tools		Rupees	Rupees
*				GRANGE
	Stores and spare parts		1,067,736,527	1,014,859,426
	Oil and lubricants	100	31,520,192	27,225,602
		-	1,099,256,719	1,042,085,028
		Note	2020	2019
20	Stock-in-trade	14000	Rupees	Rupces
	Raw materials		1,108,733,144	425,236,201
	Finished goods	20.1	1,275,704,150	2,597,006,276
			2,384,437,294	3,022,242,477
20.1	This includes stock in transit amounting to Rs. Nil (2019; 107.61 million).			
			2020	2019
21	Trade debts - considered good	Nate	Rupees	Rupees
		200	miles	
	Foreign - wowd	21.1	* ***	299,109,756
	Local - wanawi	21.2	5,808,788	15,649,704
		_	5,808,788	314,759,460

- 21.1 This represent amounting receivable against the sale of Ethanol secured through letter of credit.
- 21.2 These include amount due from Lotte Akhtar Beverages (Pvt.) Limited, an associated company, against the sale of Top Gas amounting to Rs. 3.01 million (2019; Rs. 2.11 million) in the normal course of business and is over due by less than 180 days.

22	Advances, deposits, prepayments and other receivables	Note	2020 Rupees	2019 Rupees
	Advances to sugar cane growers - waterored, considered good		426,848,267	6,418,144
	Advances to suppliers and contractors - somound, souidend good	22.1	877,783,418	852,272,979
	Advances to staff - neserved, considered good			
	- against expenses		3,120,533	2,744,916
	- against salaries	22.2	1,557,392	5,369,813
	Lease and other deposits		32,702,441	110,842,216
	Advances against Letter of Credits - noval		666,777	294,737
	Prepayments		11,174,526	12,842,351
	Inland export subsidy	22.3	133,187,750	133,187,750
	Export support on sugar	22.4	586,491,010	586,491,010
	Deposits with the Deputy Registrar (Judicial), Lahore High Court		290,948,084	290,016,686
	Other receivables		7,277,599	16,265,575
		_	2,371,757,797	2,016,746,177

- 22.1 This represents unsecured interest free advances to contractors and suppliers for normal repair and maintenance.
- 22.2 This includes amount receivable from executives of the Company, amounting to Rs. 0.61 million (2019: Rs. 1.01 million) respectively.
- 22.3 This represents inland export subsidy provided to exporters of sugar in the year 2013 and 2014 at the rate of Rs. 1.75 and Rs. 1.00 per kg of sugar exported through SRO 7(2)/2012-E-III (Vol-IV) dated 30 September 2013.
- 22.4 This represents export support on sugar provided to exporters during the financial year 2017-18 with inland freight support amounting to Rs. 553 million at Rs.10.7 per kg pursuant to Letter No. F. No. 7(2)/2012-Exp.III issued by the Ministry of Commerce under directions of Government of Pakistan dated 03 October 2017.

23	Cash and bank balances	Note	2020 Rupees	2019 Rupees
	Cash in hand		2,313,882	3,523,088
	Cash at bank		58	
	- current accounts	Т.	173,582,294	135,530,222
	- saving accounts	23.1	107,788,449	37,160,731
		50000	281,370,743	172,690,953
			283,684,625	176,214,041

23.1 The balances in saving accounts carry mark-up ranging from 5.50% to 12.00% per annum (2019; 7.06% to 12.23% per annum).

		Note	2020	2019
24	Sales - net	2.00	Rupees	Rupees
	Lecal			
	Sugar		20,906,467,341	23,947,114,185
	Ethanol		182,225,785	142,835,037
	Top Gas	24.1	63,058,330	141,536,062
			21,151,751,456	24,231,485,284
	Export:		4-05-70-4000 NESOKI	
	Sugar	24.2	175,726,106	
	Ethanol		3,078,669,208	5,648,959,858
			3,254,395,314	5,648,959,858
			24,406,146,770	29,880,445,142
	Lass:			
	Sales tax		(3,134,262,037)	(2,584,570,512)
			21,271,884,733	27,295,874,630

^{24.1} These include sale to Lotte Akhtar Beverages (Pvt.) Limited, an associated company, of Top Gas amounting to Rs. 15.83 million (2019; Rs. 35.41 millions).

24.2 During the year sugar was exported as per the quota allocated by SBP.

		Note	2020	2019
25	Cost of sales	+XMF	Rupees	Rupees
	Raw material consumed		16,438,533,526	13,892,919,741
	Salaries, wages and other benefits	25.1	589,821,244	587,330,175
	Depreciation	17.1.1	803,013,634	794,430,174
	Stores and spare parts consumed		395,530,769	448,240,535
	Fuel and power		169,479,710	150,229,123
	Repair and maintenance		273,723,233	493,298,790
	Vehicle running expenses		20,228,977	19,120,981
	Insurance		36,437,230	41,352,604
	Ijarah rentals		51,061,383	53,945,966
	Other expenses		15,310,557	21,479,016
			18,793,140,263	16,502,347,105
	Add: Opening stock			
	- Raw material		425,236,201	546,092,806
	- Finished goods		2,597,006,276	9,116,571,905
			21,815,382,740	26,165,011,816
	Lers: Closing stock			
	- Raw material	20	(1,108,733,144)	(425,236,201)
	- Finished goods	20	(1,275,704,150)	(2,597,006,276)
			19,430,945,446	23,142,769,339

25.1 Salaries, wages and other benefits include Rs. 67.37 million (2019: Rs. 53.1 million) in respect of staff retirement benefits.

		Note	2020	2019
26	Administrative expenses	TAGG	Rupees	Rupees
	Salaries, wages and other benefits	26.1	330,910,697	317,997,384
	Rent, rates and taxes		8,629,085	4,209,539
	Depreciation	17.1.1	20,234,315	24,185,739
	Utilities expenses		2,617,371	1,865,644
	Printing and stationery		9,778,788	10,689,048
	Insurance		2,299,850	2,306,656
	Postage, telephone and telegrams		8,934,253	8,641,342
	Repair and maintenance		6,677,608	6,300,160
	Travelling and conveyance		75,169,625	93,308,359
	Subscription, books and periodicals		9,612,839	6,249,298

		Note	2020 Rupees	2019 Rupees
	Legal and professional charges		12,171,315	6,871,655
	Auditors' remuneration	26.2	4,086,200	3,316,175
	Entertainment		12,696,920	13,294,283
	Other expenses		28,564,991	31,882,917
			532,383,857	531,118,199
26.1	Salaries, wages and other benefits include Rs. 40.1 million (201	9: Rs. 32,5 million) in respec	t of staff retirement be	mefits.
			2020	2019
26.2	Auditors' remuneration		Rupees	Rupees
	Audir fee		2,691,000	2,340,000
	Half yearly review		1,395,200	976,175
			4,086,200	3,316,175
25000	22.00.00	Note	2020	2019
27	Distribution expenses		Rupees	Rupees
	Handling and distribution		108,250,907	110,792,513
	Transportation		167,027,236	248,740,457
	Sugar stacking charges		30,111,877	39,278,008
	Others	27.1	8,237,745	7,837,770
			313,627,765	406,648,748
27.1	This includes salaries paid to Excise Department staff present	at the Company's premises to	o monitor the distribut	ion of Ethanol.
		Note	2020	2019
28	Other income		Rupees	Rupees
	Income from financial assets			
	Profit on saving accounts		62,164,784	16,999,663
	Income from non-financial assets			
	Gain on disposal of property, plant and equipment	17.1.2		928,173
	Foreign exchange gain		35,402,132	46,844,459
	Miscellaneous income		162,605	712,792
			97,729,521	65,485,087
			2020	2019
29	Finance cost		Rupees	Rupees
	Mark-up based have from conventional banks	32	39	
	- Long term loans - normi		350,366,539	422,236,811
	- Short term borrowings - seawed		602,575,326	897,863,455
	- Finance leases - mand	L	67,619,976	84,901,815
	11: 10:		1,020,561,841	1,405,002,081
	Learnic mode of financing	г	16,417,249	22,348,677
	- Long term finances - sewed - Short term borrowings - sewed		10,417,249	54,505,208
	- onor term outrowings - searca	0.0	16,417,249	76,853,885
	Bank charges	Г	2,347,140	3,256,071
	Other charges		25,001,119	14,533,699
	Source sanges	1	27,348,259	17,789,770
			1,064,327,349	1,499,645,736
			7-7-7-	1-1-1-1-1

		Note	2020	2019
30	Other expenses	10.35%	Rupees	Rupees
	Donations	30.1	15,935,314	12,547,546
	Loss on disposal of property, plant and equipment	17.1.2	906,498	
	Workers' Profit Participation Fund	13.2	546,800	88,431,507
			17,388,612	100,979,053

30.1 During the year, the Company has made donation to Institute of Policy Reforms situated at 4 - Shami Road Lahore Cantt, Pakistan in which Mr. Akbar Khan is a Director. None of other Directors of the Company or their spouses have any interest in, or are otherwise associated with the recipient of donation.

		Note	2020	2019
31	Taxation	'AME	Rupees	Rupees
	Income tax			
	- Current tax	31.2 & 31.3	302,806,294	273,819,231
	Deferred tax	10.2.1	(10,139,823)	(39,543,243)
			292,666,471	234,275,988
			2020	2019
31.1	Tax Charge Reconciliation		Percentage	Percentage
	Numerical reconciliation between tax expense and accounting profit			
	Applicable tax rate as per Income Tax Ordinance, 2001		29%	29%
	Effect of tax credits	1	0.00%	-11.39%
	Effect of minimum tax		2285.18%	8.71%
	Effect of final tax regime		453.39%	-15.02%
	Effect of (taxable) / temporary differences		-92.68%	-2.35%
	Effect of tax on undistributed reserves		0.00%	5.00%
			2645.89%	-15.05%
	Average effective tax rate charged to profit and loss account		2674.89%	13.95%
		2.5	-	

31.2 In view of available tax losses, the provision for current tax amounting to Rs. 302.8 million includes tax under 'Final Tax Regime' (FTR) and Minimum Tax on turnover u/s 113, of the Income Tax Ordinance, 2001. Last year's tax charge was partially adjusted against the tax credit under section 65B of the Ordinance. Minimum tax is available for set off for five years against any normal tax liabilities arising in future years.

Tax under 'Final Tax Regime' represents tax on export of Sugar and Ethanol which is treated as a full and final discharge of tax liability u/s 154 of Income Tax Ordinance, 2001. Current tax includes tax under FTR of Rs. 32.5 million (2019: Rs. 56.48 million).

31.3 Certain other tax cases not involving material amounts are pending against the Company against which the Company expects favorable outcomes and, hence, have not been provided for in these accounts.

32 Earnings per share

32.1	Earnings per share - basic and diluted		2020	2019
	(Loss) / profit after taxation	Rupees	(281,725,246)	1,445,922,654
	Weighted average number of ordinary shares	No. of shares	117,706,300	117,706,300
	Basic earnings per share	Rupces	(2.39)	12.28

32.2 There is no dilution effect on the basic earnings per share as the Company does not have any convertible instruments in issue as at 30 September 2020.

		Note	2020	2019
33	Cash and cash equivalents	2.40%	Rupees	Rupees
	Cash and bank balances	23	283,684,625	176,214,041
	Running finance	11	(99,502,155)	(99,502,155)
			184,182,470	76,711,886

34 Financial risk management

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- 2 Liquidity risk
- 3 Market risk

This presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

34.1 Risk management framework

The Board of Directors have overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the Audit Committee.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit Committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

34.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

Exposure to credit risk

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

	Rupees	Rupees
Long term deposits	68,029,408	18,973,175
Tracke debts - considered good	5,808,788	314,759,460
Advances, deposits and other receivable excluding deposit with Government Authorities	1,361,130,953	1,007,050,731
Bank balances	281,370,743	172,690,953
	1,716,339,892	1,513,474,319
Trade debts		
Tracke debts at the balance sheet date are classified in Pak Rupees.		
	2020	2019
	Rupees	Rupees
Export - noved		299,109,756
Local - annound, considered good	5,808,788	15,649,704
	5,808,788	314,759,460
	C - CONTROL OF CONTROL	

The aging of local trade receivables at the reporting date is:

Related Parties	Others	Total
2020	2020	2020
Rupees	Rupees	Rupees
3,010,318		3,010,318
	2,798,470	2,798,470
3,010,318	2,798,470	5,808,788

2020

2019

1 to 30 days 31 to 90 days

1 to 30 days 31 to 90 days

Related Parties	Others	Total
2019	2019	2019
Rupees	Rupees	Rupees
1,614,694	2,676,306	4,291,000
497,486	10,861,218	11,358,704
2,112,180	13,537,524	15,649,704

Trade debts comprise solely of local customers, including Lotte Akhtar Beverages (Pvt.) Limited, an associated company. These include companies with very good credit history with the Company and are regular in their payments. The management continuously monitors the repayment capacity and intention of their debtors and extends the credit periods to their customers according to their credit history. Furthermore, the Company has recovered major portion of its trade debts subsequent to the year. Resultantly, no impairment allowance was necessary.

Bank balances

Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Ra	Rating		2020	2019
	Short term	Long term	Agency	Rupees	Rupees
Al-Baraka Bank	A1	A	PACRA	212,442	2,148,667
Allied Bank Limited	A1+	AAA	PACRA	6,739,146	4,418,809
Askari Bank Limited	A1+	AA+	PACRA	103,205	103,205
Bank Alfalah Limited	A1+	AA+	PACRA	(766,203)	1,919,277
Dubai Islamic Bank	A1+	AA	JCR-VIS	1,087,734	3,957,353
Faysal Bank Limited	A1+	AA	PACRA	22,146,569	831,932
Habib Bank Limited	A1+	AAA	JCR-VIS	(1,274,874)	8,490,132
KASB Bank Limited (Bank Islami)	Al	A+	PACRA	405,977	23
MCB Bank Limited	A1+	AAA	PACRA	55,813,711	47,857,511
Meezan Bank Limited	A-1+	AA+	JCR-VIS	38,569,551	11,197,787
National Bank of Pakistan	A1+	AAA	JCR-VIS	2,757,239	5,466,509
Samba Bank Limited	A-1	AA	JCR-VIS	475,028	427,457
Sindh Bank Limited	A-1	A+	JCR-VIS	63,877,202	30,921,037
Soneri Bank Limited	A1+	AA-	PACRA	11,169	4,872,756
Summit Bank Limited	Suspe	ended	JCR-VIS	80	80
The bank Of Khyber	A1	A	JCR-VIS	1,389	783,300
The Bank of Punjab	A1+	AA	PACRA	2,268,370	6,861,398
United Bank Limited	A-1+	AAA	JCR-VIS	88,943,008	42,433,720
				281,370,743	172,690,953

34.3 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 managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Exposure to liquidity risk

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

	Carrying	Contractual cash flows	Less than one year	One to five years	More than five year
September 30, 2020	A-100-004	250000000000000000000000000000000000000	7.5000	10000000	
Long term finances - mond	2,764,570,561	3,149,131,822	968,633,929	2,180,497,893	1.4
Lease Liabilities	638,559,332	712,231,866	245,979,770	466,252,096	
Short term borrowings-wand	6,160,656,056	6,160,656,056	6,160,656,056		5.9
Frade and other payables	2,400,749,091	2,400,749,091	2,400,749,091		
Mark-up accrued	138,423,497	138,423,497	138,423,497		- 32
Printing Control (Control	12,102,958,537	12,561,192,332	9,914,442,343	2,646,749,989	30#

	Carrying	Contractual eash	Less than one	995 513	More than five
	Amount	flows	year	One to five years	year
September 30, 2019					
Long term finances - noval	3,016,365,136	3,773,920,196	1,456,676,926	2,317,243,270	
Lease Liabilities	662,593,081	800,372,367	346,720,443	453,651,924	5.55
Short term borrowings-novad	5,513,273,317	5,513,273,317	5,513,273,317	19	
Trade and other payables	2,459,030,134	2,459,030,134	2,459,030,134	1+	5.50
Mark-up accrued	246,377,102	246,377,102	246,377,102		7.0
	11,897,638,770	12,792,973,116	10,022,077,922	2,770,895,194	(*)
	THE RESIDENCE OF THE PARTY OF T		STREET, SQUARE, SQUARE	The second secon	

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at September 30, 2020. The rates of mark up have been disclosed in relevant notes to these financial statements.

34.4 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. Market risk comprises of currency risk, interest rate risk and other price risk.

34.4.1 Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currency in which these transactions are primarily denominated is US Dollars.

Exposure to currency risk

The following figures represent foreign currency balances after conversion in Pak Rupees using exchange rates prevailing at the statement of financial position date:

	2020	2019
	USD	USD
Assets		
Trade debts	7.5	1,914,916
Off statement of financial position items		
Outstanding letters of credit		(22,046)
Net exposure	-	1,892,870

Exchange rates applied during the year

The following exchange rates have been applied during the year on transactions involving foreign currency.

	3	2020	
	Spot rat	te Dollar	Average rate for
	Buying	Selling	the year
		USD to PKR	
Exchange rate during the year on transactions involving foreign currency	166.1	161.49	163.80
	2	2019	3.65
	Spot rat	te Dollar	Average rate for
	Buying	Selling	the year
		USD to PKR	
Exchange rate during the year on transactions involving foreign currency	156.7	156.2	156.45

Sensitivity analysis

A reasonably possible strengthening / (weakening) of 10% in Pak Rupee against the US Dollar would have affected the measurement of financial instruments denominated in foreign currency and affected statement of profit or loss by the amounts shown below at the statement of financial position date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

2020 2019 USD USD - 189.287

Effect on profit or loss account

Currency risk management

Since the maximum amount exposed to currency risk is Nil (2019: 1.26%) of the Company's total assets, any adverse / favorable movement in the functional currency with respect to US dollar will not have any material impact on the operational results.

34.4.2 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	follows:				
		2020	2019	2020	2019
		Effectiv	ve rate in	Carrying a	mount
		Perce	entage	Rup	ees
	Financial assets				
	Fixed rate instruments				
	Bank balances - saving accounts	5.50% to 12.00%	7.06% to 12.23%	107,788,449	37,160,731
		2020	2019	2020	2019
		Effectiv	re rate in	Carrying a	mount
-	Financial liabilities	Perc	entage	Rup	ees
	Floating rate instrument				
	Long term finances - named	3.00% to 17.35%	10.92% to 16.47%	2,764,570,561	3,016,365,136
	Lease Liability	9,49 % to 18,40 %	9.29% to 17.59%	638,559,332	662,593,081
	Short term borrowings - normal	9.28% to 17.85%	12,06% to 17,05%	1,638,456,054	2,248,914,317
	Fixed rate instruments				
	Export refinance facility - normal	3.00%	3.00%	4,522,200,002	3,204,359,000

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss account.

Cash flow sensitivity analysis for floating rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2020	2019
	Rupees	Rupees
Effect on profit - Increase	50,415,859	59,278,725
Effect on profit - Decrease	(50,415,859)	(59,278,725)

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

Interest rate risk management

The Company manages interest rate risk through risk management strategies where significant changes in gap position can be adjusted. The short term borrowings and loans & advances to the Company have variable rate pricing that is mostly dependent on KIBOR as indicated in respective notes.

34.4.3 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 believes that it is not exposed to other price risk.

35 Capital management

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 its business. The Board of Directors monitor the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitor the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and.
- (ii) to provide an adequate return to shareholders.

The Company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of long term debt to equity.

The debt-to-equity ratios as at 30 September are as follows:	2020	2019
	Rupees	Rupeus
Debr	3,403,129,893	3,678,958,217
Equity	9,846,234,492	9,997,078,387
Total	13,249,364,385	13,676,036,604
Gearing ratio	26%	27%

The Company is not highly geared.

35.1 Accounting classification and fair values

점심하다 이번에 하면 그리지 않는데 하는데 하는데 하는데 하는데 하는데 하는데 하는데 하는데 하는데 하							
September 30, 2020		Carry	ing amount			Fair value	
	Pair value through Profit or Loss	Fair value through OCI	At Amortized cost	Total	Level 1	Level 2	Level 3
Financial assets				21300 Ta-9111			
Long term deposits	1.7		68,029,408	68,029,408		18.5	
Trade debta - considered good	-		5,808,788	5,806,788	-		
Advances, deposits, prepayments & other receivables	- 1		1,361,130,953	1,361,130,953	*		
Bank balances		224	281,370,743	281,370,743		-	
		14	1,716,339,892	1,716,339,892			
Financial liabilities							
Long term finances - secured			2,764,570,561	2,764,579,561	3.4	4.5	
Lease liabilities	-		638,559,332	638,559,332			
Short term borrowings - secured	-		6,360,656,056	6,160,656,056	-		
Trade and other payables	32		2,400,749,091	2,400,749,091	-		
Inserest and mark-up accrued		1.0	138,423,497	138,423,497	-		
		19	12,102,958,537	12,102,958,537	-		

September 30, 2019		C	crying amssunt			Fair val	ue
	Pair value through Profit or Loss	Fair value through OCI	At Amortized cost	Total	Level 1	Level 2	Level 3
Financial assets							
ang term deposits	0.00		18,973,175	18,973,175	100		
Trade debts - considered good	. 9	1.0	314,759,460	314,759,460	50	-	-
Advances, deposits, prepayments & other receivables	8	15	1,007,050,731	1,007,050,731	3	5	
tank balances	58	19	172,690,953	172,690,953	188		
	1 32	- 32	1,513,474,319	1,513,474,319	- 52	- 5	74
inancial liabilities	-77						
ong term finances - woord	12	12	3,016,365,136	3,016,365,136	32	- 5	-
coe lisbilities	-	19	662,593,081	662,593,081	1.0	4.5	5.0
hort term borrowings - sward	34	- 9	5,513,273,317	5,513,273,317	- 33		-
rade and other payables	12	100	2,459,030,134	2,459,030,134	- 3		-
nterest and mark-up accraed		17.	246,377,102	246,377,102		-	
			11,897,638,770	11,897,638,770		F-0	

The above table presents assets and liabilities carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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.

SUGAR MILLS LTD.

The Company has three reportable segments, as described below, which are the Company's strangic divisions. The strangic divisions offer different products and services, and are managed separately because Basiness segments information

36.1 36

Reportable Segments

Operation of reportable segments

performance is focused on type of goods supplied. The following summary describes the openations in each of the Company's reportable segments

they require different technology and marketing strategies. Information repursed to the Company's Chief operating decision maker for the purpose of resource allocation and assessment of segment

Production of White Sugar & Mokases from sugar cone Production of Ethanol from molasses

Production of Top Gas

Information regarding the Company's reportable segments is presented below:

Segment revenue and results

	Sugar		Distillery	60	Top Gas	18	Total	1
	2020 Rupres	2019 Rupocs	2020 Rupces	2019 Raposa	2020 Rupers	2019 Rupers	2020 Rupecs	2019 Rupees
Sales - Net - External - Inter-segment	2,432,485,280	21,403,835,382	3,233,977,619	5,771,068,273	53,896,006	120,970,975	21,271,884,733	27,295,874,630
	20,416,496,388	23,292,765,862	3,250,069,106	5,827,824,649	53,896,006	128,970,975	23,730,461,500	29,241,561,486
Cost of sales - External - Inter-segment	(18,974,548,060)	(21,015,001,898)	(414,435,118)	(2,068,377,365)	(41,962,268)	(56,756,376)	(19,430,945,446)	(1,945,686,856)
	(18,974,548,060)	(21,015,001,898)	(2,846,920,398)	(3,957,307,845)	(68,053,755)	(116,146,452)	(21,889,522,213)	(25,088,456,195)
Gness Profit / (Loss)	1,441,948,328	2,277,763,964	413,148,708	1,870,516,804	(14,157,749)	4,824,523	1,840,939,287	4,153,105,291
- Administrative expenses - Distribution expenses - Finance cost	(448,325,846)	(278,871,229) (46,463,494) (1,274,786,980)	(81,771,450) (259,245,999) (168,958,452)	(243,033,224) (544,761,178) (224,858,756)	(14,792,877)	(9,213,746)	(313,627,765)	(400,648,748) (400,648,748) (1,499,645,736)
	(1,383,284,632)	(1,600,121,703)	(509,975,901)	(812,653,158)	(17,078,438)	(24,637,822)	(1,910,338,971)	(2,437,412,683)
Segment results	38,663,696	677,642,261	(96,827,193)	1,057,863,646	(31,236,187)	(19,813,299)	(69,399,684)	1,715,692,608
(Loss) / profit from operations Other expenses							(69,399,684)	1,715,692,608

Profit before taxation Other income

Taxanion

(234,275,988) 1,445,922,654

(292,666,471) (281,725,246)

68,485,087 1,680,198,642

97,729,521 10,941,225

(Loss) / profit after taxation

Distillery segment Top Gas segment

Sugar segment

TANDLIAN WALS

36.2 Inter-segment sales and purchases and basis of pricing

Inter-segment sales and purchases have been climinated from total figure and all inter-segment transfers are made at market price.

	Sug	ar.	Distillery	lery	Top Gas	50	Total	Til Til
	2020	2019	2020	2019	2020	2019	2020	2019
36.3 Segment sesets	11,780,230,880	11,602,878,275	11,464,335,051	11,833,336,230	53,290,288	156,398,117	23,397,856,219	53,592,612,622
36.4 Segment liabilities	7,650,365,813	7,540,874,078	5,884,855,085	6,247,432,569	16,400,829	7,227,588	13,551,621,727	13,595,534,235
6.5 Capital expenditure	336,948,118	1,307,352,572	246,242,235	16,752,932		12,496,658	583,190,353	1,236,602,162
36.6 Depreciation on property, plant and equipment	554,831,139	538,970,878	188,731,953	196,892,501	12,135,297	11,663,993	755,698,389	747,527,372

Secondary reporting format 36.7

	Sugar	u	Distiller	ery	Top Gas	98	Total	No.
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupecs
Export sales	175,726,106		3,078,669,208	5,648,959,858			3,254,395,314	5,648,959,858
Local sales	17,808,285,002	21,403,835,382	155,308,411	122,108,415	53,896,006	120,970,975	18,017,489,419	21,646,914,772
	17,984,011,108	21,403,835,382	3,233,977,619	5,771,068,273	83,896,006	120,970,975	21,271,884,733	27,295,874,630

36.8 Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

			2020	2019
			Rupees	Ropees
36.8.1 Revenues			100 000 0100 000	Pus de Para la
Total revenue for reportable segments			23,730,461,500	29,241,561,486
Elimination of inter-segment revenue Consolidated revenue		100	(2,458,576,767)	(1,945,686,856) 27,295,874,630
36.8.2 Profit or loss before tax and other expens		_	21,271,004,733	41,423,014,030
Total (loss) / profit for reportable segments			(69,399,684)	1,715,692,608
			(02,322,004)	1,(15,052,000
Un-allocated corporate expenses - Other expenses			(17,388,612)	(100,979,053)
- Other income			97,729,521	65,485,087
- Taxation			(292,666,471)	(234,275,988)
Consolidated (loss) / profit after tax			(281,725,246)	1,445,922,654
36.8.3 Assets			VS.	
Total assets for reportable segments			23,397,856,219	23,592,612,622
Elimination of inter-segment assets		04	•	
Consolidated assets		_	23,397,856,219	23,592,612,622
36.8.4 Liabilities				
Total liabilities for reportable segments			13,551,621,727	13,595,534,235
Elimination of inter-segment liabilities		<u> </u>	<u> </u>	
Consolidated liabilities		_	13,551,621,727	13,595,534,235
Capacity and production		20	20	
Sugar plant	Unit I	Unit II	Unit III	Total
Crushing capacity (Metric tons)	1,312,500	1,875,000	1,906,250	5,093,750
based on 125 days - (Season 2019-2020)				
Sugar produced (Metric tons)	77,182	68,811	119,427	265,420
Recovery ratio	8,66%	9,78%	9,56%	9.33%
Under utilization of capacity is due to low production	n of sugar-cane.			
Sugar plant		20	19	
	Unit I	Unit II	Unit III	Total
Crushing capacity (Metric tons)	1,312,500	1,875,000	1,906,250	5,093,750
based on 125 days - (Season 2018-2019)	70.115	105 520	00.914	200.220
Sugar produced (Metric tons) Recovery ratio	69,115 8,97%	105,529 9.90%	80,731 9.28%	255,375 9.38%
necovery value	0.2174	3,30,0	2020	2019
Ethanol - Distillery plant I			Based on 330 days	
Rated capacity (Liters)			41,250,000	41,250,000
Actual production (Liters)			12,392,500	33,694,266
Ethanol - Distillery plant II				
Rated capacity (Liters)			42,900,000	42,900,000
Actual production (Liters)			23,455,000	39,704,276
			2020	2019
Top Gas - Carbondioxide plant			Based on 300 days	Based on 300 days
Rated capacity (Metric tons)			14,400	14,400
			200	

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38 Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company are as follows:

		2020		
	Directors		E	
	Chief Executive	Executive	Non - executive	Executives
		Ruj	pees	
Managerial remuneration		24,000,000	800,000	70,423,557
Medical allowance	- 2	2,400,000	80,000	17,796,635
House rent allowance		9,600,000	320,000	26,760,952
Bonus				00000000000000000000000000000000000000
Staff retirement benefits	2	3,000,000	100,000	9,573,881
		39,000,000	1,300,000	124,555,025
Number of persons	1	1	. 5	37
		20	019	
		Directors	and the second	Executives
	Chief Executive	Executive	Non - executive	Executives
	***************************************	Rıq	nees	
Managerial remuneration	4	21,000,000	362,773	70,905,874
Medical allowance		2,100,000	36,572	17,918,521
House rent allowance	+	8,400,000	145,109	26,686,385
Bonus	2			1,144,695
Staff retirement benefits		3,000,000	45,421	5,772,667
	-	34,500,000	589,875	122,428,142
Number of persons	1	1	5	35

The Chief Executive Officer, Directors and Executives are provided with free use of Company maintained cars.

No meeting fee was paid to Directors during the year (2019: Nil).

39 Number of employees

The average and total number of employees are as follows:

Total employees	2020	2019
Average number of employees during the year	1869	1825
Total number of employees as at 30 September	1907	1830
Factory employees	2020	2019
Average number of employees during the year	1774	1733
Total number of employees as at 30 September	1811	1736

40 Transactions with related parties

The related parties comprise directors of the Company, key employees, associated undertakings and holding company. Details of transactions with related parties, other than those which have been specially disclosed elsewhere in these financial statements are as follows:

Name of party	Relationship	Nature of Transactions	2020 Rupees	2019 Rupees
Lotte Akhtar Beverages (Pvt.) Limited	Common directorship	Sale of Top Gas Receipts against sale of Top Gas	15,823,325 14,925,187	35,407,918 41,064,304
The Institute for Policy Reforms	Common directorship	Donation	13,412,914	12,547,546
Ms. Rasheeda Begum	Directors	Guest house rent expense	4,800,000	- 5

41 Events after the statement of financial position date

There are no subsequent events occurring after the statement of financial position date.

42 Date of authorization for issue

These financial statements were authorized for issue on February 04, 2021 by the Board of Directors of the Company.

- 43 General
- 43.1 Figures have been rounded off to the nearest Rupee.
- 43,2 Correspondence figures have been re-arranged and re-classified and descriptions are amended, wherever necessary for the purpose of comparison and better presentation.

Lahore				
February 04, 2021	Chief Financial Officer	Chief Executive	Director	

Proxy Form Tandlianwala Sugar Mills Ltd.

32ndAnnual General Meeting

		POHO NO./	CDC A/c No.
I/We	,	of	
in the	district of	being a member,	members of Tandlianwala Sugar Mills Ltd
holdir	ng	shares of Rs.10 each, hereby appoin	nt Mr./Ms
of		a member of the	Company, vide Registered Folio/CDC A/c
No		or failing him / her,	as my/our proxy to vote
for m	e/us and on my/our	behalf at the 32 nd Annual General Meetin	g of the Company to be hold at Chandn
Banqu	iet Hall 43-N Gulberg-I	II, Lahore on Saturday, February 27, 2021 at	t 10:00 am and at any adjournment thereof
orofa	ny ballot to be taken i	n consequence thereof,	
200	1300	day of February, 2021	
Signer	this	uay or rebruary, 2021	
Signer	d this	uay or reordary, 2021	
Signer	d this	day of recidary, 2021	
Witne	0.000400	day of recidary, 2021	
	sses:	day of recidary, 2021	
Witne	sses: Signature:		
Witne	sses: Signature:		
Witne	sses: Signature: Name:		
Witne	sses: Signature: Name: CNIC:		
Witne	sses: Signature: Name: CNIC:		Affix Revenue
Witne	sses: Signature: Name: CNIC:		Stamp of Rupees
Witne	sses: Signature: Name: CNIC:		Stamp of Rupees Five
Witne	Signature: Name: CNIC: Address:		Stamp of Rupees
Witne 1.	Signature: Name: CNIC: Address:		Stamp of Rupees Five
Witne 1.	Signature: Name: CNIC: Address: Signature:		Stamp of Rupees Five

Note:

All proxies, in order to be effective, must be received at the Company's Registered Office not less than forty eight (48) hours before the time fixed for holding the Annual General Meeting and must be duly stamped, signed and witnessed as required.

پرائسی فارم تا ندلیا نواله شوگرملزلمیژیژ کا32وال(بتیسوال) سالا نداجلاس عام

		فوليواي ذي حاكا وأثث نمبر
	ساكن	يں اہم
مال عام صعص مبلغ 10 روپے ہرا یک شیر ،	بحيثيت زُكن تا ئدليا نواله شؤكر ملزلميثيذ ه	ضلع
سینی رکن بروئے رجنرڈ فولیو ای ڈی می اکاؤنٹ	ماکن 	مسمى/مساة
- کوبطور مختار (پراکس) مقرر کرتا ا کرتے ہیں تا کہ وہ میری اہماری طرف ہے کمپنی کے	- ياأس كى عدم موجود كى ميس	بر
10:00 بج بمقام چاندنی جینکوئٹ ہال 43-4 گلبرگIII لا ہور پرمنعقد ہور ہاہاور	اری 272فروری 2021ء بروز ہفتہ بوفت میں	32ويرسالا نداجلاب عام ية
	ا میں حق رائے دعی استعال کرے۔	
	_2021 كومير ب دستخط سے جاري جوا۔	آج موردنه فروری
	پانچ روپیک ر یوینونکٹ چسپال کریں ممبرے دشخط	
		صحوابان:
-2		-1
	2	ct
- شاختی کارونمبر:		شاختی کارؤنمبر:
; _{z_c} .	· 3	
(U.T.)		٠ نوك:
كرجشر وفتريرا جلاس كانعقاد كم ازكم 48 كففة فيل لازماجع موجانا جايئي -	نے کیلئے لازم ہے کہ ہرلحاظ ہے کمل فارم کمپنی کے	